FLEXium

2024 Sustainability Report

CONTENTS

Introduction 3

Letter from the Chairman 4
Awards and Sustainable Performance 5
About Flexium 7

01 Governance 15

1.1 Sustainability Promotion 16
1.2 Business and Governance 28

02 Product 44

2.1 Innovation and Service 45
2.2 Sustainable Supply Chain 55

03 Environment 60

3.1 Climate Action 63
3.2 Energy and Resources Management 71
3.3 Pollution Management 77

04 Social 80

4.1 Talent Attraction and Retention 82
4.2 Talent Development 86
4.3 Human Rights and Care 90
4.4 Occupational Safety and Health 96
4.5 Social Engagement 101

Appendix 104

Principles of Reporting 105
GRI Standards Index 106
SASB Index 109
Sustainability Disclosure Indicators 109
Third-party Assurance Statement 110

Introduction

Letter from the Chairman

The year 2024 was a pivotal stage for strengthening sustainable governance and aligning with international sustainability standards. In response to rising climate risks, evolving supply chain resilience, and stricter ESG disclosure requirements, we steadily embedded sustainability into core strategies and daily operations—demonstrating our strong commitment to the environment, society, and governance.

On the environmental front, we advanced circular economy initiatives and smart energy-saving solutions. From water reuse systems and copper recovery facilities to stronger waste management and energy efficiency across plants, we applied data-driven practices to build a green manufacturing framework and lay the foundation for carbon neutrality.

On the social front, we emphasized the value of people and society. In 2024, we promoted community engagement, workplace equality, and employee well-being. Key measures included company-wide anti-harassment training, volunteer services, and workplace health certifications—showing care for employees, communities, and families while strengthening organizational cohesion and trust.

On the governance front, we upheld ethical business and risk management, while responding to global supply chain expectations on responsible sourcing and conflict minerals. Through technological innovation and global patent strategies, we further enhanced R&D capabilities and competitiveness to sustain value creation amid uncertainty.

We recognize sustainability as an expression of organizational culture and governance, not the task of one department. By fostering cross-department collaboration and goal-oriented action, we institutionalized sustainability principles, strengthening resilience and long-term competitiveness.

Looking ahead to 2025, with new TCFD and IFRS disclosure standards and growing demand for carbon footprint transparency, we will advance our three-year ESG Roadmap. Initiatives include green factories, resource efficiency, workplace health, carbon inventories, and voluntary reduction, alongside greater disclosure transparency and third-party assurance to build external trust.

We believe true sustainability is not about surface achievements but about preserving integrity, sound governance, and innovation in times of change. Guided by prudent management, we will continue to enhance sustainability practices and work with stakeholders to create a shared, prosperous future for business and society.

Walter Cheng
Chairman, Flexium Interconnect, Inc.

2022–2024 Achievements and Awards

2022-05
CommonWealth Magazine Top 2000 Enterprises Survey: 120th in manufacturing sector (2021)

2022-07
Certificate of Appreciation from Kaohsiung Environmental Protection Bureau for outstanding performance in Green Procurement (2021)

2022-08
Ranked 42nd in Harvard Business Review Taiwan Top 100 CEOs (2021)

2022-09
Joined RE100 as Taiwan's first flexible PCB manufacturer (2021)

2022-12
Dafa Plant, Dafa Plant II, and Hofa Plant certified by the Health Promotion Administration for Healthy Workplace (2021)

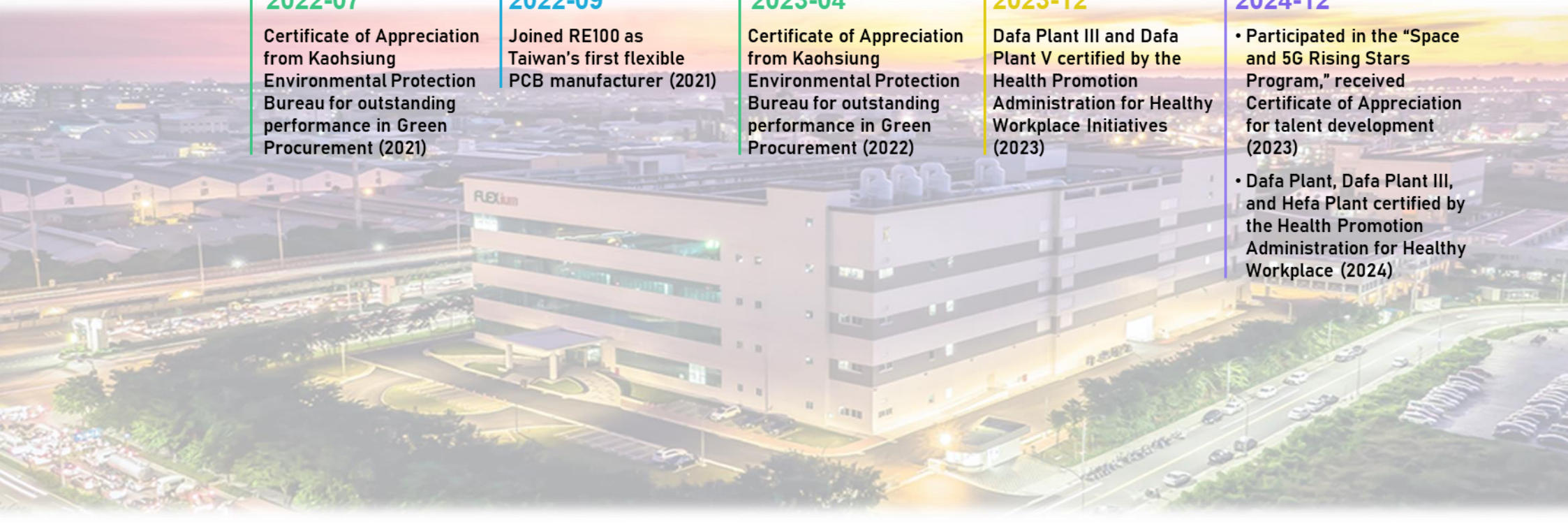
2023-04
Certificate of Appreciation from Kaohsiung Environmental Protection Bureau for outstanding performance in Green Procurement (2022)

2023-05
CommonWealth Magazine Top 2000 Enterprises Survey (2022): 110th in manufacturing sector, 432nd in revenue growth rate, 101st in net income after tax, 509th in profitability

2023-12
Dafa Plant III and Dafa Plant V certified by the Health Promotion Administration for Healthy Workplace Initiatives (2023)

2024-05
CommonWealth Magazine Top 2000 Enterprises Survey (2023): 123rd in manufacturing sector, 986th in revenue growth rate, 128th in net income after tax, 559th in profitability

2024-12
- Participated in the "Space and 5G Rising Stars Program," received Certificate of Appreciation for talent development (2023)
- Dafa Plant, Dafa Plant III, and Hefa Plant certified by the Health Promotion Administration for Healthy Workplace (2024)



◎ Sustainable Performance

Driving Sustainability Management	
Social Engineering Drills	Starting in 2024, the Company conducts semi-annual social engineering drills to simulate attack scenarios and enhance employees' awareness and response to cybersecurity risks. Employees who do not pass are assigned re-training and awareness sessions to strengthen overall protection.
Innovating Service Value	
Customer Satisfaction	Surveys cover quality, service, delivery, price, technology, and hazardous substances. With a passing score of 60, the average remained above 80 from 2022–2024, reflecting solid performance in quality and service.
R&D and Innovation	In 2024, four industry–academia projects were completed with domestic and international institutes, advancing material research and emerging technologies.
Patent Portfolio	In 2024, 16 invention patents were granted—five in the U.S., one in China, and ten in Taiwan—showcasing global patent deployment.
Local Procurement	From 2022–2024, local procurement consistently exceeded 90%, supporting local supply chain development.
Protecting the Environment for Sustainability	
Energy Saving and Carbon Reduction	In 2024, measures such as chiller maintenance, air compressor upgrades, VFD installation, and cooling tower optimization, supported by EMS smart control, reduced 847.3 tons CO_2e while maintaining efficiency and stable operations.
Waste Resource Reuse	Copper electrolytic recovery converted wastewater copper ions into 11.3 tons of copper pillars, reducing environmental impact and raw material costs.
Water Conservation	Water-saving practices extended from Dafa Plant to Hofa Plant, reusing reclaimed water in cooling towers and scrubbers. Total savings reached 533,745 tons in 2024.
Creating a Happy Workplace	
Talent Development	In 2024, training expenses totaled NT$4,545,394, covering quality, process, ESG, and safety to enhance employee skills and competitiveness.
Anti-Harassment Training	Company-wide training reached 1,868 employees in 2024 and was added to new hire orientation to ensure a safe workplace.
Employee Recognition	Eight employees were honored as Outstanding Employees of the Year in 2024 and awarded company stock for their performance.
Cultivating Deeper Social Engagement	
Community Engagement	In 2024, initiatives included clothing donations to remote countries, 50 employees joining a blood drive, support for Syinlu Foundation gift boxes, and NT$43,915 raised for the Pingtung Orphanage.

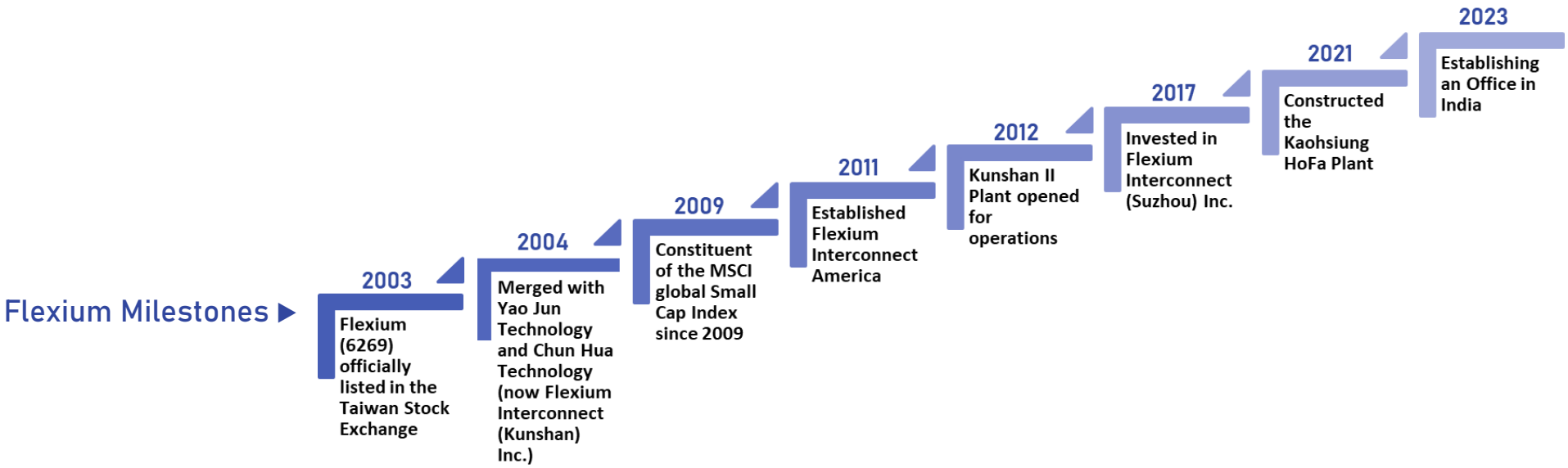
About Flexium

Company Profile

Flexium Technologies Co., Ltd. (hereinafter referred to as Flexium) has been dedicated to providing top-quality Flexible Printed Circuits (FPC) since its establishment in 1997. The company has continuously developed Flexible Printed Circuit Assembly (FPCA) technologies. Additionally, Flexium has made significant breakthroughs in technologies such as high-frequency and semiconductor applications.

Overview of Flexium

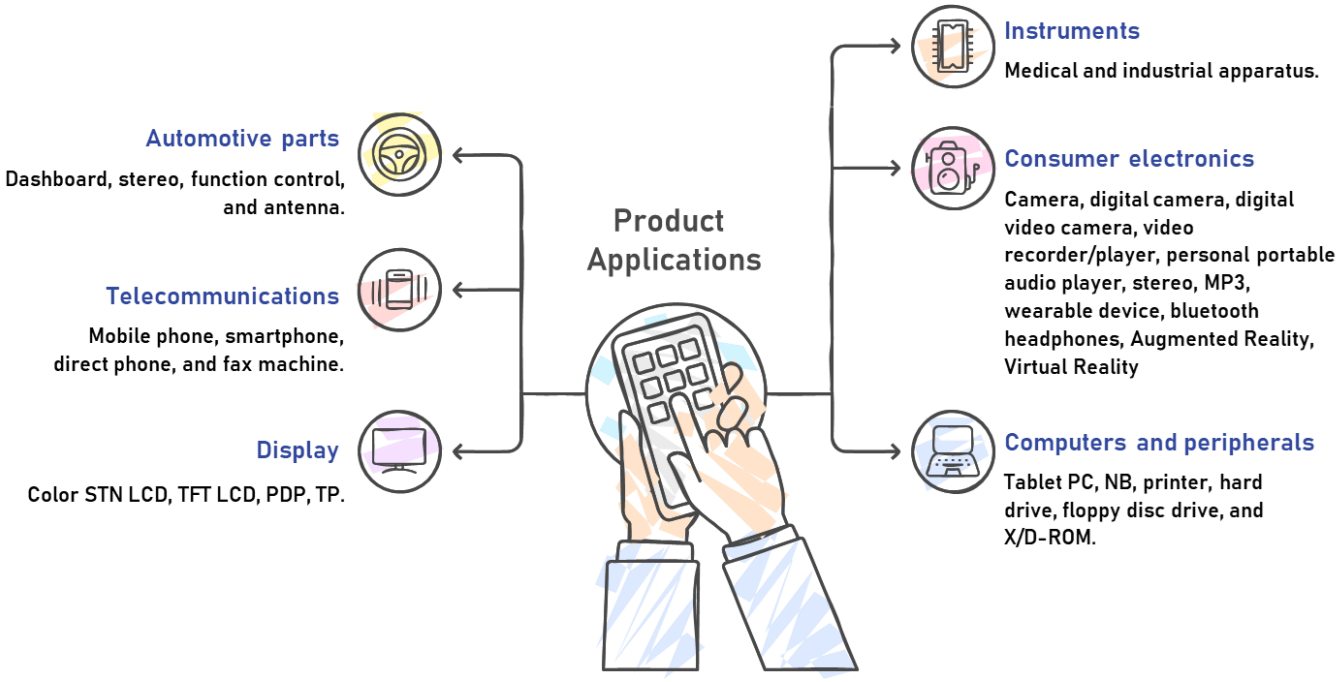
Establishment	Founded on December 19, 1997		
Nature and Legal Form of Ownership	Publicly listed company (Stock Code: 6269)		
Industry	Electronic Parts and Components Manufacturing		
Capital	NT$3.2 billion		Corporate Website
2024 Consolidated Revenue	NT$26.4 billion		
Subsidiaries	16		
Number of Employees in 2024 (excluding dispatched workers)	Number of employees: 1,964 ; number of group's employees: 4,774		
Plant Area	73,400 ft²	Bare PCB Self-production Rate	100%
Headquarters	No.1, Shangfa 5th Rd., Hofa Industrial Park, Daliao Dist.,Kaohsiung City 831132, Taiwan (R.O.C)		

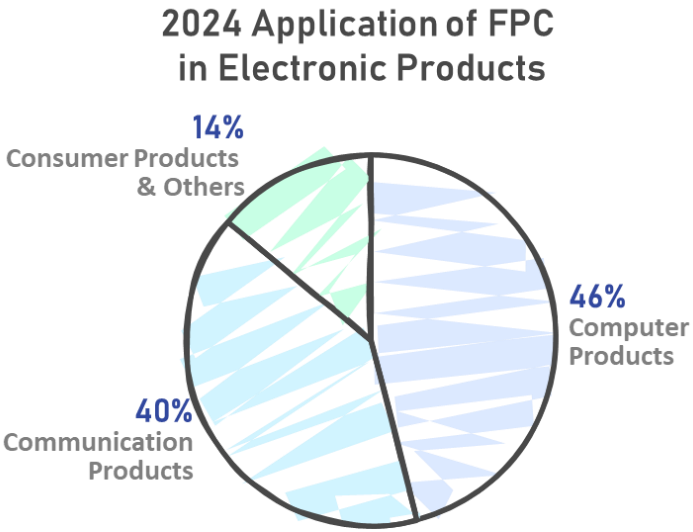


In recent years, Flexium has been undergoing a transformation. In 2024, shifts in consumer electronics demand and overcapacity competition led to operational losses. Flexium focused on lean cost structures and efficiency, while investing in high-speed data transmission and advanced technologies.

Looking to 2025, the Company aims to return to profitability by integrating AI transmission technology and optimizing the mobile device product line. AI server application revenues are expected to double, becoming a key growth driver.

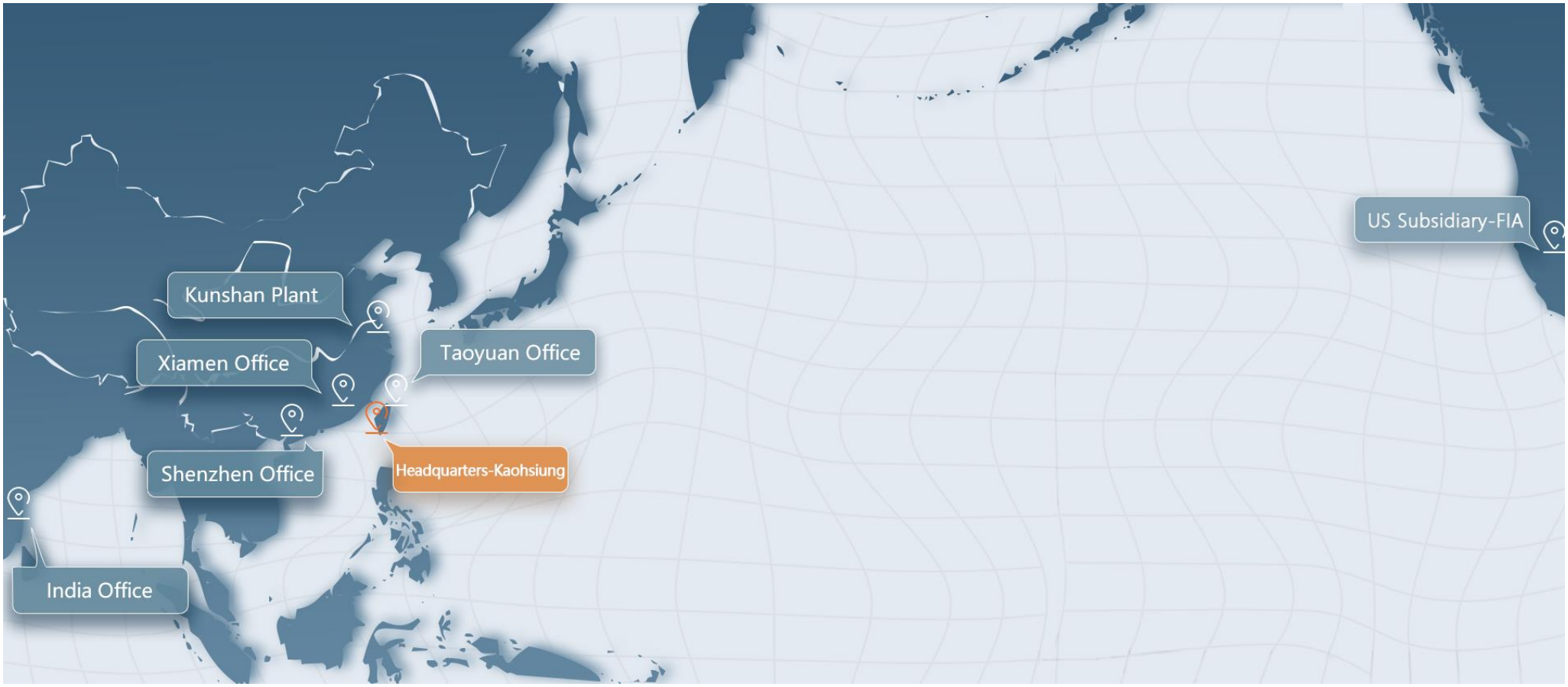
In technology deployment, Flexium continues to support key customer product launches. Previously developed 5G high-frequency technologies faced adoption delays due to the US–China trade tensions, prompting a strategic shift toward AI applications. To address AI server rack space and cooling challenges, Flexium launched a slim MPI and LCP flexible PCB integration solution, already adopted by key customers in low-volume shipments, laying the foundation for broader applications.





Flexium's vision is to become the global leader in FPCA solutions. We focus on technological development in FPCs and FPCAs, covering a wide range of technologies including material selection, circuit design, manufacturing processes, module testing, high-frequency and high-speed products, and automation. We strive to provide the best pre-sale and after-sale services throughout the planning, design, and selling stages. Our pre-sale service team, including the Design Department, handles customized circuit design, engineering validation testing (EVT), design validation testing (DVT), and production validation testing (PVT) before prototypes enter mass production. Our after-sales services include production leveling during mass manufacturing to ensure products reach our clients on time and in the best condition.

◎ Global Distribution

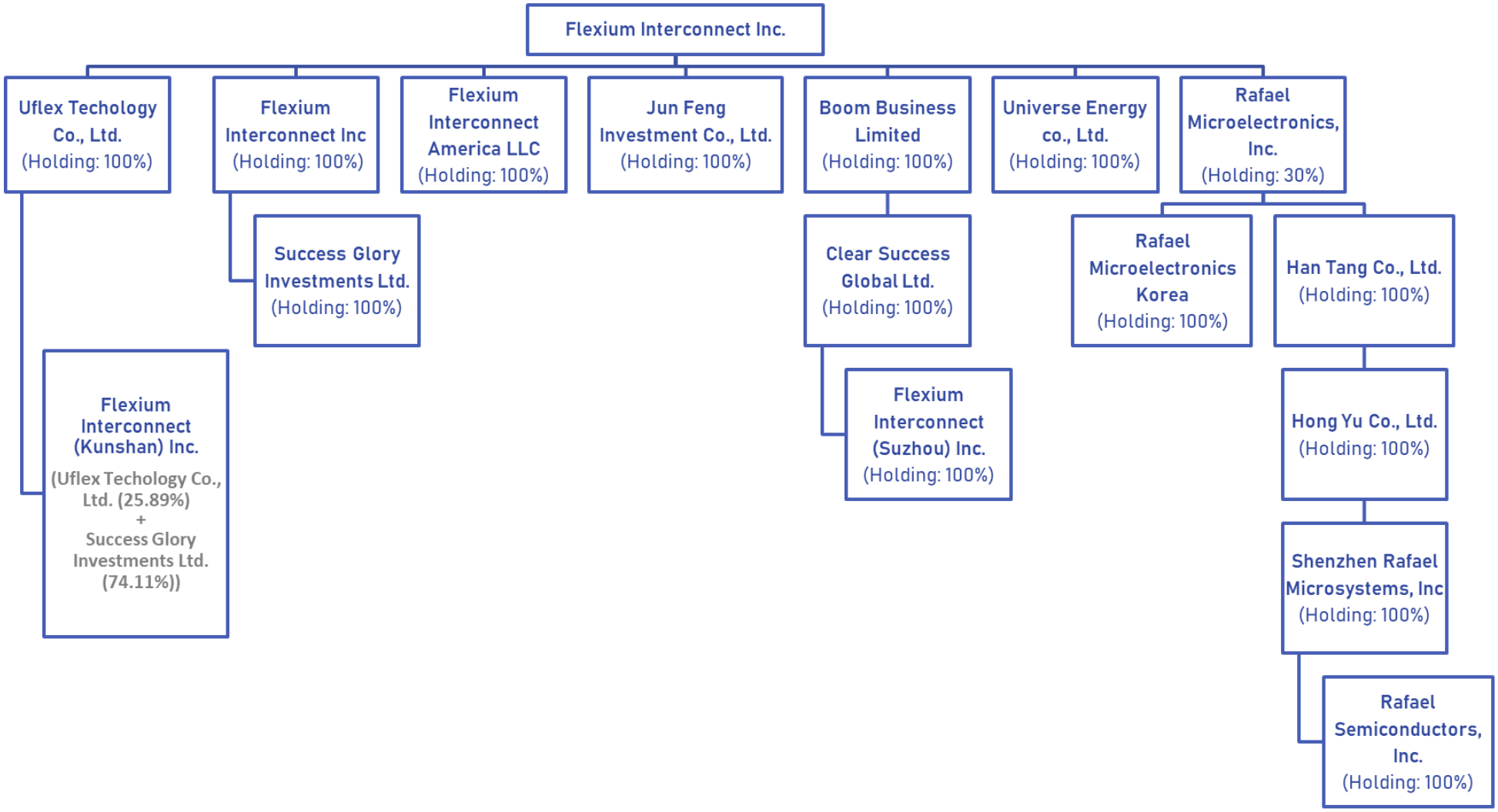


◎ Flexium and its Affiliates

Flexium holds shares in Uflex Technology Ltd., Flexium Interconnect Inc., Jun Feng Investment Co., Ltd., Flexium Interconnect America LLC, Success Glory Investments Ltd. Flexium Interconnect (Kunshan) Inc., Boom Business Ltd., Clear Success Global Ltd., Flexium Interconnect (Suzhou) Inc., and Universe Energy Co., Ltd.

