



# **EASTTECH**

Eastech Holding Limited

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## Sustainability Report

2024





# **EASTTECH**

The world's largest OEM manufacturer of audio-visual speakers.

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## About the Report

The content of the Report is prepared based on the guiding policies and structure of the GRI Standards 2021 published by the Global Reporting Initiative (GRI). The Report introduces the fulfillment of corporate social responsibility (CSR) by Eastech Holding Limited ("Eastech" or "the Company") and the specific measures actively implemented by Eastech in terms of the implementation of sustainable management, corporate governance, ethical corporate management, operating performance, customer services, product quality, sustainable supply chain management, green production for the sustainable environment, healthy and safe working environments of friendly workplaces.

### Editing Summary

This is the first Sustainability Report issued by the Company to completely exhibit issues of investors' concerns, including various management policies and relevant data on corporate sustainable development. It not only provides information with credibility and transparency but also facilitates mutual communication with internal and external stakeholders.

The Report can be accessed and downloaded on the Company's website.

Website : <https://www.eastech.com>

### Data Period

The information disclosure period of the Report is from January 1, 2024, to December 31, 2024.

The issuance time for the initial version of the Report: August 2025.

The issuance time for the next version: August 2026.

The Report discloses various sustainable management policies, risk assessments, analysis of material issues, responses, and actions of Eastech. The Company adheres to the concepts of sustainable operation, implements the promotion of sustainable development work, and improves the level of comprehension of readers in terms of the information in the Report. The Company will regularly issue a Sustainability Report each year.

### Scope and Boundary

Eastech and its subsidiaries included in the consolidated financial statements are the scope of disclosure for the Report. In particular, the disclosure boundary for governance and economic topics is Eastech (including Scan-Speak A/S in Denmark); the disclosure boundary for environmental and social topics mainly includes Eastech Innovations (TW) Inc. in Taiwan, Eastech (Huizhou) Co., Ltd., Eastech (Huizhou) Co., Ltd. (Shenzhen Branch) and Eastech (SZ) Co., Ltd. in Mainland China, Eastern Asia Technology (HK) Limited and EATL Electronics (HK) Limited in Hong Kong, Eastech (VN) Company Limited in Vietnam, and Eastech (SG) Pte. Ltd. in Singapore.

### Principles and Guidelines

To continue to strengthen the comparability of performance and the substantiveness of the Report, all information published in the Report complies with and refers to internationally common standards: GRI, TCFD, and SASB and is presented according to the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies in Taiwan. The standards are as follows:

- ◆ GRI (Global Reporting Initiative) Standards
- ◆ TCFD (Task Force on Climate Related Financial Disclosures)
- ◆ SASB (Sustainability Accounting Standards Board): Hardware Industry
- ◆ Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- ◆ Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies



## Internal Control

The Sustainable Development Committee under the Board is responsible for the overall planning of the annual Sustainability Report, and the Sustainability Office is responsible for gathering the information required for the Report, preparing the Report, and coordinating external verification. The Report is issued after being approved by the Board.

The Sustainability Report covers the following content according to the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies":

- ① relevant environmental, social and corporate governance risk assessments.
- ② lay out the performance indicators to manage the material topics identified.
- ③ disclose what Content Index of the GRI Standards and SASB standards corresponds to the contents of the report.
- ④ specify in the Report whether the topic-specific disclosures have been assured or verified by a third party.

## Guarantee the Accuracy of the Disclosed Information

The disclosure of sustainability-related information may significantly impact stakeholders; therefore, we will make every effort to thoroughly understand the details to ensure the accuracy and completeness of the disclosed information.

## Internal Confirmation

All financial information in the Report is extracted from the 2024 financial statements certified by CPAs. Unless otherwise specified, all currency units in the Report are NTD, and the figures are rounded to the 2nd decimal place. To highlight the mid-to-long-term trends for partial indicators, consecutive data for the most recent two or three years is provided. All the data, figures, and review data disclosed in the Report are documented, confirmed by the supervisors of the relevant departments, and approved by the top management.

## External Assurance

AFNOR Asia Ltd. was engaged to carry out an independent verification in accordance with the AA1000AS v3 guarantee standards and Type 1 2018, and it is confirmed that the Report complies with the GRI and SASB standards. The verification statement is enclosed as an appendix of the Report.

## Feedback and Contact Information



### TEL

886-2-29102626



### Address

8F-1, No. 188, Baoqiao Rd., Xindian Dist., New Taipei City 231028, Taiwan, R.O.C.



### E-mail

esg@eastech.com



### Corporate website

www.eastech.com

## Message form the Chairman

Entering 2025, the global political and economic situations fluctuate intensively. In an era that is full of changes and challenges, enterprises are facing unprecedentedly complicated situations. The geopolitical tension intensified, climate change, inflationary pressure, the reorganization of supply chains, and the increasing awareness of human rights have in-depth effects on our operating model.

Facing such challenges, we are convinced that the establishment of resilient and forward-looking business strategies is the only way to move forward steadily in an uncertain environment. We will continue to enhance the diversification and localization of the supply chain and improve the flexibility and efficiency of our operations. Meanwhile, we will actively promote sustainable development goals, commit to the reduction of carbon emissions, and ensure respect for human rights, diversity, and inclusiveness during the course of operations.

### Statement for the Sustainable Development Policy

**Environmental protection and resource conservation** : The Company is committed to reducing resource consumption and environmental pollution, and it adopts environmental protection as the basic requirement for business operations. This is not only exhibited in the course of our product design and production but also implemented in daily operations and management.

**Social responsibility and the well-being of employees** : We believe that employees are the most precious assets of enterprises. The Company is responsible for providing healthy, safe, and diversified working environments and supporting the occupation development, personal growth, and human rights protection of employees while actively participating in public services to contribute to society.

**Fair and transparent business conduct** : The Company has always adhered to the principles of fairness, justice, and transparency, and it emphasizes ethical procurement and social responsibility in the supply chain. We believe that ethical corporate governance is the foundation for the long-term development of any enterprise.

### Sustainable Development Commitments

The Company not only focuses on its present achievements, but deems future challenges as encouragement, and constantly seeks opportunities for innovation and improvement. We are committed to the following :

- ◆ Realize the reduction of carbon emissions and strive to achieve the target of carbon neutrality.
- ◆ Promote the development and innovation of green products to achieve mutual wins in terms of environmental protection and business value.
- ◆ Enhance supply chain management to ensure the compliance of suppliers with environmental and social responsibilities.

In future development, the Company will continue to adopt this as the guiding policy for its operation and include sustainable development in each business decision and action. We are deeply convinced that the close combination between enterprises and social and environmental requirements is the key to long-term achievements. In the future, we will join hands with stakeholders to move toward a green and prosperous future.

Chairman  
Liou Jenq-Lin

## About Eastech

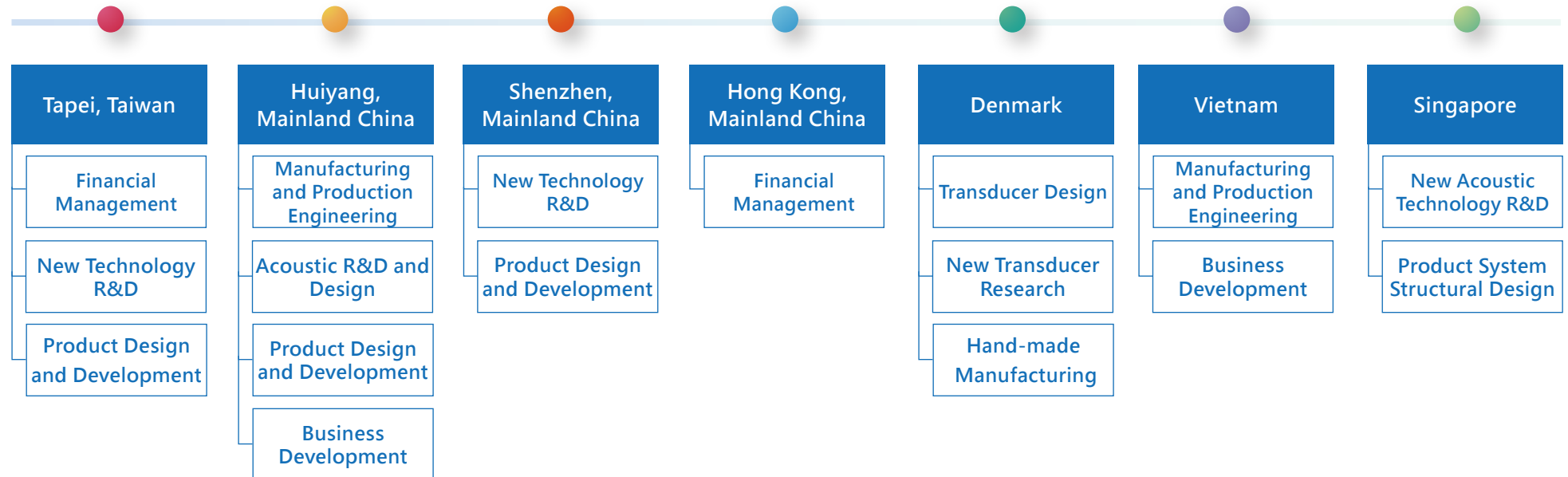
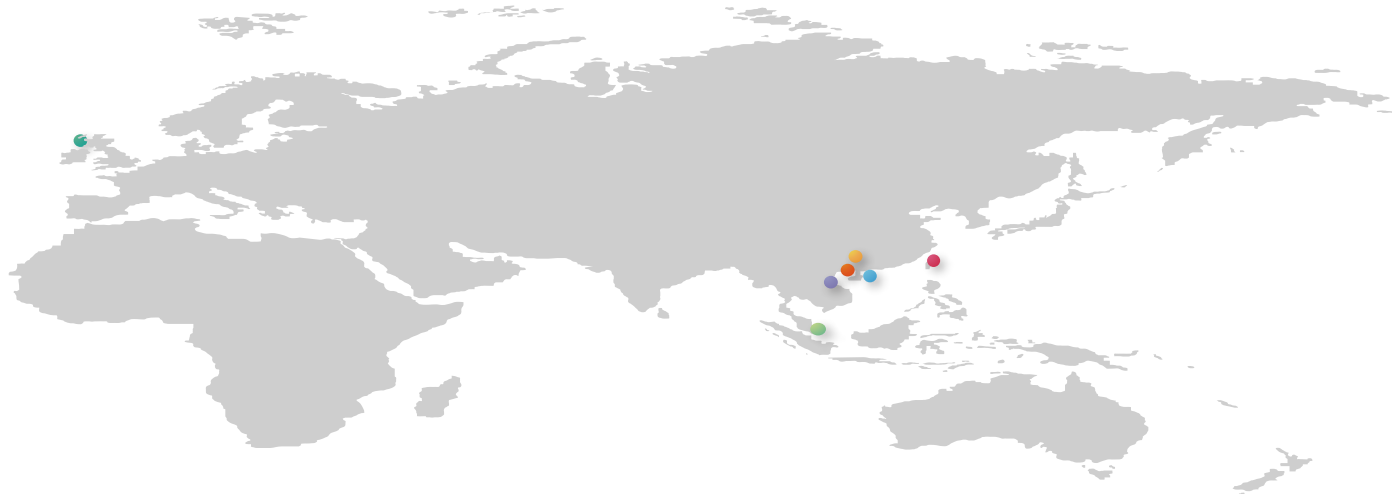
Eastech Holding Limited was established on February 1, 2021. The scope of business of the Company mainly involves the manufacturing and sales of speaker systems and headphone products, the design, manufacturing, and sales of high-end/smart speaker and audio and video electronic home entertainment systems, and the R&D of system structures/new product concepts/innovative products and acoustic technologies.

At present, it has approximately 2,600 employees worldwide, including over 200 professional engineers in acoustics, electronics, hardware, software, and systems. It possesses the most advanced acoustic R&D equipment in Huiyang, Mainland China and Denmark, and it is integrated with the software and electronic R&D equipment in Shenzhen and Huiyang, Mainland China. The core business focuses on the acoustics, audio IoT, audio systems, and transducer designs of the consumer market, as well as the professional speaker and car speaker applications. Utilizing the modernized equipment of the Company in different places, we provide top-notch technologies, manufacturing capabilities and resource testing services worldwide. We possess nearly a hundred effective patents, and cooperate with top brands in consumer electronic, professional and vehicle industries.

### Profile of the Company

|                               |  |
|-------------------------------|--|
| Company Name                  | Eastech Holding Limited  |
| Registered Address            | The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands   |
| Main Scope of Business        | The design, manufacturing and sales of speaker systems and headphones<br>The design, manufacturing, and sales of high-end/smart speaker and audio and video electronic home entertainment systems<br>The R&D of system architecture/new product concepts/state-of-the-art products and acoustic technologies |
| Industry                      | Other Electronics  |
| Stock Name and Code           | EASTECH (5225)   |
| Paid-in Capital               | NT\$772,806,770  |
| Establishment Date            | February 1, 2011   |
| Chairman                      | Mr. Liou Jenq-Lin  |
| President                     | Mr. Pai Chin-Chang   |
| Number of Employees Worldwide | Approximately 2,600 persons  |
| Address                       | 8F-1, No.188, Baoqiao Road, Xindian District, New Taipei City, 231028 Taiwan R.O.C.  |
| Telephone                     | +886-2-29102626  |
| Website                       | www.eastech.com  |
| Main Production Site          | Huizhou City of Guangdong Province in Mainland China and Chi Linh City of Hai Duong Province in Vietnam  |

## Company's Place of Operations and Major Functions







chapter

# 01

## Corporate Governance and Operations

1.1 Governance Organization and Composition

1.2 Economic Performance

1.3 Ethical Corporate Management

1.4 Legal Compliance

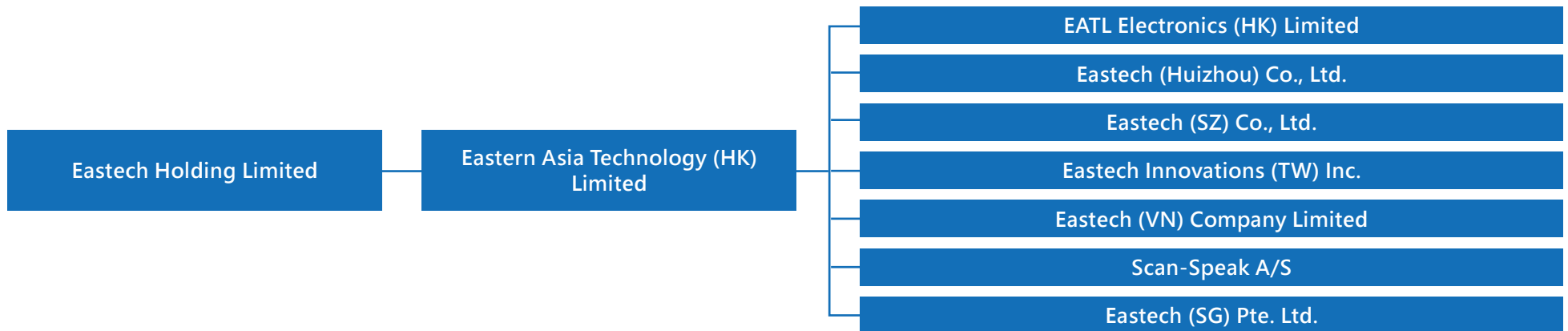
1.5 Information Security Management

1.6 Risk Management

# 1.1 Governance Organization and Composition

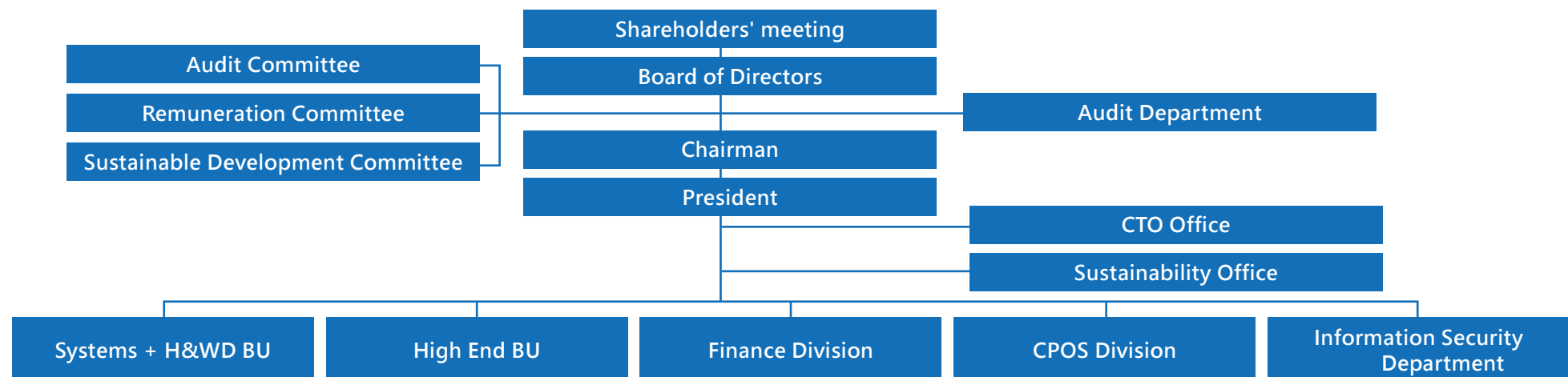
## The Group and Organizational Structure

### Organization of the Group



Note: Eastech Electronics (HK) Limited has been renamed as EATL Electronics (HK) Limited on March 18, 2025.

### Organizational Structure



## Governance Unit

The scope of business of the main departments is as follows:

| Department                               | Main Duties   |
|--|---|
| <b>Board of Directors/Board</b>          | The Board of Directors is accountable to the shareholders' meeting and is responsible for implementing its resolutions, as well as formulating the Company's business and investment plans within the scope of authority granted by the shareholders. |
| <b>Chairman</b>                          | The Chairman provides policy direction and sets strategic objectives for the Company's operations and appoints senior management to execute and advance business initiatives.   |
| <b>Audit Committee</b>                   | The Audit Committee oversees the financial reporting process and internal controls on behalf of the Board to ensure the credibility of the financial statements and the Company's compliance with relevant regulations.                               |
| <b>Remuneration Committee</b>            | The Remuneration Committee oversees the fairness of salary payments to the management team and the allocation of shares to employees on behalf of the Board, supporting the separation of ownership and management rights within the Company.         |
| <b>Sustainable Development Committee</b> | The Sustainable Development Committee supports the Board in advancing and overseeing the Company's sustainability goals, management policies, and actionable plans to strengthen sustainable governance.  |
| <b>Audit Department</b>                  | The Audit Department carries out audit work regularly or from time to time based on the internal control system of the Company and proposes audit reports and improvement policies.   |
| <b>President</b>                         | The President implements the resolutions of the Board and coordinates all affairs of the Company.   |
| <b>Sustainability Office</b>             | The Sustainability Office plans for the sustainable development targets and strategies and promotes sustainable development action plans.   |
| <b>CTO Office</b>                        | The CTO Office develops commercialized products and technologies and promotes innovations and technology development to improve core competitiveness.   |
| <b>Systems+H&amp;WD BU</b>               | The Systems+H&WD BU coordinates the business development, product design, procurement, quality control, and manufacturing of sound bars, Bluetooth speakers, headphones, and wearable products.   |
| <b>High-End BU</b>                       | The High-End BU coordinates the business development, product design, procurement, quality control, and manufacturing of high-end products.   |
| <b>Finance Division</b>                  | The Finance Division manages capital allocation, financial management, accounting, stock affairs, investment and public relations, customs affairs, and shipping affairs of the Company.  |
| <b>CPOS Division</b>                     | The CPOS Division manages personnel administration, legal affairs, and computer information.  |
| <b>Information Security Department</b>   | The Information Security Department manages the planning, monitoring, and implementation of the cybersecurity system.   |



## The Board of Directors

### Board Structure/Diversification Policy/Organization of the Sustainable Development Committee:

| Title                | Name              | Age   | Gender | Term of Office | Main Academic Background and Experience   | Member of the Sustainable Development Committee | Core Items of Diversification |   |                             |                           |                    |                                 |            |                         |      |
|----------------------|-------------------|-------|--------|----------------|---|---|-------------------------------|---|-----------------------------|---------------------------|--------------------|---------------------------------|------------|-------------------------|------|
|                      |                   |       |        |                |   | Duties for a Sustainable Organization           | Business Judgment Ability     | Accounting and Financial Analysis Ability | Business Management Ability | Crisis Management Ability | Industry Knowledge | International Market Viewpoints | Leadership | Decision-Making Ability | Laws |
| Chairman             | Liou Jenq-Lin     | 71-80 | Male   | 3              | <ul style="list-style-type: none"> <li>MBA &amp; MS, Electrical Engineering, University of Southern California, USA</li> <li>Senior engineering advisor of IBM, USA</li> <li>Senior engineering advisor of Xerox, USA</li> </ul>  |   | ▲                             |   | ▲                           | ▲                         | ▲                  | ▲                               | ▲          | ▲                       | ▲    |
| Director             | Pai Chin-Chang    | 61-70 | Male   | 3              | <ul style="list-style-type: none"> <li>MBA, Senior Management Officer, HK International Business College</li> <li>President, Eastech Holding Limited</li> </ul>   |   | ▲                             |   | ▲                           | ▲                         | ▲                  | ▲                               | ▲          | ▲                       | ▲    |
| Director             | Chang Tung-I      | 61-70 | Male   | 3              | <ul style="list-style-type: none"> <li>MBA, California State University, USA</li> <li>Executive VP, Kuo-Bin Ceramic</li> <li>Chairman, Eastech Innovations (TW) Inc.</li> </ul>   | Member  | ▲                             | ▲   | ▲                           | ▲                         | ▲                  | ▲                               | ▲          | ▲                       | ▲    |
| Director             | Teng Chiou-Shiang | 61-70 | Female | 3              | <ul style="list-style-type: none"> <li>Bachelor of Department of Economics, Fu Jen Catholic University</li> <li>HR Vice President, Eastech Innovations (TW) Inc.</li> </ul>   | Member  | ▲                             |   |                             | ▲                         | ▲                  | ▲                               | ▲          | ▲                       | ▲    |
| Independent Director | Chang Shan-Juh    | 71-80 | Male   | 3              | <ul style="list-style-type: none"> <li>Master of Electronic Engineering, University of Southern California, USA</li> <li>Lecturer of the Faculty of Electronic Engineering and supervisor of the Human Resources Officer, Tatung University</li> <li>Director of Planning Division, Tatung Company</li> <li>Head of Human Resources Development Department, Tatung Company</li> </ul> | Member  | ▲                             |   |                             | ▲                         | ▲                  | ▲                               | ▲          | ▲                       | ▲    |
| Independent Director | Jeng Shih-Rong    | 71-80 | Male   | 3              | <ul style="list-style-type: none"> <li>Bachelor of Department of Law, National Chung Hsing University</li> <li>Chief Secretary of the Internal Administration Committee, Foreign and National Defense Committee of Legislative Yuan, Republic of China (Taiwan)</li> </ul>  | Chair-person                                    | ▲                             |   | ▲                           |                           |                    |                                 | ▲          | ▲                       | ▲    |
| Independent Director | Su Yi-Jen         | 51-60 | Male   | 3              | <ul style="list-style-type: none"> <li>MBA, University of San Francisco, USA</li> <li>CEO, Chunghwa Satellite Communication Systems Co., Ltd.</li> <li>EMBA and Adjunct Assistant Professor, Chang Jung Christian University</li> </ul>   | Member  | ▲                             | ▲   | ▲                           | ▲                         |                    | ▲                               | ▲          | ▲                       | ▲    |

## Performance Evaluation of the Board

For details, please refer to "page 28 of the annual report for the 2024 shareholders' meeting."

## Governance Operations of Functional Committees

### Audit Committee

The Company established its Audit Committee on March 30, 2011. According to the Audit Committee Charter of the Company, the Committee comprises all Independent Directors, and it assists the Board in performing the supervision of the quality and reliability of accounting, audit, financial reporting procedures, and financial control implemented by the Company.

Attendance of Audit Committee meetings in 2024: For details, please refer to "page 32 of the annual report for the 2024 shareholders' meeting."

### Remuneration Committee

To optimize corporate governance and the remuneration system of all Directors, Independent Directors, and managers of the Company, the Company established its Remuneration Committee according to Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange and established the charter of the Committee for observation. The Committee regularly examines the policies, systems, standards, and structure of the annual and long-term performance targets and remuneration of Directors, Independent Directors, and managers.

For the remuneration policy and remuneration determination processes, please refer to the "Remuneration Committee Charter" on the Company's website.

Attendance of Remuneration Committee meetings in 2024: For details, please refer to "page 53 of the annual report for the 2024 shareholders' meeting."

## Sustainable Development Committee

### Information of members of the Sustainable Development Committee

The Company established the Sustainable Development Committee on November 8, 2024, and the Committee comprises three Independent Directors and two Directors with a term of office equivalent to the term of office of the Board. The Committee is responsible for the planning and supervision of strategies and systems related to sustainable development.

The nomination and selection of the highest governance unit are as follows:

| Identity             | Name              | Professional Qualifications and Experience  |
|----------------------|-------------------|---|
| Independent Director | Jeng Shih-Rong    | Expertise in legal                          |
| Independent Director | Chang Shan-Juh    | Expertise in human resources                |
| Independent Director | Su Yi-Jen         | Expertise in financial and accounting       |
| Director             | Chang Tung-I      | Expertise in financial planning             |
| Director             | Teng Chiou-Shiang | Experienced in professional human resources |

Mr. Jeng Shih-Rong serves as the Chairman of the Sustainable Development Committee and responsible for supervising and management. He also resolves conflicts of interest and communicates about critical and material events.

Note: For academic background, gender, professional qualification, work experience, and independence, please refer to II. Corporate Governance reported on pages 10 to 16 of the annual report for the 2024 shareholders' meeting.

### Duties of the Sustainable Development Committee

- ◆ Formulate, promote, and strengthen the sustainable development policy, annual plan, and strategies, etc.
- ◆ Examine, track, and amend the implementation status of sustainable development and achievements.
- ◆ Supervise sustainable information disclosures and review the Sustainability Report.
- ◆ Supervise the sustainable development business of the Company or the implementation of work related to sustainable development that is resolved by the Board.

Attendance of Sustainable Development Committee meetings in 2024: For details, please refer to "page 53 of the annual report for the 2024 shareholders' meeting."



## 1.2 Economic Performance

### Business Overview

The main scope of business of the Company is mainly products' contract manufacturing for renowned brand enterprises and under self-owned brands. It creates income through the sales of acoustic system-related products, and the profit margin and return on assets (ROA) reflect operational efficiency. In addition, the Company also values non-financial indicators (i.e., market competitiveness, product innovations, and customer satisfaction) and maintains its competitiveness in the ever-changing market and continues to improve its economic performance by adopting comprehensive strategies, including cost control, efficiency improvement, investing in R&D and enhancing its market position.

Under the background of globalization and market segmentation, ODM/OEM has become a material strategy for enterprises to improve their production efficiency, reduce costs, and enter markets rapidly. Through long-term ODM/OEM cooperation with Eastech, globally renowned brand enterprises are able to focus on their core businesses.