In 2023, the company acquired Rafael Microelectronics, Inc., including its subsidiaries Rafael Microelectronics Korea, Han Tang Co., Ltd., Hong Yu Co., Ltd., Shenzhen Rafael Microsystems, Inc., and Rafael Semiconductors, Inc.

Overall, Flexium holds 16 subsidiaries and investments. Shareholding ratios are as listed. For further details on financial transactions and related information with affiliated companies, please refer to the “Affiliated Companies” section on the Market Observation Post System (MOPS).



Vision, Policy, and Business Philosophy

Rapid developments in technology mean that new tech products are brought to the market almost every day, and Flexium is here to support technology advancements that improve the quality of life for humanity. In a world full of possibilities enabled by technology, Flexium's vision is to become the global leader in FPCA solutions.

The global tech industry is moving forward at an unprecedented pace and propelling the electronics industry along the way. With people's lives being revolutionized by new technologies on a daily basis, Flexium recognizes that only through continuous innovation and change can the company meet the needs of its clients in the electronics industry. In a quest for excellence, Flexium has consolidated its existing competitive advantages–manufacturing expertise, skilled professionals, and advanced equipment to develop finer, lighter, and more user-friendly tech products for the world of the future.

Vision

- **Become the global leader in FPCA solutions**
- **Driven by human creativity, Flexium aims to navigate future technology. We strive to ensure our innovations lead to meaningful progress in people's lives.**

Business Philosophy

Cherish the Opportunity
Be Grateful for Blessings
Accountability for All
Sharing and Caring

Policy

- **Flexium commits to environmental goals by building green plants, producing eco-friendly products, and implementing recycling and waste management.**
- **We are dedicated to fulfill our policy of doing everything right the first time, and serve customers in quality, cost, delivery and service.**

Financial Performance

◎ Industry Overview

The rise of emerging digital technologies has driven innovation and growth in electronic technology products, with flexible printed circuit boards (FPCs) playing a crucial role in enabling these innovative applications. FPCs are essential components in the electronic product supply chain.

In recent years, technologies such as blockchain, cognitive computing, and virtual reality have emerged as key drivers of disruptive innovation, altering human behaviors and activities. Meanwhile, advancements in social networking, cloud computing, and other technologies are guiding the electronic industry toward digital transformation. Benefiting from improvements in communication infrastructure (5G/6G/low-orbit satellites), smart home applications (Smart Home Kit), automotive electronics, and AR/VR, FPCs, compared to rigid circuit boards, offer advantages of being lighter, thinner, and more flexible. These characteristics allow emerging electronic products to achieve more creative demands and innovative applications, making FPCs more advantageous in a wide range of applications and expanding the market for high-end FPCs, driving substantial demand.

Flexium focuses on and steadily maintains its position in high-frequency, high-performance conductive, and millimeter-wave technology fields. The company collaborates with world-class strategic partners to develop and launch new products, providing comprehensive modular solutions including simulation platforms, design concepts, and testing methods. Flexium enhances product specifications rapidly (electrical properties, layers, line width/spacing, integration), moving toward applications in high-density, high-speed/frequency, and multi-function. This approach helps clients realize their product designs, significantly accelerating development timelines and reducing the time from concept to market, meeting market demands.

Product Output

Units: Capacity – KSF; Production – KPCS; Revenue – NT$'000
(Note: SF = square feet)

Main Products	2022			2023			2024		
	Capacity	Production Output	Production Value	Production Capacity	Production Output	Production Value	Production Capacity	Production Output	Production Value
FPCs	27,605	1,795,177	32,700,263	26,705	1,314,905	24,933,254	26,410	1,202,259	21,074,519
RFICs	-	-	-	-	10,084	41,495	-	166,725	669,678
Total	27,605	1,795,177	32,700,263	26,705	1,324,989	24,974,749	26,410	1,368,984	21,744,197

Note:
The significant differences in RF IC production and revenue between 2023 and 2024 are mainly due to Flexium's acquisition of Macro Microelectronics Co., Ltd. in December 2023. The addition of this company's RF IC products to the statistics accounts for the noticeable changes.

Market Share

Unit: NT$'000

Year		2022		2023		2024	
Sales Regions		Market Volume	%	Market Volume	%	Market Volume	%
Domestic		1,361,057	3.40	1,448,957	4.43	1,678,041	6.35
Export	Asia	4,148,731	10.35	2,729,572	8.34	3,188,672	12.05
	Europe/ Americas	34,560,334	86.25	28,550,333	87.23	21,577,069	81.60
	Subtotal	38,709,065	96.60	31,279,905	95.57	24,765,741	93.65
Total		40,070,122	100.00	32,728,862	100.00	26,443,782	100.00

Financial Performance

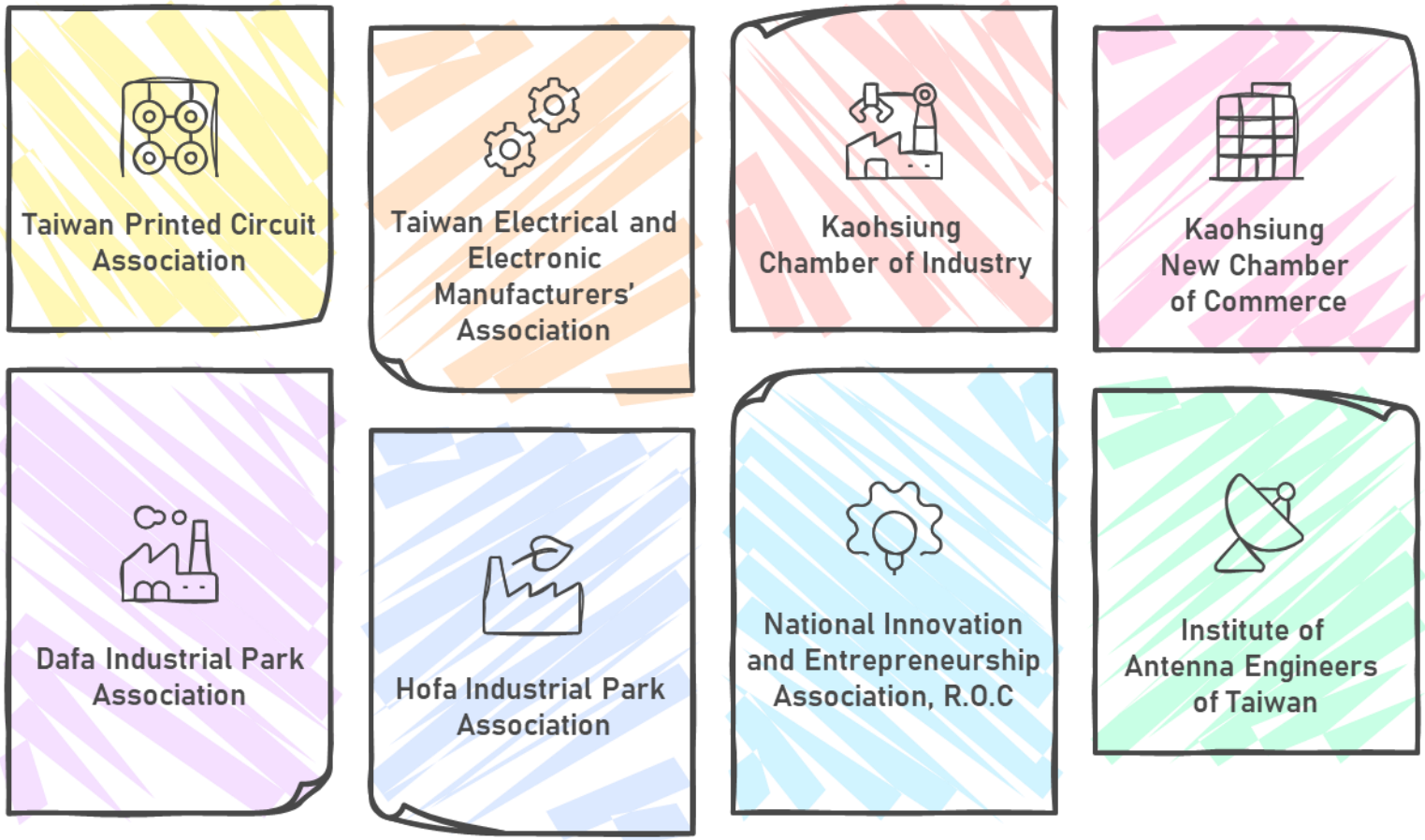
Year	2022	2023	2024
EPS (NTD)	10.83	6.45	-2.56
Revenue (Bn)	40.1	32.7	26.4

Historical Financial Performance

Year	2022	2023	2024	Unit	Remarks
EPS (Earnings per share)	10.83	6.45	-2.56	NT$	
Consolidated Income Tax Expense	584,972	198,607	(378,335)	NT$ '000s	
Consolidated Income Tax Expense	790,030	272,453	(383,263)	NT$ '000s	
Paid-in Capital	3,227,909	3,225,010	3,232,010	NT$ '000s	
Individual Total Revenue	40,001,113	32,613,577	25,313,461	NT$ '000s	
Consolidated Total Revenue	40,070,122	32,728,862	26,443,782	NT$ '000s	
Individual Net Profit Before Tax	4,106,529	2,265,332	(1,204,825)	NT$ '000s	
Consolidated Net Profit Before Tax	4,311,587	2,328,176	(1,200,181)	NT$ '000s	
Total Market Capitalization	31,633,510	28,476,838	20,781,824	NT$ '000s	Based on year-end share price
Individual Operating Expense	1,324,030	1,391,570	1,195,007	NT$ '000s	
Consolidated Operating Expense	3,292,737	3,215,960	3,334,035	NT$ '000s	
Retained Earnings	20,634,841	21,902,253	19,798,840	NT$ '000s	
Individual Total Salaries	1,790,149	1,852,526	1,435,953	NT$ '000s	
Consolidated Total Salaries	5,387,226	4,988,908	4,674,580	NT$ '000s	
Total Employee Benefits	2,100,621	2,164,919	1,712,451	NT$ '000s	Individual
Total Pension	71,547	73,383	65,470	NT$ '000s	Individual
Stock Dividends	Cash:5	Cash:5	No dividend distribution was resolved.	NT$	
Government Financial Subsidies	28,572	240,158	82,600	NT$ '000s	

Participation in Associations

Flexium actively engages with industry and local associations, collaborating with these organizations to promote industry development and related initiatives. In 2024, we joined several external public associations, and the list is as follows.



Note: In 2024, the Company's Section Chief, Honghua Huang, served as a director of the Kaohsiung Hofa Industrial Park Association.

01
Governance

1.1 Sustainability Promotion

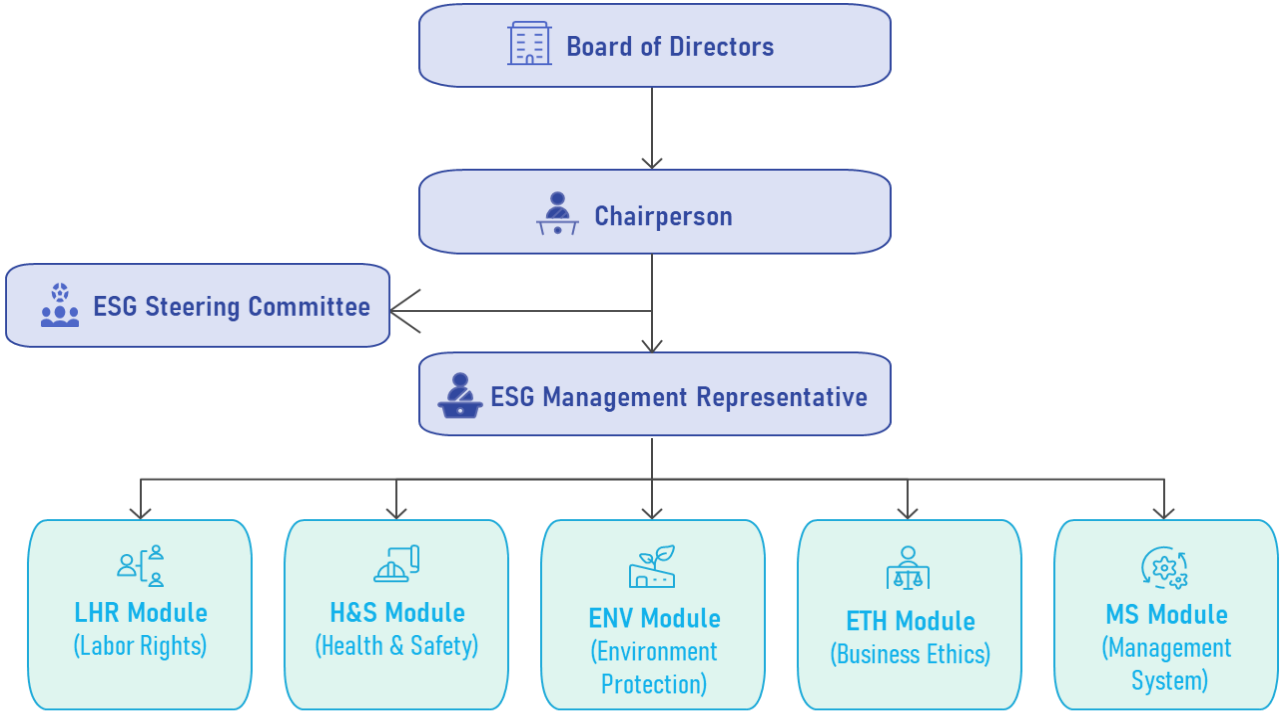
1.1.1 ESG Performance

1.1.1.1 ESG Organization

Since 2012, Flexium has advanced CSR initiatives. In response to the global push for carbon neutrality and net-zero goals, the Company upgraded its “CSR Organization” to the “ESG Organization” in January 2022, adopting a more comprehensive sustainability framework.

The Company’s ESG Organization are structured into three levels: the core decision-making unit, the management representative, and the ESG Team. The core decision-making body is the ESG Steering Committee, chaired by the Chairman with heads of first-level units as members. A management representative, appointed as the Plant Director, oversees the ESG Team.

The Team covers five modules: Labor and Human Rights, Business Ethics, Health and Safety, Environmental Protection, and Management Systems, forming a comprehensive ESG framework across all relevant departments. These modules regularly monitor sustainability KPIs and review the implementation of the sustainability roadmap quarterly. Following the “Management Review Procedure,” an annual ESG Management Review Meeting evaluates policy suitability, internal and external audit results, goals and management plans, ESG regulatory and customer compliance, risk assessments and corrective actions, stakeholder feedback, and complaint investigations.



ESG performance is reported to the Board at least annually, ensuring effectiveness and risk management. Focus areas include: 1) advancing a green future through low-carbon transition, waste reduction, and resource recycling; 2) building a diverse, inclusive workplace with stronger recruitment and social engagement; and 3) creating a healthy environment by safeguarding employee well-being and promoting a waste-free workplace. With sound governance and oversight, the Company continues to enhance ESG implementation and sustainability competitiveness.

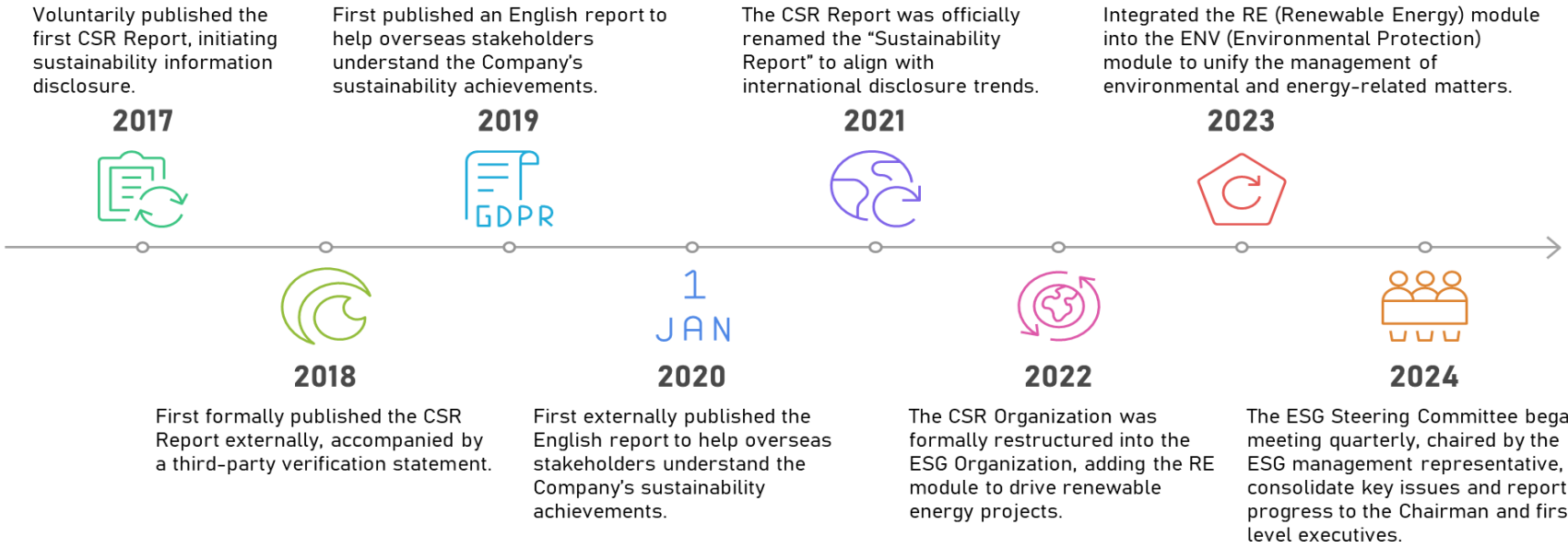
Notes:

Considering current practices and the need for flexibility, the planned upgrade to a “Sustainability Development Committee” in 2024 has been postponed. The task-based “ESG Steering Committee” continues to oversee sustainability initiatives and report to the Board. The Company will monitor regulations and trends and review its governance framework to ensure alignment between sustainability strategies and corporate objectives.

1.1.1.2 ESG Roadmaps and Policy

◎ Key Milestones in ESG Promotion

Since 2015, Flexium has advanced CSR and gradually built a strategic ESG framework covering governance, strategy, and disclosure. Led by the ESG Steering Committee and five operational modules, the Company drives sustainability initiatives to strengthen resilience and responsible governance. Below is a summary of key milestones in ESG system and reporting development：



◎ ESG Vision, Policies, and Roadmaps

Flexium places great emphasis on fulfilling its corporate social responsibility and contributing to society and the environment. Its vision of CorporateSustainability Management is to "be an ESG doer, and makes society and the environment better," and our sustainable management policy is founded on the values of "care, health, green, integrity, and advancement." Based on the "Responsible Business Alliance Code of Conduct," we have established the Corporate Sustainability Management Policy and formulated the "Corporate Sustainability Management Manual." The document addresses five major areas: labor and human rights, health and safety, environment, ethics, and management systems. The contents include four key policies: "Labor and Human Rights," "Environment, Health, and Safety," "Ethics," and "Management Systems," clearly defining related responsibilities, obligations, and relevant procedures. Some provisions regarding labor rights and human rights are derived from relevant key international human rights standards, including the International Labour Organization's (ILO) "Declaration on Fundamental Principles and Rights at Work" and the "Universal Declaration of Human Rights." We have formed an ESG Team based on these principles and set annual key performance indicators (KPIs) for each area. In addition to regularly reviewing progress through management review meetings, we ensure the implementation of policies through internal audits.

To effectively communicate our corporate sustainability management policy, objectives, and management approaches (including the five major areas of labor and human rights, health and safety, environment, ethics, and management systems), we implement several strategies. Internally, we disseminate ESG-related policies and performance through educational training (including new employee orientation and ESG Seed Training), the Flexium App, and our corporate website. Externally, we require suppliers to sign the "Supplier Code of Conduct" and conduct regular or irregular ESG evaluations of suppliers. Additionally, we communicate our ESG performance to stakeholders via our corporate website, annual sustainability report, signed commitment/statement documents, and shareholder meetings.

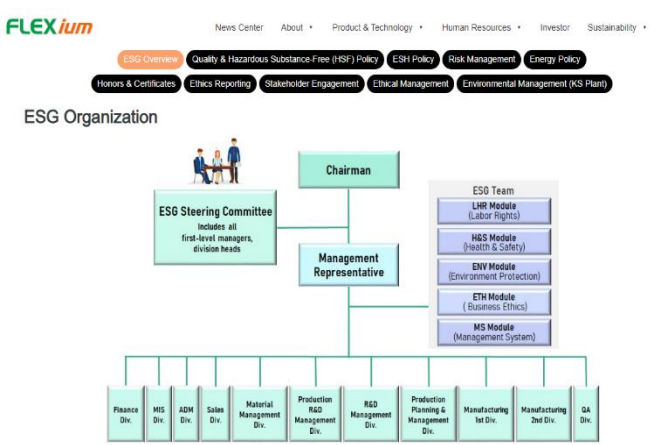
Corporate Website	Be an ESG doer, and makes society and environment better			
Policy	Strategy	Roadmap		
		2024	2025	2026
Care	**Promote compassion by caring for employees and giving back to society.**	• Co-host charity sales events with nonprofit organizations • Employees' online learning hours ≥ 20% of total training hours • Publish 10 posts on Facebook and 5 on LinkedIn annually to promote Flexium	✗	• Organize compassion-themed volunteer activities, with a total of 250 participant instances annually • Employees' online learning hours ≥ 30% of total training hour • Publish 12 posts on Facebook and 12 on Instagram annually to promote Flexium	• Organize volunteer activities with 500 annual participants • Employees' online learning hours ≥ 40% of total training hours • Publish 14 posts each on Facebook and Instagram annually to promote Flexium
Health	**Foster a friendly workplace and enhance employees' physical and mental well-being**	• Achieve the national-level "Healthy Workplace Activation" certification for the Kaohsiung plant, promoting employee health.	✓	• Achieve the national-level "Healthy Workplace Promotion" certification for the remaining two plants (Dafa Plant II and Plant V)	• Achieve "Outstanding Healthy Workplace Certification" (Hofa Plant)
Green	**Pursue green factories, saving energy and reducing carbon to protect the planet.**	• Save 300,000 m^3 of water and 3 million kWh of electricity, cutting carbon by 1,000 tCO_2e • Reduce waste incineration carbon emission over 3% • Obtain ISO 14064-1 verification • Achieve Clean Production Certification (Hofa Plant) • Implement EMS energy management platform • Implement ISO 50001 (Hofa Plant)	✗	• Compared to 2022, save 30,000 tons of water and 1 million kWh of electricity, cutting carbon by 600 tCO_2e • Reduce waste incineration carbon emissions by over 5% versus 2022 • Green electricity accounted for 3% of total consumption (Kaohsiung Plant) • Achieve Green Factory certification (Hofa Plant) • Assess feasibility of voluntary emission reduction projects	• Compared to 2022, save 50,000 tons of water and 2 million kWh of electricity, reducing carbon by 1,200 tCO_2e • Reduce waste incineration carbon emissions by over 7% versus 2022 • Green electricity accounted for 5% of total consumption (Kaohsiung Plant) • Implement voluntary emission reduction projects and obtained carbon credits
Integrity	**Operate with integrity, conducting lawful transactions and protecting intellectual property.**	• Establish an Employee Grievance Committee • No cases of ethical violations • Ethics risk factor below 20	✓	• No cases of ethical violations • Ethics risk factor below 20	• No cases of ethical violations • Ethics risk factor below 18
Advancement	**Refine management systems, continuously improving with thorough root-cause analysis.**	• Obtain at least 2 invention patents • Maintain zero use of conflict minerals	✓	• Obtain at least 2 invention patents • Maintain zero use of conflict minerals	• Obtain at least 2 invention patents • Zero use of conflict minerals

Note:

- The 2025 Roadmap will adjust targets mainly for Compassion, Health, and Environment, while Integrity and Excellence remain unchanged.
- Unmet 2024 targets:

1. Care
   - LinkedIn fell short (4/5) due to limited professional content; promotion to shift to IG..
2. Green
   - Clean Production (Hofa Plant): Submission done, review delayed to 2025.
   - EMS Platform: Full rollout deferred; focus on solar efficiency optimization.
   - ISO 50001 (Hofa Plant): Priority given to Dafa Plant renewal; gradual expansion planned.