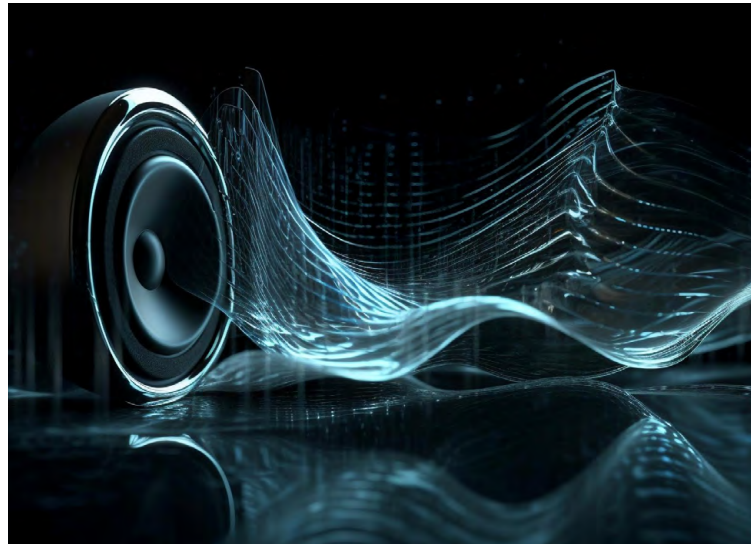
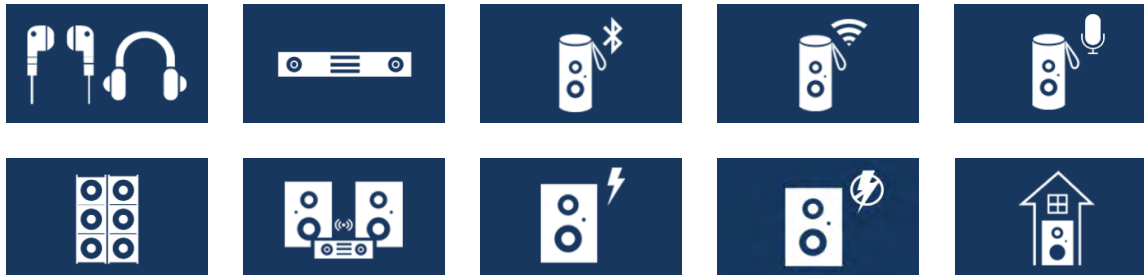
The main scope of business of the Group's companies is as follows:

| Company Name                                 | Business Location                                  | Main Scope of Business   |
|--|--|--|
| Eastech Holding Limited ("Eastech")          | Cayman Islands<br>(has a branch company in Taiwan) | Holding  |
| Eastern Asia Technology (HK) Limited ("EAH") | Hong Kong  | Sales of speaker systems and headphones  |
| EATL Electronics (HK) Limited ("ETH")        | Hong Kong  | Sales of smart speakers, audio and video electronic home entertainment systems, and headphones   |
| Eastech (Huizhou) Co., Ltd. ("EAHZ")         | Mainland China                                     | Production, assembly, and sales of speaker systems, accessories, headphones, smart speakers, and audio and video electronic home entertainment systems |
| Eastech (SZ) Co., Ltd. ("ESZ")               | Mainland China                                     | Import and export trading of audio components and equipment  |
| Eastech Innovations (TW) Inc. ("ETW")        | Taiwan   | New technology R&D and product design and development  |
| Eastech (VN) Company Limited ("EAVN")        | Vietnam  | Production, assembly, and sales of transducers, Bluetooth speakers, and headphones   |
| Scan-Speak A/S ("ScS")                       | Denmark  | R&D, production and sales of high-end transducers  |
| Eastech (SG) Pte. Ltd. ("ESG")               | Singapore  | R&D of system architecture, new product concepts, state-of-the-art products and acoustic technologies  |

## Main Scope of Business

The main scope of business includes the design, manufacturing, and sales of high-end/smart speaker systems/audio and video electronic home entertainment systems and headphones and the R&D of system architecture/new product concepts/state-of-the-art products and acoustic technologies.

For main products, please refer to "page 104 of the annual report for the 2024 shareholders' meeting."



## Financial Performance

In 2024, the Net Sales of the Company was NT\$12,405,466,000, and the gross profit was NT\$2,136,037,000. For the detailed financial reporting and the financial statements for each year, please visit and download from the investor relations section on the Company's website.

Unit: NT\$ thousand

| Item  | 2024       | Increase/<br>Decrease Rate | 2023       | Increase/<br>Decrease Rate | 2022       | Increase/<br>Decrease Rate |
|---|------------|----------------------------|------------|----------------------------|------------|----------------------------|
| Net Sales   | 12,405,466 | 17%                        | 10,640,520 | -17%                       | 12,810,382 | 36%                        |
| Cost of Sales   | 10,269,429 | 14%                        | 8,987,270  | -21%                       | 11,327,546 | 31%                        |
| Gross Profit  | 2,136,037  | 29%                        | 1,653,250  | 11%                        | 1,482,836  | 94%                        |
| Operating Expenses                                      | 1,249,907  | 16%                        | 1,081,449  | -6%                        | 1,150,399  | 8%                         |
| Operating Profit  | 886,130    | 55%                        | 571,801    | 72%                        | 332,437    | 210%                       |
| Non-Operating Income and Expenses                       | 184,027    | 865%                       | (24,043)   | -148%                      | 50,136     | -92%                       |
| Profit Before Tax                                       | 1,070,157  | 95%                        | 547,758    | 43%                        | 382,573    | 19%                        |
| Income Tax Expenses                                     | 117,539    | 714%                       | 14,448     | 13%                        | 12,778     | 128%                       |
| Net Profit After Tax                                    | 952,618    | 79%                        | 533,310    | 44%                        | 369,795    | 1%                         |
| Net Profit Attributable to Owners of the Parent Company | 952,618    | 79%                        | 533,310    | 44%                        | 369,795    | 1%                         |
| Basic Earnings Per Share (NT\$)                         | 12.68      | 58%                        | 8.02       | 33%                        | 6.03       | 0%                         |
| Employee Remuneration and Welfare                       | 1,813,503  | 11%                        | 1,635,541  | -13%                       | 1,869,654  | 4%                         |
| Government Subsidies                                    | 1,093      | 77%                        | 619        | -93%                       | 8,505      | -14%                       |

## Production and Sales Overview

Production and sales are closely related to market competitiveness and financial performance. The coordination for the production and sales department (i.e., production capacity, supply chain management, sales strategies, marketing activities, and market reactions) is crucial. The Company flexibly adjusts its production scale based on market demand by leveraging its highly efficient production system. In addition, it increases its market share and ultimately realizes income growth and earnings targets through effective sales and marketing strategies and stand out in the market of intense competition.

## Main Products and Sales Proportion

Unit: NT\$ thousand

| Item \ Year           | 2024              |            | 2023              |            | 2022              |            |
|-----------------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                       | Amount            | %          | Amount            | %          | Amount            | %          |
| Home audio system     | 7,197,174         | 58.01      | 7,089,333         | 66.62      | 8,673,517         | 67.70      |
| Personal audio system | 4,092,430         | 32.99      | 2,477,029         | 23.28      | 2,814,340         | 21.97      |
| Transducer            | 413,043           | 3.33       | 334,730           | 3.15       | 416,113           | 3.25       |
| Others                | 702,819           | 5.67       | 739,428           | 6.95       | 906,412           | 7.08       |
| <b>Total</b>          | <b>12,405,466</b> | <b>100</b> | <b>10,640,520</b> | <b>100</b> | <b>12,810,382</b> | <b>100</b> |

## Market Share

The Company has been engaged in the manufacturing of acoustic products for years, accumulated extensive experience in the manufacturing field of speakers, grasped the core technologies, established long-term favorable cooperating relationships with brand customers, and become the strategic partner of multiple-renowned brand customers, maintaining its market position and market share.

## Sales Regions of Main Products

Unit: NT\$ thousand

| Region \ Year         | 2024              |            | 2023              |            | 2022              |            |
|-----------------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                       | Amount            | %          | Amount            | %          | Amount            | %          |
| South Korea           | 4,171,470         | 33.63      | 3,664,628         | 34.44      | 4,170,193         | 32.57      |
| Japan                 | 3,254,106         | 26.23      | 3,069,896         | 28.85      | 3,568,197         | 27.85      |
| Sweden                | 2,833,469         | 22.84      | 1,714,195         | 16.11      | 1,680,075         | 13.11      |
| Mainland China (Note) | 1,127,796         | 9.09       | 1,167,174         | 10.97      | 1,725,490         | 13.47      |
| Others                | 1,018,625         | 8.21       | 1,024,627         | 9.63       | 1,666,427         | 13.00      |
| <b>Total</b>          | <b>12,405,466</b> | <b>100</b> | <b>10,640,520</b> | <b>100</b> | <b>12,810,382</b> | <b>100</b> |

Note: Include indirect export sales.



## 1.3 Ethical Corporate Management

The Company engages in business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement its ethical corporate management policy and actively prevent unethical conduct, the “Procedures for Ethical Management and Guidelines for Conduct” were set on February 13, 2012. The Procedures were approved by the Board to declare its ethical management policy to external parties.

To specify the policy and practices of ethical management, the Company dispatched letters to its suppliers to ensure they or other business-related institutions and personnel clearly understand the ethical corporate management concepts and specifications. The Board and the senior management also actively implemented ethical management and recused themselves from matters in that they have personal interests therein.

The “Procedures for Ethical Management and Guidelines for Conduct” explicitly stated the prohibition of providing or accepting unjust benefits, the prohibition of facilitating payments, other prevention plans and handling procedures, and the handling procedures for political donations, charitable donations, or sponsorships were also specified. Preventive measures were adopted, education and promotion were conducted, and a whistleblowing system was organized to ensure the effectiveness of the implantation of the system so as to realize the ethical corporate management policy.

Before any business dealings, the Company will fully understand the ethical corporate management status of counterparties to avoid dealings with counterparties with records of involving unethical conduct. When entering into contracts with others, the content will include compliance with the ethical corporate management policy.

The “Code of Ethical Conduct” was established on July 25, 2011, and the Code serves as the requirements for compliance with laws, regulations, and standards when implementing duties. Employees shall adhere to the attitude of determination to succeed, earnestness, and responsibility, abandon parochialism, focus on team spirit, strictly comply with principles of honesty

and credibility, and seek high standards of ethical conduct. The Code also specified the prevention of conflicts of interest, the prohibition of seeking personal interests, the fulfillment of confidential responsibility, adhering to fair transactions, production and use of corporate assets, and encouraging the report of any illegal matters or conduct violating the Code of Ethical Conduct.

For details, please visit the Company's website for inquiries.

### Ethical Education and Training

In 2024, the Company organized internal and external education and training related to ethical management issues; there were a total of 1,176 participants and 1,461 person/hour.



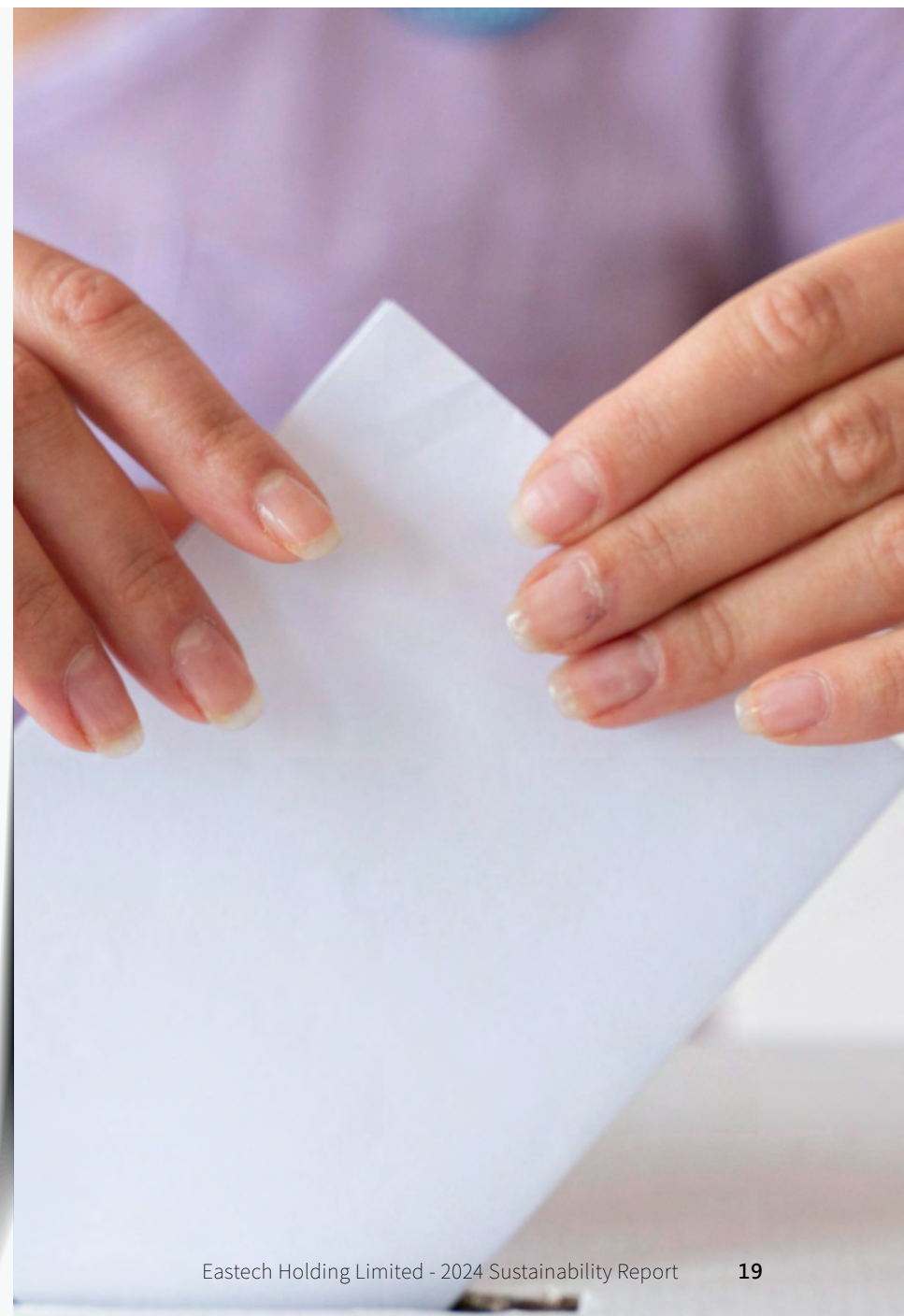
## Whistleblowing and Complaint

The Company formulated the “Measures for the Report on Illegal, Immoral or Unethical Conduct” on April 19, 2017. The Board approved the Measures, established the whistleblowing and rewarding system, and established complaint channels to accept the complaints and whistleblowing of insiders and external personnel; dedicated personnel are responsible for handling them.

The SOP for the investigation of whistleblowing matters that are accepted, subsequent measures to be adopted after the completion of the investigation, and relevant confidentiality systems are adopted to protect the safety of whistleblowers, and records are prepared for the acceptance of whistleblowing, the course of the investigation, and the investigation results for preservation.

| Existing Regulations and Systems                     | Content   |
|--|---|
| Relevant Regulations                                 | <ol style="list-style-type: none"><li>1. Code of Ethical Conduct</li><li>2. Procedures for Ethical Management and Guidelines for Conduct</li><li>3. Measures for the Report on Illegal, Immoral or Unethical Conduct</li></ol>  |
| Dedicated Handling Department and Complaint Channels | <ul style="list-style-type: none"><li>• Internal Complaint: Personnel Department (cposhrm@eastech.com)</li><li>• External Communication: Personnel Department (csr@eastech.com)</li><li>• Whistleblowing of Illegal Matters: Audit Department (audit@eastech.com)</li></ul> |

There was no complaint or illegal whistleblowing in 2024.



## 1.4 Legal Compliance

As a citizen of earth, the Company has always adhered to the core principles of ethical corporate management and legal compliance, formulated and implemented various operational standards specified in laws and regulations in different locations, and actively facilitated the business practices of transparency and responsibility, exhibiting its commitments to corporate governance.



In 2024, the Company strictly complied with relevant laws, regulations, and requirements, and there was no material violation of regulations or violating behavior during the period.

Eastech and its subsidiaries comply with relevant laws and regulations, and there was no material violation of regulations.

Eastech and its subsidiaries comply with relevant laws and regulations, and there was no violation of regulations.

There were no deaths, severe injuries, or other accidents that occurred to Eastech and its subsidiaries or property damage incidents with economic damages that reached the standards for the announcement of material information by listed companies.

## 1.5 Information Security Management

In the technology era of rapid development, information security has become one of the core control items for operations. With the acceleration of digital transition and the increase in data dependence, threats to information security have become increasingly complicated and diversified, and sensitive information is required to be managed and protected effectively to avoid triggering material losses. Therefore, Eastech formulated its "Information Security Management Policy" and actively promoted information security management operations.

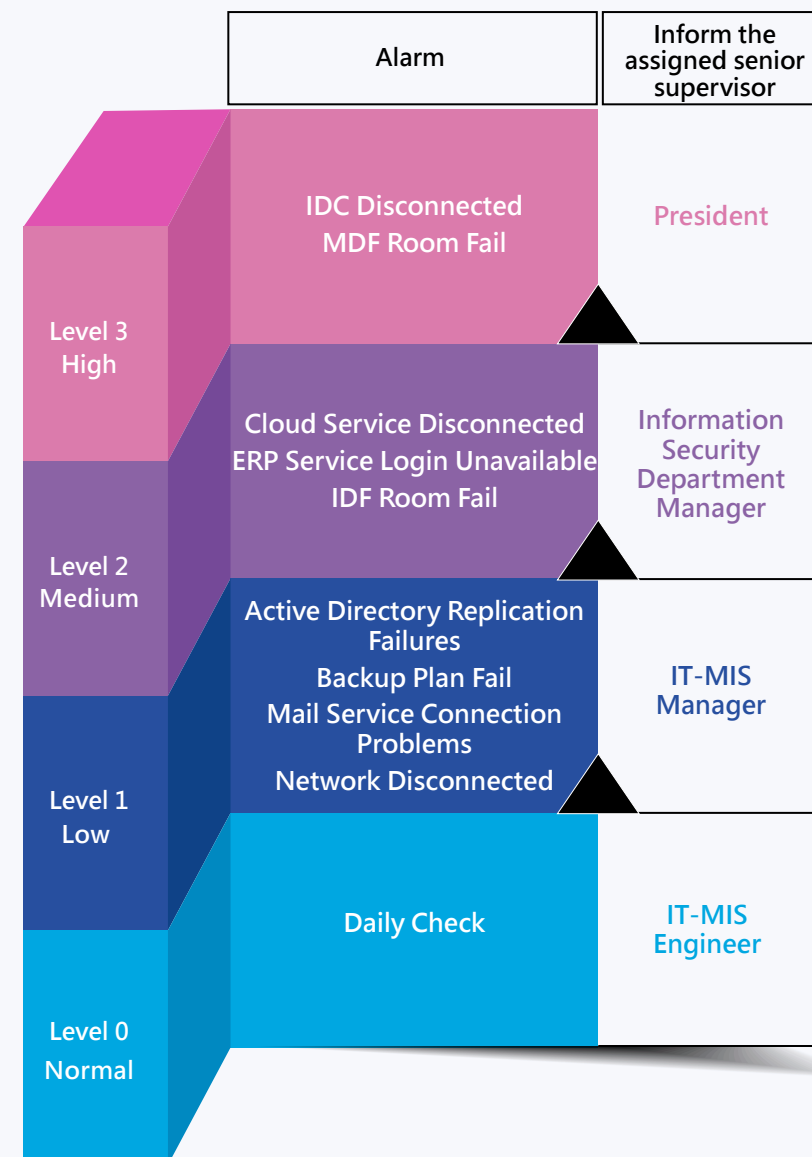
The Company incorporated the customer-oriented concept into different parts of the Company, including order-taking, production, supply control, finance and cash flows, and information infrastructure. It formed a layered information system structure by establishing a diversified system structure. The set of layered information structure not only established the data backup system but also kept the backup media at different locations, established the daily patrol inspection system for server rooms, and carried out various simulation tests and emergency responses to protect the stable operation of crucial systems and data security and effectively minimize system interruption risks brought by unpredictable natural disasters or personnel negligence.

To realize the level-by-level reporting of disaster response and control, Eastech particularly established its "Information Risk Management Framework," comprising the IT policy and standards, to ensure continuous compliance and compliance with the latest security measures.





In 2023 Q1, we introduced the Windows Defender for Office 365 for the senior supervisors of the Company and personnel involved in external affairs with high risks to reduce spam and effectively prevent network phishing attacks. Meanwhile, we completed the comprehensive updates of network firewalls of the Taiwan Office and the factory in Vietnam, completed the full inventory of the cybersecurity system of the Company in 2024, completed the information security risk assessment based on the system inventory, and amended the backup plan.

To improve the information security protection awareness of employees, we commenced information security promotion courses for all employees. In addition, we conducted e-mail social engineering drills for all employees, and the result was favorable; there was no account or password leaked by any employee.








## Information Risk Management Framework



The Information Security Department continued to promote information security work in 2024 and regularly reported to the Board regarding the promotion and implementation achievements of overall information security operations based on the implementation results. The content completed is as follows :

|   |  |
|---|--|
|    | Information security vulnerability scanning (server end) |
|    | E-mail social engineering drills                         |
|    | Cybersecurity system inventory                           |
|    | Organize information security risk assessments           |
|  | Organize information security promotion courses          |

Information security covers technological challenges and comprehensive management work and involves solutions of different aspects (i.e., policies, procedures, and employee behaviors). With the constantly changing network attack methods, the Company comprehensively considered external threats and internal risks and adopted corresponding protective measures to ensure the confidentiality, completeness, and availability of information. Therefore, the information security management policy in 2025 is formulated as follows:

|   |  |
|---|--|
|    | Cybersecurity system inventory   |
|    | Amend the backup plan  |
|    | Microsoft Defender for Office 365, virus protection for e-mails, anti-phishing, and anti-fraud |
|    | Review privilege accounts  |
|    | Information security vulnerability scanning (server end)                                       |
|   | Organize information security promotion courses  |
|  | E-mail social engineering drills   |

To implement effective information security management strategies, the Company also formulated mid-to-long-term risk management targets to protect its information assets through comprehensive management and maintain the trust of customers in Eastech and sustainable business relationships. For details, please refer to the control list of material topics.



## 1.6 Risk Management

To establish sound risk management operations, the Company and its subsidiaries implemented corporate governance and achieved the sustainable operational targets by establishing the identification, assessment, control, and supervision procedures through risk awareness; the “Procedures for Risk Management Policies” were established, and they were approved by the Board for implementation on December 13, 2024.

The Board is the highest decision-making body for the risk management of the Company. The Sustainable Development Committee is responsible for reviewing the management policies and countermeasures for various risks and regularly reporting to the Board regarding the implementation status of risk management. The Sustainability Office is the unit responsible for the implementation of risk management, and it is mainly responsible for overall risk management, formulating risk management policies, structures and systems, and establishing qualitative and quantitative management standards.

### Duties of the Sustainability Office include

1. Assist in the formulation of the Company's risk management policy.
2. Ensure the implementation of the risk management policies that are approved by the Board.
3. Propose the risk management report to the Sustainable Development Committee and the Board at least once a year.
4. Other risk management-related matters.

### Risk Identification and Assessment

Risks are divided into operational, financial, hazardous, information security, and legal compliance risks by category and further divided into aspect of the economic/governance, environmental, and social by topics; for details of material risks and countermeasures, please refer to the Company's website.

chapter

# 02

## Stakeholders and Material Issues

2.1 Context of the Organization

2.2 Effects of Material Topics on Sustainable Operations and Risk Management

2.3 Sequence of Sustainability Issues Based on Significance

2.4 Material Topic Management

2.5 Communication with Stakeholders and Channels



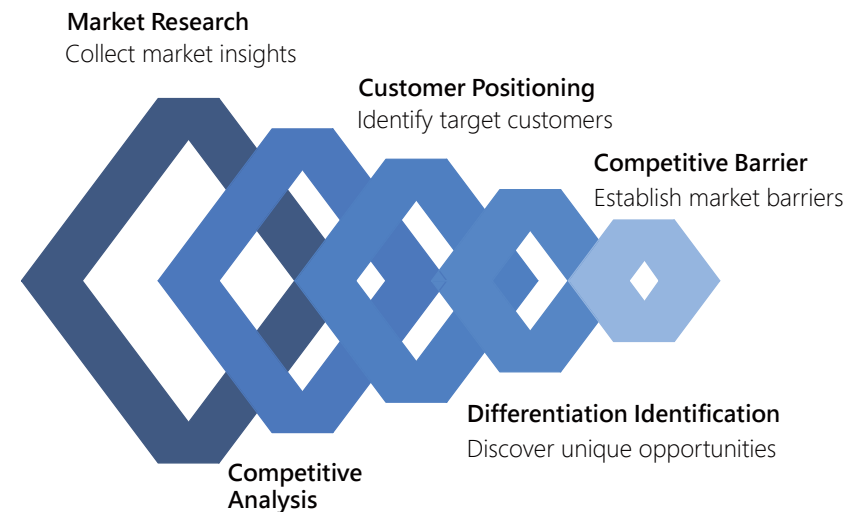
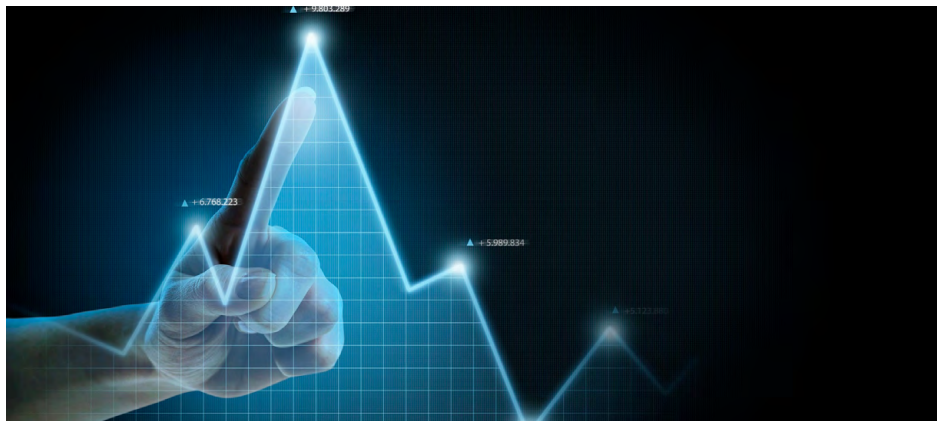


## 2.1 Context of the Organization

The Company's products focus on the R&D, manufacturing, and sales of speaker systems, audio and video home entertainment systems, headphones, acoustic modules, transducers, smart speakers, and smart wearable devices, and the applications of products in the downstream end market are extensive, including home theaters, music center, computers/tablets, gaming machines, digital music players, smartphones, mobile wireless speakers, smart speakers, and various consumer electronic products.

### Competitive Advantages

Eastech formulates its operational strategies by adopting the market segment as the basis to gain further market competitiveness and surviving opportunities through concentration. However, Eastech is required to carry out in-depth thinking for planning through market surveys, competition analysis, and customer positioning. Eastech precisely identifies and makes use of its years of experience to analyze its competitive advantages to set up a forceful barrier to competition in the market so as to realize sustainable long-term development.

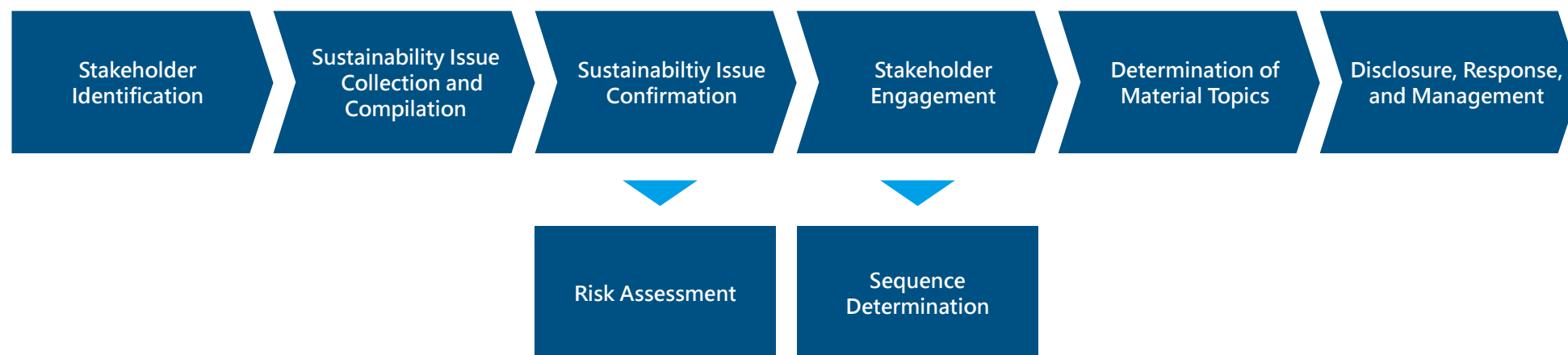


## 2.2 Effects of Material Topics on Sustainable Operations and Risk Management

### Collection and Evaluation Procedures for Sustainability Issues

The Sustainable Development Committee requires the Sustainability Office to collect sustainability-related issues based on the effects on the operating activities of the Company, industry patterns, and the value chain through stakeholder engagement and consult with experts in terms of sustainability development goals (SDGs), industry specifications and standards, annual targets of the organization, and other diverse methods each year and report to the Board at least once a year to comprehensively examine the sustainable operation achievements and disclose the impacts of material topics, management strategies, and practical situations one by one so as to ensure the consistency between the SDGs and strategies of the Company and the expectations of stakeholders, align to the requirements of stakeholders regarding the disclosure of sustainability information, and enhance the effectiveness of external communication.