Channels for Communicating ESG Policies

Corporate Website (ESG Overview)	Quarterly ESG Seed Training (ESG-related trainings delivered via internal e-learning platform)	Flexium APP (Publication of ESG policies, ESG KPIs, and related information)
		

◎ RBA SAQ Result

To strengthen human rights and corporate social responsibility governance, Flexium conducts annual risk identification and control using the Responsible Business Alliance (RBA) Self-Assessment Questionnaire (SAQ). The questionnaire covers three key areas: company information, labor and ethics, and health, safety, and environment. Assessment results serve as a foundation for the company's sustainability management. Currently, Flexium has not implemented the RBA VAP (Validated Assessment Program) third-party verification. Future adoption will be evaluated based on customer requirements and industry trends, while the SAQ self-assessment will continue to reinforce the ESG management system. From 2022 to 2024, the company completed the RBA Corporate SAQ self-assessment for the Kaohsiung Plant, achieving a total score of 96.2 in 2024, with a risk rating of low. Scores by year and assessment area are summarized in the table below.

Year	SAQ Version	Score	Company Information	Labor and Ethics	Health, Safety and Environmental	Risk Rating	Scope
2024	Corporate SAQ-2024	96.2	100	93.8	98.5	Low Risk	Kaohsiung Plant
2023	Corporate SAQ-2023	95.5	100	92.5	98.5	Low Risk	Kaohsiung Plant
2022	Corporate SAQ-2022	95.5	100	92.5	98.5	Low Risk	Kaohsiung Plant

Note:

All self-assessments adopt the latest annual Corporate SAQ version released by RBA Online.

1.1.2 Material Issues and Stakeholder Engagement

1.1.2.1 Materiality Analysis

To ensure Flexium's ESG disclosures are effectively communicated to stakeholders, we conduct a materiality analysis based on the GRI Standards 2021, the AA1000 Stakeholder Engagement Standard (SES), and the AA1000 Accountability Principles (AP). This identifies Flexium's material sustainability issues, establishes management policies, and formulates short-, medium-, and long-term targets as a foundation for advancing sustainability. In 2024, material issues were confirmed through internal discussions, and Flexium continued to disclose its commitments and achievements in sustainable development.

Identify Stakeholder

We adopt the five AA1000 stakeholder identification principles (accountability, influence, tension, diversity of perspectives, and dependency) as the evaluation standard. Following the approach from the previous year, department heads and functional unit colleagues discuss and collectively assess the relationship between stakeholders and Flexium. After analysis, six stakeholder groups with higher engagement levels were identified: investors, customers, partners (suppliers), employees, government, and communities. Flexium has established comprehensive communication channels with stakeholders and continues to engage with them, addressing their reasonable expectations and key concerns.

Gather Sustainability Topics

Referring to GRI Standards 2021, the SDGs, international industry practices, and stakeholder communications, and incorporating topics from TCFD, SASB, and external recommendations, sustainability issues related to operations are consolidated as the scope for materiality assessment in the Sustainability Report.

Evaluation on the Level of Concern, Business Impacts, and Sustainability Impacts

- The ESG management representative, department heads, and external experts scored and discussed each topic across economic, environmental, and social (people and human rights) dimensions based on company operations.
- The scoring considered actual and potential negative impacts, as well as actual and potential positive impacts of each topic.
- Industry topics listed in the GRI Sector Standards and SASB were also considered, with higher-scoring topics prioritized as material issues.
- Through collective discussion and voting, the eight most influential material issues were selected.

Determine Materiality Topics for Disclosure

Considering stakeholder concern and the significance of issues to business operations, company representatives, department heads, and external experts identified eight material sustainability issues for 2024, serving as the priority topics for disclosure. These eight issues are aligned with GRI Standards and informed by Flexium's industry characteristics and SASB guidelines, covering relevant sustainability indicators to ensure comprehensive and transparent reporting.

The 2024 materiality assessment was conducted collaboratively by the ESG management representative, department heads, and external experts, without submission to the Board for review. To strengthen information governance and meet the disclosure requirements of GRI 2-14, future materiality analyses will be reviewed by the ESG Steering Committee to enhance the accuracy of disclosures and the level of decision-making participation. The final content of this report will be submitted to the Board for approval once all data is compiled, serving as the basis for external publication.

Flexium's Material Topics, Business Impacts and Disclosure Boundary

Material Topics	Business Impact					GRI Topic-specific Standards	Sustainability Reporting Indicators-Electronic Component Industry	SASB-Technology & Communications - Hardware	Flexium's Value Chain			
	Innovation and Research	Revenue	Customer satisfaction	Cost	Risk				Procurement	Production	Transportation	Customer Usage
Business Ethics		✓	✓		✓	205-1~3 Anti-corruption	No. 7 (anti-competitive practices)			●	●	
Information Security		✓	✓		✓	418-1 Customer privacy						✓
Climate Change		✓		✓	✓	302-1, 3, 5 Energy 305-1, 2, 5, 7 Emissions				●		
Energy and Resource Management		✓		✓	✓	302-1, 3, 5 Energy	No. 1: (energy, purchased electricity, and renewable energy)			●		
Water Management				✓	✓	303-1~5 Water and effluents	No. 2 (water intake and consumption)			●		
Waste Management				✓	✓	306-1~4 Waste	No. 3 (hazardous waste), No. 5 (product life cycle)	TC-HW-410a.1, 2, 3, 4 Product Lifecycle Management		●		
Occupational Safety and Health				✓	✓	403-1~9 Occupational Safety and Health	No. 4 (occupational injuries)			●		
Talent Attraction and Retention	✓	✓	✓	✓	✓	401-1~3 Employment 405-1~2 Diversity and equal opportunity		TC-HW-330a. 1 Employee Diversity & Inclusion		●		

★ Flexium Value Chain Involvement: Direct Relationship (●), Indirect Relationship (○), Business Relationship (✓)

Material Topics

Topics	Policies or Commitments	Economic, Environmental, and Social Impacts	Actual/Potential/ Positive/Negative Impacts	Primary Stakeholders Impacted	Negative Impact Prevention or Mitigation Measures	Corresponding Section
Business Ethics	The company is committed to adhering to the highest ethical standards when addressing employee, corporate, and customer matters.	Expansion of transaction volumes increases the risk of fraud; poor management may harm financial performance and corporate reputation.	□ Actual Positive □ Potential Positive □ Actual Negative ■ Potential Negative	Suppliers Employees Customers	Suppliers sign integrity pledge; internal code of conduct established with regular training and promotion.	**1.2.1.2 Business Ethics**
Information Security	Ensure the security of information equipment, systems, services, and data while complying with applicable regulations.	Rising cyber threats could lead to financial losses and regulatory penalties if protection is inadequate.	■ Actual Positive □ Potential Positive □ Actual Negative ■ Potential Negative	Customers Employees Investors Regulators	Optimize system monitoring, conduct regular reviews and drills, enhancing cybersecurity awareness and resilience.	**1.2.2.3 Information Security Management**
Climate Change	Implement carbon reduction and pollution prevention initiatives, advancing toward green factories.	Non-compliance with carbon reduction requirements may result in fines or order transfers; stronger management reduces risk and enhances competitiveness.	□ Actual Positive ■ Potential Positive □ Actual Negative ■ Potential Negative	Customers Investors Regulators	Consolidate carbon emissions data for Board reporting, advance carbon neutrality, and continuously adjust strategies and management procedures.	**3.1 Climate Action**
Energy and Resource Management	Follow regulations and energy trends, reducing energy consumption and environmental impact through efficient manufacturing.	Climate change increases electricity cost and reliability risks, affecting operations and customer trust.	□ Actual Positive □ Potential Positive ■ Actual Negative ■ Potential Negative	Customers Employees Investors Regulators	Promote green factories: reduce resource use through efficiency and renewable energy, implement ISO 14001/50001, and conduct regular audits and reviews.	**3.2 Energy and Resources Management**
Water Management	Establish water efficiency policies, support water-saving designs, and strengthen management systems.	Poor water resource management may cause production line disruptions and higher risks; proper management strengthens competitiveness.	□ Actual Positive ■ Potential Positive ■ Actual Negative ■ Potential Negative	Customers Employees Investors Regulators	Enhance water efficiency: optimize reclaimed water, maintain RO systems, follow ISO 14001, and review regulations to improve water management.	**3.2.3 Water Resources** **3.3.2 Effluents**
Waste Management	Promote resource recovery and waste reduction, improving recyclability and minimizing waste generation.	Inadequate waste management may create environmental and compliance risks; improved management promotes resource reuse.	□ Actual Positive ■ Potential Positive ■ Actual Negative ■ Potential Negative	Customers Employees Investors Regulators	Reduce waste: recycle liquid waste, lower waste and incineration, comply with ISO 14001, and strengthen audits and management.	**3.3.3 Waste**
Occupational Safety and Health	Foster a healthy workplace through health promotion and hierarchical management.	Insufficient workplace health management may impact employee well-being and regulatory compliance.	■ Actual Positive ■ Potential Positive ■ Actual Negative ■ Potential Negative	Employees Customers Regulators	Initiate cross-departmental communication when targets are unmet, adjust details to ensure timely completion.	**4.4 Occupational Safety and Health**
Talent Attraction and Retention	Enhance career development and retention through diverse recruitment and competitive compensation.	Intense competition in southern industries may lead to talent loss, affecting operations and trust.	■ Actual Positive ■ Potential Positive □ Actual Negative ■ Potential Negative	Employees Customers Investors	Optimize compensation, benefits, and learning programs; promote job rotation and career development to strengthen retention.	**4.1 Talent Attraction and Retention** **4.2 Talent Development** **4.3 Human Rights and Care**

1.1.2.2 Engagement with Stakeholders

At Flexium, we believe that a deeper understanding of our stakeholders and their concerns can help us achieve greater ESG results. Every year, we collect feedback from six stakeholder groups—investors, clients, employees, business partners, government agencies, and the community—to better understand which issues concern them the most, and then respond to their inquiries through a variety of communication channels.

Flexium's Communication Channels with Its Stakeholders

Stakeholder Group		Concern	Communication Channel/Frequency	How Does Flexium Respond?	Results in 2024
Investors	**Foreign Investors Investment Trusts Insurance Investors**	• Operational outcomes and strategies • Information transparency • Stock/cash dividend payable dates	• Stockholder meetings (annual) • Material disclosures, quarterly financial reports, and the latest financial information published on our corporate website (daily)	• Addressing stockholders' concerns at annual stockholder meetings. • Responding to investor inquiries over the phone.	**4 external investor conferences 1 shareholders' meeting**
Customers	**Customers**	• Delivery timelines • Prototype and product pricing • Product quality • Industry trends and global investment plans for the future	• Phone calls • Emails • Client visits • Customer satisfaction surveys (All conducted irregularly)	• Addressing clients' concerns during face-to-face visits, by telephone, or via email • Providing oral or written feedback to clients who have filled out the customer satisfaction survey	**Customer satisfaction survey: top 10 customers, average score 87**
Employees	**Local and Foreign Employees**	• Employee benefits • Institutional policy • Management style • No unreasonable fees	• Occasional: Complaint hotline, email, CEO mailbox, employee interviews • Regular: Monthly newsletter / Labor-management meetings	• Implementing corrective measures • Communicating with the parties concerned • Address employees' concerns during interviews • Contact foreign contact agencies for confirmation	**4 labor-management meetings 12 monthly meetings (newsletter issued)**
Suppliers	**Suppliers and Contractors**	• Ethical and fair competition • Materials procurement • Future plans and operational • goals • Market information • Waste disposal and waste • management audits	• Emails (irregular) • On-site audit (regular or irregular) • Phone calls (irregular) • Supplier portal (irregular)	• Responding to supplier inquiries via email • Scheduling supplier meetings • Providing sales projections to help suppliers plan and prepare for materials shipments • Waste Disposal Act compliance audits	**Supplier ethics survey: 241 suppliers, 224 responses, no misconduct found** **11 supplier quality audits 3 supplier ESG audits** **10 on-site waste treatment inspections**
Government	**Regulators** (OSH/ Environmental/ Labor)	• Inspections, reports, and audits as required by law • Inquiries regarding regulatory changes	• Plant visits (irregular) • Phone calls (semiannual) • Government visits (irregular)	• Fulfilling inspection and reporting duties as required by law • Adjusting internal regulations to comply with regulatory changes	**2 annual workplace environment monitoring reports Monthly occupational injury reporting** **62 industrial zone wastewater sampling inspections 15 inspections with Environmental Protection Bureau**
Community	**Communities/ Academia**	• Integration of foreign workers into the community • Industry-academia collaboration programs • Plant tours	• Visits (quarterly or irregular) • Phone calls (irregular) • Emails (irregular)	• The village did not receive any complaints against Flexium • Co-organized off-campus tours	**2 community visits to local chiefs** (Lunar New Year, Mid-Autumn Festival)

1.1.3 Response to United Nations Sustainable Development Goals (SDGs)

To align with the United Nations Sustainable Development Goals (SDGs), Flexium integrates sustainability objectives into its corporate strategy and operations. SDG considerations are applied across product design, procurement, manufacturing, and sales. The company focuses on 11 key SDGs and maps the three ESG pillars to its strategy, ensuring resource allocation maximizes sustainability impact.

Category	SDGs	Goals	Flexium Response/Actions in 2024
Governance		**Goal 8.3** Promote development-oriented policies that support productive activities, job creation, entrepreneurship, creativity, and innovation.	In 2024, Flexium obtained a total of 16 invention patents, including 5 in the United States, 1 in China, and 10 in Taiwan, demonstrating a global patent portfolio. ◦
			Flexium regularly organizes the "CIP Continuous Improvement Program," encouraging employees to optimize processes, enhance quality, improve efficiency, and advance technical capabilities through teamwork and systematic analysis, contributing to corporate development goals.
		**Goal 9.5** Encourage innovation and increase the number of research and development personnel.	The company actively invests in technological innovation. In 2024, four industry-academia collaboration projects were completed, partnering with domestic and international research institutions to advance fundamental material research and forward-looking technology development.
			R&D expenditure in 2024 reached NT$2,163,038, with 271 R&D personnel representing 10.84% of total employees. R&D spending accounted for over 8% of revenue, reflecting Flexium's ongoing commitment to innovation and research.
		**Goal 12.6** Encourage companies to adopt sustainable business practices and integrate sustainability information into their reporting cycles.	Following the GRI Standards (2021), Flexium continues to publish sustainability reports and discloses sustainability information in accordance with the Sustainability Accounting Standards Board (SASB) standards for the Hardware sector, enhancing the quality of ESG disclosures.
		Goal 12.B Develop and implement policies to monitor the impact (sustainable development on job creation, local culture, ar sustainable tourism of local products.	In 2024, Flexium sourced 94% of its local procurement in Taiwan, actively supporting local suppliers.
		**Goal 16.3** Promote the rule of law at national and international levels and ensure equal access to justice for all.	Established internal grievance and external complaint mechanisms to formulate risk control measures and eliminate injustice.
		Goal 16.5 Substantially reduce all forms of corruption and bribery.	Flexium Code of Ethics serves as a guiding principle for employees.

Category	SDGs	Goals	Flexium Response/Actions in 2024
Social		**Goal 3.4** Reduce by one-third the mortality of children from non-communicable diseases through prevention and treatment, and promote mental health.	In 2024, Flexium actively promoted employee physical and mental health through health seminars and on-site physician consultation services. Regular workshops were held on stress relief, musculoskeletal prevention, and first aid, while monthly on-site physician visits strengthened health awareness and preventive care.
		Goal 3.6 Halve the number of global deaths and injuries from traffic accidents.	Traffic safety education continued throughout 2024 to reduce the risk of occupational traffic accidents.
		Goal 3.A Strengthen the implementation of the WHO Framework Convention on Tobacco Control in all countries.	Flexium participated in the Kaohsiung City Government Health Bureau's "Workplace Smoking Cessation Program," providing tobacco prevention seminars. The company was recognized for promoting workplace smoking cessation and referred 25 employees to cessation hotlines or clinics.
		**Goal 4.4** Increase the number of young people and adults with relevant employment, decent jobs, and business management skills, including technical and vocational skills.	Diverse educational and training programs continued in 2024, offering courses tailored to employees at all levels.
		**Goal 5.5** Ensure women's full participation in political, economic, and public decision-making, providing equal opportunities for leadership at all levels.	The Board of Directors is diversified, covering industry, legal, and financial expertise. Among 11 directors, 2 are women (18%) and 1 is a foreign national. Due to industry-specific recruitment challenges, Flexium plans to gradually increase female board representation by developing internal female talent and establishing a talent pool.
		**Goal 8.5** Achieve full and productive employment and decent work for all, including young people and persons with disabilities, with equal pay for equal work.	Flexium had 260 new hires in 2024, thus providing many local job opportunities.
			At Flexium, we employ people with disabilities and do not differentiate starting pay based on gender.
		Goal 8.7 Take immediate and effective measures to end the worst forms of child labor and eliminate forced labor.	Flexium prohibits child labor and has adopted concrete measures to prevent the use of child labor.
		Goal 8.8 Promote safe and secure working environments, reducing occupational hazards for workers.	In addition to annual fire drills at the plant, in 2024, regional emergency drills (including fire and chemical leak drills) were also conducted, with a focus on disaster reporting andcontainment.
		**Goal 16.B** Promote and enforce non-discriminatory laws and policies to achieve sustainable development.	Flexium's Sustainability Management Manual clearly defines non-discrimination policies, prohibiting bias or harassment based on gender, age, race, religion, sexual orientation, or disability across recruitment, promotion, compensation, and benefits. Religious accommodation is provided as needed, fostering a diverse and inclusive workplace.

Category	SDGs	Goals	Flexium Response/Actions in 2024
Environment		**Goal 6.3** Improve water quality by reducing pollution, eliminating dumping, and minimizing the release of hazardous chemicals and materials; halve the proportion of untreated wastewater; and increase global water recycling and safe reuse.	Flexium is located within an industrial park, where all wastewater is pretreated on-site before being discharged to the park's wastewater treatment facility for further processing and release. In 2024, total wastewater discharge amounted to 1,036,654 metric tons, representing a 21.44% reduction compared with 2023 (1,319,600 metric tons), demonstrating significant effectiveness in discharge management.
		Goal 6.4 Increase water-use efficiency and ensure sustainable freshwater supply and recycling to address water scarcity.	In 2024, Flexium continued to implement the existing water-saving measures at the Dafa Plant and expanded these practices to the Hofa Plant. By diverting reclaimed water for reuse in cooling towers and scrubbers, the company achieved resource circulation. The total annual water savings reached 533,745 metric tons, reinforcing Flexium's commitment to sustainable water stewardship and effective cross-plant water resource management.
		**Goal 7.3** Double the global rate of improvement in energy efficiency.	In 2024, Flexium continued to advance multiple energy-saving initiatives, including major maintenance of chillers, improvements to the air compression system, installation of inverters for air handling units, and optimization of cooling tower temperature control. Through the application of the EMS smart power management system, the company achieved annual carbon reductions of 847.3 metric tons of CO_2e, while ensuring both production line temperature stability and energy efficiency.
		**Goal 12.2** Achieve sustainable management and efficient use of natural resources.	In 2024, Flexium utilized copper electrolysis recovery equipment to convert copper ions in wastewater into 11.3 tons of copper ingots, enabling reuse value. This effectively reduced environmental impact and lowered raw material procurement costs, demonstrating the value recovery of waste resources.
		Goal 12.5 Substantially reduce waste generation through prevention, reduction, recycling, and reuse.	All Flexium sites implemented waste sorting, recycling, and reuse, reducing general waste generation. In 2024, this decreased disposal costs and increased recycling benefits by approximately NT\$3,018,360.
		**Goal 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Through collaboration with academia to identify optimal system operating parameters, NOx emissions from chimneys were reduced by approximately 23.08%. Compared with 2023, the total waste incineration in 2024 decreased by 686.23 tons, successfully reducing incineration-related carbon emissions by approximately 514.67 tons CO_2e.
		Goal 13.3 Improve education, awareness, and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	In 2024, energy-saving and carbon reduction topics were promoted to all employees through the on-site ESG Ambassador training, enhancing staff awareness of sustainability and carbon reduction. A total of 1,966 employees participated throughout the year.

Management Approach

Topic	Significance of the Topic	Policies/Strategies	Objectives and Targets	Evaluation Mechanism	Performance and Adjustments	Preventive or Remedial Measures
Business Ethics	Business expansion increases fraud risk, affecting reputation and operational stability.	Implement integrity management by prohibiting bribery and improper benefits, establishing a code of conduct and a grievance mechanism.	**Short-term Goals (2024–2026)** •Ensure the effectiveness of internal control operations, adherence to relevant codes of conduct, and compliance with laws and regulations. **Mid-term Goals (2027–2029)** •Strengthen the control environment and corporate culture to establish the highest ethical standards and integrity in business operations. **Long-term Goals (2030)** •Achieve zero complaint cases. •Maintain zero violations of integrity principles by directors, managers, and employees.	Internal audits and project inspections to ensure effectiveness of internal controls and regulatory compliance.	In 2024, no breaches of integrity principles were reported among directors, managers, or employees. Relevant management procedures and codes of conduct have been established and are updated on a rolling basis as needed.	Sign ethical commitments, conduct awareness training, establish complaint channels, and audit supplier integrity.
Information Security	Under a smart factory framework, information system stability and cybersecurity risks are critical to operations and regulatory compliance.	Establish a cybersecurity framework to ensure the security of information equipment, data, and systems, with regular drills and training.	**Short-, Mid-, and Long-term Goals** 1) Achieve a minimum score of 95 for the stability of the Group's information systems. 2) Conduct information security drills twice annually. 3) Conduct social engineering drills at least once every six months.	Performance is evaluated based on system anomaly occurrences and drill frequency, with regular review and improvement.	Continuous improvements will be implemented if the 2024 system stability rate falls short of the target score.	Strengthen backups, replace equipment, carry out cybersecurity drills, and provide employee training.

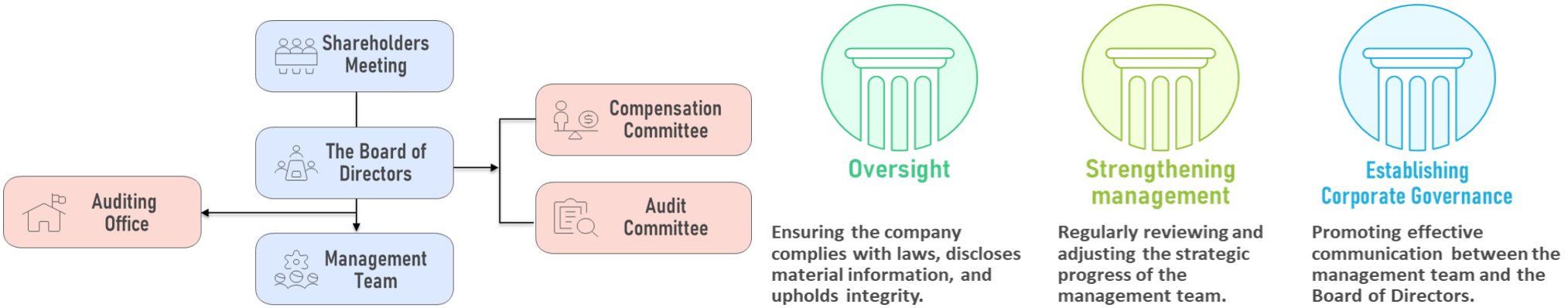
1.2 Business and Governance

Flexium is committed to achieving sustainable development, enforcing transparency in information disclosure, and engaging in communication and dialogue with stakeholders. We have established multiple communication platforms to attend to and respond to stakeholders' needs. Please visit the company's website for more information and updates.