The evaluation procedures for material sustainability issues are divided into six major steps, and the production processes are described as follows:



The Company referred to the GRI Standards for stakeholder engagement, identified the level of concern of and impact on stakeholders through questionnaire surveys and discussions with external consultants to exhibit the significant impacts of the Company on ESG aspects, and determined material topics.

## Stakeholder Identification

The Sustainable Development Committee approved the five major stakeholders of the Company at the first meeting of the first session of on December 13, 2024, and the stakeholders are employees, customers, suppliers, investors, and competent authorities.

The description is as follows:



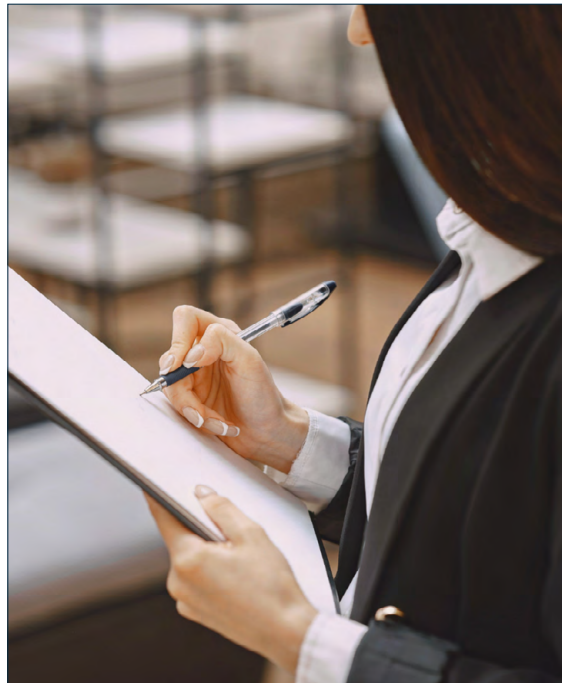
| Stakeholder category         | Role of Stakeholders   |
|------------------------------|--|
| <b>Employees</b>             | Employees of the Company, including full-time personnel and part-time (employed) personnel. Their functions cover R&D and administrative management, etc.  |
| <b>Customers</b>             | Refer to individuals or organizations that purchase products or services.  |
| <b>Suppliers</b>             | Refer to suppliers or cooperating partners in the supply chain who provide products, services, or raw materials.   |
| <b>Investors</b>             | Refer to investors who own shares of the Company and generally own a part of the ownership of the Company or individuals or institutions that provide funds to the Company and hope to gain returns. |
| <b>Competent Authorities</b> | The Bureau of Labor, the Ministry of Environment, and the Financial Supervisory Commission (FSC) and local governments.  |

## Stakeholder Engagement

The Company emphasizes stakeholder engagement. The Sustainability Office will refer to the processes for the identification of material topics under GRI and the consultation with experts to carry out the identification of material topics and submit them to the Sustainable Development Committee for approval and to the Board for consent to identify the actual and potential positive and negative impacts of the operating activities of Eastech on the economy, environment and people (including their human rights) and carry out disclosures and management. The content of the questionnaire survey is divided into the “level of concern” and the “level of impact” for surveying.

## Questionnaire Response

A total of 185 questionnaires were distributed, and a total of 147 questionnaires were returned; the return rate of questionnaires was 79%. Based on the return rate, it is evident that stakeholders are concerned about the Company in terms of the ESG impacts; meanwhile, it shows that ESG performance will affect stakeholders' benefits, including non-financial benefits.



## Material Topics of the Year


Apart from referring to the issues under GRI Standards, the Company also referred to the SASB industry index to cover the performance of the Company in each aspect of ESG.

A total of nine material topics were approved during the year, including economic performance, procurement practices, energy, emissions, diversity and equal opportunity, product security, product lifecycle management, and supply chain management. The nine material sustainability issues were reported to the Sustainable Development Committee for approval and to the Board for consent in December 2024. For the description and effects of the positive and negative impacts on various material sustainability issues and management policies, please refer to the relevant chapters.





## A collection of wooden blocks with various sustainability icons, including a globe, recycling symbol, wind turbine, and leaf, arranged on a light background.



## 2.4 Material Topic Management

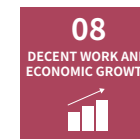
| Material Topic               | Actually/Potential Positive Impact  | Actually/Potential Negative Impact  | Specific Action   | Management Mechanism  | Standard Quoted   |
|------------------------------|---|---|---|---|---|
| <b>Economic Performance</b>  | The business performance of the Company directly affects the benefits of shareholders. Maximization of the value for shareholders and the investors can effectively improve the market visibility of the Company. | <ol style="list-style-type: none"> <li>1. The taxation policy affects the profits of enterprises</li> <li>2. Changes in exchange rates may have effects on profits</li> <li>3. The differences in business performance may result in a decline in the Company's market share</li> </ol> | <ol style="list-style-type: none"> <li>1. Turn to differentiated development for products</li> <li>2. Establish strategic partnerships with brand companies</li> <li>3. Develop new high-end non-consumer brand customers and products</li> </ol> | <ol style="list-style-type: none"> <li>1. Continue to improve gross margin</li> <li>2. Improve operating profit ratio and net profit margin</li> <li>3. Review of the status of order-taking at sales meetings</li> <li>4. Review expenses and expenditures at budget meetings</li> </ol> | <ul style="list-style-type: none"> <li>• GRI 201 Economic Performance</li> <li>• 201-1 Direct economic value generated and distributed</li> <li>• 201-2 Financial implications and other risks and opportunities due to climate change</li> </ul> |
| <b>Procurement Practices</b> | Comprehensive supply chain management procedures can reduce operational risks, ensure the stability of the supply chain, protect the reputation of the Company, and fulfill corporate responsibility.             | <ol style="list-style-type: none"> <li>1. Climate change may cause the risk of supply chain disruption</li> <li>2. Unfair transactions in the supply chain may cause an increase in procurement costs</li> </ol>  | <ol style="list-style-type: none"> <li>1. Develop local supply chains</li> <li>2. Enhance supplier management and audit</li> <li>3. Improve supply chain diversity</li> </ol>   | <ol style="list-style-type: none"> <li>1. Regular supplier evaluation</li> <li>2. On-site inspections of suppliers from time to time</li> </ol>   | <ul style="list-style-type: none"> <li>• GRI 204 Procurement Practices</li> <li>• 204-1 Proportion of spending on local suppliers</li> </ul>  |

| Material Topic | Actually/Potential Positive Impact   | Actually/Potential Negative Impact  | Specific Action  | Management Mechanism   | Standard Quoted  |
|----------------|--|---|--|--|--|
| Energy         | Improve energy consumption and reduce energy consumption; use renewable energy and reduce GHG emissions.   | <b>EAVN</b><br>The repair and maintenance cost increases due to the installation of solar power panels<br><b>EAHZ/EAVN</b><br>Face the increase in the cost of energy and relevant carbon taxes in the future | <b>EAVN</b><br>Solar panels were installed to generate electricity for on-site use<br><b>EAHZ/EAVN</b><br>Improve the energy conversion efficiency of equipment  | <ol style="list-style-type: none"> <li>1. Review and report to the Sustainable Development Committee each year</li> <li>2. Both EAHZ and EAVN obtained the ISO 50001 energy management system certification in 2024</li> <li>3. Use energy conservation equipment and replace lighting with power-saving ones</li> </ol> | <ul style="list-style-type: none"> <li>• GRI 302 Energy</li> <li>• 302-1 Energy consumption within the organization</li> <li>• 302-3 Energy intensity</li> <li>• 302-4 Reduction of energy consumption</li> </ul>  |
| Emissions      | Reduce GHG emissions through the introduction of energy conservation and carbon reduction products and the use of renewable energy to achieve the benefit of environmental sustainability. | Operating costs of enterprises increase due to the levy of domestic carbon fees/ foreign carbon taxes in the future   | <ol style="list-style-type: none"> <li>1. Green supply chain management</li> <li>2. Use recyclable wood chips to produce speaker cabinets</li> <li>3. Recycle and reuse packaging materials</li> </ol> | <ol style="list-style-type: none"> <li>1. Review and report to the Sustainable Development Committee each year</li> <li>2. Carry out GHG inventory each year</li> </ol>  | <ul style="list-style-type: none"> <li>• GRI 305 Emissions</li> <li>• 305-1 Direct (Scope 1) GHG emissions</li> <li>• 305-2 Energy indirect (Scope 2) GHG emissions</li> <li>• 305-3 Other indirect (Scope 3) GHG emissions</li> <li>• 305-4 GHG emissions intensity</li> <li>• 305-5 Reduction of GHG emissions</li> <li>• 305-6 Emissions of ozone-depleting substances (ODS)</li> <li>• 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</li> <li>• <b>*SDGs 13 Climate Action</b> : Take urgent actions to combat climate change and its impacts</li> </ul> |





| Material Topic                  | Actually/Potential Positive Impact   | Actually/Potential Negative Impact  | Specific Action  | Management Mechanism  | Standard Quoted  |
|---------------------------------|--|---|--|---|--|
| Employment                      | Adopt equal promotion, salary adjustment, and welfare systems to allow employees to be entitled to equivalent treatments and eliminate relative deprivation.   | <ol style="list-style-type: none"> <li>1. Employee welfare expenses increase to attract and retain talents</li> <li>2. Employees lose their trust in the Company if their expectations cannot be satisfied</li> </ol> | <ol style="list-style-type: none"> <li>1. Equal promotion and welfare systems</li> <li>2. Long-term retention plans</li> <li>3. Reasonable talent management and incentive systems</li> </ol>  | <ol style="list-style-type: none"> <li>1. Regular performance evaluation, promotion, and special salary adjustment systems</li> <li>2. Retain employees with excellent performance</li> <li>3. Regularly review the overall remuneration structure</li> </ol> | <ul style="list-style-type: none"> <li>• GRI 401 Employment</li> <li>• 401-1 New employee hires and employee turnover</li> <li>• 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees</li> <li>• 401-3 Parental leave</li> <li>• <b>*SDGs 8 Decent Work and Economic Growth :</b> Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all</li> </ul> |
| Diversity and Equal Opportunity | <ol style="list-style-type: none"> <li>1. Recruit employees with different nationalities to adapt to local conditions and directly adapt to local culture or rapidly and connect to international customers.</li> <li>2. Have over 55% of female employees and over 30% of female supervisors (section chief and above) to not affect work abilities and positions due to gender.</li> </ol> | The impact of diverse cultures may cause inadaptability and an increase in turnover   | <ol style="list-style-type: none"> <li>1. Enhance the equality and inclusiveness of multiple nationalities</li> <li>2. Improve the opportunities and treatments for gender equality</li> </ol> | <ol style="list-style-type: none"> <li>1. Regularly review the human rights policy of the Company</li> <li>2. Provide employee mechanism for raising complaint</li> </ol>   | <ul style="list-style-type: none"> <li>• GRI405 Diversity and Equal Opportunity</li> <li>• 405-1 Diversity of governance bodies and employees</li> <li>• 405-2 Ratio of basic salary and remuneration of women to men</li> <li>• <b>*SDGs 5 Gender Equality :</b> Achieve gender equality and empower all women and girls</li> </ul>   |



| Material Topic               | Actually/Potential Positive Impact  | Actually/Potential Negative Impact  | Specific Action   | Management Mechanism  | Standard Quoted   |
|------------------------------|---|---|---|---|---|
| Product Security             | 1. Prevent products or services from directly or indirectly damaging the rights and interests of customers or other stakeholders. | 1. To comply with the expectations of stakeholders and international standards, operating costs may increase  | 1. Materials comply with the RoHS and REACH standards of the EU                 | 1. Materials comply with the RoHS and REACH standards of the EU   | <ul style="list-style-type: none"> <li>SASB TC-HW-230a.1: Description of approach to identifying and addressing data security risks in products.</li> <li>SASB TC-HW-410a.1: Percentage of products by revenue that contain IEC 62474 declarable substances</li> <li>SASB TC-HW-410a.2: Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent</li> <li>SASB TC-HW-410a.3: Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria</li> <li>SASB TC-HW-410a.4: Weight of end-of-life products and e-waste recovered, percentage recycled</li> <li><b>*SDGs 12 Responsible Consumption and Production</b> : Ensure sustainable consumption and production patterns</li> </ul> |
| Product Lifecycle Management | 2. Bring confidence for customers, maintain the brand image for customers, and create long-term cooperating partnerships.         | 2. Non-compliance with the standards may result in losing orders  | 2. Products comply with the DOE (Department of Energy) in the U.S.              | 2. Products comply with the DOE (Department of Energy) in the U.S.  |   |
|                              |   |   | 3. Introduce halogen-free materials step by step                                |   |   |
| Supply Chain Management      | 1. Reduce risks of unstable supply chain management and supply<br>2. Avoid operation interruption due to supply chain disruption  | 1. Additional communication management costs generated from an insufficient level of cooperation from suppliers<br>2. If suppliers violate domestic or foreign laws and regulations, it may cause a negative image of the Company | 1. Improve the local procurement ratio<br>2. New supplier review and evaluation | 1. Have supplier evaluations/audits regularly/from time to time<br>2. Have supplier conferences regularly/from time to time | <ul style="list-style-type: none"> <li>SASB Supply Chain Management</li> <li>TC-HW-430a.1: Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities</li> <li>TC-HW-430a.2: Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances</li> </ul>  |



\*The corresponding SDGs are with reference to the United Nations Sustainable Development Goals.

## Management Targets for Material Topics



| Material Topic               | Policy and Commitment   | Complaint/Remedial Mechanism   | Target in 2025   | Mid-to-Long-Term Target   |
|------------------------------|---|--|--|---|
| <b>Economic Performance</b>  | The Company values the fairness and transparency of the operation and will continue to integrate the resources of the Group, improve corporate value, and create the maximum profits for all shareholders | Set up investor relations contacts and methods   | 1. Continue to improve gross margin<br>2. Improve the satisfaction of the top five customers   | 1. Continue to improve gross margin<br>2. Increase new businesses and enter new markets or new fields<br>3. Optimize customer portfolio and audio product portfolio and add green product designs to improve gross margin |
| <b>Procurement Practices</b> | 1. Strengthen supplier management and audit<br>2. Optimize cost-effectiveness<br>3. Enhance the supply ability of the supply chain and localized supply ability   | Establish complaint channels for suppliers, and they may notify the contact via phone calls or e-mail  | <b>EAVN :</b><br>Local procurement ratio $\geq 35\%$<br><b>EAHZ :</b><br>Local procurement target $\geq 68\%$  | Improve QDCS of the supply chain to comply with the requirements and stabilize the supply   |
| <b>Energy</b>                | Reduce energy consumption and further achieve substantial carbon reduction effects  | Replace old equipment with new equipment and purchase equipment with low energy consumption and high efficiency to replace equipment with high energy consumption and low efficiency and, in turn, reduce energy consumption | <b>EAVN :</b><br>Plan to install more solar panels and start using them in July<br><b>EAHZ :</b><br>Reduce the product unit consumption by 1% from the basis in 2024 | <b>EAVN :</b><br>Improve the ratio of self-generation and self-consumption ratio of solar power generated to the total power consumption to 50%   |
| <b>Emissions</b>             | 1. Net zero emissions by 2050<br>2. Use low-carbon energy<br>3. Improve the consumption ratio of renewable energy<br>4. Improve the energy conversion efficiency of equipment and facilities              | 1. Continue to optimize upstream and downstream transportation and delivery<br>2. Require suppliers to provide low-carbon raw materials  | Reduce the use of fossil fuels by 5%   | <b>EAVN :</b><br>Reduce Scope 1/ Scope 2 emissions by 5%<br><b>EAHZ :</b><br>Reduce Scope 1/ Scope 2 emissions by 2%  |



| Material Topic                  | Policy and Commitment  | Complaint/Remedial Mechanism   | Target in 2025   | Mid-to-Long-Term Target   |
|---------------------------------|--|--|--|---|
| Employment                      | Provide salaries and a retention system with competitiveness and equal employment and development opportunities  | Establish employee complaint and communication channels  | Improve job duty planning and development plans  | Three-year training map planning for crucial positions  |
| Diversity and Equal Opportunity | <ol style="list-style-type: none"> <li>1. Maintain an equal employment environment of gender, age, and nationality equality</li> <li>2. Facilitate the value of respect and inclusiveness</li> </ol> | Establish employee complaint and communication channels  | Maintain the record of zero discrimination (employment, gender, and ethnicity)   | The ratio of female supervisors (section chief and above) reaches 40%   |
| Product Security                | <ol style="list-style-type: none"> <li>1. Commitment to product quality</li> <li>2. Commitment to service quality</li> </ol>   | Analyze reasons for return or non-conformed products, find the reasons and commence horizontal investigation of products with the same batch No., and adopt corrective and preventive measures to avoid the recurrence of non-conformed products | <ol style="list-style-type: none"> <li>1. Maintain the full compliance with energy conservation requirements of products designed</li> <li>2. Communicate with customers in the hope that customers agree with the increase in the consumption ratio of recycled materials</li> </ol>  | Collect new developments of energy efficiency in different countries and make arrangements early to ensure that the designs of new products comply with the latest energy efficiency requirements |
| Product Lifecycle Management    |  |  |  |   |
| Supply Chain Management         | Require suppliers to comply with the behavioral specification of human rights, environment, and ethics of RBA (Responsible Business Alliance)  | Establish complaint channels for suppliers, and they may notify the contact via phone calls or e-mail  | <ol style="list-style-type: none"> <li>1. Apart from relevant existing contracts that shall be entered into, suppliers are required to join the on-site review of the social responsibility of suppliers in 2025</li> <li>2. Conduct regular supplier evaluations with an average score &gt; 90</li> <li>3. The target ratio of the conflict minerals survey reaches 100%</li> <li>4. The target ratio of the execution of the Supplier Code of Conduct <math>\geq</math> 95%</li> </ol> | Local procurement ratio of institutional parts, Auxiliary consumables, and supplies > 90 % (fulfill local procurement apart from designated imported plastic raw materials)                       |




## 2.5 Communication with Stakeholders and Channels

Eastech considers that communication with stakeholders is an important bedrock for sustainable operations. We gathered 34 issues concerned by stakeholders to ensure the rights and interests of all parties are respected and protected through diversified, transparent, open, and constructive communication by adopting ethical standards, social responsibility, and sustainable development as the operational principles. The effective communication performance in 2024 established the mutual trust between Eastech and stakeholders. We believe that we can create greater value for all stakeholders through active responses and improvements to realize the diversified development of co-prosperity. The communication with stakeholders in terms of the issues is as follows:

| Stakeholders   | Prioritized Issue  | Communication Channel, Response Method, and Communication Frequency  | Communication Performance with Stakeholders  | Complaint Channel  |
|--|--|--|--|--|
|  <b>Employees</b>   | <ul style="list-style-type: none"> <li>• Salary and welfare</li> <li>• Labor-management relations</li> <li>• Labor rights and interests</li> <li>• Working hour management</li> <li>• Workplace safety</li> <li>• Reasonable regulations and systems</li> <li>• Opinion expression channels</li> <li>• Issues related to ESG and corporate sustainability</li> </ul> | <ul style="list-style-type: none"> <li>• Labor-management conferences (quarterly)/labor union meetings (monthly)</li> <li>• E-mail (from time to time)</li> <li>• Internal announcements and quarterly newsletters (quarterly)</li> <li>• Employee complaint box (from time to time)</li> <li>• Employee suggestion box (from time to time)</li> </ul>   | <ul style="list-style-type: none"> <li>• Plan to promote the ISO 45001 occupational safety and health management system in 2025 to reduce safety and health risks, prevent and reduce occupational disasters through engineering control, management control, and enhancing personal protective equipment</li> <li>• Provide a fair and reasonable performance evaluation system. Employees and supervisors can communicate on the performance targets in due course through the annual evaluation system to achieve a consensus on employees' work targets, personal career development, and performance evaluation</li> <li>• In 2024, over 30 announcements of employee welfare and training-related information were made</li> </ul>                       | <b>TEL :</b><br>+886-2-29102626<br><b>Email :</b><br>csr@eastech.com |
|  <b>Customers</b> | <ul style="list-style-type: none"> <li>• Product quality</li> <li>• Customer services</li> <li>• Supply chain management</li> <li>• Code of Conduct performance</li> <li>• Transparency and reliability of information disclosure</li> <li>• Issues related to ESG and corporate sustainability</li> </ul>   | <ul style="list-style-type: none"> <li>• Business visits, e-mail, and telecommunications (from time to time)</li> <li>• Customer satisfaction survey and customer audit feedback (Q4 each year)</li> <li>• Communication meetings with customers regularly or from time to time (fixed weekly meetings with main customers)</li> <li>• Participate in R&amp;D meetings from time to time</li> <li>• Product quality control</li> </ul> | <ul style="list-style-type: none"> <li>• Enhance the sales teams in global major markets (i.e., Mainland China, the U.S., Europe, Japan, and South Korea), together with brand customers to explore new markets, develop new products, introduce new technology, and reinforce new applications</li> <li>• Provide services based on the category of customers' questions (sales or technical services)</li> <li>• Include specifications proposed by customers in the management and implement them according to the requirements</li> <li>• Formulate ESG indicators. Eastech adopts a customer-oriented policy. We adhere to the provision of premium services for customers' opinions and make efforts to improve and make constant innovations</li> </ul> | <b>TEL :</b><br>+886-2-29102626<br><b>Email :</b><br>csr@eastech.com |

| Stakeholders   | Prioritized Issue  | Communication Channel, Response Method, and Communication Frequency   | Communication Performance with Stakeholders  | Complaint Channel   |
|--|--|---|--|---|
|  <b>Investors</b>   | <ul style="list-style-type: none"> <li>• Business performance</li> <li>• Market image</li> <li>• Corporate governance</li> <li>• Social responsibility</li> <li>• Sustainable environment</li> <li>• Status of activities and the value chain</li> </ul>       | <ul style="list-style-type: none"> <li>• Regularly disclose corporate information on MOPS and the Company's website (monthly/quarterly/yearly)</li> <li>• Convene general shareholders' meetings each year (once a year)</li> <li>• Hold investor conferences each year (twice a year)</li> <li>• Provide e-mail and contact no. on the Company's website and have unblocked communication channels with investors (from time to time)</li> <li>• With spokesperson and functional body representation in litigation and non-litigation affairs to duly handle the proposals, concerns, and disputes raised by Shareholders</li> <li>• (from time to time)</li> <li>• Rating results of the Corporate Governance Evaluation (yearly)</li> </ul> | <ul style="list-style-type: none"> <li>• Have a total of 408 announcements of general and significant information were made in Chinese/English</li> <li>• The 2024 annual general shareholders' meeting was convened on May 24, 2024</li> <li>• Two investor conferences were held under invitations on August 27, 2024, and November 11, 2024 briefing the business overview of the Company</li> <li>• Corporate governance evaluation performance</li> </ul> | <p><b>TEL :</b><br/>+886-2-89113535</p> <p><b>Email :</b><br/>ir@eastech.com</p>  |
|  <b>Suppliers</b> | <ul style="list-style-type: none"> <li>• Quality and price</li> <li>• Ethical management</li> <li>• Environmental and social responsibility evaluation of suppliers</li> <li>• Fair trade and business integrity</li> <li>• Sustainable procurement</li> </ul> | <ul style="list-style-type: none"> <li>• Procurement contracts (upon the initial introduction of new suppliers)</li> <li>• Sales e-mail communication and telecommunication (from time to time)</li> <li>• Annual audit report (quality system management/control environment quality/supplier social responsibility on-site review) (yearly)</li> <li>• ESG questionnaires (from time to time)</li> </ul>  | <ul style="list-style-type: none"> <li>• Promote the ethical management policy and actively invite suppliers to execute the letter of ethical management (accumulated 626 suppliers)</li> </ul>  | <p><b>TEL :</b><br/>+886-2-29102626</p> <p><b>Email :</b><br/>csr@eastech.com</p> |

| Stakeholders  | Prioritized Issue  | Communication Channel, Response Method, and Communication Frequency  | Communication Performance with Stakeholders  | Complaint Channel  |
|---|--|--|--|--|
|  <p><b>Competent Authorities</b></p> | <ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Ethical management</li> <li>• Occupational safety and health</li> <li>• Energy and environmental management</li> <li>• Labor employment rights</li> <li>• Labor occupational disaster protection</li> <li>• Environmental protection</li> <li>• GHG and energy</li> <li>• Business performance of listed companies</li> </ul> | <ul style="list-style-type: none"> <li>• Announcement of consolidated financial statements and significant information in Chinese and English (quarterly/real-time)</li> <li>• Participate in regulation briefings and seminars (from time to time)</li> <li>• Official documents, meetings, calls, e-mails (from time to time)</li> <li>• Implement various safety compliance inspections in accordance with competent authorities (from time to time)</li> </ul> | <ul style="list-style-type: none"> <li>• Eastech is a listed company that complies with the Securities and various environmental protection regulations and cooperates with the supervision and audit of competent authorities</li> <li>• Regularly participate in the policy and regulation briefings organized by competent authorities</li> <li>• Arrange contacts to maintain favorable interactions with competent authorities</li> </ul> | <p><b>TEL :</b><br/>+886-2-89113535</p> <p><b>Email :</b><br/>ir@eastech.com</p> |



chapter

# 03

## Implement Responsible and Reliable Procurement

- 3.1 Sustainable Supply Chain Management
- 3.2 Supplier Management Policy and Standards
- 3.3 Ethical Procurement
- 3.4 Customer Services



### 3.1 Sustainable Supply Chain Management

Supply chain management has become a material strategy for the development of modern enterprises. With the high attention passed to environmental protection awareness, the increasingly stringent regulations, and the increase in the requirements for CSR, Eastech also makes sure that all parts of the supply chain comply with sustainability standards. It reduced environmental effects and enhanced risk management through the introduction of sustainable supply chain management to achieve the mutual win of jointly promoting sustainable development.

The Company promises to comply with the highest ethical standards, is committed to establishing long-term and responsible partnerships with suppliers and requires all members of the supply chain to comply with international standards related to environmental protection, labor rights and interests, and business ethics.

#### Respect human rights

Ensure that suppliers comply with labor regulations and prohibit forced labor, child labor, and discrimination.

#### Environmental sustainability

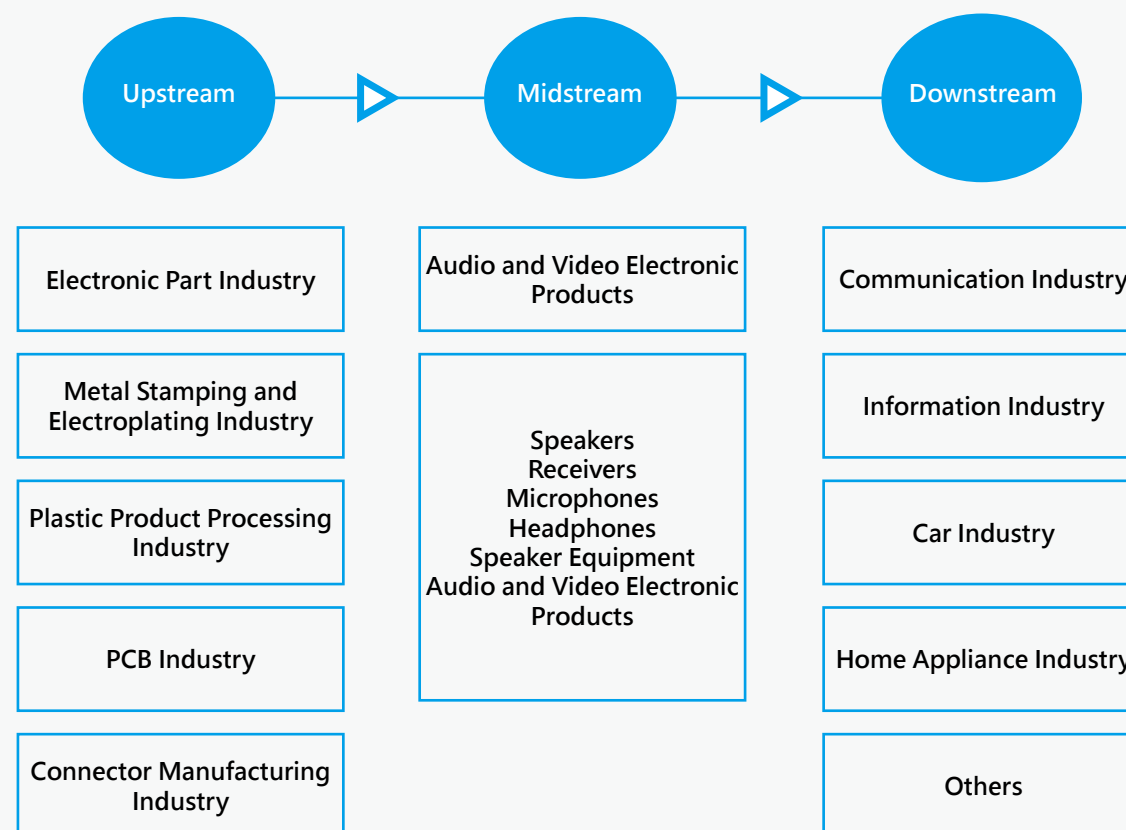
Choose suppliers that comply with environmental protection standards and reduce impacts on the environment.