1.2.1 Corporate Governance

1.2.1.1 The Board of Directors

The Board of Directors of Flexium is the company's highest governance and decision-making body, chaired by the Chairman, who also serves as General Manager to implement board directives, enhance efficiency, and ensure alignment with corporate strategy. Per the "Articles of Incorporation" and the "Rules for Election of Directors and Supervisors," each board term is three years, with directors elected by nomination and eligible for reelection. The 10th Board comprises 11 directors, including 4 independent directors (36.4%) complying with regulations, and 3 employee representatives, responsible for setting business policies and key strategies. Directors' concurrent positions are disclosed in the 2024 Annual Report (pages 4–6). Board meetings follow the "Rules of Procedure," held at least quarterly. In line with the "Flexium Code of Integrity," directors must avoid conflicts of interest, recusing themselves from discussion and voting on matters where they have a personal stake.



The Company's Board of Directors provides strategic direction, oversees management, and is accountable to the Company and shareholders. The corporate governance system must ensure the Board's authority is exercised in accordance with laws, the Articles of Incorporation, and shareholder resolutions. Diversity in Board member selection should be based on corporate operations, business models, and development needs, considering two main aspects: basic criteria and values (gender, age, nationality, and culture) and professional knowledge and skills (educational background, professional skills, and industrial experience).

To strengthen the structure of Flexium's Board of Directors, the board currently consists of 11 members, including 2 female directors (approximately 18%) and 1 foreign director (approximately 9%). In 2024, the Board convened 7 meetings with an overall attendance rate of 96%. The directors possess the necessary expertise, experience, and competence in fields such as chemical engineering, mechanical engineering, finance, and law, combined with international perspectives, decision-making leadership, and crisis management capabilities to address economic, environmental, and social challenges. In terms of age distribution, 3 directors are under 50, while the remainder are over 50. Basic information on the Board members can be found in Flexium's 2024 Annual Report (pages 4–6).

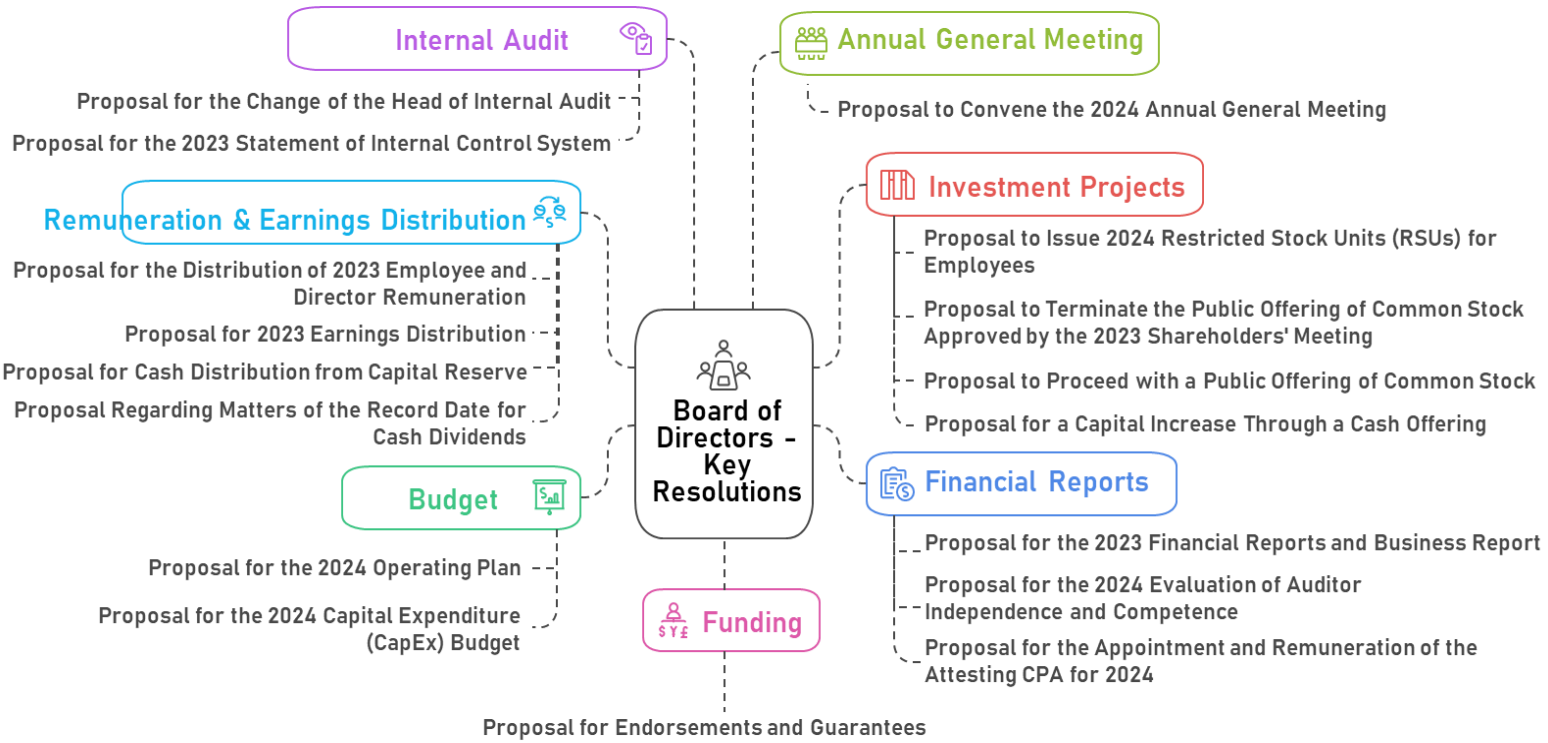
In addition, in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies," the company has planned relevant training programs for directors, covering topics such as corporate governance, legal compliance, and corporate sustainability. In 2024, the Board collectively completed 60 hours of training, of which 21 hours were focused on sustainability-related issues. Details of directors' training can be found on the Market Observation Post System.

Flexium has established the "Procedures for Handling Material Internal Information" and the "Board of Directors Meeting Rules" to ensure that material matters are reported to the Board in compliance with regulations for review and decision-making. In 2024, a total of 17 key proposals were submitted to the Board, covering essential corporate governance issues such as remuneration and profit distribution, financial reports, annual budgets, and investment projects.

However, as of the end of 2024, there were no records of significant concerns—such as human rights disputes, environmental risks, or occupational accidents—formally reported to the Board by management or relevant functional heads.

To strengthen risk identification and response at the governance level, Flexium will require the management representative or relevant functional heads to report matters to the Board or the ESG Decision Committee when necessary, depending on the nature and severity of sustainability issues. Should any material concerns arise, they will be reported promptly, with the handling process documented to ensure transparency and accountability to stakeholders.

Key Proposals Submitted to the Board of Directors in 2024



Notes:

1. A total of 17 key proposals were submitted to the Board of Directors in 2024.
2. Nature of proposals: 4 on compensation and earnings distribution; 4 on investment projects; 3 on financial reports; 2 on internal audits; 2 on budgets; 1 on funding; and 1 on the shareholders' meeting.

◎ Strengthening the Functionality of the Board

To strengthen the board's supervisory, auditing, and management functions, Flexium has established the Audit Committee and CompensationCommittee under the Board, along with an internal auditing office to oversee the planning and implementation of audits. They report to the Boardin regular meetings as well as to the Chairman (also the General Manager) on a monthly basis or whenever necessary.

Committee	Audit Committee	Compensation Committee
Members:	Convenor: Hsin-Pin Fu Members: Pei-Jun Wu, Shui-Tung Huang, Anson Tseng	Convenor: Hsin-Pin Fu Members: Pei-Jun Wu, Shui-Tung Huang
Number of meetings held in 2024	5	4
Attendance	100%	100%
Scope of Duties	1) Formulate or revise internal control systems in accordance with Article 14-1 of the Securities and Exchange Act. 2) Review and evaluate the effectiveness of internal control systems. 3) Formulate or amend procedures for major financial or operational actions such as acquisition or disposal of assets, engaging in derivatives trading, extension of monetary loans to others, endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act. 4) Matters involving personal interests of Board members. 5) Major asset or derivative transactions. 6) Major monetary loans to others, endorsements or guarantees for others. 7) Offering, issuing, or private placement of securities with equity nature. 8) Appointment, dismissal, or remuneration of certified accountants. 9) Appointment and dismissal of financial, accounting, or internal audit supervisors. 10) The annual financial report signed by the chairman, manager, and accounting supervisor, as well as the second quarter financial report that must be audited and signed by a certified accountant. 11) Other significant matters stipulated by the Company or the competent authority.	1) Evaluate and propose amendments to this regulation on a regular basis. 2) Formulate and regularly review the policies, systems, standards, and structures for the performance evaluation and remuneration and compensation of the Company's directors and managers. 3) Evaluate the remuneration and compensation of the Company's directors and managers on a regular basis.

Pursuant to a resolution of the Board of Directors, the company appointed financial manager Eva Liao as Director of Corporate Governance on May 5, 2021 to protect shareholders' interests and strengthen the Board of Directors' implementation of corporate governance. The Director of Corporate Governance is primarily responsible for providing the information necessary for the directors to carry out their duties, monitoring the latest legal developments related to company operations, assisting the directors in achieving legal compliance, and facilitating the incoming orientation and continuing education of the directors. For more information, please refer to the investor relations section on the company website.

◎ Performance Evaluations

To establish performance targets and enhance board efficiency, Flexium has established the "Board Performance Evaluation Guidelines," which stipulate annual performance assessments for the board as a whole, individual directors, and members of functional committees. The overall board evaluation should at least cover five aspects: participation in company operations, improvement of board decision quality, board composition and structure, director selection and continuing education, and internal controls. The results of the board performance evaluation serve as a reference for selecting or nominating directors, while individual director evaluation results are used as a reference for determining their respective remuneration. For details on the evaluation, please refer to page 15 of Flexium's 2024 Annual Report.

◎ Board and Executive Compensation Policy

Flexium's director remuneration is determined according to the Articles of Incorporation, capped at no more than 2% of company profits, and considers operational results as well as each director's contribution to company performance to provide reasonable compensation. Compensation for the President, Vice Presidents, and managers is based on the company's salary standards, their education and experience, and operational performance. Manager compensation includes both fixed and variable pay, and retirement benefits are the same as those for general employees. Details of remuneration paid to directors, the President, and Vice Presidents in recent years can be found in Flexium's 2024 Annual Report (pp. 12–13).

The procedure for setting remuneration takes into account overall company performance, industry risks and development trends, individual performance achievement, contribution to company performance, market salary surveys, and peer company standards to ensure reasonable pay. Performance assessment and remuneration rationality are reviewed by the Compensation Committee and the Board of Directors, and remuneration systems are periodically reviewed in light of actual operational conditions and relevant regulations to balance sustainable business management and risk control.
Flexium's Compensation Committee meets at least twice a year and, exercising due diligence and good faith, submits recommendations to the Board regarding:
To attract and retain talent and to incentivize employees while aligning their interests with the company and shareholders, Flexium issued restricted shares for employees in 2019, 2020, 2022, and 2024. Award conditions are tied to individual and company performance, enhancing the connection between executive remuneration and corporate performance.

Discussion and decisions of the Compensation Committee

Compensation Committee	Proposal	Results	Handling of Compensation Committee Opinions
January 4, 2024 5th Term, 4th Meeting	• Flexium 2023 Board Compensation Allocation • Flexium 2023 Manager and Employee Salary Disbursement • Flexium 2023 Manager Operational Bonus Disbursement	Approved	Approved by all attending board members.
February 15, 2024 5th Term, 5th Meeting	• Flexium Manager Salary Adjustment	Approved	Approved by all attending board members.
May 8, 2024 5th Term, 6th Meeting	• Flexium Manager Salary Adjustment	Approved	Approved by all attending board members.
August 12, 2024 5th Term, 7th Meeting	• Flexium Manager Salary Adjustment • 2024 Flexium First Restricted Stock Allocation for Managers	Approved	Approved by all attending board members.

1.2.1.2 Business Ethics

To ensure the adoption and implementation of ethical governance policies, sound development, and good business practices, Flexium has established its "Flexium Code of Ethics" to regulate the Company and its subsidiaries and provide ethical standards and guidelines for directors, supervisors, managers, employees, contractors, and people with de facto power as they perform their respective duties. Regulatory compliance is strictly required, and dishonest acts are strictly prohibited. Our business activities, political contributions, charitable donations or sponsorships must follow the principles of fairness, honesty, integrity, and transparency. Through policies based on ethical corporate governance and a strong risk control mechanism, we create an environment for sustainable development in which we can pursue both our best interests and our commitment to sustainability. For detailed information on the company's ethics and governance policies, please refer to the Flexium website link mentioned in Section 1.1.1.2 ESG Roadmaps and Policy.

To safeguard the rights and interests of its stakeholders, Flexium requires all employees to sign a "Confidentiality, Non-Compete, and Intellectual Property Rights Agreement." In 2024, the Company was not subject to any significant penalties[1] from competent authorities concerning economic, social, human rights, product, or environmental aspects. Furthermore, there were no legal actions involving anti-competitive behavior, antitrust, or monopolistic practices, and no expenditures related to political contributions. The total number of incidents and the amount of fines for regulatory non-compliance during the current and previous reporting period (2023-2024) are as follows.

Overview of Regulatory Violations (2023-2024)

Year	Date of Incident	Violation	Penalty
2023	2023/8/18	Violation of Article 57, Paragraph 1 of the Regulations for Occupational Safety and Health Installations and Article 6, Paragraph 1 of the Occupational Safety and Health Act.	NTD$ 100,000
2024	NA	No violations occurred	NA

Note: The incidents listed herein are based on their date of occurrence within the current and previous reporting period (2023-2024), not on the announcement date of the penalty.

In accordance with to Flexium's "Regulations for the Establishment and Operation of the Ethics Management Committee", the Ethics Management Committee comprises three members directly appointed by the Chairman who are responsible for accepting and investigating complaints and reporting on evaluations, reviews, and mitigation of ethical risks at the annual senior management meeting. The Ethics Management Committee conducts an annual risk assessment of ethical business practices including business integrity, no illicit gains, and information disclosure at all our Taiwan sites. The assessment applies a five-point scale for severity (S), occurrence (O), and detectability (D) to calculate the risk score by multiplying S, O, and D. A total score above 27 indicates that corrective measures must be taken until a specified improvement target is met. From 2022 to 2024, all the risk scores were below 27.

Business Ethics Evaluation Indicators	Is it controlled? (Y/N)	Risk Priority Number (RPN)		
		2022	2023	2024
Business Integrity	Y	9	8	8
No Improper Advantages	Y	9	12	8
Information Disclosure	Y	9	12	8

Notes:
The term "significant penalties" as used herein refers to Article 26 of the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," which applies in the event of a disaster, mass protest, strike, environmental pollution, information and communication security incident, or other major event, resulting in any of the following circumstances:
(1) Causing significant damage to or impact on the company;
(2) An order from a relevant authority for work suspension, business suspension, business closure, or the revocation or cancellation of pollution-related permits;
(3) The cumulative fine for a single incident reaching one million New Taiwan Dollars (NT$1,000,000) or more.

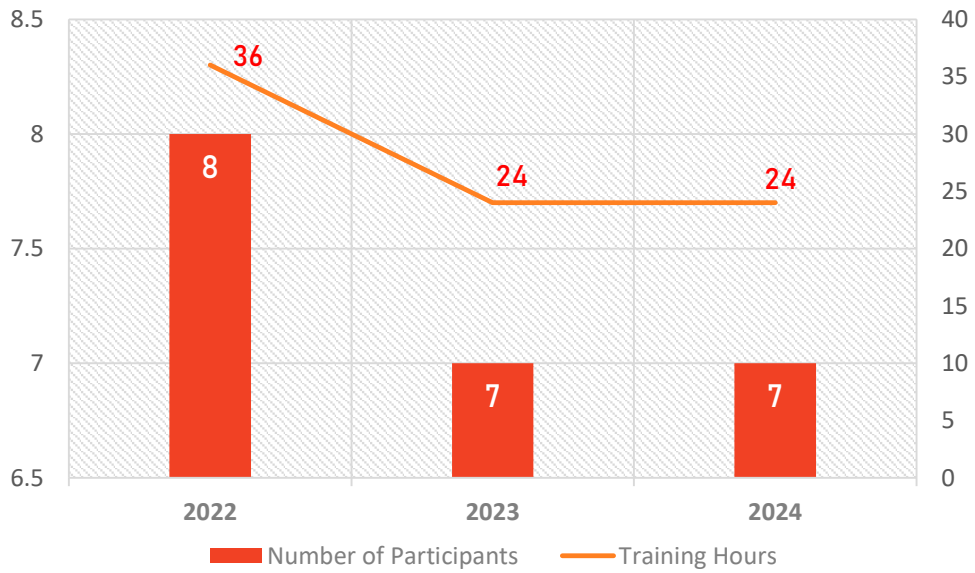
◎ Employee Code of Conduct

Flexium has established an ”Employee Code of Conduct” that requires the highest standard of conduct for our employees at work. Employees must strictly abide by the law and Company rules whether dealing with business or personal duties. Under no circumstances should an employee be involved in any act that violates the law, damages the Company’s goodwill and interest, or involves corrupting interests. The “Employee Code of Conduct” encompasses the principles of the “United Nations’ Universal Declaration of Human Rights”, “the Global Compact”, “the International Labor Organization’s Declaration of Fundamental Principles and Rights at Work”, and anti-discrimination policies. The Code of Conduct is emphasized during new employee training sessions, while the anti-corruption and IPR provisions are stipulated in all employment contracts.

◎ Anti-corruption

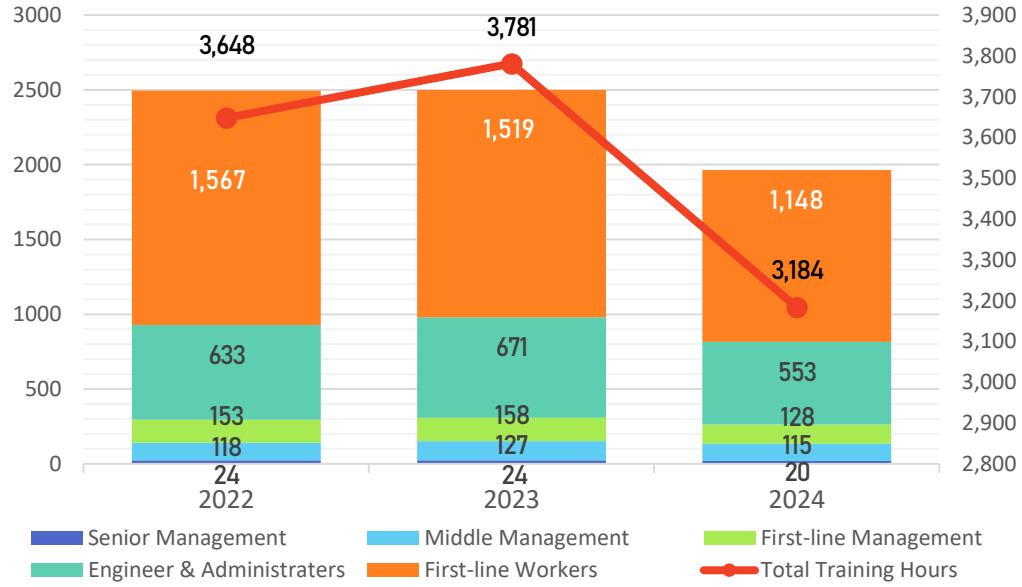
Flexium strictly prohibits employees from offering, accepting, promising, or demanding, directly or indirectly, for the self or others, acts that are dishonest, unlawful, or otherwise contrary to the duties entrusted to them by the Company, in order to uphold the principles of fair trade and prevent corruption and bribery. The company's anti-corruption scope has also been expanded to encompass supplier management. Flexium requires all new suppliers with an estimated annual business volume of more than NT$ 1,000,000 to sign a "Letter of Commitment for Undertaking of Integrity." Furthermore, all members of the Board of Directors and company employees are required to participate in business ethics training on topics such as combating corruption and insider trading. In 2024, no corruption or bribery cases were recorded within the company, results which can be attributed to our commitment to integrity and ethics.

Statistics on Board Training in Anti-corruption Courses



Note:
The anti-corruption courses for directors and supervisors include corporate governance/insider equity trading/insider trading.

Statistics on Employee Training in Anti-corruption Courses



Note:
1. The anti-corruption courses listed herein include the business ethics portions of the new hire orientation and the ESG Ambassador training.
2. Training Rate (%) = (Actual Number of Trainees / Required Number of Trainees) * 100%.
3. Senior management: plant, division level and above; Middle management: department and section level; First-line management: group/unit levels; Engineers & Administrators: engineer-level employees below section level; First-line workers: operator-level employees.
4. Data is based on December 31 figures annually.

◎ Reporting Mechanism

Flexium encourages both internal and external individuals to report ethical issues through a secure and confidential complaint channel. The "Employee Complaints, Whistleblowing, and Feedback Instructions" explicitly state that complainants may remain anonymous. Employees who suspect or discover violations of laws, regulations, or ethical standards by the company or its employees are encouraged to report to managers, internal audit supervisors, or other appropriate personnel. They can also use physical General Manager Mailboxes located in factory and dormitory areas, as well as the independent whistleblowing mailbox (109@flexium.com.tw) and dedicated hotline (07-7871008 ext. 109) on the company's website. These reporting channels are promoted through regular and ad hoc sessions such as new employee training and ESG Seed Training, covering complaint mechanisms, professional ethics, business ethics, and integrity commitments. Posters promoting reporting channels are displayed in factory bulletin boards and rest areas for awareness.

Upon receiving cases, the Audit Department convenes a Complaints Committee to initiate investigations following established procedures, including assigning investigative units, planning investigations, conducting root cause analyses, developing improvement plans, and communicating outcomes. Investigations are conducted confidentially, and no form of retaliation is tolerated against genuine complainants. In cases of confirmed retaliation, complainants have the option to transfer departments or apply for leave without pay. Retaliation cases are promptly identified and addressed by the Ethics Committee or designated personnel under the oversight of the General Manager on a monthly basis. As of 2024, no corruption-related reports were received. However, the company processed and resolved all 41 general complaints and feedback cases. (Please refer to section 4.3.1.1 for details)

1.2.1.3 Internal Control

To strengthen our internal control system, Flexium established internal audit rules for auditing and reviewing internal control procedures over the Company’s operations in order to determine the adequacy (or lack thereof), effectiveness and efficiency of the design, and practicality of the our internal control procedures. These rules apply to the Company and its subsidiaries.

Internal audits are conducted in accordance with the audit plans approved by the Board. The plans are drafted based on identified risks. Special investigations or secondary reviews may be conducted on an ad hoc basis. Conducting these audits and special investigations enables management to control our internal operations and gain insight into existing or potential deficiencies.

The Auditing Office is an independent department comprising a Chief Auditor and a Deputy Auditor who report directly to the Board. In addition to regular Board meetings, these officers report monthly (or whenever necessary) to the Chairman and the General Manager respectively. To perform audit duties without interference, the auditors are both formal full-time professionals.

1.2.2 Risk Management and Information Security

1.2.2.1 Risk Identification and Response

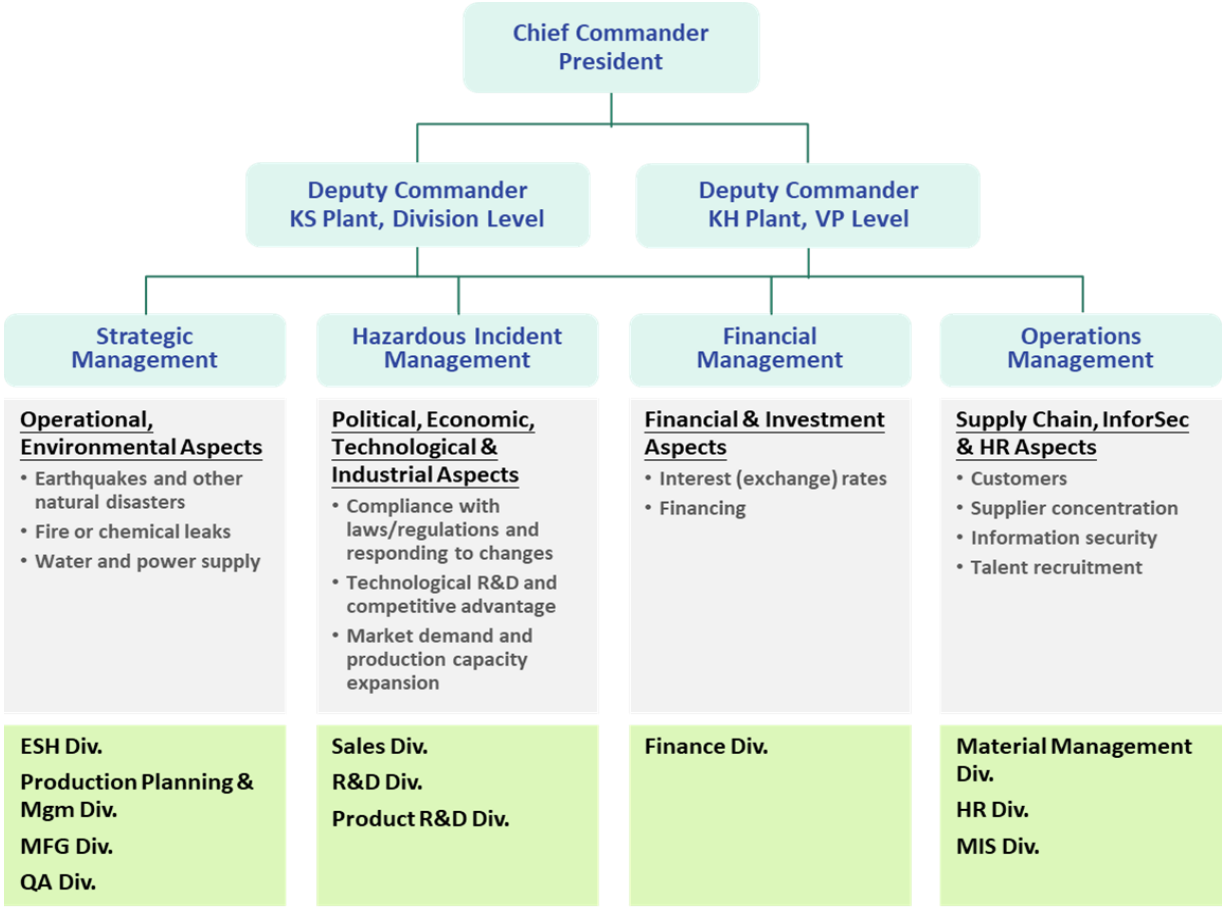
For various policies, operations, finances, and potential hazards, Flexium annually implements routine management and measures to address potential risks. Starting from 2022, it has further consolidated risk management across these areas, categorizing risks into four major categories: strategic considerations, operational considerations, financial considerations, and hazards. Evaluating the frequency and severity of operational impacts from risk events in a proactive and cost-effective manner, Flexium defines risk control priorities and levels using a Risk Map. Corresponding risk management strategies are then applied based on the risk levels identified.

◎ Risk Management Scope and Management Organization

Flexium's risk management scope encompasses four aspects: strategic considerations, operational considerations, financial considerations, and hazards. We are planning to establish a Risk Management Organization, led by the General Manager, to provide timely risk management and mitigation efforts.

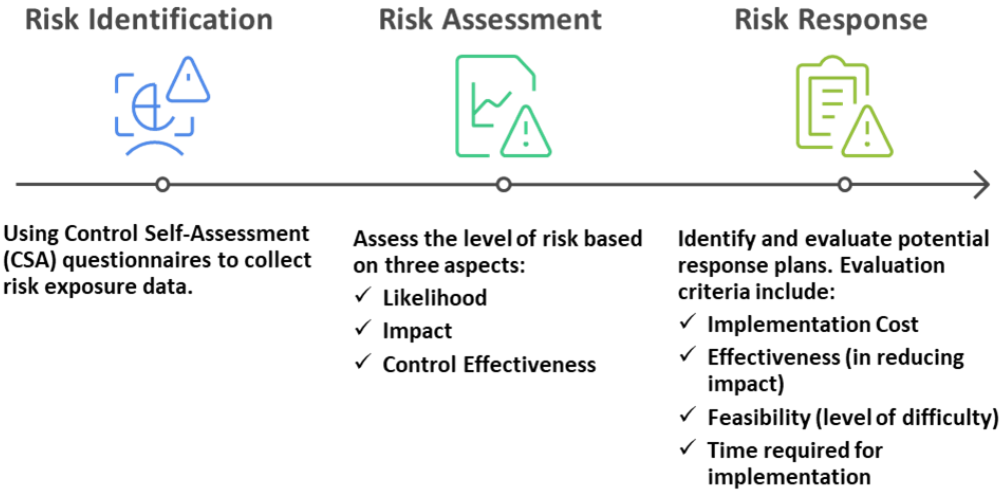
Risk Management Scope

Risk Management Organization



Risk Identification and Response

To address different types of risk, the company employs annual risk identification, assessment, and response procedures to identify risk factors while creating risk identification lists to define management priorities based on the frequency of occurrence and implications for business operations.



Risk Management Aspect	Risk Item	Response Measures
Hazardous Incident Management	**Earthquake**	• Strengthen earthquake response and evacuation drills; improve equipment's seismic protection and production recovery capabilities.
	Fire	• Enhance management of chemicals and flammable materials; regularly inspect fire protection systems and conduct drills
	Water Resources	• Add wastewater and advanced recycling units to increase the water recycling rate.
	Energy Management	• Implement power-saving measures and smart controls; plan for green power procurement.
	Climate Change	• Implement typhoon, flood, and drought prevention measures to enhance climate adaptation capabilities.
Strategic Management	**Production Capacity Expansion Risk**	• Communicate with customers to defer production and avoid excess inventory.
	Regulatory Compliance Risk	• Install defensive equipment and purchase green power to respond to regulatory and climate requirements.
Financial Management	**Exchange Rates and Inflation**	• Formulate a group-wide hedging policy to control foreign exchange risks.
	Impairment Risk	• Review the book value of equipment and manage idle assets.
Operations Management	**Information Security Risk**	• Establish information security defenses, conduct disaster recovery drills, and implement system switching mechanisms.
	Key Talent Risk	• Expand recruitment channels, enhance employee benefits, and increase the proportion of automation.
	Supply Chain Risk	• Establish response mechanisms for delivery date abnormalities to maintain supply flexibility.
Supply Chain Risk Management	**Raw Material Dependence & Lead Times**	• Diversify supply sources to avoid dependence on a single supplier.
	Supplier Delivery Abnormalities	• Establish supplier abnormality reporting guidelines to ensure a stable material supply.
Occupational Safety & Health Risk Management	**Occupational Safety Risk**	• Formulate improvement measures according to risk levels; implement control and tracking.

◎ Enhancement of Risk Management Awareness

To increase risk awareness, Flexium conducts internal education and training related to risk management based on various risk categories, e.g., information security, occupational safety, and health, and promotes risk management awareness to all employees by organizing different risk education events.

Subject	Frequency	Channels
Information security risk management	Quarterly	Supervisors'meetings/ Emails
Asset security management for key talents	Non-scheduled	Orientation training for new recruits
Risk management for occupational safety and health	Non-scheduled	Orientation training for new recruits

◎ Business Continuity Planning

To implement Business Continuity Management (BCM), Flexium's Risk Management Team periodically conducts risk assessments and control. For critical crises—including fires, earthquakes, security incidents, supply chain disruptions, significant yield loss, and utility outages—the team strengthens preventive measures, enhances response drills, and develops recovery plans. Clearly defined project teams work to minimize personnel injury, operational disruption, and financial impact during emergencies. The business continuity plan is regularly reviewed and revised for effectiveness and continuous improvement.

Additionally, to reduce operational impact, pre-emptive risk assessments are conducted for major crises, establishing clear response and recovery procedures. During a major cross-plant crisis, a Central Crisis Command Center, formed by operations and logistics units, provides unified command, shortens response times, and ensures timely communication with stakeholders

1 **Emergency Response Plan**
- Enable timely response to emergencies to prevent disaster escalation.
- Continuously update and conduct drills of the disaster prevention plan.

2 **Crisis Management Plan**
- Manage external communications during a crisis.
- Manage internal production transfers to alternative sites.
- Prioritize maintaining production to prevent impact on customer delivery schedules.

3 **Disaster Recovery Plan**
- A plan and checklist outlining the priorities and resource requirements for recovery efforts.

Organization of Business Continuity Planning

Chief Commander
President

Deputy Commander
KS Plant, Division Level

Deputy Commander
KH Plant, VP Level

Emergency Response Plan	Crisis Management Plan	Disaster Recovery Plan
Responsible Div.: Production Planning & Management Div.	**Responsible Div.: Sales Div.**	**Responsible Div.: MFG Div.**
➢ Emergency Incident Response Process ➢ Incident Notification ➢ Personnel Evacuation ➢ Damage Assessment ➢ Disaster Declaration ➢ IT Backup	➢ Crisis Management Process (Including Supplier Management, 4M Change Management, and Plant Recovery Processes) ➢ Communication with Customers, Employees, Media, and Stakeholders	➢ Recovery Procedures ➢ List of Recovery Priorities, Timelines, and Resource Requirements ➢ IT Recovery

MIS Div. | Production Planning & Management Div. | EHS Div. | Material Management Div. | Finance Div. | Sales Div. | HR Div. | MFG Div. | R&D Div. | Product R&D Div. | QA Div.

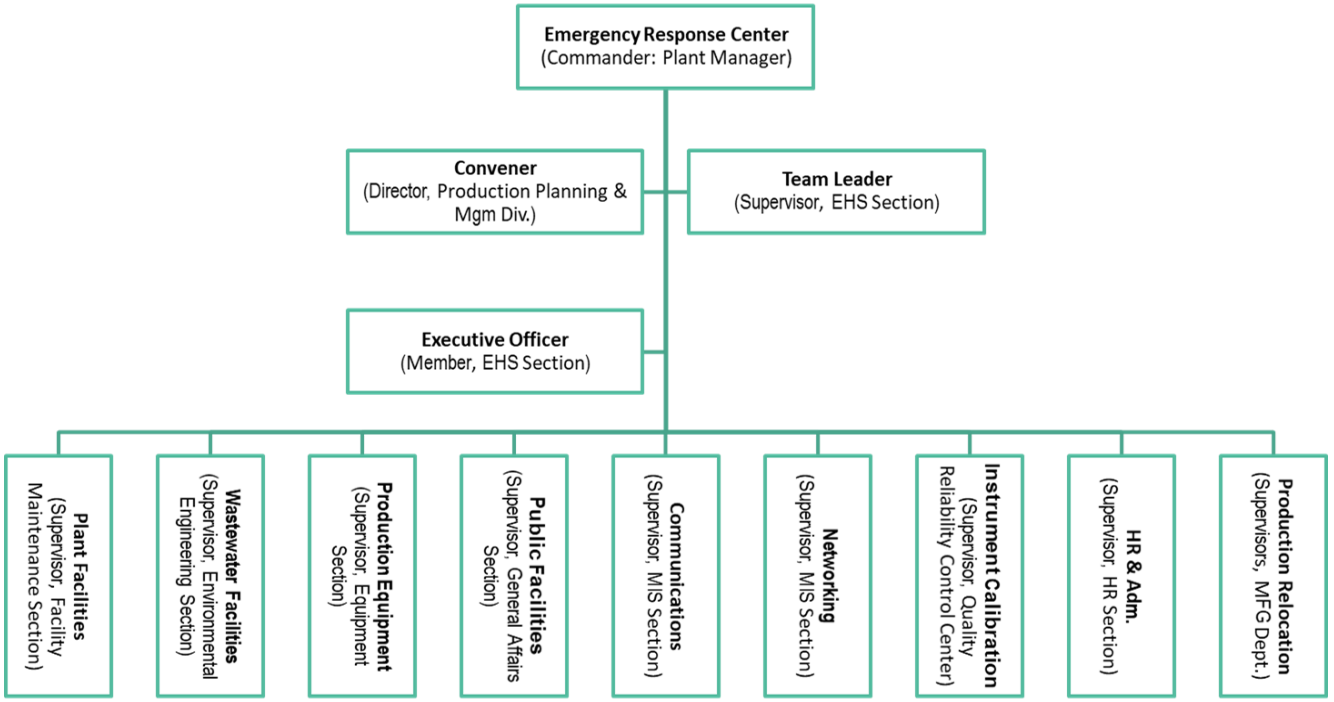
1.2.2.2 Emergency Response

◎ Fire/Earthquake/Chemical Spill Response Plan

To address various potential situations, our company has established a "Instructions for the Emergency Response Plan." This document standardizes the procedures for response, handling, and recovery for all types of disasters and incidents, including related training and cross-departmental communication. The primary goal is to minimize damage and injury from the outset by ensuring all employees understand the necessary steps. This approach reduces environmental harm, maintains workplace safety, prevents losses, protects stakeholder interests, enhances our response and recovery capabilities, and ultimately allows us to fulfill our commitments to customers.

In 2024, we conducted two large-scale self-defense fire-fighting team drills at the plant, involving a total of 1,776 participants. These drills covered fire extinguishing, incident notification, and evacuation procedures, with the same training provided to our foreign colleagues. Throughout the year, departmental fire drills were held to improve each department's internal response capabilities. Furthermore, recognizing the high-risk nature of the PCB industry, we conducted scheduled chemical spill drills for all chemical-using departments to enhance their specific response skills.

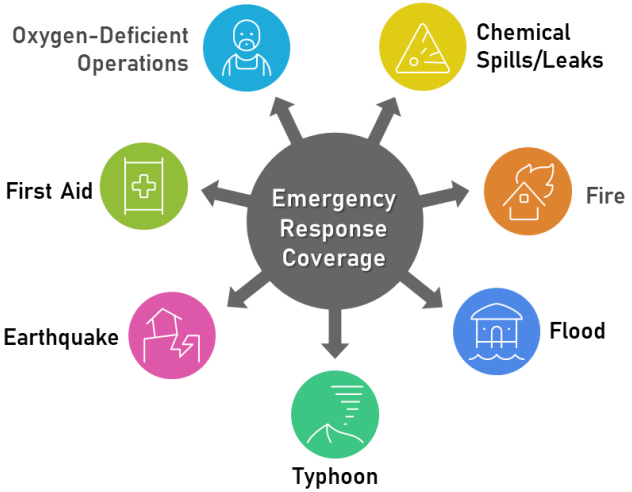
Emergency Response Center



2024 Regional Fire Drill

2024 Self-Defense Fire-Fighting Team Drill

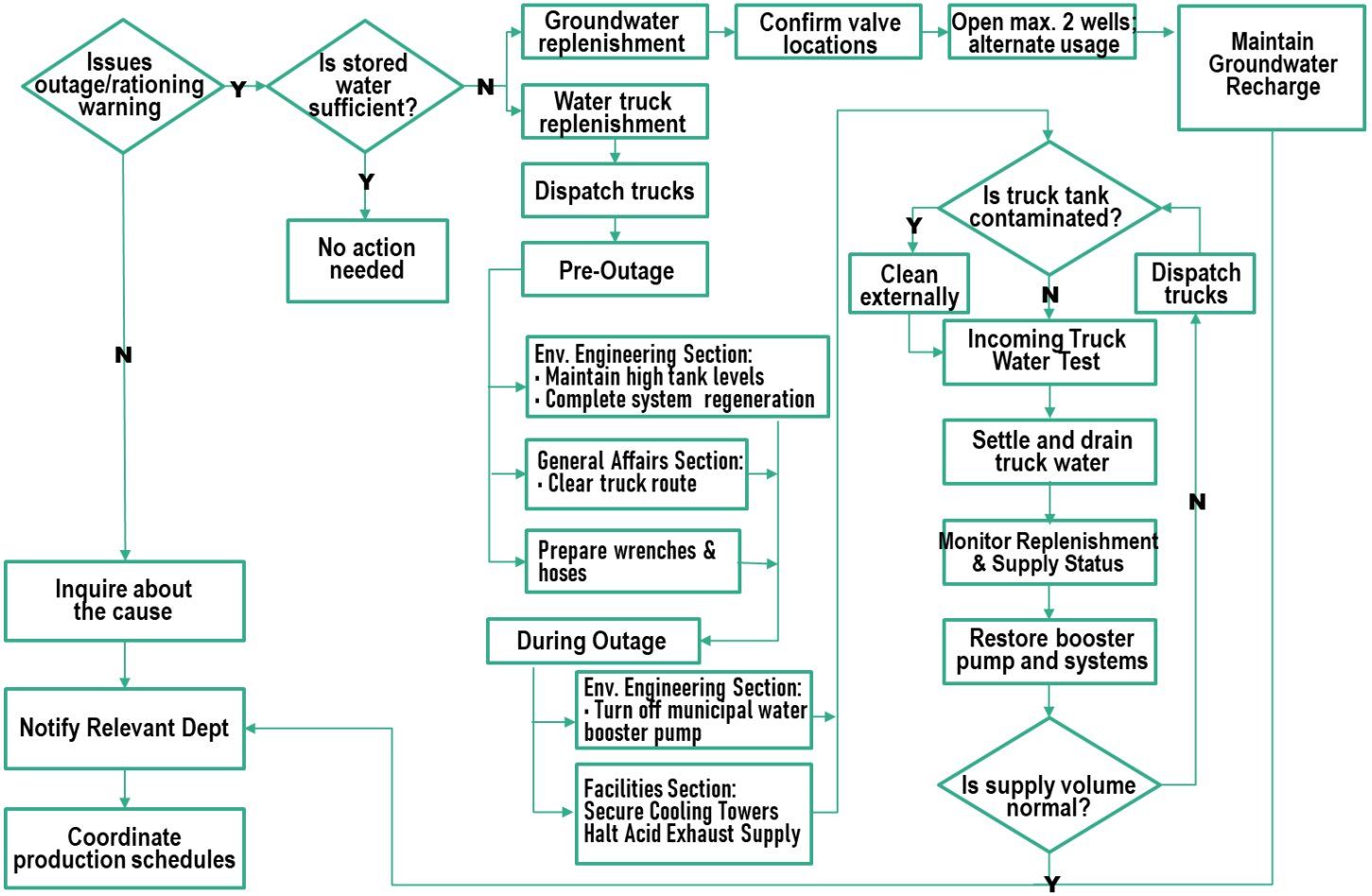
2024 Chemical Spill Drill



◎ Water Supply Interruption Response Plan

To mitigate the impact of water outages or rationing on our operations, our company has established a "Water Supply Interruptions instructions" to ensure the plant can maintain stable operations during emergencies. This plan addresses the risk of potential water shortages by outlining multi-layered response measures, including:

- **Proactive Water Storage:** We regularly monitor reservoir levels. When early warning signals are issued, we proactively store water for critical production and domestic needs to cope with short-term supply interruptions.
- **Water Truck Dispatch:** We have established emergency response collaborations with local water suppliers to ensure water trucks can be dispatched to the plant promptly to supplement our production water requirements.
- **Groundwater Utilization:** We have obtained groundwater development permits in accordance with regulations and are equipped with pumping facilities, ensuring access to a backup water source during water rationing periods.
- **Water Allocation and Optimization:** Based on the impact of a water outage, we dynamically adjust production schedules, reduce non-essential water consumption, and enhance water use efficiency through process water recycling and reuse.



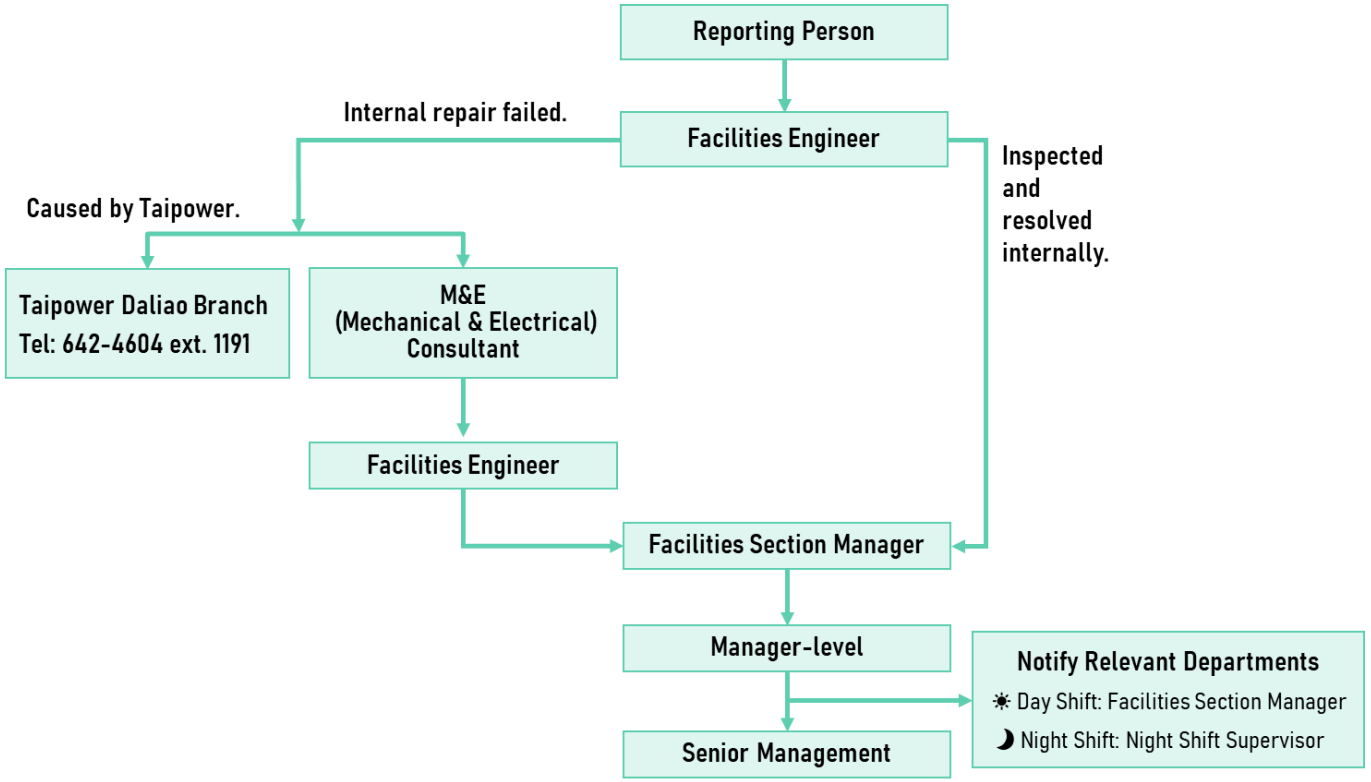
Additionally, we actively promote water resource management and conservation measures, including increasing the use of recycled water, introducing high-efficiency water-saving equipment, and implementing process improvements. These efforts reduce our dependence on municipal water and further enhance our operational resilience. Through these response mechanisms, our company ensures that even when facing water resource challenges caused by extreme weather, we can maintain stable production and minimize our environmental and social impact.

◎ Power Outage Response Plan

In response to the impacts of extreme weather and increasing risks to power supply stability, our company has formulated a "Standard Operating Procedure for Plant-Wide Power Outages." This procedure addresses abnormal power supply scenarios from Taipower by establishing a comprehensive mechanism for response, handling, and recovery, ensuring the continuity of production and operations while mitigating potential losses from power interruptions.

This response mechanism covers the following key measures:

- **Real-time Monitoring and Early Warning:**
  Through our power monitoring system, we track the Taipower grid status and have established an early warning system for abnormal power supply to respond to potential outage or instability risks.
- **Tiered Response and Handling:**
  Based on the scope and impact of an outage, we activate a tiered response plan. This ensures that critical equipment and key production lines receive priority power support, and production schedules are dynamically adjusted.
- **Backup Power Planning:**
  - **Uninterruptible Power Supply (UPS) and Generators:**
    We have deployed UPS systems and diesel generators in critical production areas to maintain essential operations during emergencies.
  - **Load Management and Power Dispatch:**
    When a power abnormality occurs, we immediately implement load shedding to reduce non-essential power demand, thereby extending the runtime of our backup power sources.
- **Cross-Department Coordination:**
  Establish a rapid internal communication mechanism to enable timely response and division of tasks during power disruptions, while coordinating with Taipower for restoration updates.



- **Recovery and Drills:**
  Conduct regular power outage drills to validate contingency plans and ensure swift production recovery, minimizing supply chain and customer impacts.