#### Business ethics

Prohibit bribery, corruption, and unjust competition behaviors and protect the fair-trade principle.

### Upstream, Midstream, and Downstream Value Chain of the Industry

In the supply chain of the industry, the upstream includes plastic injection, metal stamping, wire material processing, and electronic part companies that provide relevant parts and components. After assembling and testing by acoustic companies, the products are sold to the downstream industry for use through the marketing channels of themselves or distributors. The downstream and the application industries of the final products include the communication industry, information industry, car industry, and home appliance industry. The audio and video electronics and headphones produced by the Company are mainly used in the end products downstream, including home theaters, music centers, computers/tablets, gaming machines, digital music players, and smartphones.

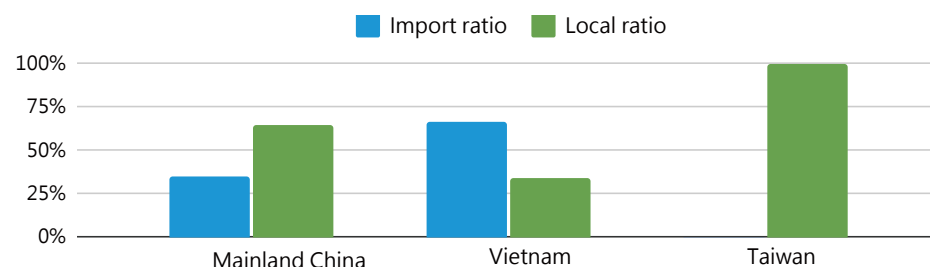


## Main Raw Material Supply and Procurement

- ♦ The main raw materials of the Company's products are ICs, PCBs, electronic parts, modules, wire materials, connectors, batteries, plastic pellets, wooden boards, transducers, speaker materials, and packaging materials.
- ♦ Considering the stability of quality, yield, delivery terms and cost control, the Company selects excellent companies and maintains long-term cooperating relationships with them; furthermore, there are at least two or more suppliers of main raw materials to maintain stable purchases.
- ♦ The shortage problem of partial parts and components required for sound bars and headphones is solved; however, prices of raw materials and freight increase from time to time due to the intense geopolitical situations. The Company will enhance the integration synergies of electronics, software, and acoustics, enhance the supply resilience of crucial electronic parts, improve the partnerships with main international brands, and join hands with brand customers to explore new markets, new technologies, and new applications and jointly negotiate the minimization of electronic part shortage crisis in the future. As the local supply chain in Vietnam is not as complete as that in Mainland China, the two factories require joint procurement and separate receipts to seek optimal allocation and inventory.

## Local Procurement Ratio

In 2024, there was a total of 576 suppliers. The local procurement ratio in Mainland China and Vietnam in 2024:



| Region         | Import ratio | Local ratio |
|----------------|--------------|-------------|
| Mainland China | 35%          | 65%         |
| Vietnam        | 66%          | 34%         |
| Taiwan         | 0%           | 100%        |

## Hazardous Substance Management

The Company continued to eliminate hazardous substances, established hazardous substance management regulations for all green products of the Company based on the environmental laws and regulations worldwide, established a set of systematic environmental management systems based on the requirements under ISO 14001, and specified matters of cooperation for suppliers to jointly facilitate compliance with environmental protection laws and regulations to protect the environment on earth and reduce effects on the ecological system.

### (1) Environmental management substances

With reference to the environmental management substances under the RoHS and REACH of the EU, whether products contain the international EHS and the specifications of other customers, hazardous substances that exist in direct materials, packaging materials, products, procedures, auxiliary materials of procedures, or may enter into the products, the content, the use, compliance with the commitment, and the permitted use shall be under control.

### (2) Prohibited substances

Prohibited substances refer to substances that are prohibited from use during the manufacturing processes of parts or products regardless of intentional addition or natural existence, and the minimum concentration limit and testing methods of such substances are specified in relevant laws.

## Green Supply Chain Management

The Company has introduced green supply chain management to use materials with low impacts on the environmental load. It is committed to improving the use efficiency of resources and complies with the 3R (reduce, reuse, and recycle) principles to successfully use recyclable wood chips in producing speaker cabinets with special casting processes.

## 3.2 Supplier Management Policy and Standards

The Company has formulated its supplier management principles and evaluation regulations, and suppliers cover raw material suppliers, material supplies, subcontractors, and PCBA subcontractors. The management content includes supplier evaluation and management to ensure that the quality management and the source management of raw materials of suppliers comply with regulations and require suppliers' operations to comply with local regulations so as to receive the review according to the Company's evaluation regulations. Also, the Company requires suppliers to comply with the behavioral specification of human rights, environment, and ethics of RBA.

The supplier evaluation team of the Company comprises the Procurement, Quality Control, and Development Departments to carry out investigations of the abilities of suppliers, and the evaluation team shall confirm the final review results. The review aspects cover the basic profile of companies, quality systems, environmental/environmental protection requirements, and other information. For qualified environmental protection suppliers, we require them to provide certificates for passing the ISO 9001 quality management system certification or ISO 14001 environmental certification to ensure that suppliers include environmental and social effects in the evaluation and control. The Company conducts the verification through the conflict-free minerals survey, implements the Supplier Code of Conduct, and requires suppliers to strictly comply with human rights and management and ban forced labor or child labor.

The Company has concurrently established a favorable communication system for suppliers to handle and communicate with suppliers in terms of relevant matters and proactively promote social responsibility viewpoints and environmental safety and health management policy, including the green supply chain, hazardous substance restriction requirements in products, environmental protection-related laws and regulations, and product quality requirements of customers, so as to maintain healthy cooperating relationships with suppliers.

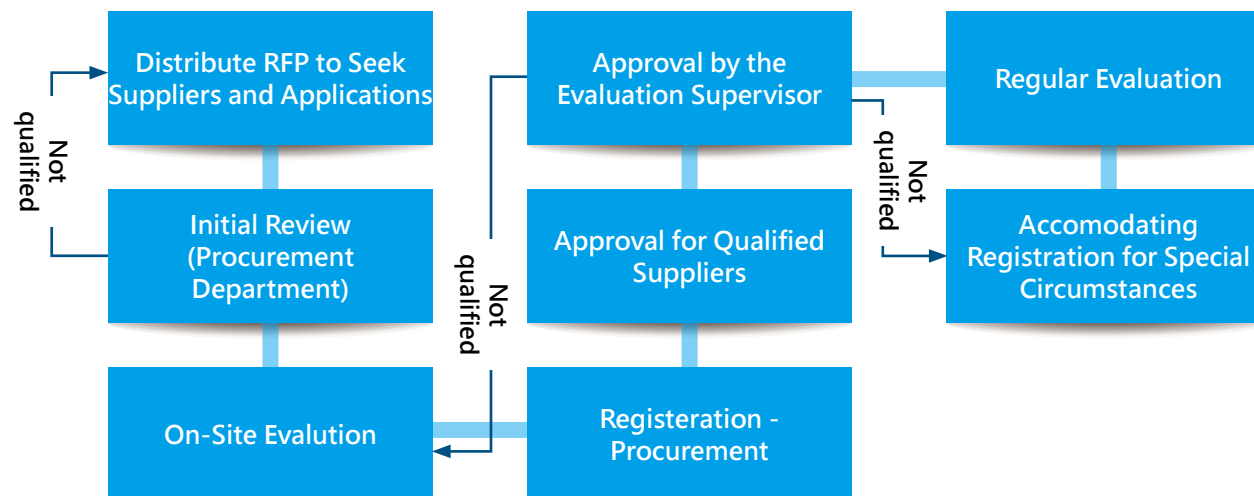




## Procurement Procedures

The requirements of the Company for suppliers are not limited to quality and services. Before cooperating with the Company, suppliers shall execute documents for compliance with the ethical corporate management policy of the Company. If a supplier is involved in any violation of the requirements under the ethical corporate management policy of the Company, the Company will terminate the business dealing with it. To duly implement the measures, auditors of the Company carry out an inventory of the implementation of social and environmental responsibilities of suppliers to evaluate whether new suppliers comply with laws/regulations and the requirements of customers or other relevant provisions. If there is any non-compliant supplier, the Company will assist in making improvements within the designated time and complying with the standards.

- Supplier evaluation – Include ISO 14001, ISO 9001, QC080000, supplier HSF system evaluation report, financial evaluation, and the execution of the non-corruption commitment and notice for suppliers. The list of qualified suppliers is established thereof and updated quarterly. The evaluation procedures are as follows:



- Registration confirmation/contract establishment of qualified suppliers – Understand the supply ability based on the procurement content (including production capacity, quality, technology, and corporate financial conditions, etc.) for evaluation. When entering into the General Procurement Agreement (GPA), a qualified supplier is also required to enter into the following agreements:

- ◆ NDA (Non-Disclosure Agreement)
- ◆ No infringement statement
- ◆ Supplier Quality Guarantee Agreement
- ◆ Environmental protection contract (Agreement on Restrictions on use of Hazardous Materials)
- ◆ Supplier Code of Conduct
- ◆ Contact Letter for ISO14001 Environmental Matters

The Supplier Code of Conduct includes three major items of business conduct, labor and employment, and safety and environment, in which the acceptance of gift money, unfair business conduct, discrimination, brutal treatments, and child labor are forbidden, anti-corruption, protection of intellectual property rights, and the protection of reasonable working hours, wages, welfare, privacy, and safety and healthy working environments of employees are stated; for environmental protection items, control emissions wastewater, noise, dust, and soil pollution and control hazardous substances, the handling and recycling of dangerous and non-dangerous waste, and conflict-free minerals agreements.

## Supply Chain Commitment

Each part of the supply chain directly affects product quality, delivery timeliness, and final customer satisfaction. To ensure the operations of high efficiency and stability of the supply chain, the supply chain audit is deemed a crucial activity for monitoring and evaluation.

### Suppliers' commitments are as follows

- Suppliers shall carry out the separate management of material sources and substances to reduce risks of supply shortage and non-compliance of substances when encountering natural disasters or force majeure in the future.
- Establish systematic environmental management, focus on integrations, and provide products with high quality and service experience with high value.
- Do not use prohibited/restricted substances in regulations related to environmental protection.
- Have honest, transparent, and responsible operations and ban the receipt of any form of unjust benefits.
- Suppliers shall execute the "raw material procurement contract," "letter of social responsibility commitment," "environmental protection guarantee," "environmental protection commitment," "conflict-free minerals announcement," "HSF file conveyance supplier contact," and "REACH survey statement of suppliers." In 2024, the execution results were as follows:

| "Raw Material Procurement Contract" Note 1 |       | Letter of Social Responsibility Commitment |       | Environmental Protection Guarantee |       | Environmental Protection Commitment |       | Conflict-Free Minerals Announcement |       |
|--|-------|--|-------|------------------------------------|-------|-------------------------------------|-------|-------------------------------------|-------|
| Number of Suppliers Executed               | Ratio | Number of Suppliers Executed               | Ratio | Number of Suppliers Executed       | Ratio | Number of Suppliers Executed        | Ratio | Number of Suppliers Executed        | Ratio |
| 110  | 96%   | 110  | 96%   | 96                                 | 84%   | 98                                  | 86%   | 110                                 | 96%   |

Note 1: The "raw material procurement contract" is equivalent to the "GPA."

## Supplier Audit

Each December, the Company may, based on the circumstances, revise the "Annual Supplier Review Plan" for the upcoming year, with reference to the suppliers' delivery performance and environmental risk levels. Reviews for major and critical suppliers are conducted at least once a year, either through on-site assessments or data reviews.

### Audit status of suppliers in Mainland China and Vietnam in 2024 :

|   | EAHZ   | EAVN |
|---|--|------|
| Number of Supplier Evaluation                 | 40   | 50   |
| Score for Evaluation Qualification            | ≥ 80   | ≥ 70 |
| Qualification Rate                            | 100%   | 100% |
| Subsequent Measures for Unqualified Suppliers | 1. Send the content of unqualified items to suppliers and define the improvement time as subject to the circumstances.<br>2. Carry out the second audit. If the result is still not qualified, report to the procurement department. |      |

## 3.3 Ethical Procurement

### Conflict-free Minerals Management

The Company promises to comply with a high standard of ethics and social responsibility during the course of procurement. With the support of the Responsible Business Alliance (RBA) and the “Conflict-free Smelter Program (CFSP)” developed by the Responsible Minerals Initiative (RMI), we will regularly track and examine the conflict mineral management policies of suppliers to implement the legal and conflict-free minerals commitments, and we require suppliers to sign back the “conflict-free metal announcement.”

**The Company does not use metal from regions with conflict minerals while requiring suppliers to observe the following:**

- 1** Do not use conflict minerals (Au, Ta, Sn, and W) from the Democratic Republic of the Congo and its neighboring countries
- 2** Require suppliers not to use conflict minerals produced by the Democratic Republic of the Congo and its neighboring countries
- 3** Make the best efforts to confirm the sources of supplies and refuse to use conflict minerals from conflicted regions



## 3.4 Customer Services

### Customer Satisfaction

#### Survey purpose

- ① Confirm the crucial factors that affect satisfaction and measure the satisfaction level of customers at present.
- ② Understand customers' thoughts and explore customers' potential requirements.
- ③ Measure the advantages and disadvantages of the Company's competitiveness, explore opportunities to improve service quality, and formulate improvement plans and measures.
- ④ Increase communication between the Company and customers, reduce complaints and customer losses, and create a favorable reputation to improve customer satisfaction and loyalty.

#### Customer service satisfaction survey processes and methods

##### 1. Frequency and time:

Once a year at the end of the year.

##### 2. Target:

The top five main customers based on the sales figures during the year.

##### 3. Method

Distribute the survey questionnaires via e-mail

##### 4. The investigation covers 11 aspects

Service quality, delivery performance, product quality, service parts supply, response/countermeasure on defect/complaint, co-operation during design stage, available product categories, marketing demand, related field knowledge/experience of contacted person, GP performance and general performance

##### 5. Rating standard

The score is from 1 to 5, and the recognition standard for the satisfaction of the Company is 4 (80%) or more.

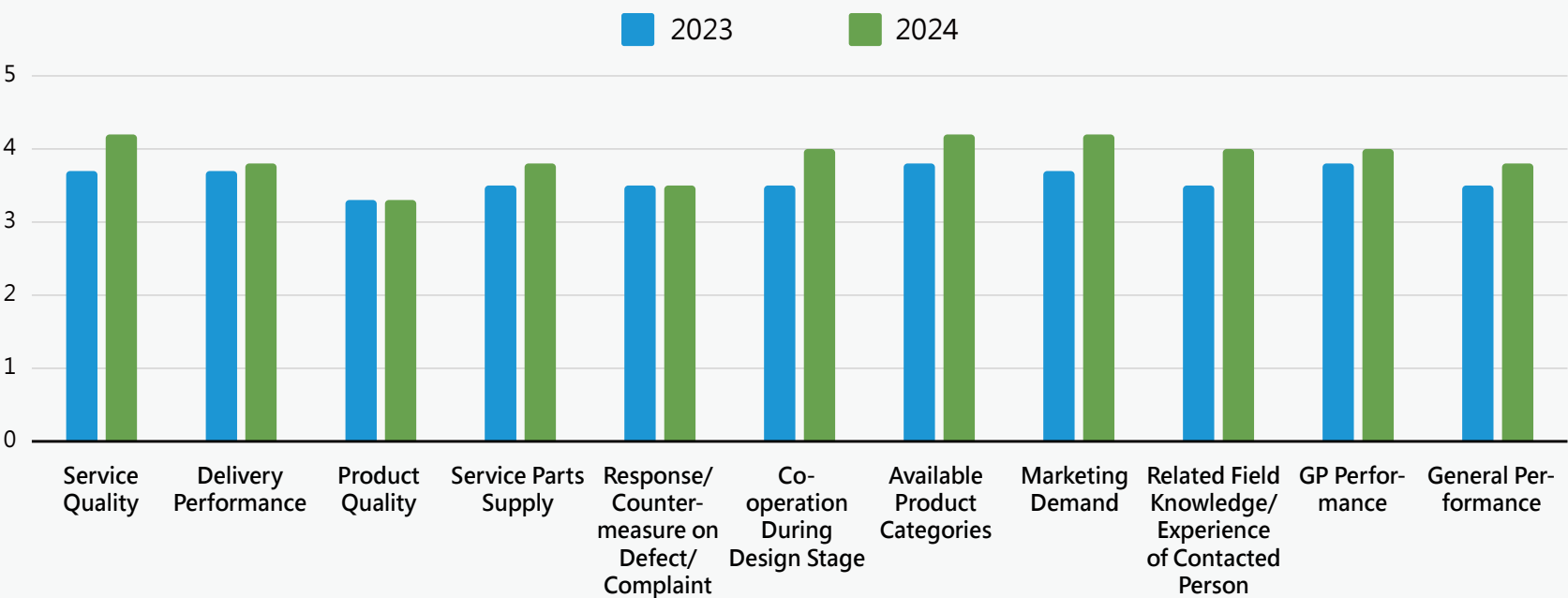
##### 6. Satisfaction analysis and improvement direction

Develop strategies that better align with customer requirements and market changes, focusing on product quality, collaboration during the development phase, communication, and pricing

In 2024, the customer satisfaction survey result was 3.89 (77.88%), representing an increase of 8.3% from 2023. However, one of the customers gave a lower rating for the product quality. The Company values customers' opinions and will include them in future improvement highlights. In addition, as compared to peers, the satisfaction score was 1 to 3, and the Company received a highly rated satisfaction of 2.61 (86.87%), representing a growth of 3.84% from last year.



The following is the list of customer satisfaction for 2023/2024:



## Customer Privacy

The Company values customer privacy and personal data protection and is committed to processing the privacy of customer information with the highest standard. Customer data is a material part of a strict cybersecurity management system and the system inventory. The Company protects customer privacy with zero information security risk and promises to comply with relevant laws/regulations to ensure the information security of customers.

The Company adopts stringent security measures to achieve data protection and security. It has established its "information risk management framework", including the IT policies and standards to ensure the continuous compliance

and the observation of the latest security measures, including but not limited to data encryption, firewalls, access control and internal review systems, to prevent unauthorized access, leakage, alteration, or abuse of customer information.

The Company will not sell, lease, or trade customers' personal data to subcontractors without specific consent of customers unless otherwise required by laws or necessary for the provision of services (i.e., logistics and delivery or payment handling). All cooperating partners shall comply with the privacy and security standards of the Company.

chapter

# 04

## Innovative Technologies

4.1 Product Introduction

4.2 Technological Level and R&D Concepts

4.3 Innovative Products and Services

4.4 Green Product R&D

4.5 Product Lifecycle

4.6 Intellectual Properties

## 4.1 Product Introduction

### Quality Commitment

Premium acoustic products are related not only to technological innovation but also to the commitment to quality and strict control. Eastech has long been adhering to the business philosophy of “outstanding quality and innovative R&D” to strive to improve product performance with its absolutely professional R&D team, together with the latest technology trends and market analysis, to ensure that all products reach the highest standard within the industry. The Company also focuses on the optimization and upgrade of production procedures to strictly control the processes in the testing procedures and relevant environmental protection tests with the most advanced automated speaker production line and headphone smart production line to seek quality precision and stability.

### Quality commitment

- ♦ **Select premium materials** : To ensure the purity and durability of the sound quality of products.
- ♦ **Precision technology R&D** : Constantly break through the limitations of existing technologies and engage in innovative designs and precision calibration.
- ♦ **Strict quality control** : Raw material testing, monitoring of production processes, and finished good testing comply with international quality standards.
- ♦ **Continuous optimization and improvement** : Actively collect market feedback and data analysis and continue to improve product performance to ensure the leading position of our acoustic products in terms of technology and satisfy the constantly evolving market demand.

As a professional enterprise in the acoustic field, Eastech seeks technological leadership and adheres to its quality commitment to bring outstanding acoustic products for global consumers, set a higher standard for the market, and create unprecedented hearing experiences.

Eastech is committed to the R&D, design, manufacturing, and services of products. It continues to invest its R&D capacity in developing diverse products and maintaining its leading position within the industry by adopting innovative and sustainable concepts. Eastech sets green design as its starting point, adopts eco-friendly materials, obtains international certifications for its products, and constantly makes advances to create innovative products that comply with customers' expectations.

### Description of the use of the main products

|                       |   |
|-----------------------|---|
| Home Audio System     | Home theater speaker system and sound bars                                    |
| Personal Audio System | Mobile wireless speakers, smart speakers, and headphones                      |
| Transducers           | High-end transducers, automotive transducers, and acoustic modules            |
| Others                | Molds and parts (cabinet accessories, plastic parts, and semi-finished goods) |

## 4.2 Technological Level and R&D Concepts

The Company's R&D department has a highly integrated R&D team with clear division of responsibilities, combining acoustic R&D, electronic R&D, structure development, software/hardware, and other engineering capabilities as its core. Meanwhile, the Company possesses over two decades of transducer development technologies. At CES in 2019, it launched the premium transducers brand "PUNKTKILDE"; the product series is a series of transducers designed by Scan-Speak and produced by the Company to provide outstanding sound products for global customers. Combined with its expertise in wood-working, plastic injection molding, and decades of electronic technology for speaker systems, along with international-standard audition rooms and top-tier speaker development technologies, the Company adopted Klippel® and installed the world-leading design tools (i.e., COMSOL) to bring R&D design skills with high standards. The Company obtained the ISO 9001 and ISO 14001 certificate in 2006 and the TS16949 certificate in 2016. In addition, key components are primarily produced in-house for the speaker systems to ensure stable product quality and delivery term guarantee for customers.

Headphones, in combination with electroacoustic software and the upgrades of electroacoustic equipment, improved the development technology to achieve high-resolution audio. The development of tough Bluetooth headphones with digital signal processing (DSP) and clear voice capture (CVC) and the R&D of voice-enabled headphones allow us to stay ahead in terms of R&D technologies.

### Three Stages of Product Creation

#### Stage 1

##### Feasibility Research and Technological Analysis

Initial possibility and feasibility research

##### Initial Supplier Participation

Initial supplier participation in crucial parts, components, and materials

##### Design Introduction Seminars

Join customers and suppliers for design discussions

##### Acoustics Seminars

Sound, design simulation, and feasibility discussions

#### Stage 2

##### Product Requirement Definition (PRD)

##### Project Initiation

##### Timetable Arrangement

##### Design Stage

#### Stage 3

##### Design Maturity Verification

##### Pilot Production

##### Final Pilot Production

##### Mass Production

## 4.3 Innovative Products and Services

### 1 New technology introduction

#### Bluetooth Low Energy (BLE) :

BLE audio was introduced into new products, including the full series of home and personal sound and headphone products. LE audio adopted the BLE spectrum for communication, which has the features of saving power consumption during operations; it is compatible with classic audio devices that adopt the general Bluetooth spectrum and also supports more new functions. Meanwhile, the power-saving Low Complexity Communications Codec (LC3) was also introduced to maintain the sound quality while reducing the computing requirements of source equipment, Bluetooth headphones, and speakers when processing audio.

### 2 Environmental protection applications

Products adopt environmental materials in packaging and products, including solar power panels for charging to increase power diversity and increase the usable time.

### 3 New material R&D

Develop new materials for diaphragm, vacuum sputtering, and others to achieve technological differentiation.

### R&D achievements in the most recent three years

| Year | R&D Achievement   |
|------|---|
| 2022 | <ul style="list-style-type: none"> <li>Glass diaphragm</li> <li>Pre-posed heat dissipation magnetic circuit system</li> <li>Patented ultra-thin Full-Range Driver (thickness: 23mm)</li> </ul>  |
| 2023 | <ul style="list-style-type: none"> <li>Auro 3D audio post-processing system design that is applicable to Bluetooth and wireless speakers</li> <li>Gaming SB system structure</li> <li>Professional audio system structure; compress tweeter</li> <li>Voice coil loudspeaker for PCB</li> <li>High-resolution ultra tweeter</li> <li>Green loudspeaker unit that uses recycled materials</li> <li>MEMS speakers drive the development of TWS</li> <li>Dynamic VC + Planar (tweeter) 2-way frequency dividing system for TWS</li> <li>Hearing aid system integration and its application</li> <li>Gaming headphones and TWS system structure</li> </ul> |
| 2024 | <ul style="list-style-type: none"> <li>Headphone function supporting use scenarios of professional musicians</li> <li>New tweeter series adopting TPCD cone materials</li> <li>Professional loudspeaker with "coaxial drivers"</li> <li>Development and shipping of the first model of TWS hearing aid that supports PSAP functions (over-the-counter)</li> <li>Development of open wearable stereophony headphone series institution</li> <li>Commencement of the introduction of non-PFAS materials</li> </ul>  |

### R&D expenses invested in each of the most recent three years

Unit: NT\$ thousand

| Year                               | 2022       | 2023       | 2024       |
|------------------------------------|------------|------------|------------|
| R&D Expenses (A)                   | 257,564    | 293,731    | 343,330    |
| Net Sales (B)                      | 12,810,382 | 10,640,520 | 12,405,466 |
| Ratio of R&D Expenses = (A)/(B)(%) | 2.01       | 2.76       | 2.77       |



## 4.4 Green Product R&D

The Company adheres to its environmental and social commitments to develop eco-friendly materials/less carbon emission products with its core competence and professional technologies based on the principles of the integrated circular economy. It includes the green product R&D strategy in its product designs and services, including the use of eco-friendly materials and the increase in energy efficiency of products. In the future, the technology will aim at energy conservation, electricity conservation, and high efficiency as the main directions.

### Implementation Plan

|                     |  |   |
|---------------------|--|---|
| 1.<br>Hardware      | Optimize electronic components                 | <ul style="list-style-type: none"> <li>Select chips and electronic components with low power consumption.</li> <li>Utilize high-performance power management chips to carry out delicacy management for the power source of equipment to reduce power consumption.</li> </ul>   |
|                     | Improve battery technologies                   | <ul style="list-style-type: none"> <li>Adopt batteries with high energy density to extend the equipment runtime.</li> <li>Adopt the new battery materials to realize a higher energy conversion efficiency.</li> </ul>  |
|                     | Adopt energy-saving display screens            | <ul style="list-style-type: none"> <li>Promote the use of OLED/AMOLED display screens to reduce power consumption.</li> </ul>   |
| 2.<br>Software      | Smart power management system                  | <ul style="list-style-type: none"> <li>Design smart power management software to automatically adjust the power mode of equipment and deactivate unused functional modules.</li> <li>Utilize sensor data and AI algorithms for power management.</li> </ul>   |
|                     | Optimize algorithms and program designs        | <ul style="list-style-type: none"> <li>Optimize software algorithms and reduce the computing volume and memory to reduce the load and power consumption of processors.</li> <li>Adopt high-performance program design language and framework to improve implementation efficiency and reduce energy consumption.</li> </ul>   |
|                     | Data compression and transmission optimization | <ul style="list-style-type: none"> <li>Compress data to reduce the power consumption of telecommunication modules.</li> <li>Optimize data transmission protocols to reduce unnecessary telecommunication expenses.</li> </ul>   |
| 3.<br>System design | Separated energy management                    | <ul style="list-style-type: none"> <li>Utilize solar power, wind power, and other renewable energy to realize self-sufficiency of energy in combination with energy storage equipment.</li> </ul>   |
|                     | Heat management design                         | <ul style="list-style-type: none"> <li>Optimize the heat management system of equipment, reduce the working temperature of equipment, and improve the performance and lifetime of electronic components while reducing energy loss from heat dissipation.</li> <li>Adopt high-performance heat dissipation materials and heat dissipation technologies (i.e., heat pipes and cooling plates) to improve heat dissipation efficiency and reduce energy consumption.</li> </ul> |
|                     | Human-computer interaction (HCI) design        | <ul style="list-style-type: none"> <li>Design simple and intuitive HCI interfaces to reduce the operating steps and time for users and improve the use efficiency of equipment while reducing energy consumption.</li> <li>Utilize voice recognition, gesture recognition, and other natural user interaction (NUI) technologies to reduce the dependence on physical buttons and touch screens so as to reduce the power consumption of equipment.</li> </ul>                |

## Implementation Achievements

1.

All materials comply with the “Restriction of Hazardous Substances (RoHS Directive)”
2.

All materials comply with the “Registration, Evaluation and Authorization of Chemicals (REACH Regulation)”
3.

All products meet the U.S. Department of Energy (DOE) efficiency standards (e.g., Level V.)
4.

Recycle loops of PCR materials for use
5.

Introduced PCR PC/ABS materials for use
6.

Introducing Halogen-Free materials step by step

Products developed in 2024 all received energy efficiency certification.

| No. | Item   |
|-----|--|
| 1   | Products with in-built power or external power supply compiled with the ERP (EC) No. 1275/2008, (EU) No. 801/2013, and (EU) 2023/826 standards   |
| 2   | Products with built-in rechargeable batteries complied with the CEC (Appliance Efficiency Regulations Title 20 and 10 CFR Section 430.23(aa)-2016), DOE (Energy Conservation Standards for Battery Chargers), and NRCAN (CAN/CSA-C381.2-17 standard) |

|                    |   |
|--------------------|---|
| RoHS Certification | Complies with the Restriction of Hazardous Substances Directive, ensuring products are free of restricted hazardous materials.  |
| DOE Certification  | According to the U.S. Department of Energy (DOE) certification standards, the Company achieved energy conservation, emissions reduction, and assisting users in electricity conservation, and, in turn, reduced energy consumption requirements and reduced the greenhouse effect.  |
| CEC Certification  | According to the CEC certification under the Appliance Efficiency Regulation implemented by the California Energy Commission in the U.S. according to the law, the implementation purpose is to save energy, improve the efficiency of power consumption products, and reduce the greenhouse effect and gas emissions.  |
| ERP Certification  | According to the ERP certification of the Energy-Related Products Directive of the EU, the Company achieved the reduction of energy consumption and environmental pollution of products by setting the ecological design requirements for energy-related products. The Directive is applicable to all electronic and appliance products sold in Europe, aiming to facilitate energy conservation, emissions reduction, environmental protection, greenhouse effect reduction, and other relevant effects. |

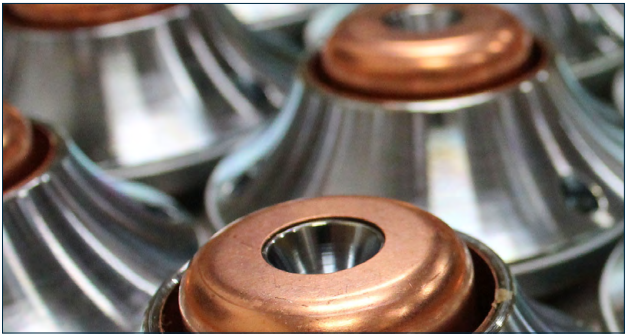
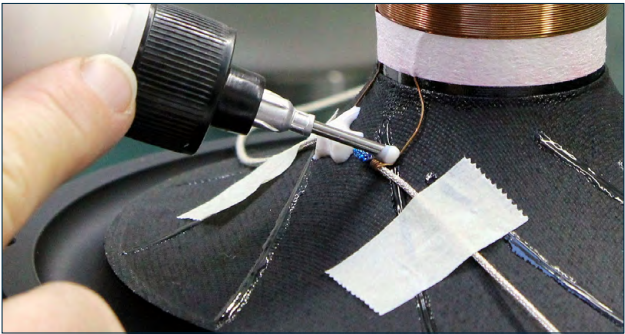
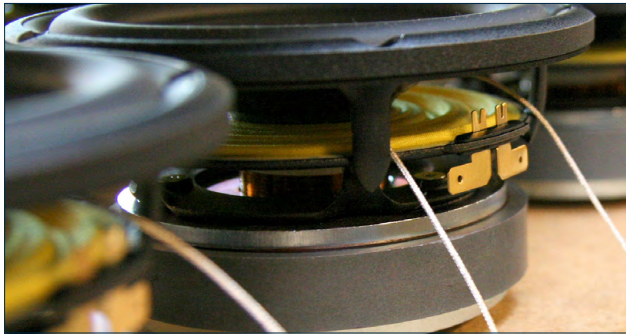
In 2024, the energy efficacy and the list of RoHS/DOE/CEC/ERP certification status are as follows :

| Certification Project | Number of Models that Passed the Certification |
|-----------------------|--|
| RoHS                  | 12   |
| DOE                   | 20   |
| CEC                   | 3  |
| ERP                   | 6  |

## 4.5 Product Lifecycle

The Company’s products comply with international regulations and supervisory requirements throughout the production lifecycle to ensure product and service safety, and customer feedback channels are also provided to protect customers’ rights and interests and mitigate risks of products or services directly or indirectly impacting the rights and interests of customers or other stakeholders.

|  |  |
|--|--|
| Percentage of products by revenue that contain IEC 62474 declarable substances                             | The percentage reported for IEC 62474 was 0%.  |
| Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent | Not applicable as the Company is not a counterpart for the registration of non-EPEAT products.   |
| Percentage of eligible products that obtained the “Energy Efficiency Certification”                        | <p>Products developed in 2024 all received energy efficiency certification.</p> <ul style="list-style-type: none"><li>• Products with in-built power or external power supply complied with the ERP (EC) No. 1275/2008, (EU) No. 801/2013, and (EU) 2023/826) standards</li><li>• Products with built-in rechargeable batteries complied with the CEC (Appliance Efficiency Regulations Title 20 and 10 CFR Section 430.23(aa)-2016), DOE (Energy Conservation Standards for Battery Chargers), and NRCan (CAN/CSA-C381.2-17 standard)</li></ul> |





## 4.6 Intellectual Properties

### Intellectual property strategy

The Company closely combined the R&D and innovation of acoustic products with the business targets of the Company to formulate its intellectual property development strategy and management structure. The strategy is beneficial for the integration of the Company's innovation ability so as to transform it into competitive and advantageous intellectual property assets.

### Management measures

|                 |   |
|-----------------|---|
| Patent          | In recent years, the Company continued to optimize and upgrade its intellectual property management strategy, promote the patent proposal system, and actively manifest the internal R&D innovation culture to improve the technological R&D and innovative capacity in the acoustic product field. In addition, in the initial period of product development, we implemented a patent search, analysis, and risk assessment system to effectively reduce potential infringement risks. Meanwhile, for external infringement letters from subcontractors and other intellectual property disputes, the Company has also established a mechanism for instant response and examination to make rapid and duly responses so as to further strengthen the protection and management of the Company's intellectual properties. |
| Trademark       | Regarding the core trademark "EASTECH" and the transducer trademark "PUNKTKILDE" of Eastech, the Company adopted long-term regional trademark deployment strategies to protect brand identification and support market expansion and brand image improvement.<br><br><div>   </div>  |
| Business secret | The Company has successfully implemented the business secret protection project for the automated transducer production line in EAHZ and further planned to establish a business secret registration and management system to ensure the security of crucial manufacturing technologies and proprietary technologies.   |
| Copyright       | Adhering to the principle of respecting intellectual properties, the Company continued to promote software legalization and compliance use of copyrights in EAHZ, EAVN, and the R&D Office in Shenzhen. In addition, in response to external copyright problems, the Company further enhanced the cross-department coordination mechanism and established an intellectual property response and relief team to ensure the rapid evaluation and the due handling of relevant matters. The Company solidifies its competitive strength, facilitates sustainable innovations, and ensures the security and development of its core intellectual assets through the systematic intellectual property management mechanism.  |



## Implementation status

In recent years, the Company continued to promote the intellectual property management plan and actively implemented various strategies and measures; the concrete implementation status is as follows:

|      |  |
|------|--|
| 2022 | we went to EAHZ, EAVN, and the R&D Office in Shenzhen, promoted genuine software management, and strengthened the internal intellectual property response mechanism to ensure compliance and risk control.   |
| 2023 | we deeply explored the core innovative R&D technology and concurrently commenced substantive patent deployment to reinforce the technological competitiveness and market advantages of the Group.  |
| 2024 | we combined innovative technologies with the high-tech enterprise certificate, actively promoted patent applications in Mainland China, and obtained multiple approvals. Meanwhile, for deployments in overseas markets, we concurrently commenced patent applications in the U.S. to ensure intellectual property protection in the international market. Next, for external infringement warning letters of subcontractors and other intellectual property disputes, the Company has established a mechanism for instant response and examination to introduce patent searches, analysis, and risk assessment in the initial stage of product development. |

## List of Intellectual Properties Obtained at Present and Achievements

|                 |  |
|-----------------|--|
| Patent          | As of 2024, the number of patent approvals and applications was approximately over 80 cases, including the patent deployment in Mainland China, Taiwan, Japan, the U.S., and Vietnam. In particular, we actively made patent application deployment in Mainland China and the U.S. in 2024 and obtained the approval for utility model patents and invention patents in Mainland China, invention patents in Vietnam, and other official notices and certificates. |
| Trademark       | As of 2024, the number of effective registered trademarks exceeded 90 cases.   |
| Business secret | As of 2024, we have implemented the business secret protection project for the automated transducer production line at EAHZ.   |
| Copyright       | As of 2024, we continued to promote genuine software management at EAHZ, EAVN, the R&D Office in Shenzhen and the internal cross-department real-time response and relief mechanism for external copyright warning letters.  |



chapter

# 05

## Eco-friendly and Sustainable Future

5.1 Environmental Protection Policy and Commitments

5.2 Energy Management

5.3 Emission Monitoring

5.4 Water Resource Management

5.5 Waste Monitoring





## 5.1 Environmental Protection Policy and Commitments

The Company is committed to the implementation of sustainable development, and it has established the Sustainable Development Committee to supervise the formulation of ESG strategies (environmental, social, and governance). The Company is aware of the crucial role played by enterprises in environmental protection and is required to assume the responsibility of environmental protection. Based on the philosophy of “think globally, act locally”, we focus on the development of climate change and international environmental protection trends to serve as the basis for setting environmental protection policies and targets while referring to global environmental standards and future climate analysis to carry out environmental impact assessments. From identifying the risks and possibilities of the impacts of operations on the environment, we formulated a sustainable environmental strategy and countermeasures, set concrete and realizable environmental protection targets, and ensured that the environmental protection policy complies with local and international protection regulations.

To enhance the implementation force of sustainable development, the Company established an effective waste management mechanism, optimized water resource management, and improved green procurement for reducing carbon emissions, promoting energy conservation and carbon reduction, and improving energy efficiency. The Sustainable Development Committee required the Sustainability Office to promote actions related to sustainable development, regularly report to the Board, and make an effort to deepen and incorporate the concepts of sustainable development into the corporate culture of Eastech so as to contribute to the future of human beings and the earth.

The Company established the “GHG inventory promotion team” in March 2023 to carry out the ISO 14064-1 GHG inventory operation of the Company and its subsidiaries (excluding ScS in Denmark) for 2022 with 2022 as the base year, and the verification scope includes EAHZ and its Shenzhen Branch, and EAVN.

In 2024, the Company and its subsidiaries (excluding ScS in Denmark) combined the GHG inventory data and issued a report of the Group; as the materiality threshold of 3% is exceeded, 2024 is reset as the base year.

### For environmental protection, we have implemented the following measures

- ◆ Comply with international regulations for environmental protection (i.e., RoHS, HF, and WEEE, etc.).
- ◆ Green supply chain management.
- ◆ Use recycled wood chips to produce speaker cabinets.
- ◆ Formally became the green partner in the green supply chain of SONY in 2010.
- ◆ Own multiple environmental quality-related certificates.

EAHZ and EAVN established an environmental management system in accordance with ISO 14001 and have conducted annual verifications accordingly. They have also continued to support their subcontractors in achieving ISO 14001 certification.

### Management System Certificates Related to Environment

| Standard /Factory | ISO 14001:2015 Environmental Management System | ISO 14061-1:2018 GHG Inventory | ISO 50001:2018 Energy Management System | QC 080000: 2017 Hazardous Substance Process Management System | SONY Green Partner |
|-------------------|--|--------------------------------|---|---|--------------------|
| EAHZ              | 2025/08/29                                     | Year 2024                      | 2027/11/21                              | 2027/12/17  | 2027/01/31         |
| EAVN              | 2026/03/02                                     |                                | 2027/12/01                              | 2027/09/08  |                    |

## Items of the main sources of impacts of climate-related risks on the Company are as follows

- EAHZ** : As the factory are not self-owned assets, the Company is unable to invest many resources in fundamental restructuring or renovation and may only replace and procure equipment with high energy efficiency and energy conservation first.
- EAVN** : As the power supply in the industrial areas in North Vietnam (mainly hydroelectricity) is unstable, there are unexpected power outages or unstable power supply from time to time. The Company is required to equip solar power panels for self-use to replace diesel emergency power generators to reduce carbon emissions and also combine with the supply chain to enhance supply resilience and prevent supply chain disruption.
- Carbon tax and internal carbon pricing** : How to calculate carbon emissions shall be considered for products exported to the EU to ensure the filing to the EU' s CBAM in the future to calculate the payment of carbon tax.
- As a result of the greenhouse effect, temperatures rise due to global warming, and extreme weather events become more intense. Considering circular economic benefits, the Company improves the consumption efficiency of energy, resources, and water resources, recycles and reuses packaging materials, and adopts energy conservation, water conservation, and recycling and reuse.

## Main risks and opportunities related to climate change assessed by the Company, and countermeasures

| Risk   | Opportunity   |
|--|---|
| <ol style="list-style-type: none"> <li>With the effects of the greenhouse effect, the increased temperature due to global warming, and the intensified extreme weather, the buildings and production equipment in EAHZ are relatively old, and their energy conservation efficiency is relatively poor. The Company improves the consumption efficiency of energy, resources, and water resources, recycles and reuses packaging materials, and adopts energy conservation, water conservation, and recycling and reuse.</li> <li>For EAVN, due to the unstable power supply in industrial areas in North Vietnam, it is urgently required to enhance the storage of green energy and other diversified power supply sources, and it is also required to combine with the supply chain to enhance supply resilience and prevent supply chain disruption. The investment in the installation of solar power equipment in EAVN started in 2024. The solar power equipment are installed on the rooftop of factories to generate power for use on-site and reduce the consumption of electric power. The investment in 2024 was approximately VND14,058,990,000 (approximately NT\$18,207,914). In 2025, the Company plans to invest in the installation of solar power equipment for the second phase, and the equipment is expected to be put into use in July.</li> <li>Plans responding to climate change and carbon reduction will result in the investment of capital expenditures by the Company that is more than expected, including purchasing new green assets or revamping the existing assets. The Company is not in a capital-intensive industry, and its cash inflow from operating profits should be sufficient for its funding sources.</li> </ol> | <ol style="list-style-type: none"> <li>For product development, the Company also actively cooperated with the environmental protection policies of the EU and the U.S. to develop products that comply with environmental protection to allow the Company to become the green cooperating partner of large-scale international companies.</li> <li>We cannot count on competitors to fall behind in terms of environmental protection and energy conservation. We think energy conservation is essential for our future—it has become vital to the Company' s survival.</li> <li>With the approaching timetable of the carbon reduction commitment by enterprises, internal carbon pricing undoubtedly will become a material step for enterprises to move toward low-carbon transition, which allows enterprises to better manage their own carbon footprints but also allows them to actively participate in global net zero and carbon reduction trends, grasping business opportunities brought by the low-carbon economy.</li> </ol> |



## 5.2 Energy Management

Energy shortage, global warming, and climate change have become increasingly severe, and energy management and energy transition have become material items in international energy policies. The selection of energy and consumption are closely related to the cost, environment, safety, and other issues of the Company. The improvement in energy consumption efficiency and the reduction of energy consumption are beneficial for saving costs and mitigating the impacts of climate change.

To improve and increase energy consumption efficiency, the Sustainable Development Committee required the Sustainability Office to take charge of compiling the energy consumption status of different operating sites, understanding the major energy categories of different sites, and formulating energy conservation improvement plans and short-term, mid-term, and long-term targets. The Sustainable Development Committee supervises the implementation status of the energy policy from time to time and adjusts the energy plan in due course to ensure the achievement of energy conservation targets. The Company also enhanced the promotion of energy conservation policies to improve employees' awareness of energy conservation and carbon reduction.

The majority of the Company's energy consumption occurs at EAHZ and EAVN, while other locations are primarily used for R&D and office operations. Therefore, this year's energy consumption disclosure will focus on these two factories. In the future, the scope will be expanded to include the entire Group to ensure comprehensive communication and transparency with stakeholders.

### Energy consumption of EAHZ and EAVN in the most recent two years

| Data Boundary | Item / Year                             | 2023        | 2024        |
|---------------|---|-------------|-------------|
| EAHZ          | Renewable energy consumption rate       | 0%          | 0%          |
|               | Total energy consumption (GJ)           | 49,851.3130 | 36,429.3178 |
|               | Ratio of purchased electricity          | 100%        | 100%        |
| EAVN          | Renewable energy consumption rate       | 0%          | 4.05%       |
|               | Total renewable energy consumption (GJ) | 0           | 1,644.3360  |
|               | Total energy consumption (GJ)           | 31,965.5688 | 39,004.6536 |
|               | Ratio of purchased electricity          | 100.00%     | 95.95%      |

The energy intensity of EAHZ and EAVN in 2024 was 6.6196 GJ/NT\$ million turnovers (including electricity, LPG, diesel, and petroleum).

### Energy Conservation Measures

The buildings and production equipment of EAHZ are relatively old, and their energy conservation efficiency is relatively poor. The Company improves the consumption efficiency of energy, resources, and water resources, recycles and reuses packaging materials, and adopts energy conservation, water conservation, and recycling and reuse. The solar power consumption efficiency of EAVN is higher, which is beneficial for the installation and use of solar power generation to reduce GHG emissions while saving energy and reducing environmental pollution, having positive effects on environmental protection.

## 5.3 Emission Monitoring

### GHG Inventory and Management

To effectively manage GHG emission sources, the Company organizes the GHG inventory based on the ISO 14064-1:2018 standards, including direct GHG emissions sources (Category 1) and indirect GHG emissions sources (Categories 2 to 6). Categories of GHGs include CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>, a total of seven types of GHGs.

The GHG emissions of the year reached 47,269.7414 tCO<sub>2</sub>e, and the emission intensity was 0.9908 tCO<sub>2</sub>e/NT\$ million turnovers.

According to the list of GHG inventory of the Company, Category 2 (purchased electricity) and Category 4 (material consumption) are the main GHG emission sources of the Company; therefore, promoting energy conservation measures and adjusting the procurement of raw materials are the most effective reduction plans.

Unit: tCO<sub>2</sub>e

| Indicator / Year   | 2022                                     | 2023        | 2024        |
|--|--|-------------|-------------|
| Data Boundary  | Eastech and subsidiaries (excluding ScS) |             |             |
| Direct (Scope 1) Emissions   | 1,355.0229                               | 2,626.0245  | 1,146.4500  |
| Indirect (Scope 2) Emissions   | 16,278.3260                              | 13,339.5231 | 11,145.2125 |
| Other Indirect (Scope 3) Emissions                                   | 5,071.1583                               | 23,980.5096 | 34,978.0789 |
| GHG Emission Intensity<br>(tCO <sub>2</sub> e/NT\$ million turnover) | 1.4007                                   | 1.5005      | 0.9908      |

Note: In 2022 and 2023, EAHZ and its Shenzhen Branch, and EAVN obtained the ISO 14064-1 certificates issued by AFNOR.

## Emissions of Other Gases

The Company strictly complies with local environmental regulations for gas emission management. All gases are duly processed by in-house processing facilities before the emission to ensure that the emission quality complies with relevant specifications and standards. In addition, the Company does not use or discharge any ODS, exhibiting its high commitment to environmental protection and sustainable development.

## GHG Emission Reduction Targets

|      |  |
|------|--|
| EAHZ | Reduce the GHG emission intensity by 2% from the basis in 2023 by 2028 by realizing the target of decomposition.   |
| EAVN | The Company commenced the plan to invest in the purchases of solar power generation devices for putting the devices into use in July, and the installed capacity accounted for 10%; therefore, the total emissions were reduced by 7% to 8%, with a reduction of 456,760 kWh of electricity, totaling 301.0962 tCO <sub>2</sub> e. In 2025, the Company plans to install solar power generation devices again. |

## GHG Emission Reduction Plan

- ◆ Promoted electricity conservation measures for factories and offices and enhanced promotion and substantial control from 2023 onwards.
- ◆ Replaced equipment with high power consumption and low efficiency and prioritized energy conservation facilities.
- ◆ Reduced the in-house moving distance through reasonable planning in factories and procedures and promoted the use of EVs and electronic forklifts.
- ◆ Adjusted the production models based on low/peak seasons and reduced the electricity consumption in low seasons.
- ◆ EAVN commenced to invest in solar power generation devices in 2024 to realize the benefits of energy conservation and emission reduction.

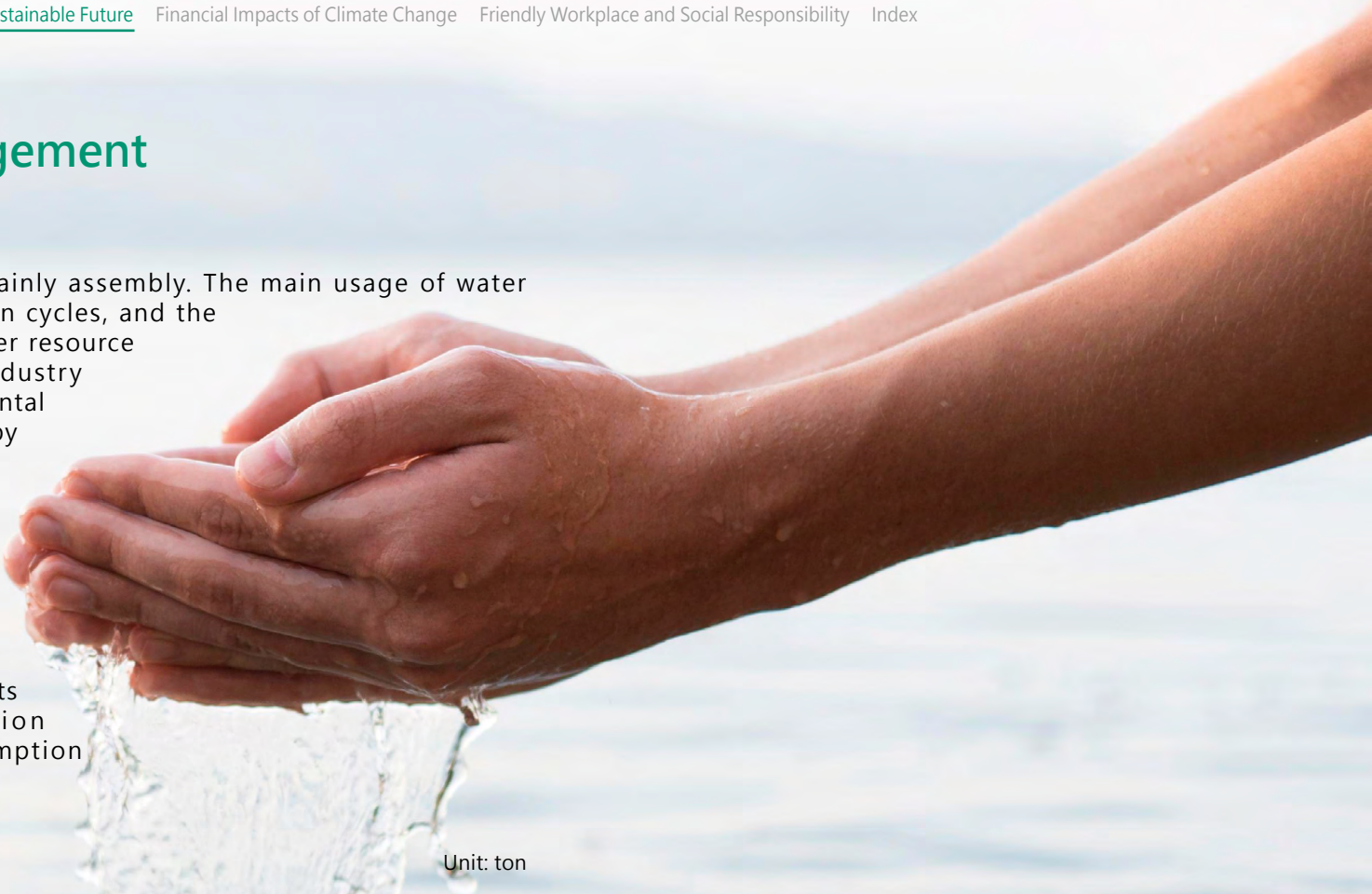
## Internal Carbon Pricing Planning

In response to climate change risks, the enhancement of carbon management strategies, and the impacts of domestic carbon fees and foreign carbon taxes, the Company has commenced the collection of carbon price information and analyzing the trends of the same industry at home and abroad to evaluate the internal carbon pricing system in the future in the hope of internalizing carbon costs and making business departments to include carbon emission factors during the course of business decision-making to improve the climate resilience and sustainable competitiveness of the overall operation.

## 5.4 Water Resource Management

The procedures of the manufacturing are mainly assembly. The main usage of water withdrawn is for domestic use and production cycles, and the water source is 100% tap water, not from water resource pressure areas. Domestic wastewater and industry wastewater generated comply with environmental protection regulations after being processed by sewage processing facilities for discharge by fulfilling the standards.

Our water resource management focuses on improvements of water conservation of employees during daily work and facilities. EAHZ established retention ponds and control valves to prevent sewage from polluting water and soil, and the environment due to accidents and actively promoted water conservation measures to improve water resource consumption efficiency.



Unit: ton

| Indicator / Year  | 2022                                     | 2023         | 2024         |
|---|--|--------------|--------------|
| Data Boundary   | Eastech and subsidiaries (excluding ScS) |              |              |
| Water Consumption                                       | 336,574.1800                             | 249,940.0992 | 238,549.7714 |
| Water Consumption Intensity (ton/NT\$ million turnover) | 26.7356                                  | 23.4906      | 19.2294      |



## 5.5 Waste Monitoring

### Evaluation of Waste Impact

With reference to domestic and foreign environmental impact reports, the Company identified waste generated from the organization internally and the upstream and downstream of the value chain due to operating activities and evaluated the impact of waste on the environment and society to prepare the value chain and waste impact diagram of the Company by taking into account each state of the lifecycle (raw material excavation, production, sales and delivery, the use of products, and waste disposals).

Waste generated by the Company includes hazardous and non-hazardous waste, mainly daily waste in offices, scraping of non-conformed goods, waste plastic, and waste hardware. Corresponding management measures were formulated in response to the potential impacts of different types of waste for the waste management department to regularly supervise and evaluate the implementation effects so as to mitigate or avoid the negative effect on the organization internally or on external environments.

There was no material waste leakage in 2024 nor any record of punishment by the competent authority. The Company continues to implement waste management and risk control to ensure that its operations comply with environmental regulations and SDGs.

On February 20, 2012, the Company formulated the environmental management master file compilation, a waste management policy, established a department to be responsible for the control, disposal of, and filing of waste generated from the operations of the Company, and disposing of waste based on local waste regulations of different sites. The disposal methods of waste are implemented based on local specifications, paper-based records are adopted to record the type and volume of waste and track the flow of hazardous waste, and the method to measure the output volume of waste is production capacity estimation and actual measurement.

Hazardous waste cannot be disposed of by us due to in-house technology or regulatory requirements; therefore, we engage externally qualified companies for clearing and disposal. For waste outsourced for processing, after obtaining receipts from the clearing companies, we verify the consistency with the weight measured in factory and comply with the tracking system specified by local governments to ensure that dispose of waste based on our requirements. Minimizing environmental impact is a core principle of waste management. Qualified companies are engaged to process waste (hazardous/non-hazardous) safely according to environmental protection specifications, and the final processing methods include incineration or other means of disposal that comply with local regulations. Qualified recycling companies are engaged to recycle or reuse waste, and general domestic waste is transported to permitted incinerators for handling.