Flexium is committed to strengthening its power outage response to ensure business continuity. By optimizing contingency mechanisms, the Company reduces power disruption risks, safeguards employee safety, protects customer interests, and upholds operational stability.

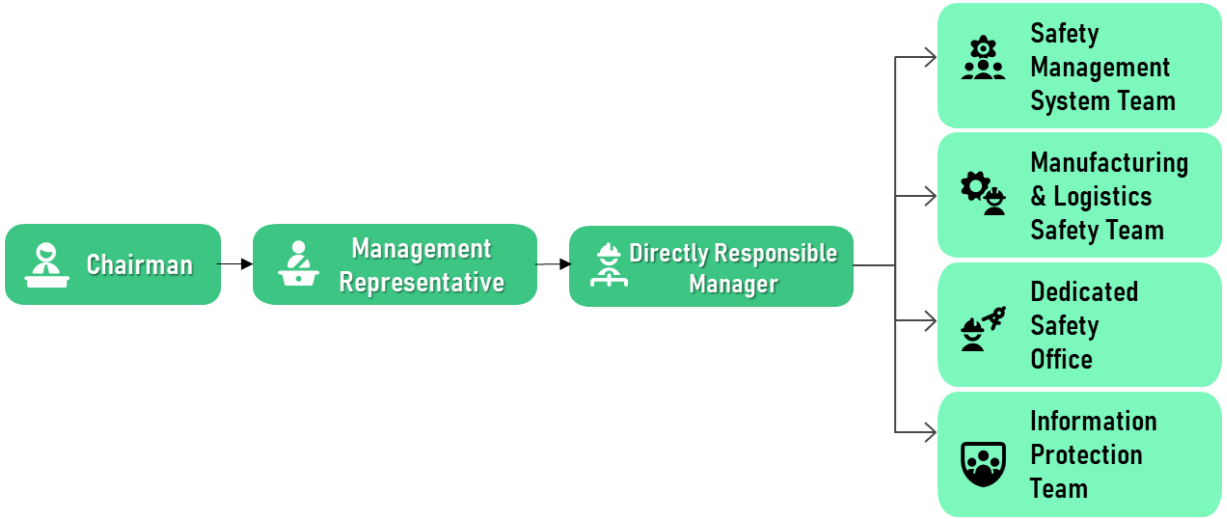
1.2.2.3 Information Security Management

◎ Information Security Management Policy and Framework

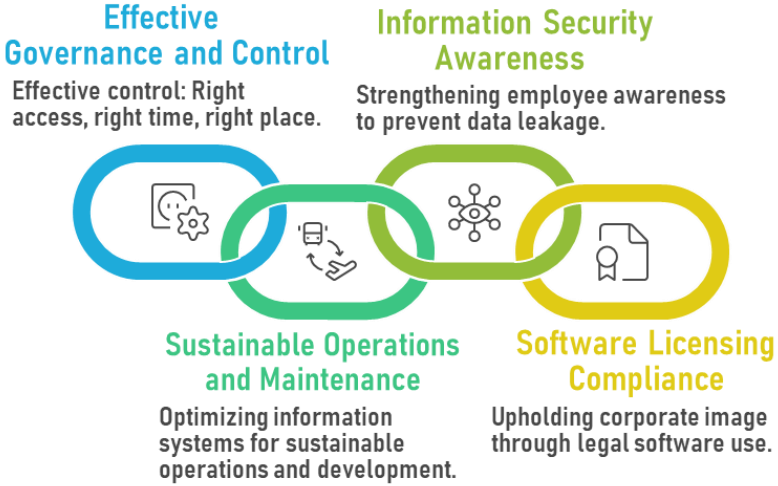
Flexium provides the Security Responsibilities for Customers (SRC) Manual to ensure that our clients' products and confidential information are secure and that their information property is properly protected, stored, and used. The manual covers four areas of responsibility, namely management, manufacturing, the security project office, and information protection. A managing organization was established with the chairman as leader and the plant manager or division-level head as representatives, who shall appoint a direct person in charge. Four subunits are responsible for the implementation of the organization's mandates. These safety rules are applicable to all employees, visitors, and contractors within the perimeter of the plant.

The Director of the MIS Division approves and formulates information security policy, and routinely monitors and manages the achievement of targets in compliance with our zero-violations objective. We have implemented information security measures based on the principles of sustainability, legality, concept, and control, and established a security responsibility management system to protect customers' product and confidential information, as well as to increase customer awareness of and confidence in our commitment to information security. We assign dedicated information security personnel to enforce information security policies and objectives, formulate standard operating procedures, implement improvements proposed by audits, monitor the status of deficiency improvements, and report and respond to information security incidents, thereby ensuring the effective and continuous implementation of our information security management regulations.

SRC Safety Responsibility Management Organization



Information Security Policies



◎ Information Security Risk Management

Flexium Technology manages information security risks across five asset categories —equipment, applications, networks, data, and users. Based on the NIST Cybersecurity Framework, the Company has established the Flexium Group Cybersecurity Protection Framework, built on five core functions: Identify, Protect, Detect, Respond, and Recover. Regular reviews are conducted to ensure the effectiveness of prevention, monitoring, and recovery measures.

The Company continuously evaluates and addresses risks such as equipment management, hardware protection, system monitoring and alerting, proactive internet threat detection, endpoint protection, vulnerability scanning and patching, multi-factor authentication, EOSL equipment replacement, and performance optimization. In addition, third-party cybersecurity assessments are conducted to enhance the overall security management system. To safeguard personal data, Flexium complies with the Information Protection Management Procedures, implementing both technical and managerial controls to strengthen cybersecurity resilience and improve information governance.

Flexium has implemented comprehensive measures to mitigate business continuity risks arising from potential information system disruptions. Through the ELK log management platform, the company collects and retains operational data from information systems and network devices to enable real-time anomaly detection and alerts. Regular system vulnerability scans are conducted to identify and proactively patch potential cybersecurity gaps, reducing the likelihood of cyberattacks. For critical operational systems, redundant load balancing mechanisms are in place, supported by ongoing hardware upgrades and infrastructure optimization. The company has also adopted the Kubernetes application container platform, enabling containerized management of production systems to ensure automatic load balancing, failover capability, and cross-cluster deployment for enhanced system resilience. In addition, Flexium enforces robust data backup and protection mechanisms, including on-site and off-site backups to ensure data integrity and availability. Network security is further reinforced through endpoint access protection to guard against unauthorized access and emerging cyber threats.

To ensure uninterrupted information system operations, we have established the "Group Information System Stability" goal, monitoring operations through both policy and execution. We conduct 1-2 information protection drills annually. In May and August 2023, the IT department performed core system security updates and uninterrupted simulation drills. These drills activated automatic backup mechanisms based on maintenance needs or disaster scenarios to ensure normal, uninterrupted system operations.

Flexium's Cyber Defense Matrix(CDM)

	Identify	Protect	Detect	Response	Recover
Devices	Asset Management	Endpoint antivirus Group Policy Object(GPO)	Endpoint Antivirus		
Applications	CI/CD Jump server	Web application firewall	Third-party cybersecurity testing		High availability architecture
Networks	Change Manage NAC Vulnerability scan	Intrusion detection External firewall	Log Anatysis Management Platform		
Date	Email delivery record Date classilication	SPAM and Outgoing email executive sign-off Hard disk encryption	File Date Access Audit Management		Date backup
People	Secunty awareness training AD identity authentic ation	Social engineering training Multi-Factor Authentication (MFA)	User Behavior Analysis	Cybersecurity Incident Response Team (CIRT) Security Incident drill	Date recovery drill
Governance	Cyber Security Management System(CSMS) Informaation Security Executive Team				

◎ Information Security Incident Notification Process

The Company has established information security reporting procedures in accordance with our "Business Continuity Planning Management Procedure", which stipulates that any employee who suspects an incident involving information security (including personal data) must immediately notify the relevant units. IT personnel conduct preliminary assessments upon receiving reports of information security incidents to determine the level of abnormality (general incidents, significant incidents). For general incidents, IT personnel perform the appropriate improvement measures. However, if it is a significant incident, IT personnel must report the status and impact of the incident to the IT manager, who will determine if the business continuity plan must be activated.

◎ Increasing Information Security Awareness of All Employees

Flexium strengthens employee awareness of information security through various channels and methods. Each year, we conduct health checks and proof of concept (POC) evaluations on newly acquired IT products to identify potential cybersecurity threats and risks before procurement or enhancing security. Improvements are made from optimizing network speed and updating software to promoting security through monthly meetings, emails, and training sessions. We ensure robust network security and regularly conduct employee retraining on information security to heighten awareness and vigilance against cybersecurity threats.

Information Security Training

Subject	Course	Total Number of Participants (Unit: persons)	Total Training Hours (Unit: hours)	Participation Rate (%)
New Employees	**Information Security Training & Assessment for New Employees**	443	443	100%
IT & Relevant Personnel	**General Information Security Course**	7	10.5	100%
All Employees	**General Information Security Course**	443	664.5	100%
All Employees	**Company-wide Online Information Security Awareness Refresher Training & Assessment**	787	394	100%

Note: Training Rate = (Number of Actual Attendees) / (Number of Required Attendees)

2024 Information Security Incident Statistics

Year	2022	2023	2024
Information security violations	4	5	0
Violations involving customers' persoal data	0	0	0
Customers affected by information breaches	0	0	0
Penality reiceved due to information or cyber security incidents (NT$)	0	0	0

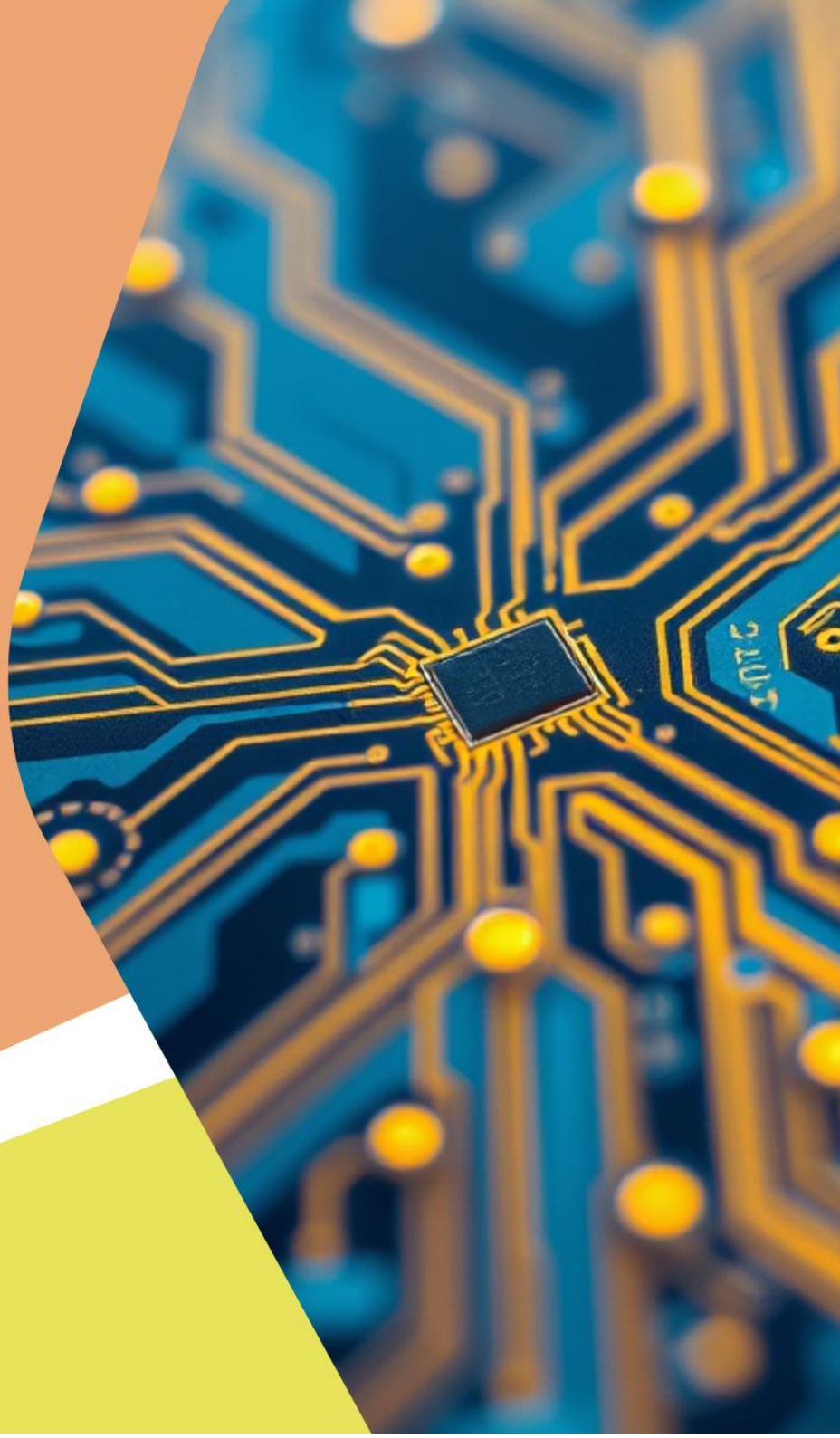
Note:

The definitions for information security incidents from 2020-2023 are as follows:

1) Confidentiality breaches: Incidents reported by customers or business feedback.
2) Behavior violations: Employees violating information security regulations, such as using external email services or unauthorized USB drives.
3) Computer viruses: Incidents of computer infections within the company.
4) Other violations: Improper use of information equipment resulting in damage.

From 2020 to 2023, the reported information security incidents mainly fell under category ④ (improper use of information equipment). Considering that equipment damage does not constitute an information security breach, starting from 2024, such incidents will be excluded from information security incident reports.

02
Product



2.1 Innovation and Service

Flexium has been in the FPC business for many years, accumulating extensive experience in design, marketing, manufacturing, and management. As an elite player in the industry, we have adopted a top-of-the-line roll-to-roll automated production line that integrates machines, workers, and big data into a single, digitally connected production system. This transition toward smart factories and smart manufacturing highlights our competitive edge. Additionally, our product development, production, and sales comply with applicable laws, regulations, and voluntary guidelines. In 2024, no incidents occurred due to non-compliance with product or service labeling regulations or voluntary guidelines, marketing and communication regulations or voluntary guidelines, or health and safety regulations related to products and services

2.1.1 Research and Innovation

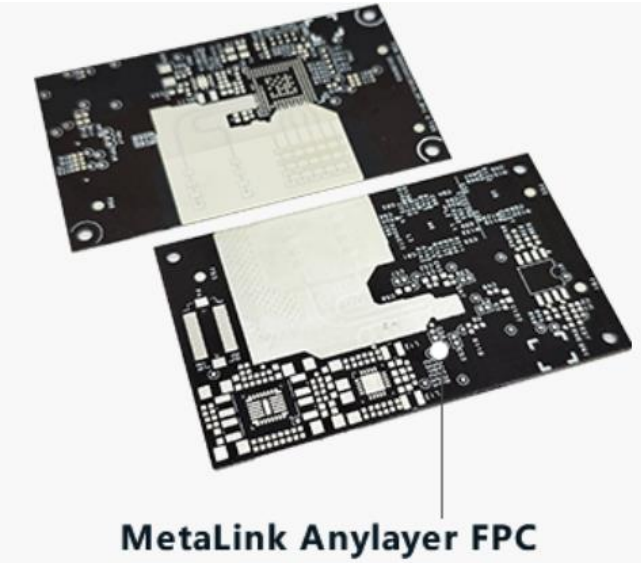
Flexium, grounded in Taiwan while advancing technological innovation and global expansion, maintains close collaboration with international material suppliers, academic R&D institutions, and advanced equipment manufacturers throughout new product development. The company develops multifunctional materials integrated with high-tech equipment, continuously introducing new machinery, processes, and materials under automated, continuous production goals. Simultaneously, AI is applied in process automation to enhance production flexibility, reduce changeover time, and monitor equipment for predictive and routine maintenance. Production lines are adjusted based on speed, task, and accuracy to meet evolving manufacturing demands. Flexium also engages in academic collaborations domestically and internationally to advance foundational material research and pioneering technologies, extending these innovations to end customers and jointly developing next-generation products.

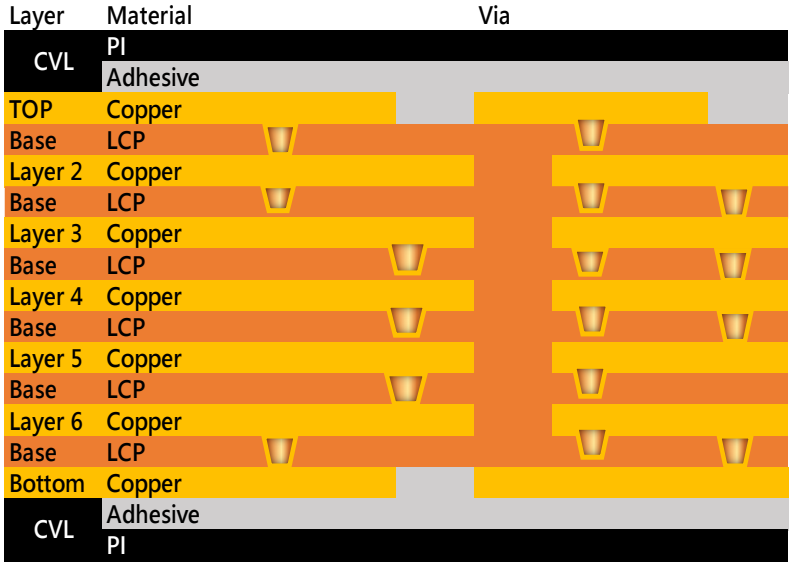
2.1.1.1 Innovation Management

Flexium's operational development strategy focuses on pioneering diversified innovative technologies, leading the deployment of future antenna transmission solutions, while fulfilling environmental responsibilities. To reduce carbon emissions, the company addresses design, process, and antenna transmission aspects, and has developed Metalink technology, which is expected to lower production-related carbon emissions while improving manufacturing efficiency. Additionally, Flexium employs LCP (Liquid Crystal Polymer) materials—a class of thermoplastic aromatic polyester polymers that exhibit liquid crystal properties when molten. Since environmental moisture is a major factor in electronic material degradation, using LCP, which has extremely low water absorption, ensures stable signal transmission performance under various conditions. When stacked in multiple layers, LCP's material properties combined with multilayer lamination enable reliable interlayer connections. Its flexibility allows end-product designers greater freedom, enabling lighter, more compact designs.

Since 2020, Flexium has planned to extend technologies originally developed for 5G communications to high-end electronics such as automotive radar. The company has established the Metalink product and technology platform, with key applications including 24/77 GHz automotive radar, 60 GHz radar sensors, and low-Earth orbit (LEO) satellite transceivers and tracking systems, representing the company's future product focus.

MetaLink Anylayer FPC





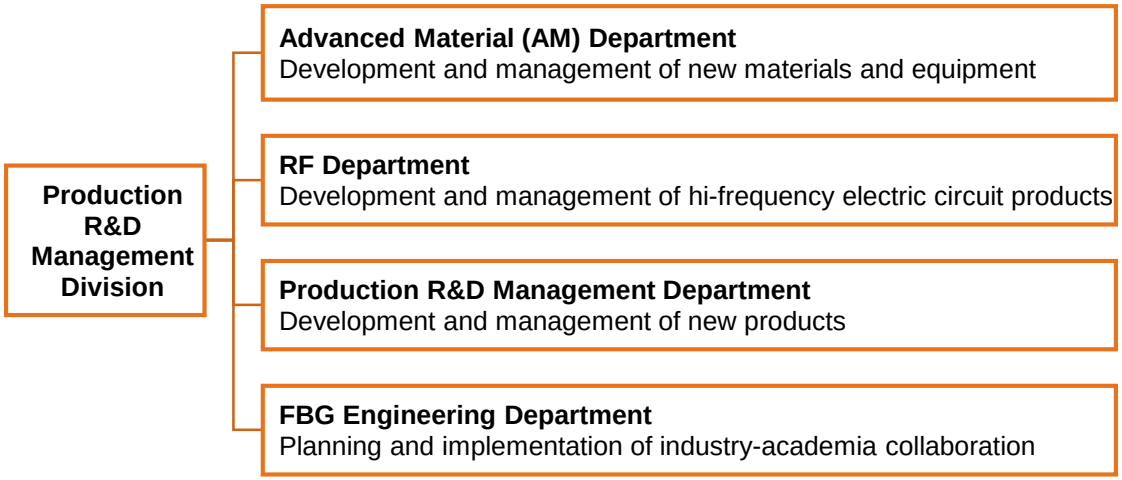
Flexium's Product Development Roadmap

Capability		2025	2026	2027
Layer counts		S/S & D/S Multi-layers: 14 layers	S/S & D/S Multi-layers: 16 layers	S/S & D/S Multi-layers: 18 layers
Flex material		Polyimide & LCP Low Dk/Df Material PTFE	Polyimide & LCP Low Dk/Df Material PTFE High Dk/Low Df Material	Polyimide & LCP Low Dk/Df Material PTFE High Dk/Low Df Material
Base thickness		100um,75um,50um,25um,12.5um,7um	100um,75um,50um,25um,12.5um,7um	100um,75um,50um,25um,12.5um,7um
Copper thickness		70um,35um,18um,12um,9um,6um,3um	70um,35um,18um,12um,9um,6um,3um	70um,35um,18um,12um,9um,6um,3um
Coverlay (PI/adhesive)		25um/33um 12.5um/25um 12.5um/15um 7um/10um 2um/15um	25um/33um 12.5um/25um 12.5um/15um 7um/10um 2um/15um 2um/10um	25um/33um 12.5um/25um 12.5um/15um 7um/10um 2um/15um 2um/10um
Drill	Mechanical	0.075mm	0.075mm	0.075mm
	Laser	0.03mm	0.03mm	0.03mm
Via Structure		PTH, Blind, Buried & Copper fill plating	PTH, Blind, Buried & Copper fill plating	PTH, Blind, Buried & Copper fill plating
Fine Pitch L/S	S/S (12um)	0.015/0.015 mm	0.018/0.018 mm	0.015/0.015 mm
	D/S (12um)	0.025/0.025 mm	0.030/0.030 mm	0.025/0.025 mm
LPSM of Shift Tolerance		0.018/0.018 mm	0.015/0.015 mm	0.015/0.015 mm
LPSM of Opening		0.030/0.030 mm	0.025/0.025 mm	0.025/0.025 mm

◎ R&D Team

In facilitating new product development, the Company's R&D team provides a full range of services from design to measurement. At the design and development stage, the team discusses product application requirements, specifications, and measurements with customers, in addition to providing material selection suggestions, conducting circuit simulation, designing and measuring fixtures, etc. At the production and manufacturing stage, the team determines the key factors influencing product manufacturing, measures product features, and validate product quality and reliability before delivering to customers. Throughout the process, the team continuously reviews the application status of the product with customers.

The R&D team members are divided into the Advanced Materials (AM) Department, RF Department, Production Research & Development Management Department, and FBG Engineering Department according to their specific duties. These departments are responsible for product planning, material development, equipment development, circuit design and simulation, new product R&D, patent application, and industry-academia cooperation. Each team is composed of competent members and functions as Flexium's greatest innovation engine.



To strengthen Flexium's R&D capabilities, the company continues to invest significant resources in research and development. In recent years, annual R&D expenditures have consistently exceeded NT$200 million, accounting for around 5% of total revenue, with a steadily increasing trend. In 2024, R&D investment surged to over 8% of revenue, reflecting the intense industry competition—without R&D, there is no competitive edge.

The ratio of R&D expenditures to revenues over the past three years

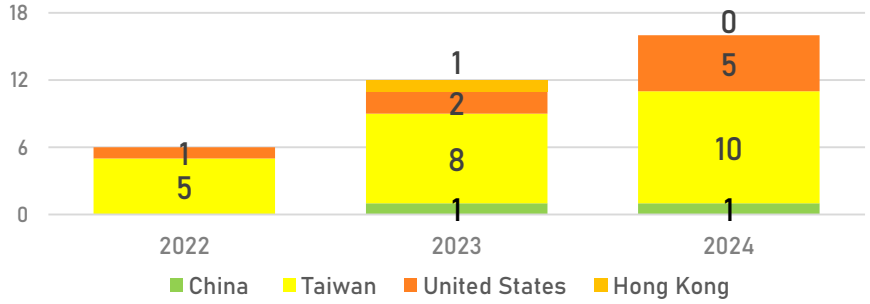
Year	2022	2023	2024
R&D personnel (person)	250	318	271
Ratio of R&D personnel to employees (%)	9.77%	12.52%	10.84%
R&D expenditure (NT$ thousand)	2,050,930	1,914,074	2,163,038
Ratio of operating income (%)	5.12%	5.85%	8.18

◎ Intellectual Property Management

Accompanying Flexium's growth, the company prioritizes protecting innovative technologies and actively pursues international patents. Patents safeguard R&D achievements, maintain control over developments with customers and suppliers, and enhance competitiveness. The patent system aims to promote technological innovation rather than secure exclusive rights.

In 2024, Flexium obtained 16 invention patents, strategically covering global markets: 10 in Taiwan, 5 in the U.S., and 1 in China. To strengthen patent management, the company has established operational guidelines and patent incentive awards, which since 2020 have significantly increased applications. Additionally, starting in 2021, Flexium introduced legal training for R&D personnel to improve invention patent approval rates as part of a long-term educational program.

Number of patents disclosed for three consecutive years (2022~2024)



◎ Industry-academia Collaboration

Facing the energy challenges brought by the rapid development of generative AI, Flexium recognizes that electricity will become a critical scarce resource in the future. As such, the company actively invests in the R&D of high-efficiency, low-power communication technologies. During the pivotal transition from 5G to 6G, optical communication is regarded as the core technology for future data transmission, with the potential to replace electronic signals and significantly reduce global power consumption. Since 2023, Flexium has partnered with National Cheng Kung University in a two-year industry-academia collaboration to develop and apply a digital photolithography exposure machine with high-precision alignment and automatic pattern compensation capabilities. This has resulted in exposure technology with a resolution of L/S = 10 µm / 10 µm, ±10 µm alignment accuracy, and nonlinear dimension compensation, with further improvements in optical path architecture and dimension correction models planned for 2025. Meanwhile, the Department of Engineering Science at National Cheng Kung University has promoted detection and analysis of flexible RF-MEMS switch components, which offer better linearity and high-frequency response compared to traditional solid-state electronic components, showing strong potential as replacements. In 2024, Flexium collaborated with National Yang Ming Chiao Tung University on a project for electrical and optical link system simulation and optimization based on MIPI A-PHY and D-PHY, using the Ansoft simulation platform to integrate parameters from IC to full-system level and enhance long-distance high-speed transmission performance. In the same year, Flexium also partnered with Tainan University on the design of W-band phased-array radar microstrip Rotman lenses, enabling orbital angular momentum beam radiation for applications in 77GHz automotive radar, satellite communications, and defense systems.

These four signed industry-academia collaboration projects involve a total investment of NT$5 million. Flexium continues to deepen academic partnerships, promoting the integration of cutting-edge technologies and the practical application of innovations. The outcomes of these projects are expected to be integrated into products and technology platforms.

No	Partner	Project	Content	Status
1	National Cheng Kung University (2023~2024)	Development and Application of Digital Photolithography Equipment with High-Precision Alignment and Automatic Pattern Compensation Capability	To meet transmission requirements in the design of optoelectronic composite boards, microfabrication techniques are employed to create optical transmission channels on flexible circuit substrates.	Done
2	National Cheng Kung University (2023~2024)	Analysis and Testing of Flexible RF MEMS Switch Components	Developing flexible RF-MEMS (Micro-Electro-Mechanical Systems) switch components.	Done
3	National Yang Ming Chiao Tung University (2024~2025)	System link simulation and optimization for electrical and future optical connections based on MIPI A-PHY and D-PHY	Vertical integration using Ansoft electromagnetic simulation software, simulating from IC→Package →PCB→Mechanism→Full system. Parameters/models from different schemes can be extracted and integrated on a single platform for simulation.	Ongoing
4	Tainan University (2024~2025)	Design of microstrip Rotman lenses for W-band phased-array radar front-end modules	Combines phase outputs from different input ports of the Rotman lens. Overlaps W-band with NATO-specified M-band (60–100 GHz), widely applicable, including the 77 GHz window used in automotive radar.	Ongoing

2.1.1.2 Product Quality

◎ Quality Policy

Flexium is committed to maintaining consistent product quality and protecting our clients' rights and interests. We have invested resources into astrict monitoring and control system. The Quality Assurance Division is responsible for product quality assurance and improvements. We have adopted and implemented ISO 9001, ISO/IATF 16949 (Automotive Quality Management Systems), ISO 13485 (Medical Devices - Quality Management Systems), and IECQ QC 080000 (Hazardous Substance Management Systems). Third-party verifications have been obtained for these systems, all of which are valid until 2027. We are rolling out robust quality assurance practices across all our product lines. We have a quality policy along with a series of quality assurance management systems in place to regulate our quality and service standards and continuously optimize product quality.

◎ Enhance Quality Management and Build a Quality Culture

To strengthen the company’s quality culture and implement the PDCA (Plan-Do-Check-Act) approach, Flexium has promoted the “Continuous Improvement Process (CIP)” since 2015. This program encourages employees to collaborate in teams, using systematic analysis and improvement methods to optimize processes, enhance quality and efficiency, and improve R&D capabilities.

As of 2024, 12 CIP sessions have been conducted. Each session selects improvement projects from various departments, forms cross-functional teams, and undergoes three review stages: theme review, mid-term review, and document review. Ultimately, the top three teams and merit awards are selected, with prizes and team bonuses granted. The CIP initiative not only fosters a culture of continuous improvement but also strengthens cross-departmental cohesion.

Additionally, in 2024, the company held 17 quality-related training courses (including 3 online sessions), with a total of 2,895 participants and 4,101.5 training hours, continuously enhancing employees’ quality awareness and skills.

Quality-related Training

◎ Enhancing Product Quality and Minimizing Customer Complaints

Product quality is not only a critical factor affecting customer satisfaction but also a vital element influencing the survival and development of our enterprise. We understand that quality issues can impact market share, increase failure and sales costs, and reduce profitability. We are committed to implementing practical and effective measures, such as Failure Mode and Effects Analysis (FMEA). By collecting and analyzing production defects, we aim to improve and prevent issues, ensuring zero-defect production. Our goal is to maintain excellent product quality to uphold customer satisfaction and our market position.

(For details on historical customer complaint situations and corresponding improvement methods, please refer to Section 2.1.3.1 Customer Services.)

2.1.2 Green Product

2.1.2.1 Hazardous Substances

Flexium has formulated its hazardous-substance-free (HSF) policies and goals in accordance with the IECQ QC 080000 Hazardous Substances Process Management (HSPM) Standard, with a focus on systematic management and a process-oriented approach for hazardous substances in order to provide products that meet international environmental protection regulations and customer requirements. In addition, we disclose the substance types and the revenue share of products containing the substances in accordance with IEC 62474 - Material Declaration for Products of and for the Electrotechnical Industry.

CASnumber/ID	Material Type	Revenue Share of Products	Note
1303-86-2	Boron trioxide	1.85%	Formulated by Technical Committee 111 of the International Electrotechnical Commission (IEC/TC 111), IEC 62474 is an international material declaration standard used by the electrical and electronics industry and its supply chain to track and declare specific information about the material composition of its products.
7439-92-1	Lead	0.37%	
7440-02-0	Nickel	8.27%	
1313-99-1	Nickel compound	0.30%	
M-121	Copper and copper alloys	100%	
M-122	Magnesium and magnesium alloys	100%	
M-123	Nickel and nickel alloys	100%	
M-124	Zinc and zinc alloys	100%	
M-149	Other non-ferrous metals and alloys	100%	
M-199	Other inorganic materials	100%	
M-249	Other unfilled thermoplastics	100%	
M-302	Epoxy resin (EP)	100%	
M-319	Other cemented carbides	100%	
M-340	Wood	100%	

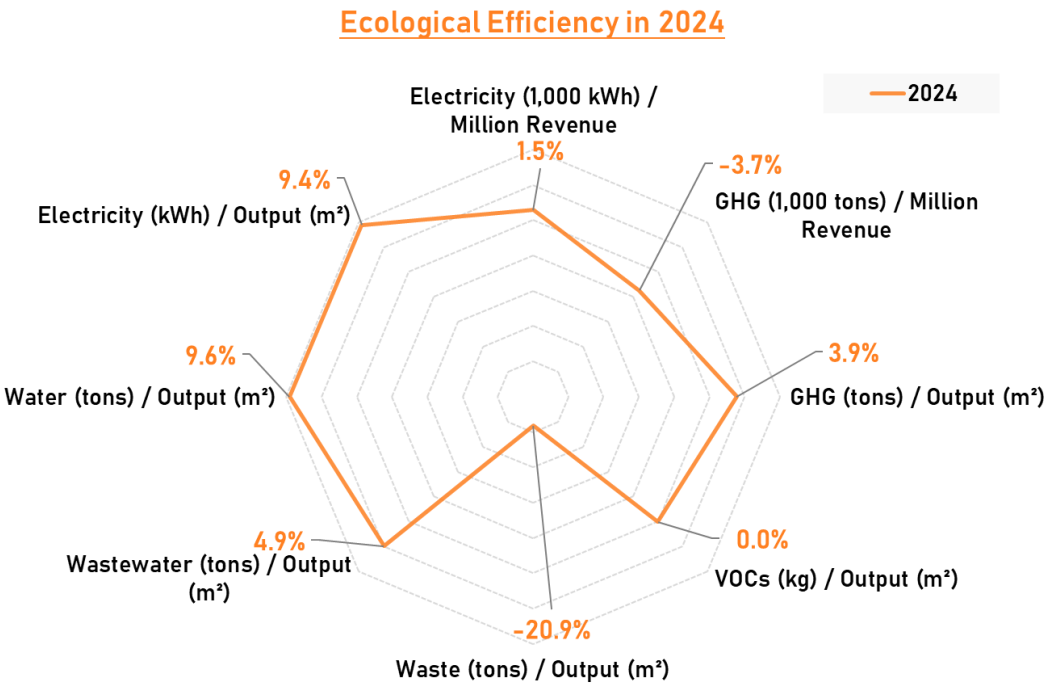
The Company complies with RoHS, REACH, the EU Packaging and Packaging Waste Directive, China RoHS, California Prop 65, and the Montreal Protocol, China's Three-year Action Plan for Winning the Blue Sky as well as other applicable international or regional regulations. Internally, we have a management system in place to control the procurement process, manufacturing, and finished goods and ensure that hazardous substance control rules are followed at every stage. We regularly audit the Company's compliance with hazardous substance controls. Flexium's current products are all 100% RoHS compliant. Therefore, excluding orders using client-specified materials, we have, for many years, had zero use of hazardous substances, zero customer complaints related to hazardous substances, and zero anomalies when screening mass production materials for such substances.

2.1.2.2 Ecological Efficiency Management

In enhancing ecological efficiency throughout our manufacturing processes, Flexium incorporates green design principles from the outset. This includes integrating green materials, manufacturing processes, and production methods aimed at developing green products. During the product planning and design phases, we prioritize minimizing environmental risks and impacts, achieving reductions in carbon emissions, exhaust, and wastewater. We prioritize the use of green materials that not only comply with EU and international regulations but also align with Flexium's commitment to environmental stewardship. For products not meeting green material standards, we conduct regular annual reviews and convene with our R&D, procurement, and suppliers to explore alternative materials that meet green product criteria. This ongoing effort aims to continually reduce the proportion of non-green materials used, with the ultimate goal of achieving full adoption of green materials across all our production lines.

Flexium integrates energy-saving and carbon-reduction considerations into product design from the R&D stage, while optimizing manufacturing processes to achieve these goals. Given the complexity of flexible printed circuit (FPC) production—long process flows, varied production steps for different products, differences in processing times, and order-based production with daily demand fluctuations—each FPC is a customized product. Flexium strives to shorten and optimize production steps without compromising quality or quantity, aiming to reduce environmental impact, lower carbon emissions, improve efficiency, and minimize production volume. This approach also decreases waste generation and disposal, while reducing wastewater and exhaust emissions, achieving energy conservation and supporting a greener environment.

After analysis, in terms of kWh per million revenue, 2024 increased by 1.5% compared to 2023. In terms of kWh per unit of production, 2024 rose 9.4% from 2023, mainly due to reduced production capacity, which caused some equipment to remain powered on without operating at full load. Additionally, Flexium implemented the ISO 50001 Energy Management System in 2023. From May onwards, relevant procedures were established, energy equipment was identified, internal audits were conducted, and management reviews were performed, leading to certification in November of the same year. For greenhouse gas emissions, the company follows ISO 14064-1:2018 Organizational GHG Standard and has obtained third-party verification. Compared to 2023, 2024 emissions per thousand tons of GHG per million revenue decreased by 3.7%. Verified 2022 GHG data (completed in February 2024) will serve as the baseline year for emission reduction. Regarding water efficiency, improvements in water recycling systems and expanded water reuse initiatives have increased water resource utilization, reducing both water consumption and wastewater discharge, demonstrating the company's continuous commitment to energy conservation, waste reduction, and resource efficiency.



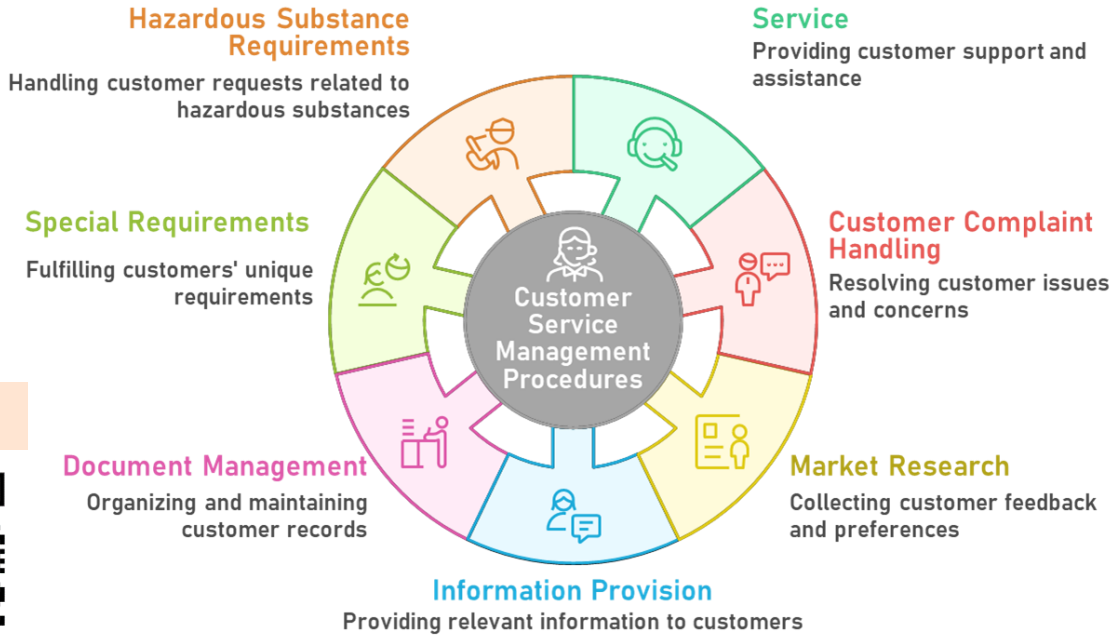
Indices	Unit	Efficiency			Change (%, 2024 vs. 2023)
		2022	2023	2024	
Power consumption	MWh per NT$ 1M in revenues	2,008	2,929	2,972	1.5%
	kWh per m^2 in product yield	80	131.9	144.3	9.40%
Greenhouse gas emissions	Kilotons per NT$ 1M in revenues	2.271	2.283	2.198	-3.7%
	Metric tons per m^2 in product yield	0.091	0.103	0.107	3.9%
VOCs	Kg per m^2 in product yield	0.025	0.031	0.031	0%
Waste	Metric tons per m^2 in product yield	0.004	0.007	0.005	-20.9%
Wastewater	Metric tons per m^2 in product yield	1.083	1.817	1.906	4.9%
Water consumption	Metric tons per m^2 in product yield	1.193	1.931	2.116	9.6%

Notes:
1. Negative percentages indicate efficiency improvement.
2. Revenue is expressed in millions of NTD.
3. Water consumption and wastewater volumes are based on actual water bills; production capacity is based on data provided by the finance department.
4. The calculation scope includes Da Fa Plant, Da Fa Plant 2, Da Fa Plant 3, Da Fa Plant 5, and He Fa Plant.
5. He Fa Plant started operation in the second half of 2022; therefore, electricity consumption, VOC emissions, waste, wastewater, and water usage only include data from July to December 2022. Other plants' data cover the full year of 2022.
6. Greenhouse gas data are based on the company's internal inventory; ISO 14064-1:2018 standards were applied for 2022–2024.
7. Third-party verification of 2022 GHG inventory was completed in February 2024, and 2022 emission data (Scopes 1–4) were adjusted accordingly.

2.1.3 Customer Relationship Management

2.1.3.1 Customer Services

Flexium aims to deliver the highest service quality to its customers and values their opinions. The “Customer Service Management Procedure” was created to explicitly outline the essential procedures for managing customer complaints, hazardous substance-related requirements, specific customer demands, and customer services. We have generated new customers and maintained customer relations using real-time customer feedback channels, which include but are not limited to emails, telephones, and communication software. We will continue to remove barriers to communication with customers and respond to their demands precisely and promptly.



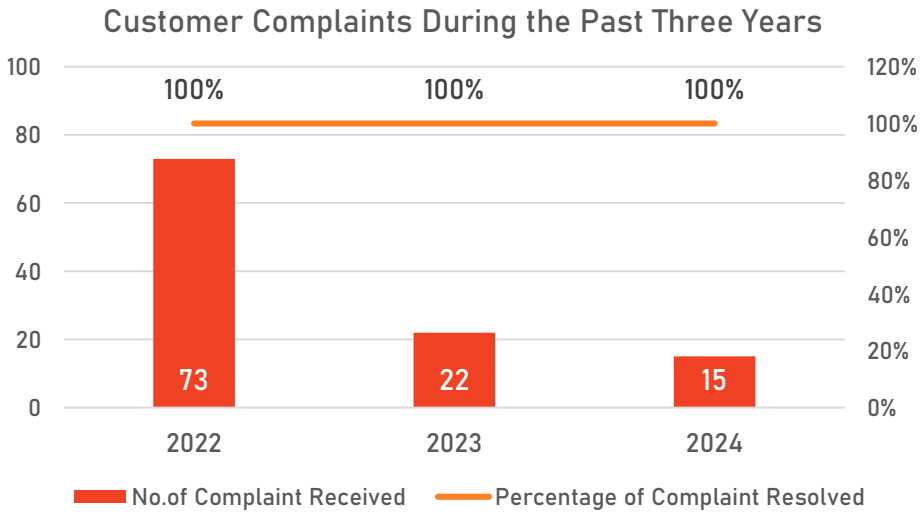
Customer Feedback Channels

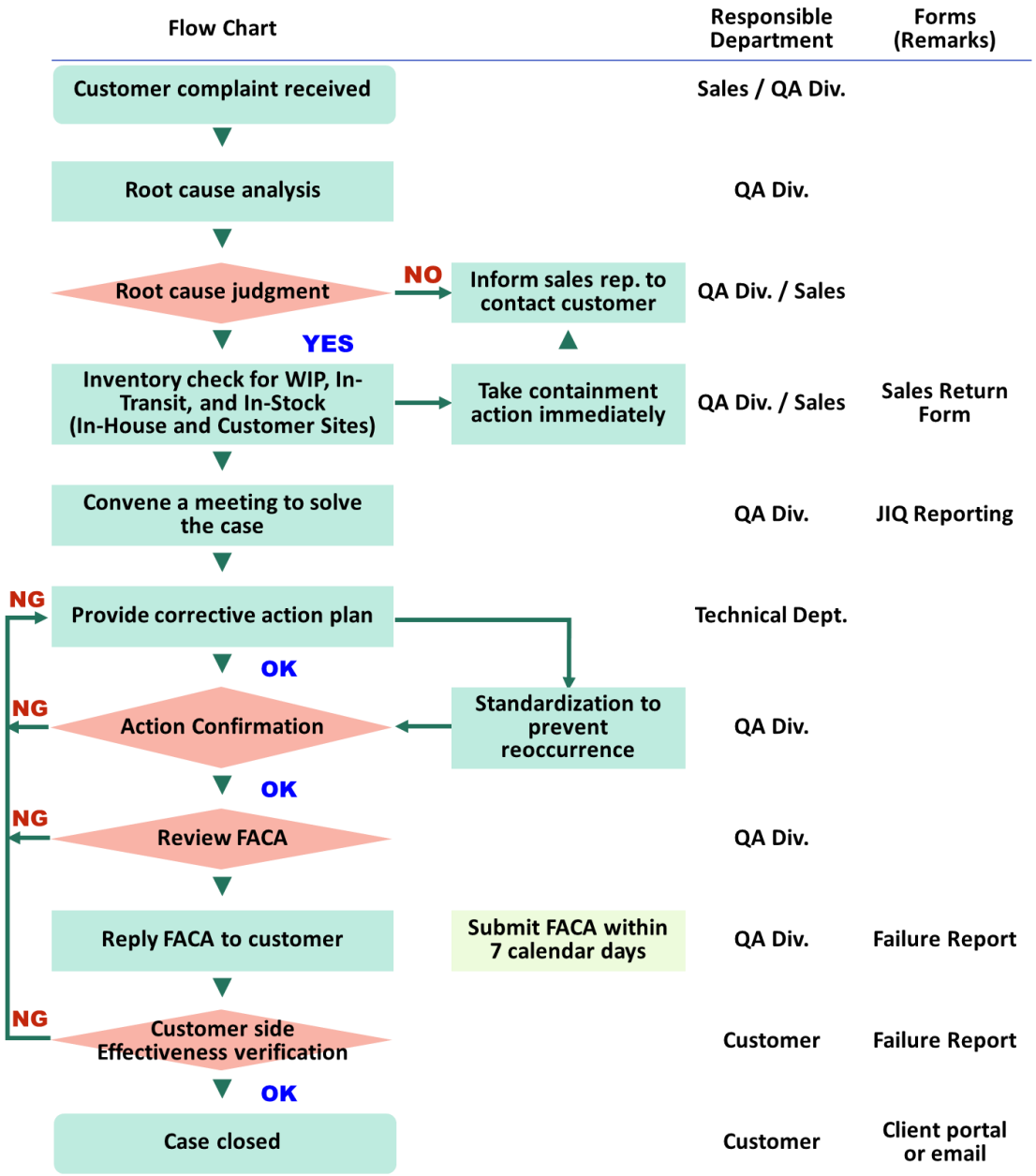
Website: https://www.flexium.com.tw/Contact/KaoHsiung?lang=en-us		QR Code
Domestic	Tel: +86 512 577 755 99 Email: briancheng55@flexium.com.cn	
International	Tel:+886 917 052 509 Email: nina_lee@flexium.com.tw	

To ensure effective protection of customer information, the Company has established the “Confidential Customer Information Management Procedures.” These procedures govern authorization for all customer NDAs, mutual NDAs (MNDAs) with major suppliers, confidentiality related to new product development, and other matters specifically designated by customers as confidential. To effectively control the number of employees within the Group who have access to confidential customer information, an NDA management system is implemented for tracking. When an authorized employee resigns, their access is removed and their status is updated to “resigned” in the system. Active authorized employees are uniformly managed according to the type of information they can access (e.g., confidential matters, documents, or contracts). In 2024, there were no verified complaints regarding breaches of customer privacy or loss of customer data.

Flexium has established the “Customer Complaint Handling Procedures” to analyze the root causes of complaints and respond to customers promptly, thereby reducing the occurrence of complaint cases. Upon receiving a customer complaint, we provide an initial status update within 72 hours and deliver an 8D report (Eight Disciplines Problem Solving) within 5 to 7 days, adjusting the reporting timeline as needed based on customer requirements. To ensure customer issues are effectively resolved, standardized procedures have been established for complaint handling, re-inspection, returns, non-compliance of hazardous substances, and major recalls of automotive or medical products. These measures aim to reduce complaint frequency, prevent recurrence, and enhance customer satisfaction.

In 2024, Flexium’s Kaohsiung plant received a total of 15 customer complaints, the lowest on record. Among these, 93.3% were related to appearance defects and 6.7% to functional defects, all of which have been addressed. Analysis of product defects indicates that appearance defects are the primary issue, mainly due to limitations in inspection processes. To improve inspection accuracy, automated visual inspection (AVI) equipment has been implemented for connected-board shipments, reducing the risk of human error. For the smaller proportion of functional defects, the electrical testing process has been optimized using four-wire flying probe testing to enhance precision, and electrical testing steps have been strengthened to intercept defects from other processes, further preventing defective products from reaching customers.