Unit: ton

| Indicator / Year                               | 2022          | 2023       | 2024                                     |
|--|---------------|------------|--|
| Data Boundary                                  | EAHZ and EAVN |            | Eastech and subsidiaries (excluding ScS) |
| Hazardous Waste                                | 7.0910        | 13.1030    | 32.7003                                  |
| Non-Hazardous Waste                            | 771.4790      | 987.4871   | 897.9883                                 |
| Total Weight<br>(Hazardous + Non-Hazardous)    | 778.5702      | 1,000.5901 | 930.6886                                 |
| Waste Intensity<br>(ton/NT\$ million turnover) | 0.0618        | 0.0940     | 0.0750                                   |

## Eco-friendly Recycling

- ◆ The Company provides diverse recycling services based on cooperation with local suppliers.
- ◆ In 2024, the total weight of PCR (post-consumer recycled material; that is, recycled plastic) materials used by products shipped by EAHZ was 280,068.6032kg.
- ◆ None of our customers have commenced the recycling of scrap products and electronic waste.
- ◆ EAHZ recycled 48.18% of packaging materials.





chapter

# 06

## Financial Impacts of Climate Change

6.1 Climate Change Governance


6.2 Risks and Opportunities

6.3 Financial Impacts of Climate Change

6.4 Risk Management System

6.5 Scenario Analysis





The increasingly stringent global climate change issues and extreme weather brought by global warming imposed potential threats on the operating activities and value chain of the Company; therefore, to respond to the global change early, the Company carried out the identification of risks and opportunities through its risk management procedures and conducted analysis of financial impacts brought after the identification.

## 6.1 Climate Change Governance

To respond to issues related to climate change and reduce the further deterioration of global warming, the Company is committed to GHG emission reduction activities in the hope of achieving the net zero emission target at the same time as the world.

The Sustainability Office is subordinated to the President, and it is the responsible unit for the implementation of risk management. It is responsible for the overall risk management, the formulation of risk management policies, structures, and systems, and the establishment of qualitative and quantitative management standards so as to reinforce the mitigation of climate change impacts and adaptation strategies of the Company. The Sustainability Office reports to the Sustainable Development Committee and the Board at least once a year.

Apart from establishing relevant environmental management systems, the Company also actively urges relevant departments to carry out GHG inventory, brainstorm about emission reduction methods, and propose performance for discussions at the Board to make further decisions.

The Sustainable Development Committee also actively collects the latest information and compiles systematic contents to report to the Board to allow the Board to gain further understanding of climate change issues and make effective decisions.

## 6.2 Risks and Opportunities

The Company actively formulates solutions in the hope of reducing operational and financial impacts brought by climate change and effectively improving the climate resilience of the Company. The Company defined that short-term is within three years, mid-term is three to five years, and long-term is over five years to further evaluate visible and potential effects brought by climate change to the Company.



|             | Risk Type  | Short-Term   | Mid-Term   | Long-Term  |
|-------------|--|--|--|--|
| Risk        | <ul style="list-style-type: none"> <li>Transition risk</li> <li>Japanese and European brand customers require suppliers to commit to carbon reduction due to their brand image, which brings risks of compliance in different markets worldwide and manufacturer responsibilities to the Company.</li> </ul> | <ul style="list-style-type: none"> <li>Total GHG control</li> <li>Regulations relate to GHG emission reduction.</li> <li>Implementation of carbon taxes and carbon fees.</li> <li>Implementation of the EU' s CBAM.</li> <li>Adopting internal carbon pricing as the basis for the control over carbon risks and the evaluation of carbon reduction responsibilities assumed by the Company and effectively promoting carbon reduction and achieving the targets through formulating internal carbon pricing.</li> </ul> | <ul style="list-style-type: none"> <li>The increase in the awareness of consumers for climate change made them start to require products with low carbon emissions.</li> <li>The introduction of carbon reduction technologies causes capital expenditures of equipment investment.</li> <li>The inability to respond to climate change in time causes difficulties in the order-taking of the Company and forms order-taking thresholds, and it is impossible to replicate the prior success models based on the pure price advantage.</li> </ul> | <ul style="list-style-type: none"> <li>The trend of net zero emissions is irreversible. With the determination to succeed under the joint efforts of the industrial, academic, and governmental sectors, help successors lay a solid foundation instead of pushing the responsibility to the next generation.</li> <li>Sub-replacement fertility and AI are crises and opportunities; make good use of tools to improve resilience.</li> </ul>                     |
|             | <ul style="list-style-type: none"> <li>Physical risk</li> </ul>  | <ul style="list-style-type: none"> <li>At present, there is no harm brought by extreme weather at the place of EAVN; however, hydroelectricity is adopted locally, and water shortage will result in instability and shortage of electricity. Furthermore, the flood drainage function at the place is poor, and extreme/intense rainfall will cause difficulties in personnel access and production.</li> </ul>   | <ul style="list-style-type: none"> <li>The local infrastructures cannot endure extreme weather due to changes in frequency and increased strength of typhoons and strong intense rainfalls at the locations of EAVN, causing effects on personnel, equipment, and operations.</li> <li>Local and foreign suppliers in North Vietnam may be affected by extreme weather, causing operation interruption due to transportation services, delayed supply, and electricity shortages.</li> </ul>   | <ul style="list-style-type: none"> <li>The effects of the short chain of the supply chain and geopolitics can be predicted and controlled; however, extreme weather may result in the overall supply chain disruption.</li> <li>EAVN Vietnam cannot count on local governments, including flood prevention. Cogeneration and the full coverage of solar power require foresight and long-term operating determination to possess response capabilities.</li> </ul> |
| Opportunity | <ul style="list-style-type: none"> <li>There are opportunities to improve the climate resilience of the Company and effectively explore markets step by step, improving customers' trust.</li> </ul>   | <ul style="list-style-type: none"> <li>R&amp;D of products with low power consumption and low carbon emissions.</li> <li>R&amp;D and adoption of recyclable, decomposable, and eco-friendly products made with environmental protection materials.</li> </ul>  | <ul style="list-style-type: none"> <li>Effectively increase resource consumption efficiency.</li> <li>Recycle and reuse packaging materials repeatedly.</li> <li>Use water conservation and electricity conservation equipment and simplify production procedures.</li> <li>Implement local procurement to save unnecessary waste on transformation.</li> </ul>  | <ul style="list-style-type: none"> <li>Enhance corporate image, collaborating with value chain suppliers on carbon inventory (Scope 3), promoting sustainable development and contributing to society.</li> <li>Implement the methodology and stadal history through joining or formulating the Science Based Targets initiative based on scientific climate targets verified by SBTi.</li> </ul>  |



| R: risk; O: opportunity  | Financial impact -/+   | Countermeasure   |
|--|--|--|
| <b>R : Total GHG control, carbon taxes, and carbon fees</b>  | <ul style="list-style-type: none"> <li>- The content may be amended to impose carbon taxes and carbon fees, and even the carbon tariff imposed by the EU; operating costs significantly increase.</li> <li>- The violation of ESG commitments of global brand customers and the failure to reach the standards for order-taking threshold increase the risks of losing orders and losing business opportunities.</li> <li>- The installation of solar panels causes an increase in operating costs.</li> </ul> | <ul style="list-style-type: none"> <li>• Strengthen knowledge related to climate change of internal personnel of the Company and monitor changes in domestic and foreign issues and trends at all times.</li> <li>• Improve the consumption rate of green energy.</li> </ul> |
| <b>R : Customers require products with low carbon emissions</b><br><b>O : R&amp;D and design of products with low carbon emissions</b> | <ul style="list-style-type: none"> <li>- The failure to comply with customers' requirements will cause losses of Sales.</li> <li>+ Improvements in R&amp;D and design of products with low carbon emissions can effectively comply with the level of concern of users for climate change issues.</li> </ul>  | Continue to invest in R&D and design of green products and actively implement the local procurement policy to reduce emissions brought by transportation.  |

## 6.3 Financial Impacts of Climate Change

The operation locations (Guangdong in Mainland China and Hai Duong in Vietnam) of the Company have relatively lower impacts of extreme climate change. Our products don't need to operate 24 hours a day non-stop. However, we shall attach attention to the losses of working hours and production volume resulting from unannounced power outages due to insufficient hydroelectricity and floods caused by heavy rain in North Vietnam, which, in turn, affects Sales. It is gratifying that despite losses of relevant operating income due to heavy rain, such periods are short and temporary and can be responded to through shift adjustments and overtime work. In the long run, there will not be a material financial impact.

In addition, for the climate attributes of the places where the supply chain is located, the supply chain responded that it is prepared to address impacts brought by climate change, particularly the introduction of business continuity. Therefore, the supply disruption risk is relatively low. Meanwhile, the Company also actively seeks the possibilities of local procurement. With Vietnam becoming the next world factory, relevant supply chains will naturally move along and jointly grow with the Company. During the period, the Company will continue the development work for the market supply chain. Remote backup and the increase in resilience will have adverse effects on the increase in costs; however, customers' confidence and trust will increase.



## 6.4 Risk Management System

The Company formulated its risk management policies and procedures that are applicable to risk management identification, assessment, and determination for different issues. The Company will adopt the multi-disciplinary approach (brainstorming approach) to identify possible risks and opportunities of different issues and keep abreast of market changes and trends at all times to update risk content at any time. Meanwhile, the Company carries out the assessment of each risk through the quantitative approach and has specified unacceptable risk standards, and, in turn, determines unacceptable risk items and formulates countermeasures.



## 6.5 Scenario Analysis

### Transition scenario

The Company adopts the following scenarios as transition scenarios:

#### Scenario: IEA450 scenario

| Scenario        | Scope of Temperature Effects and Possibility | Model                               | Basic Assumption: Population   | Basic Assumption: Economy  | Time Frame |
|-----------------|--|-------------------------------------|--|--|------------|
| IEA450 scenario | 2°C , with a possibility of 50%              | The World Energy Model (WEM) of IEA | The estimated annual average growth rate of the population is 0.9%, and the population will grow from 7 billion in the middle of 2012 to 9 billion by 2040 | It is estimated that the total worth of global GDP will grow by 3.4% from 2012 to 2040 | 2012-2040  |

#### I. Key parameters of the IEA 450 scenario

The core of the IEA 450 scenario is the low-carbon transition of the energy system, and the key parameters include:

- ♦ **Carbon emission estimation** : The accumulated carbon emissions worldwide before 2050 are restricted to 110 to 120 billion tCO<sub>2</sub>e °

- ♦ **Energy structure transition** : Ratio of renewable energy: Renewable energy (wind power and solar power) shall reach 60% to 70% in the electricity structure in 2025.
- ♦ **Exit of fossil fuel** : Coal demand decreases by 80%, and natural gas demand decreases by 40% (as compared to the BAU scenario).
- ♦ **Carbon pricing system** : The carbon price rises to US\$100 to 150/tCO<sub>2</sub>e (2030) and US\$200 tCO<sub>2</sub>e (2050) progressively.
- ♦ **Improvement in efficacy** : The annual average reduction in industrial energy intensity is 3%, and the increase in efficacy in construction and transportation fields is 50%.

#### II. Driving factors and transition pressure

##### Policies and regulations :

- ♦ The enforcement of carbon tax and carbon emission trading system (ETS).
- ♦ The tightening of industry carbon emission standards (i.e., the "carbon peaking and carbon neutrality" policy in China and the EU's CBAM).

##### Technology advancement :

- ♦ The decrease in renewable energy (solar power is lower than fossil energy).
- ♦ The scalable applications of storage technologies (lithium batteries and hydrogenic energy).

##### Market demand :

- ♦ Premium of low-carbon products (i.e., green steel materials and zero-carbon electricity).

- ♦ The carbon footprint of the supply chain becomes the core indicator for the procurement of customers.

### III. Cost and expenditure simulation (in stages)

#### 1. Short-term (2023 to 2030)

##### ♦ Transition costs :

- Investment in renewable energy: Increase the installed capacity of solar power/wind power, with an annual average CAPEX of approximately 5% to 8% of Sales.
- Energy efficacy reformation: Upgrade production lines (i.e., Industry 4.0 intelligence), with a one-off investment accounting for 10% to 15% of Sales.

##### ♦ Compliance cost :

- Carbon tax expenditure: In 2030, the EU' s ETS price is estimated to be Euro 150/ton, accounting for 5% to 10% of net profits.
- Carbon emission monitoring system: The construction of the digital platform (accounting for 15% of IT budgets).

#### 2. Mid-term (2031 to 2040)

##### ♦ Costs of repeated computing technologies :

- New energy storage technologies: Commercialized applications of solid-state batteries and liquid batteries.

##### ♦ Supply chain reorganization :

- Replacement of high-carbon emission suppliers and localized the supply chain (an increase of logistics costs by 2% to 3%).

#### 3. Long-term (2041 to 2050)

##### ♦ System integration costs :

- Cross-industry cooperation.
- Scalable deployment of carbon dioxide removal (CDR) technologies.

### IV. Benefit analysis

#### 1. Direct financial benefits

##### ♦ Decrease in operating costs :

- Replace fossil energy with renewable energy, with an electricity cost reduced by 20% to 30%.
- The increase in energy efficacy reduces energy expenditures (saving an annual average of 3% to 5%).

##### ♦ Carbon cost avoidance :

- Carry out decarbonization early to avoid high carbon taxes (the accumulated carbon cost saved can reach 15% to 20% by 2050).

##### ♦ Market opportunities :

- Premium of green products (the premium rate is 5% to 10%).
- Enter the EU and other markets with high thresholds (the operating income increases by 2% to 3%).

#### 2. Non-financial benefits

- ♦ **Brand value** : The increase in the ESG rating attracts green investors (the financing costs decreased by 0.5% to 1%).

- ♦ **Risk management** : Avoid physical risks (i.e., asset losses caused by extreme weather) and transition risks (policy punishments).

- ♦ **Innovation-driven** : The accumulation of technological patents (i.e., low-carbon procedures) forms long-term competitiveness.

### V. Scenario simulation recommendations

##### ♦ Building dynamic models :

- Adopt the Monte Carlo method to quantify the uncertainties of carbon prices, technological breakthroughs, policy strength, and other variables.
- Set sensitivity analysis (i.e., carbon price  $\pm 30\%$  and the speed of decreases in renewable energy cost).



#### ◆ Priority strategy :

- Focus on energy efficacy and renewable energy in the short term (ROI cycle of three to five years).
- Make deployments for hydrogen energy and CDR technology in the mid-to-long term (strategic investment).

#### ◆ TCFD disclosure integration :

- Include the simulation results in the “climate-related risks and opportunities” chapter in the financial statements to reinforce the communication with investors.

## VI. Conclusion

Under the IEA 450 scenario, the transition costs of Eastech concentrate on the initial period (CAPEX accounts for a high proportion); however, it can realize the positive return of NPV through saving energy cost, market premium, and financing advantages. It is recommended to adopt the investment dynamic adjustment strategy in stages to balance short-term financial pressure and build long-term competitiveness.

### Scenario: Nationally Determined Contributions (NDCs) scenario in the World Energy Outlook of the IEA

| Scenario   | Scope of Temperature Effects and Possibility   | Model | Basic Assumption: Population   | Basic Assumption: Economy  | Time Frame |
|--|--|-------|--|--|------------|
| NDCs scenario in the World Energy Outlook of the IEA | By 2040, if a 50% opportunity is required to avoid a temperature increase of 2°C, all the remaining “carbon budget” shall be used. If there is no firm and powerful action, the temperature increase will reach 2.6°C after 2100, and the temperature increase will reach 3.5°C by 2200. | WEM   | The estimated annual average growth rate of the population is 0.9%, and the population will grow from 7 billion in the middle of 2012 to 9 billion by 2040 | It is estimated that the total worth of global GDP will grow by 3.4% from 2012 to 2040 | 2012-2030  |

## I. Key parameters of the NDCs scenario

### 1. Carbon reduction targets :

- ♦ **Significant regional differences** : For example, the emission reduction of 55% (vs. 1990) of the EU and 50 to 52% (vs. 2005) of the U.S. by 2030, and the “carbon peaking” target of China (by 2030).
- ♦ **Imbalanced industry coverage** : Most of the NDCs focus on electricity and industry, and emission reduction measures for agriculture and transportation are weaker.

### 2. Policy tools :

- ♦ **Carbon pricing dispersion** : The ETS carbon price of the EU > Euro 80/ton while the initial national carbon market in China < US\$10/ton.
- ♦ **Subsidy and punishment system** : For example, the subsidies for cleaning technologies under the “Inflation Reduction Act (IRA)” in the U.S. and the international funds (i.e., Green Climate Fund (GCF)) that developing countries relied on.

### 3. Technological pathway :

- ♦ **Progressive decarbonization** : The deployment speed is slower when relying on existing technologies (i.e., natural gas transition and efficacy optimization), hydrogen energy, and CCUS.
- ♦ **Energy structure** : Renewable energy accounts for approximately 35% to 40% (lower than the % in the IEA450) by 2030.

## II. Driving factors and binding conditions

### 1. Policy enforcement :

- ♦ NDCs in developing countries rely on international funds and technology transfers (with suspicion about the performance rate).

- ♦ The policies of developed countries are affected by the rotation of political parties (i.e., the swinging climate policies of the U.S.).

### 2. Industry competition :

- ♦ High-carbon industries (steel and cement) engage in lobbying to delay the policies of strict control.
- ♦ Cross-border carbon leakage risks (i.e., the EU’ s CBAM forces export enterprises to go through a low-carbon transition).

### 3. Geopolitics :

- ♦ Energy safety first (i.e., coal power was reinitiated in Europe after the Russian-Ukraine War).
- ♦ Competition in the crucial minerals supply chain (the contest for lithium and cobalt affects cleaning technology costs).

## III. Cost and expenditure simulation (as compared to IEA450)

### 1. Short-term (2023 to 2030)

#### ♦ The transition cost is lower, but the risk is higher :

- Decrease in investment strength in renewable energy: The annual average CAPEX accounts for 3% to 5% of operating income (IEA 450 requires 5% to 8%).
- However, the investment in CCUS and hydrogen is delayed, and the companies may face a surge in cost due “decarbonization raid” after 2040.

#### ♦ Differentiation of compliance cost :

- EU and other regions with high specifications: CBAM increases the export cost by 2% to 5%.
- Developing countries: The carbon market is not mature, and the implicit cost (i.e., electricity rationing and environmental protection fines) increases.

## 2. Mid-term (2031 to 2040)

### ◆ Technology-fixed risks :

- Excessive investment in natural gas infrastructure (i.e., gas-fired power plants and LNG terminals) may result in stranded assets.
- Low-efficiency technological pathways result in a limited reduction in energy costs (electricity cost merely decreases by 10% to 15%; IEA450 is 20% to 30%).

### ◆ Restructuring pressure of the supply chain :

- Regional trade barriers (i.e., carbon tariffs of the EU) force the regionalization of supply chains and the logistic costs increase by 3% to 4%.

## 3. Long-term (2041 to 2050)

### ◆ Raid costs for transition acceleration :

- If NDCs are forced to be enhanced after 2030 (if the global carbon budget is fully used), large-scale deployments of DAC and BECCS are required in a short period of time, and CAPEX surges.
- Traditional industries (i.e., petrochemicals) are forced to shut down, and the risk of asset devaluation increases.

## IV. Benefit analysis

### 1. Direct financial benefits

#### ◆ Gain from policy subsidy :

- Supplementary income from participation in international carbon credit trading (i.e., CERs and VERs).

#### ◆ Access to regional markets :

- Comply with the maintainable export shares under the EU's CBAM standards (avoid the carbon tariff punishment of 10% to 20%).
- It is easier for low-carbon products in developing countries to secure low-interest loans from international development banks.

## 2. Non-financial benefits

### ◆ Policy risk buffer :

- Progressive transitions reduce risks of technological disruption (i.e., maintaining partial natural gas assets to respond to energy crises).
- Adapt to differences between regional policies and avoid the "single solution" pathway for technologies.

### ◆ Strategy flexibility :

- Keep the cash flow of high-carbon assets to fight for time for future technological breakthroughs (i.e., low-cost CCUS).

## V. Scenario simulation recommendation

### ◆ Dynamic policy follow-up model :

- Establish an NDC policy database to quantify the legislative progress of countries (i.e., the passing probability of the "Clean Power Plan" in the U.S.).
- Simulate geopolitical conflicts, inadequate international funds, and other "NDCs backward scenarios."

### ◆ Differentiated regional strategies :

- Strictly regulated region (the EU): Invest in green electricity and carbon footprint certification early.
- Swinging policy region (the U.S.): Make deployments for reversible technologies (i.e., gas-green hydrogen dual fuel units).
- Fund reliance region (Southeast Asia): Bond with international cooperating partners (i.e., Asian Infrastructure Investment Bank) to separate risks.

### ◆ Cost-efficiency priority :

- Focus on the "minimum cost for compliance" in the short run (i.e., avoidance of carbon tariff and achieving efficacy targets).
- Keep technology in the mid-to-long term (modular factory, compatible with hydrogen energy and CCUS).

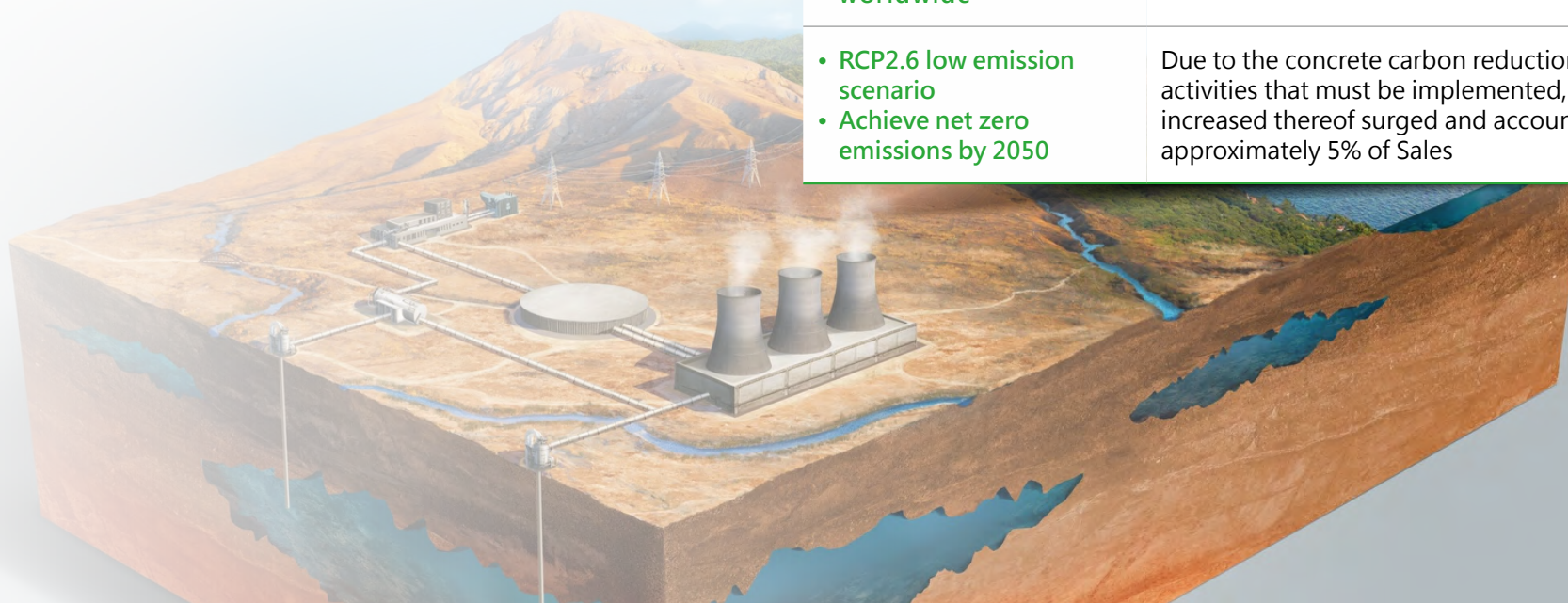
## VI. Key conclusion

- ♦ **Core conflicts of the NDCs scenario** : The short-term cost is low, but the long-term risk is high; a balance between flexibility and prospect shall be sought.
- ♦ **Corporate action recommendation** :
  - Risk hedging: Invest 20% of CAPEX in “regretless technologies” (i.e., efficacy and solar power).
  - Political lobbying: Participate in industry alliances to promote the enhancement of NDC targets (avoid raid costs).
  - Strategy disclosure: Divide the financial impacts of NDCs and 2° C in the TCFD Report to lead the expectations of investors.

### Physical scenario

The Company adopted the RCP model for physical scenarios and referred to the scenario analysis basis on the website of the “Taiwan Climate Change Projection Information Platform.” The website details the analysis status of different scenarios and brought utmost convenience for the implementation of the task by the Company explicitly in terms of the estimation models for climate change in different areas in Taiwan. The models used by the Company at present:

| Scenario   | Estimated Possible Financial Impacts   |
|--|--|
| <ul style="list-style-type: none"><li>• RCP8.5 high emission scenario</li><li>• Except for the prevailing policies in different countries, there is no additional concrete carbon reduction behavior worldwide</li></ul> | The operating costs increased to account for approximately 2% of Sales.  |
| <ul style="list-style-type: none"><li>• RCP2.6 low emission scenario</li><li>• Achieve net zero emissions by 2050</li></ul>  | Due to the concrete carbon reduction activities that must be implemented, the costs increased thereof surged and accounted for approximately 5% of Sales |





chapter

# 07

## Friendly Workplace and Social Responsibility

7.1 Talent Policy and Commitments

7.2 Labor Structure

7.3 Human Rights Equality and Diversification

7.4 Remuneration and Welfare

7.5 Labor-Management Relationship

7.6 Environmental Safety

7.7 Social Participation and Public Welfare



## 7.1 Talent Policy and Commitments

The talent policy of the Company adheres to equality, justice, diversification, and mutual help. As the Company has business locations spreading across Asia, it recruits excellent elites locally and in multiple countries. During the course of teamwork in multiple countries, new ideas and thinking are created due to the sparks generated by different cultures and values. The Company not only provides comprehensive, high-quality services to global customers but also provides services that comply with local requirements by adapting to local conditions, comply with the policy directions of employee care and friendly workplaces, and realizes the policies of sustainable corporate development.



## 7.2 Labor Structure

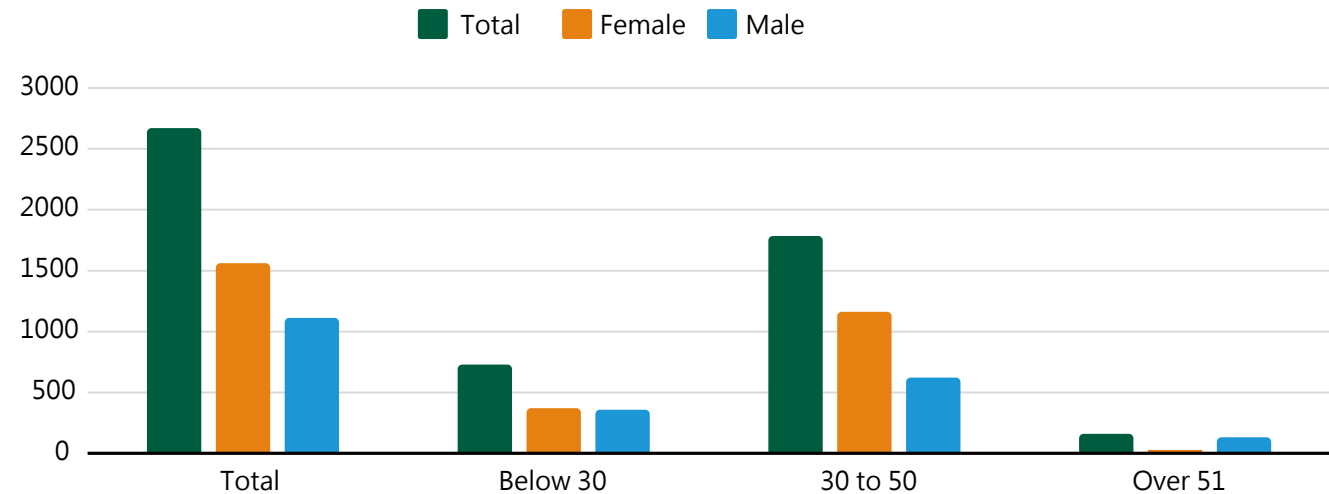
The Company deems talents material assets and is committed to creating a working environment with opportunities for everyone. Apart from determining the salary standards based on academic background and experience, professional knowledge and skills, and seniority, it has also formulated an overall remuneration strategy with industry competitiveness, performance evaluation promotion and development system, and diverse welfare items, and has established a retirement system according to the law to recruit competent talents through a reasonable and legal personnel management system and allow them to work stability.

In terms of talent recruitment, the Company not only provides stable, formal positions but also treats applicants equally without any different treatment due to gender, religion, or ethnicity. Through diverse recruitment channels, talents with different nationalities, values, and identities have equal opportunities to join the Company regardless of gender to exert their expertise and contribute their own values.

As of December 2024, the total number of full-time employees was 2,671 persons, representing a growth of 278 persons as compared to 2023. In addition, there were a total of 1,279 non-employee workers. Among the full-time employees, there were 1,111 male employees, accounting for 41.59%, and 1,560 female employees, accounting for 58.41%. Employees with a seniority of over 20 years, 10 to 20 years, and below 10 years accounted for 6.1%, 11.42%, and 82.48%, respectively.

Note: Non-employee workers include labor contracting personnel, contractors, residing companies, dispatch, security, cleaners, drivers, and cafeteria personnel.

The age/gender structure and distribution are set out in the following table

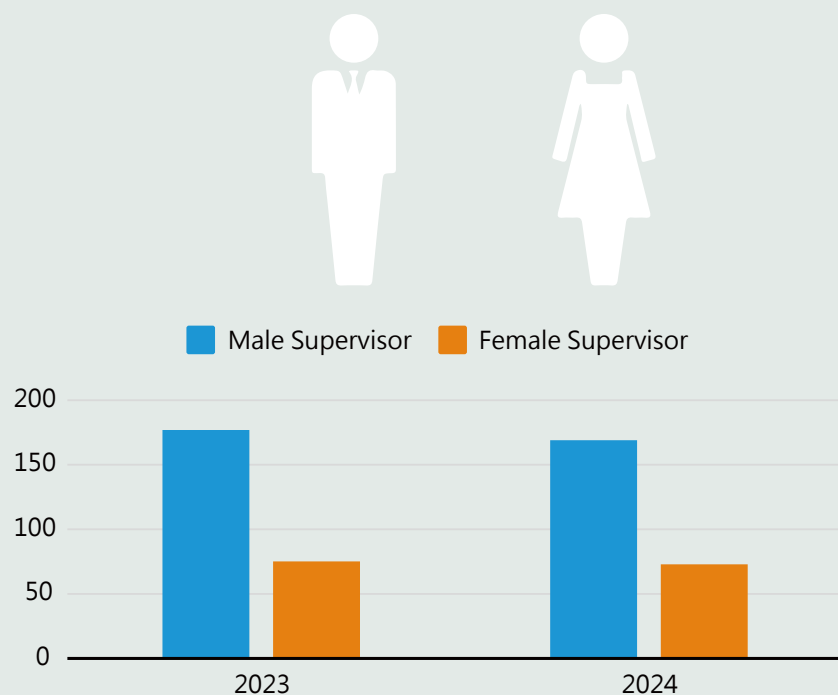


| Item / Gender / Year               |                        | 2023     |          |         |          |          |         |       | 2024     |          |         |          |          |         |       |
|------------------------------------|------------------------|----------|----------|---------|----------|----------|---------|-------|----------|----------|---------|----------|----------|---------|-------|
|                                    |                        | Female   |          |         | Male     |          |         | Total | Female   |          |         | Male     |          |         | Total |
| Physical Location                  |                        | Below 30 | 31 to 50 | Over 51 | Below 30 | 31 to 50 | Over 51 |       | Below 30 | 31 to 50 | Over 51 | Below 30 | 31 to 50 | Over 51 |       |
| 1                                  | EAHZ                   | 75       | 398      | 100     | 95       | 362      | 98      | 1,128 | 71       | 338      | 0       | 89       | 313      | 75      | 886   |
| 2                                  | EAHZ – Shenzhen Branch | 5        | 27       | 1       | 13       | 30       | 12      | 88    | 7        | 26       | 0       | 15       | 36       | 11      | 95    |
| 3                                  | ESZ                    | 0        | 4        | 0       | 0        | 1        | 3       | 8     | 0        | 4        | 0       | 0        | 1        | 2       | 7     |
| 4                                  | EAVN                   | 184      | 562      | 10      | 133      | 175      | 3       | 1,067 | 293      | 782      | 12      | 250      | 247      | 2       | 1,586 |
| 5                                  | ESG                    | 0        | 0        | 0       | 0        | 0        | 4       | 4     | 0        | 0        | 0       | 0        | 0        | 5       | 5     |
| 6                                  | EAH                    | 0        | 7        | 7       | 3        | 18       | 24      | 59    | 0        | 6        | 6       | 2        | 19       | 23      | 56    |
| 7                                  | ETH                    | 0        | 1        | 0       | 1        | 1        | 8       | 11    | 0        | 1        | 0       | 0        | 2        | 6       | 9     |
| 8                                  | ETW                    | 0        | 4        | 10      | 1        | 6        | 7       | 28    | 0        | 4        | 10      | 1        | 4        | 8       | 27    |
| Total Number of Persons/<br>Ratios |                        | 264      | 1,003    | 128     | 246      | 593      | 159     | 2,393 | 371      | 1,161    | 28      | 357      | 622      | 132     | 2,671 |
|                                    |                        | 11%      | 42%      | 5%      | 11%      | 25%      | 6%      | 100%  | 14%      | 43%      | 1%      | 14%      | 23%      | 5%      | 100%  |
|                                    |                        | 58%      |          |         | 42%      |          |         |       | 58%      |          |         | 42%      |          |         |       |

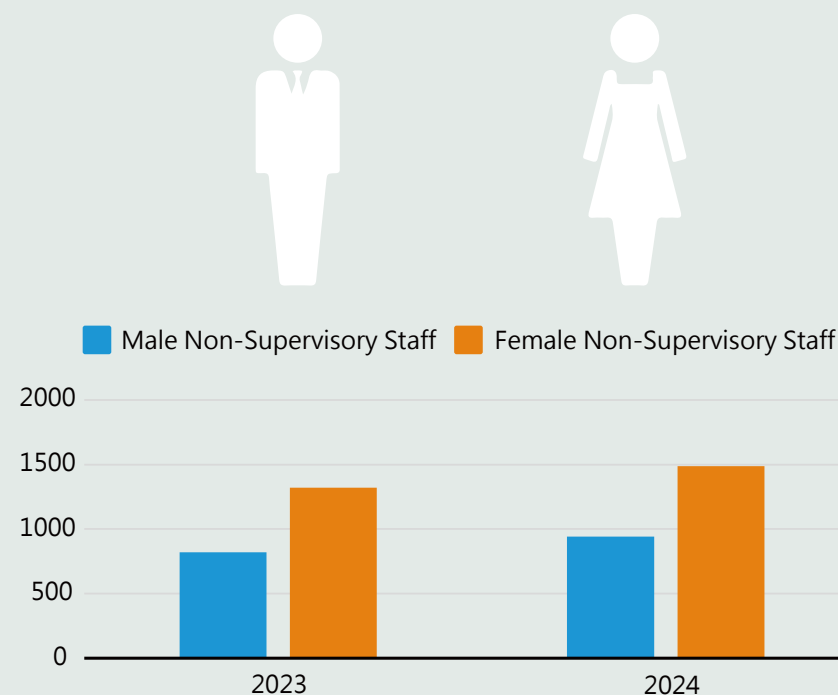
The position distribution of the Company in 2024 was 1,212 officers and 1,459 formal employees, totaling 2,671 persons. There were 242 supervisors, representing a decrease of ten persons as compared to 2023.

There were 169 male supervisors and 73 female supervisors, accounting for 70% and 30%, respectively. The position distribution of employees in the most recent two years is as follows:

### 2023 - 2024 Gender Distribution of Supervisors



### 2023 - 2024 Gender Distribution of Non-Supervisory Staff





| Year   |        | 2023     |                            |     |       |     |     |     |     | Total | Ratio |     |
|--|--------|----------|----------------------------|-----|-------|-----|-----|-----|-----|-------|-------|-----|
| Item / Gender  | Age    | EAHZ     | EAHZ<br>Shenzhen<br>Branch | ESZ | EAVN  | ESG | EAH | ETH | ETW |       |       |     |
| Supervisor<br>Above<br>the Level of<br>Section Chief | Male   | Below 30 | 0                          | 0   | 0     | 0   | 0   | 1   | 0   | 0     | 177   | 70% |
|  |        | 31 to 50 | 69                         | 5   | 1     | 16  | 0   | 14  | 1   | 4     |       |     |
|  |        | Over 51  | 15                         | 5   | 3     | 2   | 4   | 23  | 8   | 6     |       |     |
|  | Female | Below 30 | 1                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     | 75    | 30% |
|  |        | 31 to 50 | 33                         | 6   | 3     | 10  | 0   | 5   | 0   | 2     |       |     |
|  |        | Over 51  | 2                          | 1   | 0     | 0   | 0   | 5   | 0   | 7     |       |     |
|  | Others | Below 30 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     | 0     | 0%  |
|  |        | 31 to 50 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
| Total Supervisors                                    |        | 120      | 17                         | 7   | 28    | 4   | 48  | 9   | 19  | 252   | 100%  |     |
| Non-<br>Supervisory<br>Staff                         | Male   | Below 30 | 95                         | 13  | 0     | 133 | 0   | 2   | 1   | 1     | 821   | 38% |
|  |        | 31 to 50 | 293                        | 25  | 0     | 159 | 0   | 4   | 0   | 2     |       |     |
|  |        | Over 51  | 83                         | 7   | 0     | 1   | 0   | 1   | 0   | 1     |       |     |
|  | Female | Below 30 | 74                         | 5   | 0     | 184 | 0   | 0   | 0   | 0     | 1,320 | 62% |
|  |        | 31 to 50 | 365                        | 21  | 1     | 552 | 0   | 2   | 1   | 2     |       |     |
|  |        | Over 51  | 98                         | 0   | 0     | 10  | 2   | 0   | 0   | 3     |       |     |
|  | Others | Below 30 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     | 0     | 0%  |
|  |        | 31 to 50 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
| Total Non-Supervisory Staff                          |        | 1,008    | 71                         | 1   | 1,039 | 2   | 9   | 2   | 9   | 2,141 | 100%  |     |

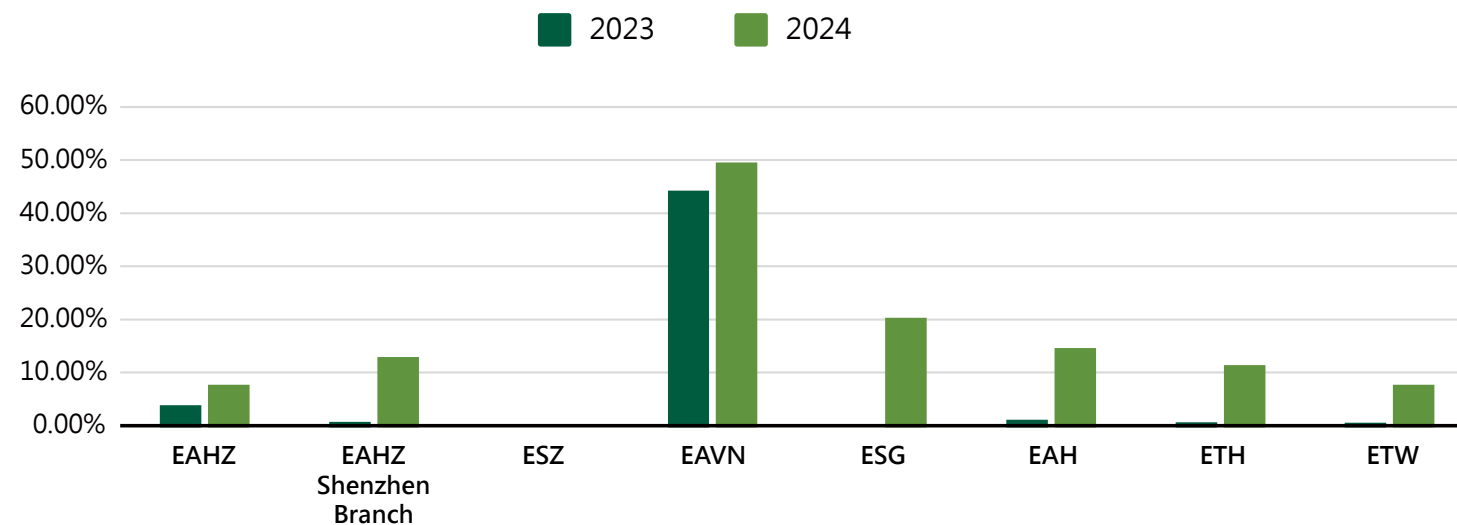
| Year   |        | 2024     |                            |     |       |     |     |     |     | Total | Ratio |     |
|--|--------|----------|----------------------------|-----|-------|-----|-----|-----|-----|-------|-------|-----|
| Item / Gender  | Age    | EAHZ     | EAHZ<br>Shenzhen<br>Branch | ESZ | EAVN  | ESG | EAH | ETH | ETW |       |       |     |
| Supervisor<br>Above<br>the Level of<br>Section Chief | Male   | Below 30 | 0                          | 0   | 0     | 0   | 0   | 1   | 0   | 0     | 169   | 70% |
|  |        | 31 to 50 | 58                         | 7   | 1     | 22  | 0   | 16  | 2   | 3     |       |     |
|  |        | Over 51  | 13                         | 5   | 2     | 1   | 5   | 20  | 6   | 7     |       |     |
|  | Female | Below 30 | 2                          | 0   | 0     | 1   | 0   | 0   | 0   | 0     | 73    | 30% |
|  |        | 31 to 50 | 33                         | 7   | 3     | 10  | 0   | 4   | 0   | 2     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 0   | 0   | 4   | 0   | 7     |       |     |
|  | Others | Below 30 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     | 0     | 0%  |
|  |        | 31 to 50 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
| Total Supervisors                                    |        | 106      | 19                         | 6   | 34    | 5   | 45  | 8   | 19  | 242   | 100%  |     |
| Non-<br>Supervisory<br>Staff                         | Male   | Below 30 | 89                         | 15  | 0     | 250 | 0   | 1   | 0   | 1     | 942   | 39% |
|  |        | 31 to 50 | 255                        | 29  | 0     | 225 | 0   | 3   | 0   | 1     |       |     |
|  |        | Over 51  | 62                         | 6   | 0     | 1   | 0   | 3   | 0   | 1     |       |     |
|  | Female | Below 30 | 69                         | 7   | 0     | 292 | 0   | 0   | 0   | 0     | 1,487 | 61% |
|  |        | 31 to 50 | 305                        | 19  | 1     | 772 | 0   | 2   | 1   | 2     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 12  | 0   | 2   | 0   | 3     |       |     |
|  | Others | Below 30 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     | 0     | 0%  |
|  |        | 31 to 50 | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
|  |        | Over 51  | 0                          | 0   | 0     | 0   | 0   | 0   | 0   | 0     |       |     |
| Total Non-Supervisory Staff                          |        | 780      | 76                         | 1   | 1,552 | 0   | 11  | 1   | 8   | 2,429 | 100%  |     |

As of December 2024, there were a total of 871 new employees, with 367 new male employees and 504 female employees, accounting for 42% and 58%, respectively.

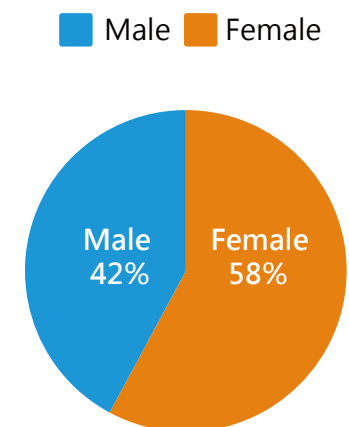
The number of females was higher than that of males. The recruitment rate of subsidiaries in 2024 increased from the preceding year, and the age/gender/age structure distribution is as follows:

## The recruitment rate of each subsidiaries showed an increasing trend as compared to 2023

2023-2024 New Employee Distribution



2024 New Employee Gender Distribution



| Company                    | EAHZ                 |                       |                      |                       | EAHZ<br>Shenzhen<br>Branch |                       |                      |                       | ESZ                  |                       |                      |                       | EAVN                 |                       |                      |                       | ESG                  |                       |                      |                       | EAH                  |                       |                      |                       | ETH                  |                       |                      |                       | ETW                  |                       |                      |                       |
|----------------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| Year                       | 2023                 |                       |                      |                       |                            |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |                      |                       |
| Gender                     | Male                 |                       | Female               |                       | Male                       |                       | Female               |                       | Male                 |                       | Female               |                       | Male                 |                       | Female               |                       | Male                 |                       | Female               |                       | Male                 |                       | Female               |                       | Male                 |                       | Female               |                       | Male                 |                       | Female               |                       |
| Age/Item                   | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons       | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% | Number of<br>Persons | Recruitment Rate<br>% |
| Below 30                   | 15                   | 1.5 %                 | 10                   | 1.0 %                 | 1                          | 1.1 %                 | 1                    | 1.1 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 96                   | 9.0 %                 | 97                   | 9.1 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 1                    | 1.8 %                 | 0                    | 0.0 %                 | 1                    | 10.0 %                | 0                    | 0.0 %                 | 1                    | 3.6 %                 | 0                    | 0.0 %                 |
| 31 to 50                   | 6                    | 0.6 %                 | 8                    | 0.8 %                 | 2                          | 2.3 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 80                   | 7.5 %                 | 217                  | 20.3 %                | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 5                    | 9.1 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 1                    | 3.6 %                 |
| Over 51                    | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                          | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 2                    | 0.2 %                 | 3                    | 0.3 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 3                    | 5.5 %                 | 0                    | 0.0 %                 | 2                    | 20.0 %                | 0                    | 0.0 %                 | 0                    | 0.0 %                 | 0                    | 0.0 %                 |
| Total New Employees        | 21                   |                       | 18                   |                       | 3                          |                       | 1                    |                       | 0                    |                       | 0                    |                       | 178                  |                       | 317                  |                       | 0                    |                       | 0                    |                       | 9                    |                       | 0                    |                       | 3                    |                       | 0                    |                       | 1                    |                       | 1                    |                       |
| Total Employees            | 1,128                |                       |                      |                       | 88                         |                       |                      |                       | 8                    |                       |                      |                       | 1,067                |                       |                      |                       | 4                    |                       |                      |                       | 59                   |                       |                      |                       | 11                   |                       |                      |                       | 28                   |                       |                      |                       |
| Total Recruitment Rate (%) | 3.8%                 |                       |                      |                       | 4.6%                       |                       |                      |                       | 0.0%                 |                       |                      |                       | 46.4%                |                       |                      |                       | 0.0%                 |                       |                      |                       | 16.4%                |                       |                      |                       | 30.0%                |                       |                      |                       | 7.2%                 |                       |                      |                       |



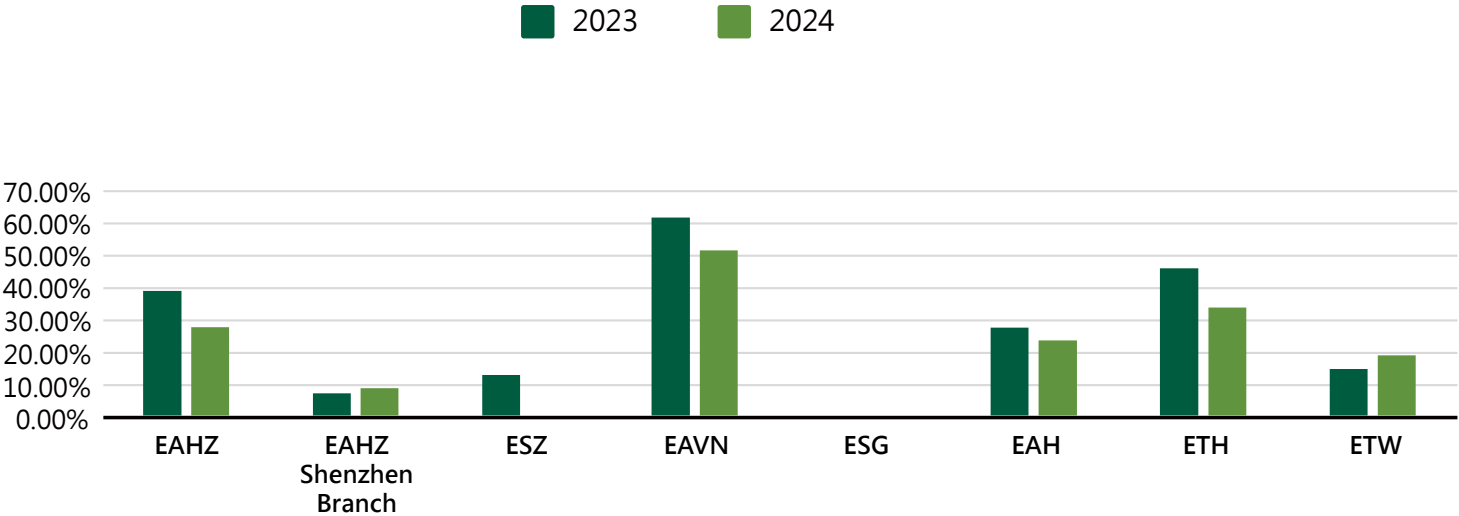
| Company                    | EAHZ              |                    |                   |                    | EAHZ Shenzhen Branch |                    |                   |                    | ESZ               |                    |                   |                    | EAVN              |                    |                   |                    | ESG               |                    |                   |                    | EAH               |                    |                   |                    | ETH               |                    |                   |                    | ETW               |                    |                   |                    |   |       |
|----------------------------|-------------------|--------------------|-------------------|--------------------|----------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|---|-------|
| Year                       | 2024              |                    |                   |                    |                      |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |   |       |
| Gender                     | Male              |                    | Female            |                    | Male                 |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    |   |       |
| Age/Item                   | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons    | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % | Number of Persons | Recruitment Rate % |   |       |
| Below 30                   | 22                | 2.5 %              | 18                | 2.0 %              | 3                    | 3.2 %              | 2                 | 2.1 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 187               | 11.8 %             | 175               | 11.0 %             | 0                 | 0.0 %              | 0                 | 0.0 %              | 1                 | 1.8 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 1                 | 3.7 %              | 0 | 0.0 % |
| 31 to 50                   | 11                | 1.2 %              | 13                | 1.5 %              | 7                    | 7.4 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 123               | 7.8 %              | 294               | 18.5 %             | 0                 | 0.0 %              | 0                 | 0.0 %              | 4                 | 7.1 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0 | 0.0 % |
| Over 51                    | 2                 | 0.2 %              | 0                 | 0.0 %              | 0                    | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 2                 | 0.1 %              | 1                 | 20.0 %             | 0                 | 0.0 %              | 3                 | 5.4 %              | 0                 | 0.0 %              | 1                 | 11.1 %             | 0                 | 0.0 %              | 1                 | 3.7 %              | 0                 | 0.0 %              |   |       |
| Total New Employees        | 35                |                    | 31                |                    | 10                   |                    | 2                 |                    | 0                 |                    | 0                 |                    | 310               |                    | 471               |                    | 1                 |                    | 0                 |                    | 8                 |                    | 0                 |                    | 1                 |                    | 0                 |                    | 2                 |                    | 0                 |                    |   |       |
| Total Employees            | 886               |                    |                   |                    | 95                   |                    |                   |                    | 7                 |                    |                   |                    | 1,586             |                    |                   |                    | 5                 |                    |                   |                    | 56                |                    |                   |                    | 9                 |                    |                   |                    | 27                |                    |                   |                    |   |       |
| Total Recruitment Rate (%) | 7.4%              |                    |                   |                    | 12.6%                |                    |                   |                    | 0.0%              |                    |                   |                    | 49.2%             |                    |                   |                    | 20.0%             |                    |                   |                    | 14.3%             |                    |                   |                    | 11.1%             |                    |                   |                    | 7.4%              |                    |                   |                    |   |       |

Note: New employees refer to those who are in-service and joined the Group in 2024; personnel who joined the Group and resigned in 2024 are not included in new employees.

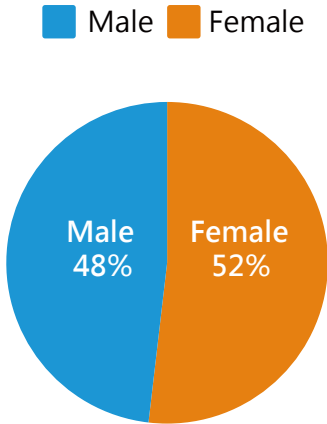
As of December 2024, there were a total of 1,080 resigned employees, there were 488, 536, and 56 resigned employees whose ages were under 30, 31 to 50, and above 51, respectively. The overall resignation rate was 40%, and the resignation rate of non-operator staff was 11%. The age/gender structure distribution of resigned employees is as follows.

The resignation rate of the majority of subsidiaries showed a decreasing trend as compared to 2023

2023-2024 Resignation Rate Distribution



2024 Gender Distribution of Resigned Personnel



| Company                    | EAHZ              |                    |                   |                    | EAHZ Shenzhen Branch |                    |                   |                    | ESZ               |                    |                   |                    | EAVN              |                    |                   |                    | ESG               |                    |                   |                    | EAH               |                    |                   |                    | ETH               |                    |                   |                    | ETW               |                    |                   |                    |
|----------------------------|-------------------|--------------------|-------------------|--------------------|----------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|-------------------|--------------------|
| Year                       | 2023              |                    |                   |                    |                      |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |                   |                    |
| Gender                     | Male              |                    | Female            |                    | Male                 |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    | Male              |                    | Female            |                    |
| Age/Item                   | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons    | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % | Number of Persons | Resignation Rate % |
| Below 30                   | 80                | 7.1 %              | 57                | 5.1 %              | 1                    | 1.1 %              | 1                 | 1.1 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 138               | 12.9 %             | 165               | 15.5 %             | 0                 | 0.0 %              | 0                 | 0.0 %              | 1                 | 1.7 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              |
| 31 to 50                   | 129               | 11.4 %             | 107               | 9.5 %              | 0                    | 0.0 %              | 3                 | 3.4 %              | 1                 | 12.5 %             | 0                 | 0.0 %              | 107               | 10.0 %             | 242               | 22.7 %             | 0                 | 0.0 %              | 0                 | 0.0 %              | 8                 | 13.6 %             | 1                 | 1.7 %              | 2                 | 18.2 %             | 1                 | 9.1 %              | 0                 | 0.0 %              | 2                 | 7.1 %              |
| Over 51                    | 30                | 2.7 %              | 31                | 2.7 %              | 1                    | 1.1 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 1                 | 0.1 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 0                 | 0.0 %              | 6                 | 10.2 %             | 0                 | 0.0 %              | 2                 | 18.2 %             | 0                 | 0.0 %              | 0                 | 0.0 %              | 2                 | 7.1 %              |
| Total Resigned Persons     | 239               |                    | 195               |                    | 2                    |                    | 4                 |                    | 1                 |                    | 0                 |                    | 246               |                    | 407               |                    | 0                 |                    | 0                 |                    | 15                |                    | 1                 |                    | 4                 |                    | 1                 |                    | 0                 |                    | 4                 |                    |
| Total Employees            | 1,128             |                    |                   |                    | 88                   |                    |                   |                    | 8                 |                    |                   |                    | 1,067             |                    |                   |                    | 4                 |                    |                   |                    | 59                |                    |                   |                    | 11                |                    |                   |                    | 28                |                    |                   |                    |
| Total Resignation Rate (%) | 38.5%             |                    |                   |                    | 6.8%                 |                    |                   |                    | 12.5%             |                    |                   |                    | 61.2%             |                    |                   |                    | 0.0%              |                    |                   |                    | 27.1%             |                    |                   |                    | 45.5%             |                    |                   |                    | 14.3%             |                    |                   |                    |

| Company                          | EAHZ                 |                          |                      |                          | EAHZ<br>Shenzhen<br>Branch |                          |                      |                          | ESZ                  |                          |                      |                          | EAVN                 |                          |                      |                          | ESG                  |                          |                      |                          | EAH                  |                          |                      |                          | ETH                  |                          |                      |                          | ETW                  |                          |                      |                          |
|----------------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|----------------------|--------------------------|
| Year                             | 2024                 |                          |                      |                          |                            |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |                      |                          |
| Gender                           | Male                 |                          | Female               |                          | Male                       |                          | Female               |                          | Male                 |                          | Female               |                          | Male                 |                          | Female               |                          | Male                 |                          | Female               |                          | Male                 |                          | Female               |                          | Male                 |                          | Female               |                          | Male                 |                          | Female               |                          |
| Age/Item                         | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons       | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% | Number of<br>Persons | Resignation<br>Rate<br>% |
| Below 30                         | 42                   | 3.5<br>%                 | 33                   | 2.8<br>%                 | 2                          | 2.0<br>%                 | 1                    | 1.0<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 207                  | 11.2<br>%                | 199                  | 10.8<br>%                | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 2                    | 3.0<br>%                 | 0                    | 0.0<br>%                 | 1                    | 8.3<br>%                 | 0                    | 0.0<br>%                 | 1                    | 3.3<br>%                 | 0                    | 0.0<br>%                 |
| 31 to 50                         | 23                   | 1.9<br>%                 | 21                   | 1.8<br>%                 | 1                          | 1.0<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 1                    | 0.1<br>%                 | 1                    | 0.1<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 1                    | 10.5<br>%                | 1                    | 1.5<br>%                 | 2                    | 16.7<br>%                | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 |
| Over 51                          | 65                   | 5.4<br>%                 | 58                   | 4.9<br>%                 | 1                          | 1.0<br>%                 | 3                    | 3.0<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 161                  | 8.7<br>%                 | 240                  | 13.0<br>%                | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 8                    | 13.4<br>%                | 1                    | 1.5<br>%                 | 0                    | 0.0<br>%                 | 0                    | 0.0<br>%                 | 2                    | 6.7<br>%                 | 2                    | 6.7<br>%                 |
| Total<br>Resigned<br>Persons     | 130                  |                          | 112                  |                          | 4                          |                          | 4                    |                          | 0                    |                          | 0                    |                          | 369                  |                          | 440                  |                          | 0                    |                          | 0                    |                          | 11                   |                          | 2                    |                          | 3                    |                          | 0                    |                          | 3                    |                          | 2                    |                          |
| Total<br>Employees               | 886                  |                          |                      |                          | 95                         |                          |                      |                          | 7                    |                          |                      |                          | 1,586                |                          |                      |                          | 5                    |                          |                      |                          | 56                   |                          |                      |                          | 9                    |                          |                      |                          | 27                   |                          |                      |                          |
| Total<br>Resignation<br>Rate (%) | 27.3%                |                          |                      |                          | 8.4%                       |                          |                      |                          | 0.0%                 |                          |                      |                          | 51.0%                |                          |                      |                          | 0.0%                 |                          |                      |                          | 23.2%                |                          |                      |                          | 33.3%                |                          |                      |                          | 18.5%                |                          |                      |                          |

Note: The resigned ratio is calculated based on the resignation date of the year, regardless of the on-boarding date.



The Company has established a parental leave without pay system according to relevant regulations; however, employees did not apply for the item in the most recent two years. In addition, the Company also provides leave types related to gender equality (i.e., maternity leave, paternity (pregnancy inspection) leave, and tocolysis leave to employees with requirements.

| Company  | EAHZ        | EAHZ<br>Shenzhen<br>Branch | ESZ         | EAVN        | ESG         | EAH         | ETH         | ETW         |
|--|-------------|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Year   | 2023 / 2024 | 2023 / 2024                | 2023 / 2024 | 2023 / 2024 | 2023 / 2024 | 2023 / 2024 | 2023 / 2024 | 2023 / 2024 |
| Number of persons who applied for parental leave without pay | 0           | 0                          | 0           | 0           | 0           | 0           | 0           | 0           |
| Number of persons reinstated after the end                   | 0           | 0                          | 0           | 0           | 0           | 0           | 0           | 0           |
| Number of persons who resigned after the end                 | 0           | 0                          | 0           | 0           | 0           | 0           | 0           | 0           |
| During parental leave without pay as of the end of the year  | 0           | 0                          | 0           | 0           | 0           | 0           | 0           | 0           |



## 7.3 Human Rights Equality and Diversification

The Company complies with the “RBA” specifications, duly fulfills corporate social responsibility, protects the basic human rights of employees, complies with the “Universal Declaration of Human Rights,” “The United Nations Global Compact,” “United Nations Guiding Principles on Business and Human Rights,” “International Labor Organization,” and various international human rights covenants, bans any infringement or violation of human rights and has explicitly disclosed the justice and equal treatment and respect to all employees. Meanwhile, it provides a series of high implementation standards for labor management, human rights protection, and relevant behaviors.

### Main policies of the Company for human rights

1. Forced labor prohibition and working hour control
2. Child labor prohibition and minor protection
3. Anti-gender discrimination and harassment
4. Protect and respect the freedom of association
5. Protect complaint channels
6. Protect wages, treatments, and welfare equality

RBA concepts and specifications are promoted when new employees report to work in Mainland China and Vietnam.

The human rights policy is applicable to all business locations worldwide. The Company complies with local regulations related to labor and gender work equality at the locations of its operations, has formulated human rights protection and labor policies, and implemented relevant measures and policies; the description is as follows :

#### I. Diversity, inclusiveness, and equal opportunity

The Company does not have differentiated languages, attitudes or behaviors due to personal gender, ethnicity, social and economic status, age, marital status, family conditions, language, religion, political parties, nationality, appearance, facial appearance, and physical and mental disabilities.

Ensure the equality and fairness of employment, remuneration, welfare, training, and promotion opportunities, provide effective and appropriate complaint channels, and strive to create a friendly workplace free of discrimination and harassment.

#### II. Provide safe and healthy working environments

The ESH (Environment, Safety & Health) department is responsible for continuously improving the working environment, minimizing occupational risks and hazards, protecting employees' physical and mental health, and ensuring compliance with legal and reasonable working hour policies. It also works to prevent excessive overtime and regularly monitors employee attendance and well-being.

#### III. Assist employees in maintaining their physical and mental health and work balance

The Company is dedicated to supporting employees' work-life balance and promoting their physical and mental well-being by offering regular health checkups and organizing group activities. EAHZ provides tuition subsidies for employees' children attending kindergarten, helping to address childcare needs and enabling employees to work with peace of mind.

#### IV. Respect for workplace human rights

The Company complies with labor regulations, strictly prohibits forced and child labor, and has established open communication platforms and channels between labor and management. Regular labor-management meetings are held to ensure the protection of employees' rights.

## Practices for Human Rights Protection

### I. Provide relevant legal compliance promotion and organize new employee education and training

The Company carries out onboarding training for employees, and the training includes the promotion of plant regulations, safety rules, environmental protection and the 6S (Sort, Set in order, Shine, Standardize, Sustain and Safety) concept. It regularly organizes professional training for the personal ability of employees to improve the composite literacy of employees.

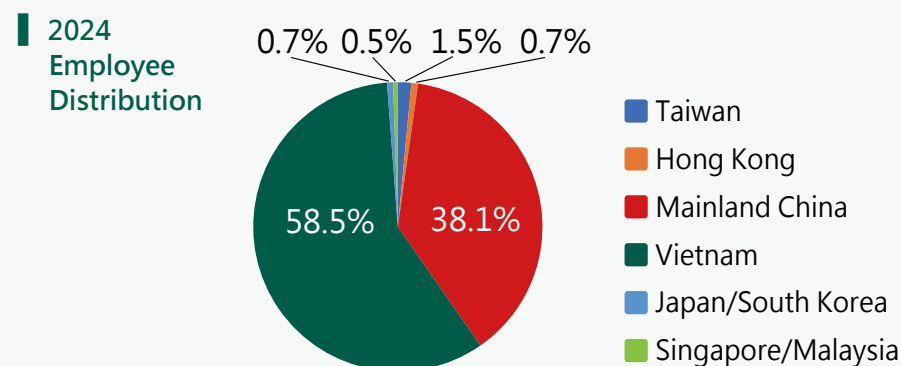
### II. Sexual harassment complaint and handling mechanism for employees

To provide work and service environments free of sexual harassment for employees and applicants, relevant systems and handling procedures were formulated by factories and offices in different places based on local regulations and culture, and the Human Resources Department serves as the contact for employees. It adopts appropriate promotion, prevention, correction, punishing, and handling measures to protect the rights, interests, and privacy of parties involved. When employees encounter such circumstances at the workplace, they may file direct complaints with contact of the Human Resources Department of different locations.

## Workplace Diversification

- ♦ The Company incorporates gender equality into its human resources practices. In 2023, the re-election of the 6th session of Directors added a female Director to achieve the diverse governance targets of the Board. In 2024, the average ratio of female employees to all employees was 58%, and the average ratio of female supervisors to all supervisors was 30%. The Company is convinced that more female supervisors will facilitate the diverse culture of the Company and enhance gender equality so as to adopt the sustainable development of the Company as the sole and optimal benefit consideration.
- ♦ The remuneration of employees is subject to their duties, academic background and experience, professional knowledge and skills, and personal performance and is not differentiated due to age, gender, and ethnicity.
- ♦ The Company is committed to workforce national diversity and had employees from eight countries/regions by the end of 2024. The Company depends on the different expertise and talents of different countries to achieve the constant advances of the Group.

The distribution of diversified employees is set out in the following figure and table.



| Year                             |        | 2024     |                            |     |      |     |     |     |     |
|----------------------------------|--------|----------|----------------------------|-----|------|-----|-----|-----|-----|
| Item / Gender                    | Age    | EAHZ     | EAHZ<br>Shenzhen<br>Branch | ESZ | EAVN | ESG | EAH | ETH | ETW |
| Physical and Mental Disabilities | Male   | Below 30 | 2                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | 31 to 50 | 6                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | Over 51  | 1                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  | Female | Below 30 | 0                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | 31 to 50 | 3                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | Over 51  | 0                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  | Others | Below 30 | 0                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | 31 to 50 | 0                          | 0   | 0    | 0   | 0   | 0   | 0   |
|                                  |        | Over 51  | 0                          | 0   | 0    | 0   | 0   | 0   | 0   |

Note: Employee diversification refers to the acceptance of diverse categories, including but not limited to nationality, ethnicity, and gender, of personnel as the employees of the Company.

| Year   |                |        | 2024 |                            |     |       |     |     |     |     |
|--|----------------|--------|------|----------------------------|-----|-------|-----|-----|-----|-----|
| Item / Gender                                    | Age            |        | EAHZ | EAHZ<br>Shenzhen<br>Branch | ESZ | EAVN  | ESG | EAH | ETH | ETW |
| Nationality Distribution (Regardless of the Age) | Taiwan         | Male   | 0    | 0                          | 0   | 0     | 0   | 8   | 2   | 13  |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 3   | 0   | 14  |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Hong Kong      | Male   | 0    | 0                          | 0   | 0     | 0   | 8   | 2   | 0   |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 8   | 1   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Mainland China | Male   | 477  | 62                         | 3   | 20    | 1   | 8   | 0   | 0   |
|  |                | Female | 408  | 33                         | 4   | 1     | 0   | 0   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Vietnam        | Male   | 0    | 0                          | 0   | 476   | 0   | 0   | 0   | 0   |
|  |                | Female | 0    | 0                          | 0   | 1,086 | 0   | 0   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | South Korea    | Male   | 0    | 0                          | 0   | 1     | 0   | 11  | 0   | 0   |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Malaysia       | Male   | 0    | 0                          | 0   | 2     | 1   | 2   | 4   | 0   |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 1   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Japan          | Male   | 0    | 0                          | 0   | 0     | 0   | 6   | 0   | 0   |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  | Singapore      | Male   | 0    | 0                          | 0   | 0     | 3   | 1   | 0   | 0   |
|  |                | Female | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |
|  |                | Others | 0    | 0                          | 0   | 0     | 0   | 0   | 0   | 0   |



## 7.4 Remuneration and Welfare

For the remuneration of the Company, reasonable salaries were established based on internal specifications. Regarding the bonus system for Chinese New Year and festivals, the distribution is made to all employees based on the seniority and annual performance of employees to provide incentives to employees for their joint efforts made for the Company's targets. The basic salary and salary adjustment of new employees are not different due to gender, and they are recruited based on equivalent conditions; however, there are slight differences in gender ratio due to duties, seniority recognized, and other different personal factors. In addition, the Company is committed to maintaining the basic living standard of employees. The salary standards of rank-and-file employees at different places are higher than the minimum local salary standards and are not different due to gender. For relevant information, please refer to the following table:

| Category and Item   | Female | Male | Ratio of Female to Male |
|---|--------|------|-------------------------|
| Ratio of minimum basic salary to minimum wages stated by laws                       | 1.07   | 1.06 | 1.01 : 1                |
| Ratio of the average salary of the lowest job level to minimum wages stated by laws | 1.21   | 1.23 | 0.98 : 1                |

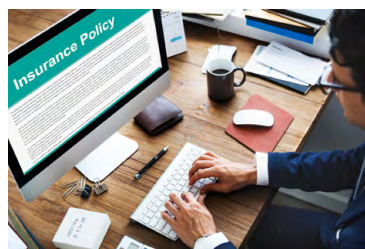
Note : The abovementioned lowest job level personnel refer to entry-level operators in EAHZ and EAVN. The minimum basic salary is the basic salary without any allowance, and the average salary of the lowest job level is the total salary inclusive of various allowances (excluding overtime payments).



## Employee Welfare

Employees are the greatest assets of the Company. To allow employees to focus on work and enjoy the benefits of the Company, the Company provides employee welfare, subsidies, the retirement system, and relevant measures according to the law or more favorable than the law. The detailed implementation status, labor-management agreements and the protection measures of employees' rights and interests are described as follows:

| Item (All Departments)                         | Welfare Content  |
|--|--|
| <b>Statutory insurance and group insurance</b> | <ul style="list-style-type: none"> <li>• Social insurance/employment insurance and health insurance required by the law at different places are taken care of; the Group further purchased additional group insurance based on personal work attributes and the requirements for work in different locations; the content includes life insurance, casualty, hospitality, clinical, and surgery insurance and protection.</li> </ul> |
| <b>Healthcare</b>                              | <ul style="list-style-type: none"> <li>• EAHZ and EAVN provide nursery rooms for female employees to use during their breastfeeding period.</li> <li>• EAVN has nursing practitioners available to support employee healthcare.</li> <li>• EAHZ conducts health checkups before, during, and after work for employees who handle chemical materials.</li> </ul>  |
| <b>Annual or festival activities</b>           | <ul style="list-style-type: none"> <li>• Annual dinners and department gatherings are organized for all locations of the Group, and the festival cash gifts and gifts are prepared.</li> <li>• Travel activities or subsidies are organized or provided from time to time based on the circumstances.</li> </ul>   |
| <b>Bonuses and various subsidies</b>           | <ul style="list-style-type: none"> <li>• Employees of the Group are entitled to year-end bonuses and performance bonuses.</li> <li>• Employees of EAHZ/EAVN have attendance bonuses and birth allowances, and there are emergency relief funds in place. Meanwhile, employees can apply for continuing education subsidies for external courses based on duty requirements.</li> </ul>   |
| <b>Company facilities</b>                      | <ul style="list-style-type: none"> <li>• Staff cafeterias are established in EAHZ and EAVN to provide nutritious and healthy diets and care for employees.</li> <li>• EAHZ also offers tuition subsidies for employees' children attending the Xiu De Chinese-Anglo Kindergarten.</li> </ul>   |



## Retirement Protection

The defined contribution retirement plan is adopted for all employees of the Company. For those under the defined contribution retirement plan, the amounts to be appropriated are recognized as expenses of the year during the period in which employees provide services. The number of persons applying for retirement in the most recent two years:

10 persons and 28 persons applied for retirement in 2023 and 2024, respectively.

- ♦ ETW: establish the pension system according to the Labor Standards Act and relevant regulations, and the new system was adopted to appropriate pension funds to personal pension accounts.
- ♦ Business locations comply with the local pension systems of their locations and appropriate pensions to the specified accounts according to laws and regulations to protect the retirement lives of employees.
- ♦ EAH/ETH: manage businesses established the Mandatory Provident Fund Schemes ( "MPF Scheme" ) with defined contribution for employees in Hong Kong based on the requirements of Mandatory Provident Fund Schemes in Hong Kong; the content is to make the contribution after the employees provide services and comply with the qualifications for the provident fund and recognize it as expenses.
- ♦ EAHZ/ESZ: appropriate the premium for endowment insurance to dedicated institutions specified by local governments at a certain ratio of employees' salaries each month according to the endowment insurance system of the People's Republic of China.
- ♦ EAHZ/ESZ: make the appropriation based on 15% (registered in Shenzhen) or 14% (not registered in Shenzhen) of the base points of personal salaries each month according to the Social Insurance Law of the People's Republic of China. For employees, it appropriates 8% into the personal endowment accounts under the social insurance.
- ♦ EAVN: appropriate pension funds according to the statutory payment ratio of wages of employees recruited based on the retirement system specified by the Vietnamese government and the pension funds of all in-service and retired employees are coordinated and arranged by local governments.



## 7.5 Labor-Management Relationship

### Communication Channels

To coordinate labor-management relationship, improve mutual understanding, facilitate labor-management cooperations, and increase work efficiency, both laborers and the management shall adhere to the principles of harmony and ethics and have unblocked communication channels. Apart from regularly organizing labor-management conferences to communicate opinions, the Company also respects the rights of employees in different locations in terms of freedom to assembly granted by laws and does not oppose or obstruct the assembly of employees.

Therefore, apart from the labor-management conferences of subsidiaries in Taiwan, there are labor unions established by subsidiaries in Mainland China and Vietnam. The labor union in Vietnam facilitates communication between laborers and the management and provides birthday cash gifts, wedding cash gifts, birth cash gifts, bereavement allowances, hospitalization subsidies, and other consolation measures.



| Name of Communication Organization                           | Labor Representative | Management Representative |
|--|----------------------|---------------------------|
| Labor-management conference of Eastech Innovations (TW) Inc. | 2 persons            | 2 persons                 |
| Labor union of Eastech (Huizhou) Co., Ltd.                   | 7 persons            | 0 persons                 |
| Labor union of Eastech (VN) Company Limited                  | 11 persons           | 0 persons                 |



## 7.6 Environmental Safety

The Company strictly complied with the ISO 45001:2018 international standards, systematically built the occupational health and safety management system (OHSMS), and strived to provide safe, equal, and healthy working environments to employees and stakeholders. The Company's system combined the principles of "risk-based thinking" and "PDCA cycle" in ISO 45001 to fully cover the following core fields:

### I. Management system framework

- 1. Leading effects and responsibility system :** The highest management ensures the effective operation of the system through formulating the health and safety policy, the allocation of resources, and the establishment of the accountability system. The management promises to promote the participation of all employees through regular safety committee meetings.
- 2. Organizational environment and risk control :** Identify internal and external environmental factors (i.e., laws, regulations, supply chain risks), and requirements of stakeholders and establish the danger source identification matrix to cover machinery injuries, chemical exposures, and other physical/chemical risks.
- 3. Employee participation negotiation system :** Through multi-language communication platforms, anonymous whistleblowing channels, and labor-management negotiation meetings, we protect the participation rights of employee safety decisions and allow all employees to accept annual safety training (training rate of 100%), and the content covers emergency exercises, occupational hazard protection, and others.

### II. Operational control and compliance protection

- 1. Legal compliance:** Establish the legal compliance review system for global subsidiaries to ensure that working hour management,

remuneration, and welfare comply with local regulations.

- 2. Supply chain and outsourcing management:** Include supplier safety quality review in the procurement procedures, specify the contractor operation permission system, and improve the on-site monitoring of overhead operations, machinery operations, and high-risk activities.
- 3. Occupational health improvement:** Commence health inspections and set up fume hood, gas masks, and other engineering control facilities to reduce the risk of occupational diseases. Nursery allowances are provided for children of employees in EAHZ to relieve work and family conflicts.

### III. Mechanism of continual improvement

- 1. Performance monitoring and review:** Impose real-time monitoring of high-risk areas through manual and monitoring patrol inspection systems.
- 2. Accident response and correction measures:** Formulate chemical leakage, mechanical injury, and other specific response plans.

### IV. Regional implementation highlights

The ISO 45001 standard interpretation is included in the new employee training for EAHZ/EAVN to highlight and promote the regulations of the local language (i.e., the "Code of Labor" in Vietnam and the "Occupational Disease Prevention Law" in Mainland China).

The Company has deeply incorporated occupational health and safety requirements into its business procedures. There was no material disaster during the year, the target of low incidents was achieved, and the transition from "compliance-driven" to "value creation" was realized to lay a solid foundation for sustainable development.

## 7.7 Social Participation and Public Welfare

The Company is committed to fulfilling its corporate social responsibility (CSR) and actively invests in various public welfare initiatives in the areas surrounding its production sites. The specific actions include caring for post-war camps by EAVN, planting vegetables for children's meals in Taiwan, initiating kindergartens in the neighborhood of EAHZ to provide premium educational resources and favorable growing environments to children of employees and from neighboring communicating, promoting industry-academic cooperation plans, and providing employment opportunities.

### Vietnam

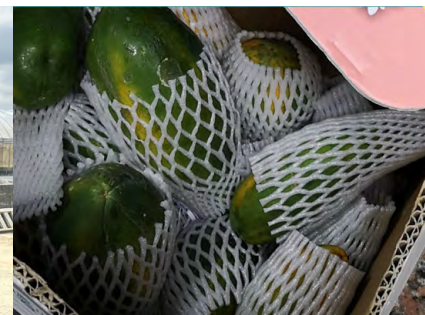
- ◆ EAVN won the City Development Contribution Award issued by the Chi Linh Government in Vietnam.
- ◆ Care for post-war camps and helped those with PTSD, orphans, disabled children, and solitary elders.



Helped over 550 people / Donated supplies over VND 50 million

### Taiwan

Responded to ESG and sustainable development and adhering to the initial intention of giving back to society, employees in Taiwan formed a volunteer team to participate in "planting vegetables for children's meal" organized by a social welfare institution in July and give vegetables and fruit they planted to children in orphanages.



over 60 kg of vegetables and fruits were donated to three orphanages in total.

### Mainland China

A Director of a subsidiary of the Company created Xiu De Chinese-Anglo Kindergarten at Xinxu, Huiyang, in October 2004 to provide services to children in the surrounding communities with a favorable environment and premium education. Learning from the advanced education and teaching philosophies in Hong Kong, Taiwan, the U.S., and other countries, the children of employees are entitled to tuition subsidies and related resource support.

It was rated as a level 1 kindergarten in Huizhou City in March 2011, rated as one of the four excellent kindergartens in Huiyang in 2018, and won the titles of "Advanced Education Unit" and "Safety and Civilized School" of the district and township multiple times from 2019 to 2023.



created Xiu De Chinese-Anglo Kindergarten, with 350 children are enrolled each semester, providing a premium education platform for children in the surrounding communicates.

### Industry-Academic Cooperation

To implement industry-academic cooperation and duly fulfill social responsibility, the Company had industry-academic cooperation with Tatung University in Taiwan to provide internship opportunities to students for them to learn practical experiences.

In August 2023, EAVN entered into an industry-academic cooperation agreement with the local Saodo University to join hands in cultivating future talents. The estimated total investment amount reached NT\$1 million to support the employment of local youths for them to exert their expertise in the Company and grow with the Company, substantially improving sustainable local and industry development.

The Company provides over 110 job vacancies/work opportunities that are suitable for students, and 98 students were referred to the Company for work through Saodo University, providing the strength to grow for local students.

Apart from providing internships to students, eight graduates were recruited as interns of the Company from 2024 to February 2025, and those with favorable performance were recruited as formal employees. Meanwhile, an industry production environment experience agreement was entered into.

The Company provides internship experience at EAVN to provide internship opportunities for freshmen and sophomores, as well as local students who need work opportunities.



chapter

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Search





- ♦ **Statement of Use:** The Company reports the content during the period of January 1, 2024, to December 31, 2024, according to GRI Standards
- ♦ **GRI 1 used:** GRI 1: Foundation 2021
- ♦ **Applicable GRI Industry Standards:** None

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| 2-3   | Reporting period, frequency and contact point                               | -   | About the Report   | 03       |  |
| 2-4   | Restatements of information   | -   | -  | -        | The Report is the first version issued; therefore, there is no information restatement |
| 2-5   | External assurance  | -   | About the Report   | 04       |  |
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## GRI 3: Material Topics 2021

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## SASB Index

## TECHNOLOGY &amp; COMMUNICATIONS/HARDWARE

| Topic                          | Code         | Accounting Metric   | Category                | Unit of Measure                 | Response  |
|--------------------------------|--------------|---|-------------------------|---------------------------------|---|
| Product Security               | TC-HW-230a.1 | Description of approach to identifying and addressing data security risks in products   | Discussion and Analysis | n/a                             | Please refer to 1.5 Information Security Management for details   |
| Employee Diversity & Inclusion | TC-HW-330a.1 | Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees  | Quantitative            | Percentage (%)                  | Please refer to 7.2 Labor Structure for details   |
| Product Lifecycle Management   | TC-HW-410a.1 | Percentage of products by revenue that contain IEC 62474 declarable substances  | Quantitative            | Percentage (%)                  | The percentage reported for IEC 62474 was 0%  |
|                                | TC-HW-410a.2 | Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent  | Quantitative            | Percentage (%)                  | Not applicable as the Company is not a counterpart for the registration of non-EPEAT products   |
|                                | TC-HW-410a.3 | Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria  | Quantitative            | Percentage (%)                  | 100% / Please refer to 4.5 Product Lifecycle for details  |
|                                | TC-HW-410a.4 | Weight of end-of-life products and e-waste recovered, percentage recycled   | Quantitative            | Metric tons (t), Percentage (%) | 0%<br>None of our customers have commenced the recycling of scrap products and electronic waste   |
| Supply Chain Management        | TC-HW-430a.1 | Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities   | Quantitative            | Percentage (%)                  | 0%<br>The Company does not mandatorily require suppliers to accept the validated audit process (VAP under RBA) so that there are no statistics on relevant data |
|                                | TC-HW-430a.2 | Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances | Quantitative            | Ratio                           | 0%<br>There are no statistics on relevant data at present   |
| Material Sourcing              | TC-HW-440a.1 | Description of the management of risks associated with the use of critical materials  | Discussion and Analysis | n/a                             | Please refer to:<br>3.1 Sustainable Supply Chain Management, and<br>3.2 Supplier Management Policy and Standards for details                                    |

## Independent Third-Party Assurance Statement



### Independent Assurance Statement

**EASTECH HOLDING LIMITED 2024 SUSTAINABILITY REPORT**

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and EASTECH HOLDING LIMITED (hereinafter referred to as EASTECH) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA LTD. is not involved in the preparation process of the sustainability report of EASTECH.

**RESPONSIBILITIES**


EASTECH is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan and overseas operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.


AFNOR ASIA is responsible for providing an independent assurance statement to EASTECH and its stakeholders in accordance with the described scope and method. This statement is for EASTECH use only and is not responsible for any other purpose.

**SCOPE AND CRITERIA**

The assurance scope of the agreement between EASTECH and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the 「EASTECH HOLDING LIMITED 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating EASTECH's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating EASTECH's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
  - GRI Standards.





### METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

**CONCLUSION**

◆ **AA1000 Accountability Principles**

**Inclusivity**


EASTECH has continued to seek stakeholder engagement and establish material sustainability topics to develop and achieve responsible and strategic responses to sustainability. The Report fairly reporting and discloses environmental, social and governance information, sufficient to support appropriate planning and target setting.


**Materiality**

EASTECH has established an effective process to identify issues that are of concern to stakeholders and critical to operational performance. By focusing on diverse leadership to lay out innovation, while stabilizing key strategies for globalization and brand value, digital transparency promotes sustainable progress and diversified results, and enhances the trust of investors and the supply chain.

**Responsiveness**

EASTECH has demonstrated its response to stakeholders' expectations and opinions in the Report, and included reporting on stakeholder participation and channels for their feedback. In general, the Report can provide timely responses to issues of concern to stakeholders.





### Impact

EASTECH has demonstrated a process of identifying and fairly assessing impacts, including a range of environmental, social and governance topics from a wide range of sources. For the impacts of its operational activities, it implements management mechanisms in environmental protection and resource conservation, reduces systemic risk-related impacts, and provides a foundation for sustainable growth.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to introduce and integrate other international disclosure requirements to demonstrate the organization's active response and communication on sustainable issues.


**ASSURANCE OPINION**

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by EASTECH and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by EASTECH provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in EASTECH in 2024 are well represented.


**ASSURANCE LEVEL**

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR :




Steven Huang  
The Director for Certification and Assessment  
Jun.05.2025



**AA1000**  
Licensed Report  
000-84/V3-VBPEC

Verification team: PEI TONG HUANG (Lead Verifier), Chun-Teng Lin (Verifier).

AFNOR Asia Ltd. — 20F, No. 102, Chung Ping Rd., Taoyuan, Taiwan  
Tel. : +886 3 2208080, Fax : +886 3 2204866  
http://www.asia.afnor.org







**EASTTECH**

[www.eastech.com](http://www.eastech.com)