2.1.3.2 Customer Satisfaction Survey

To meet customer needs and understand feedback, Flexium conducts annual satisfaction surveys for its top ten customers by revenue, led by the sales Department. The surveys, covering Quality, Service, Delivery, Price, Technology, and Hazardous Substances, serve as a basis for continuous improvement. The annual target is 80 points out of 100.

Survey results are reviewed in regular management meetings to ensure improvements are implemented. Reports include current-year results and trend comparisons with the previous year to guide corrective actions and maintain service quality.

In 2024, due to changes in market demand, overcapacity competition, and ongoing technology development by major manufacturers, companies have been preparing for medium- to long-term production needs to respond promptly to future market trends. Flexium, facing these challenges with a lean cost structure and efficiency improvements, achieved significant growth across all six survey dimensions, resulting in higher customer satisfaction. Looking ahead to 2025, despite a challenging market environment, the company will continue to strengthen fundamental practices and follow-up capabilities, expand customer development through marketing efforts, and refine production processes. The 2025 customer satisfaction target remains above 80 points, with a focus on improving overall in-plant yield and actively incorporating customer suggestions to further enhance satisfaction. Flexium has established customer-related performance indicators, monitors them monthly, and reviews improvements annually during quality management review meetings to continuously enhance customer service.

2022-2024 Customer Satisfaction Survey Results

Indicators	2022	2023	2024
Quality	88	83	89
Service	86	88	90
Delivery	81	86	88
Price	68	74	75
Technology	83	84	89
Hazardous Substances	90	89	92
Total	82	84	87
Target (Score)	80	80	80
Surveyed Customer Revenue (%)	70%	70%	80%
Customer Satisfaction (%)	85%	85%	85%

Notes:
1. The survey primarily targets the top ten customers by annual revenue for the year.
2. Customer Satisfaction (%): The proportion of customers whose satisfaction scores reach 80 points or above.
3. Data Revision: During the preparation of this report, a review of the "Customer Satisfaction Management Procedure" revealed that the previously disclosed customer satisfaction target in the Sustainability Report (85 points) did not align with the internally set target (80 points). To ensure the accuracy and consistency of disclosed information, the target scores and actual satisfaction percentages for 2022–2024 have been retrospectively corrected.
4. Specifically, the satisfaction target for 2022–2023 has been revised from 85 points to 80 points, and the customer satisfaction (%) has been corrected from 40% to 70%.

Indicators	Target	Calculation Basis	Achievement	2024 Actual
Product Yield	• Single-layer: 97.5% • Double-layer: 96.5% • Multi-layer: 95.5%	-	✗	• Single-layer: 91.6% • Double-layer: 92.7% • Multi-layer: 87.7%
Number of Customer Complaints	• Monthly customer complaints ≤ 3 cases	Number of customer complaints regarding quality, hazardous substances, or delivery.	✓	• Monthly average of 1.2 cases
Quotation Acceptance Rate	• 30%	The percentage of successful bids out of the total number of quotes submitted.	✓	• 56%
Order Fulfillment Rate	• 95.0%	(Number of on-time deliveries) / (Total number of required shipments).	✓	• 99.3%
Control Shipping Costs	• Finished Goods Export Freight Cost < $250,000/month	-	✓	• Monthly average of $164,740

In 2024, the only management item that did not meet the target was "Yield by Product Type", explained as follows:
- Single-layer boards: Affected by process stability and contaminants; improvements included optimizing material tension, inspections, and equipment.
- Double-layer boards: Affected by process variation and chemical management; corrective actions included enhanced equipment monitoring and adjusted procedures.
- Multi-layer boards: Affected by process control and cleaning; measures included reinforced cleaning and optimized process stability.

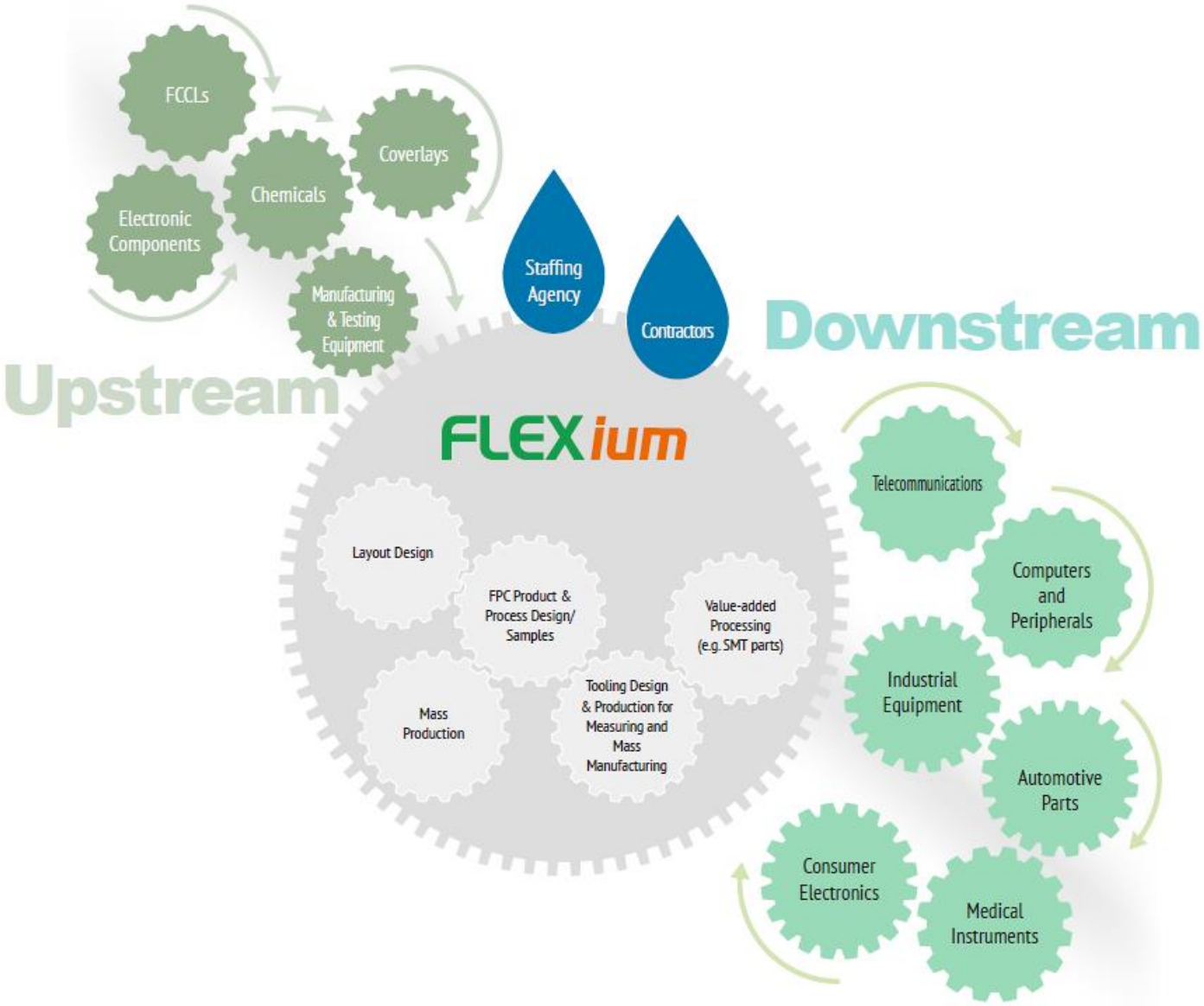
2.2 Sustainable Supply Chain

2.2.1 Supplier Sustainability Management

◎ Industry Value Chain

Flexium primarily manufactures flexible printed circuit boards (FPC), using upstream raw materials such as copper foil substrates, chemicals, films, and electronic components. Its downstream applications cover electronic products in IT, telecommunications, and consumer goods. In late 2023, Flexium acquired Hsinchu-based semiconductor firm Rafael Microelectronics, Inc., which specializes in RF IC research, design, development, and sales. The acquisition enables vertical integration with Flexium's FPC production, improving light-to-electrical transmission speeds and supporting Taiwan's next-generation transmission technology platform, fostering diverse business models and services. Upstream materials, manufacturing processes, and technology levels critically affect FPC quality, highlighting the importance of collaboration across the supply chain. To mitigate supply risks, Flexium stocks materials for 4–12 weeks based on demand, and substitutes are verified and approved by customers before procurement.

To promote a circular economy and gradually achieve the goal of 100% recycled gold usage, starting in mid-May 2022, Flexium implemented a recycled gold salt procurement program in collaboration with a precious metal refiner certified under UL 2809 for recycled material content. In 2024, the company purchased a cumulative 133,600 grams of recycled gold salt. Gold waste generated during the production process was sent to the refiner for recovery and reprocessing, and the refined material was subsequently returned to Flexium for reuse in production, achieving material recycling and circular utilization. In 2024, the use of recycled gold salt accounted for 75% of the total gold salt usage (a 1% decrease compared with 2023, when it was 76%), primarily due to lower-than-expected production volumes.



Overview of Supply Chain

Flexium classifies its suppliers into four major categories: copper, chemicals, tooling, and equipment suppliers. The suppliers are then divided into primary suppliers and key suppliers based on procurement volume. Suppliers are evaluated differently depending on their category. Evaluation methods include on-site audits and written assessments.

Year	2022	2023	2024	Notes
Total Number of Suppliers	387	447	567	1. The primary suppliers provide copper and coverlays. 2. Key suppliers are those with an annual transaction volume with Flexium in excess of NT$ 1 million.
Number of Key Suppliers	160	168	158	
Number of Primary Suppliers	11	10	10	
Procurement from Key Suppliers (%)	98.13	97.43	96.64	
Procurement from Primary Suppliers (%)	43.10	41.11	31.80	

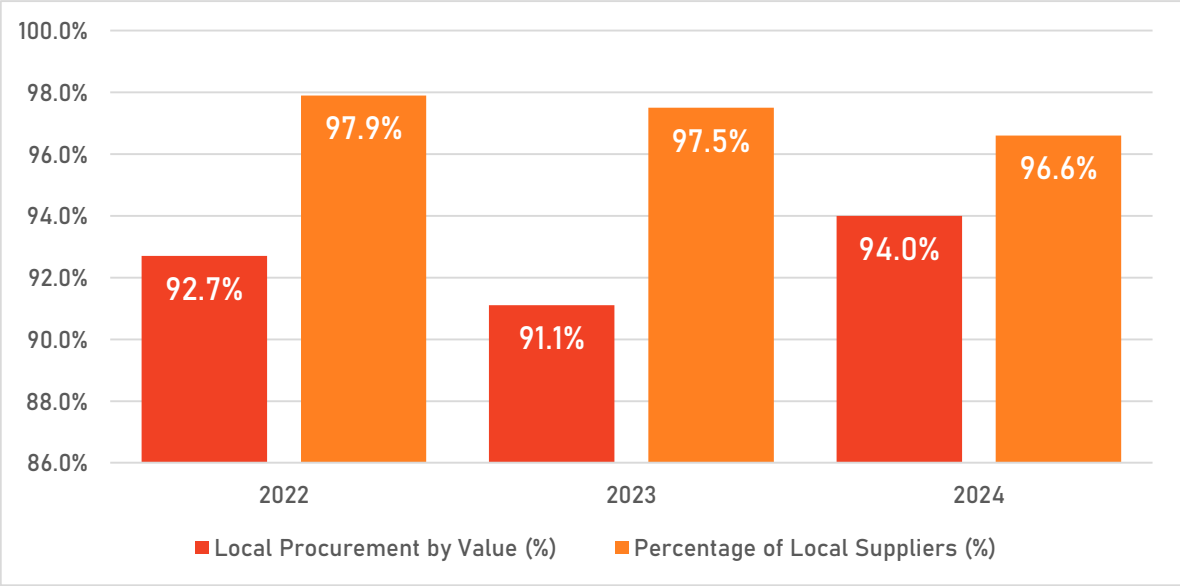
Local and Green Procurement

In addition to actively building in-house capabilities and experience, Flexium also supports the local supply chain, creating business opportunities and employment in its operational regions. The company emphasizes localized procurement of raw materials, reducing unnecessary air and sea freight while lowering the carbon footprint associated with material transportation. Except for certain specialized components that must be sourced internationally, local suppliers are prioritized. Through collaboration and capacity-building with local suppliers, Flexium has generated numerous local jobs, strengthened partnerships, and pursued mutually beneficial outcomes.

Flexium's main operations are based in Taiwan, collaborating with 548 registered local suppliers. In 2024, local procurement accounted for approximately 94% of total purchasing value.

The company also promotes green procurement policies. Since 2021, Flexium has gradually purchased products certified with domestic and international energy- and eco-labels, such as ENERGY STAR® and FSC. In 2024, green procurement totaled NT$2.76 million, representing 0.1% of total procurement—a 48% decline from NT$5.67 million in 2023—mainly due to market adjustments following the high growth in 2022 and weaker demand amid overcapacity in consumer electronics. Future procurement will continue to prioritize green products.

Local Procurement Ratios (Last Three Years)



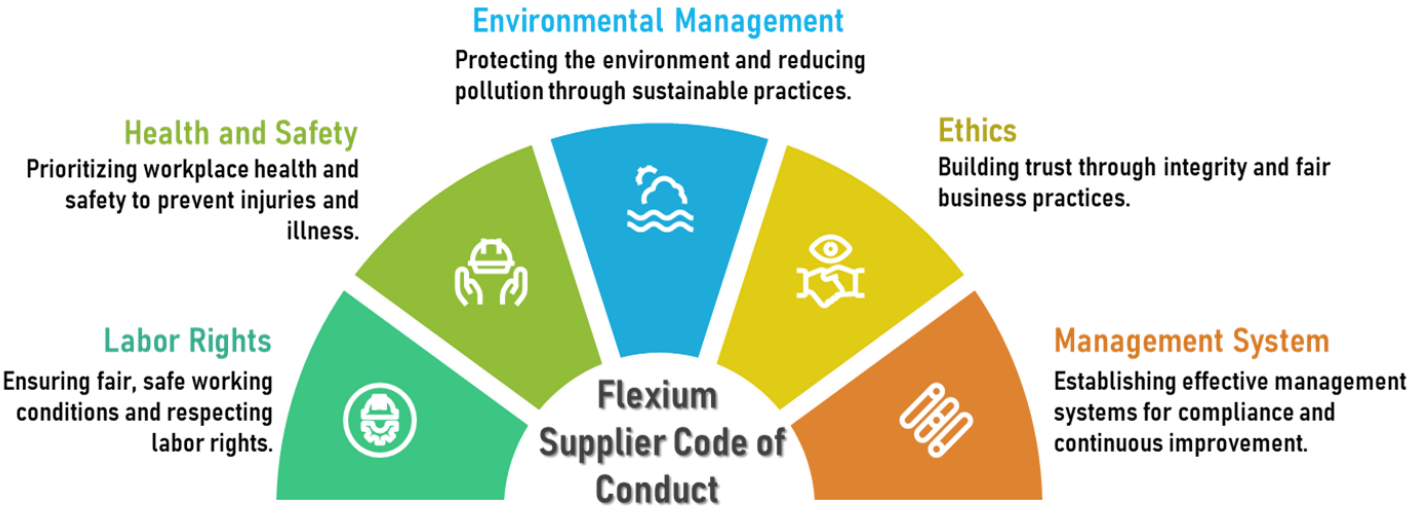
Note:
Local procurement refers to the purchasing of goods or services from suppliers whose businesses are registered in Taiwan.

Supplier's Code of Conduct

Flexium is committed to labor rights, environmental protection, health and safety, business ethics, and corporate governance. In doing so, the company references international initiatives and standards, including the UN Global Compact, the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the Responsible Business Alliance (RBA) Code of Conduct covering human rights, labor, environment, and anti-corruption. Based on these principles, Flexium established the Supplier Code of Conduct, applicable to all suppliers, their supply chains, and contractors, to ensure operations comply with local laws and internationally recognized standards, thereby enhancing supply chain sustainability and corporate sustainability management.

In line with the RBA Code of Conduct, Flexium requires key suppliers with annual transactions of NT$1 million or more to sign the latest Supplier Code of Conduct or provide an equivalent declaration/guarantee, committing to compliance in labor, health and safety, environment, business ethics, and management practices, as well as adherence to applicable local laws.

In 2024, 158 suppliers met the criteria. Of these, 145 suppliers signed and returned the agreement, 11 provided a guarantee letter in lieu of a signature, and 2 suppliers ended cooperation in Q1 2025 and were excluded. Overall, 156 suppliers completed the commitment, achieving a 98.7% compliance rate. Moving forward, Flexium will continue to strengthen communication and collaboration with suppliers, promptly sharing updates on sustainability policies and requirements.



Supplier Selection, Auditing, and Consulting

In selecting suppliers, Flexium implements a grading system based on product categories where it conducts written or on-site evaluations for new suppliers. The evaluation process follows the results of the "Supplier Evaluation Form" and considers compliance with the Hazardous Substances Process Management (HSPM) and Responsible Minerals Policy minimum requirements. In addition to monthly evaluations, supplier evaluations are conducted, which include material management, quality systems, manufacturing management, overall management, product environmental quality management, and responsible procurement. Based on the results, suppliers are graded A, B, C, or D. A and B grade suppliers are given priority, whereas grade C suppliers are provided with a review report. Suppliers who receive a C grade for two consecutive months are asked to submit a continuous improvement plan, and we will keep track of their improvement progress. Suppliers who receive a C grade for three consecutive months will be suspended until they have made improvements and passed re-inspection. Failure to do so will result in the revocation of trade qualifications. Suppliers who receive a D grade are issued a quality improvement notice and given a two-month window to meet the requirements. Failure to do so will result in the suspension of procurement, revocation of trade qualifications, and blacklisting in our procurement system. There is no revocation of trade qualifications in 2024. All of the suppliers completed the quality improvement if required.

To maintain optimal competitiveness, Flexium's quality assurance, procurement, and engineering personnel join forces to conduct routine supplier assessments and audits on several sustainability factors, such as labor rights, business ethics, environmental protection, and occupational safety and health. In the spirit of sustainable management, each year's audit results inform suppliers of compliance deficiencies and help them identify the causes. If necessary, guidance is provided to help suppliers and partners to enhance sustainability with the ultimate goal of increasing the competitiveness and resilience of our supply chain.

◎ Supplier ESG Assessment

Under its sustainable supplier ESG audit mechanism, Flexium has established its own Supplier ESG Audit Standards based on the Responsible Business Alliance (RBA) Code of Conduct. The audit scope covers human rights, working hours, chemical and equipment safety, environmental protection, management systems, and responsible minerals management.

Each year, suppliers are prioritized for ESG evaluation according to the previous year's transaction amount, selecting those that cumulatively account for the top 80% of annual transaction value and have over 300 employees (excluding suppliers whose cooperation has been terminated). A Supplier ESG Annual Audit Plan is then developed. Upon approval by the Management Representative, the annual supplier evaluation is carried out primarily through document reviews, supplemented by online or on-site audits when necessary. The Management Representative may determine the need for further online or on-site audits based on previous ESG evaluation results or by considering each supplier's quality impact, economic significance, and risk level.

In 2024, Flexium conducted document-based ESG audits on three material suppliers. The results showed that two suppliers each had one nonconformity item. The nonconformities were primarily due to violations of the Labor Standards Act related to extended working hours. All suppliers involved submitted specific corrective action plans and completed the required improvements within the stipulated timeframe.

2.2.2 Responsible Mineral Procurement Management

Flexium supports the Responsible Minerals Initiative (RMI), which was founded by members of the Responsible Business Alliance (RBA), as well as the Global e-Sustainability Initiative (GeSI), by practicing responsible minerals management and disclosing its Responsible Minerals Policy on the company website.

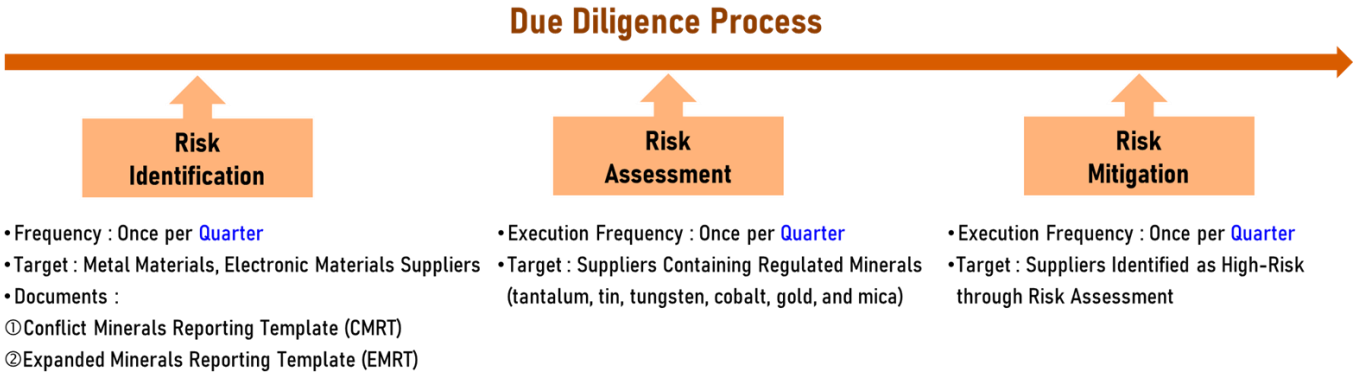
◎ Responsible Minerals Policy and Measures

To establish a more complete responsible mineral management process, in 2020, we revised our Conflict-Minerals Policy into the Responsible Minerals Policy; established a responsible mineral management team; created a grievance mechanism; demanded that mineral supply chains practice responsible mineral management; and introduced risk management mechanisms in compliance with the guidelines established by the "Organization for Economic Co-operation and Development (OECD)".

We review laws and regulations on a quarterly basis to ensure conformance with international laws and customer requirements. In the event of changes to requirements relevant to responsible mineral outsourcing, the Company responds by taking action to revise internal operational regulations and methods accordingly. We also require suppliers to sign a "Statement of Responsible Minerals Policy". Every three months, the Company conducts a three-stage due diligence on suppliers of metals (tantalum, tin, tungsten, cobalt, and gold) and other materials needed for our production. Suppliers are requested to submit the relevant documents using the latest RMI "Conflict Minerals Reporting Template (CMRT)" and "Extended Minerals Reporting Template (EMRT)". Due diligence involves identifying risks in the mineral supply chain and then performing a risk assessment. The results are presented to management representatives for review. If the assessment results identify a supplier as high-risk, the supplier is asked to submit a risk mitigation plan and implement that plan until the risks involved have been eliminated.

Flexium
Responsible Minerals Policy

◎ Responsible Minerals Due Diligence Process



The due diligence process is conducted in three phases.
In the first phase (Risk Identification), all suppliers were reviewed, among which 65 were identified as metal and electronic material suppliers and included in the due diligence scope. These 65 suppliers were required to submit relevant documentation, including the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT). Based on the submitted data, Flexium conducted reviews and risk assessments, identifying 55 suppliers whose materials contained regulated minerals, including tantalum, tin, tungsten, cobalt, gold, and mica.

In the second phase (Risk Assessment), suppliers identified as containing regulated minerals were evaluated across three risk dimensions:
① Whether the supplier had submitted the RMI Conflict Minerals Reporting Template (CMRT) or provided a declaration letter;
② Whether the smelters and refiners used were verified by industry programs; and
③ Whether those smelters were included in the customer-approved list.
Following the risk assessment, 51 suppliers were classified as “low risk,” and 4 suppliers as “high risk.”

In the third phase (Risk Mitigation), the four high-risk suppliers were identified as such because their smelter information was not listed on the RMI-approved smelter list, and the conflict minerals template used was not the latest version. These suppliers were requested to provide risk mitigation plans. Upon review, it was confirmed that the four suppliers sourced from the same non-RMI-approved smelter, but later submitted official statements verifying that the smelter is an RMI member, indicating a relatively low level of risk. Moreover, based on the suppliers’ updated templates, the smelter was not classified as high-risk.

After evaluating the mitigation results, the four high-risk suppliers were ultimately approved to maintain trading relationships. The 2024 due diligence results were also included in Flexium’s annual ESG management review meeting for further evaluation.

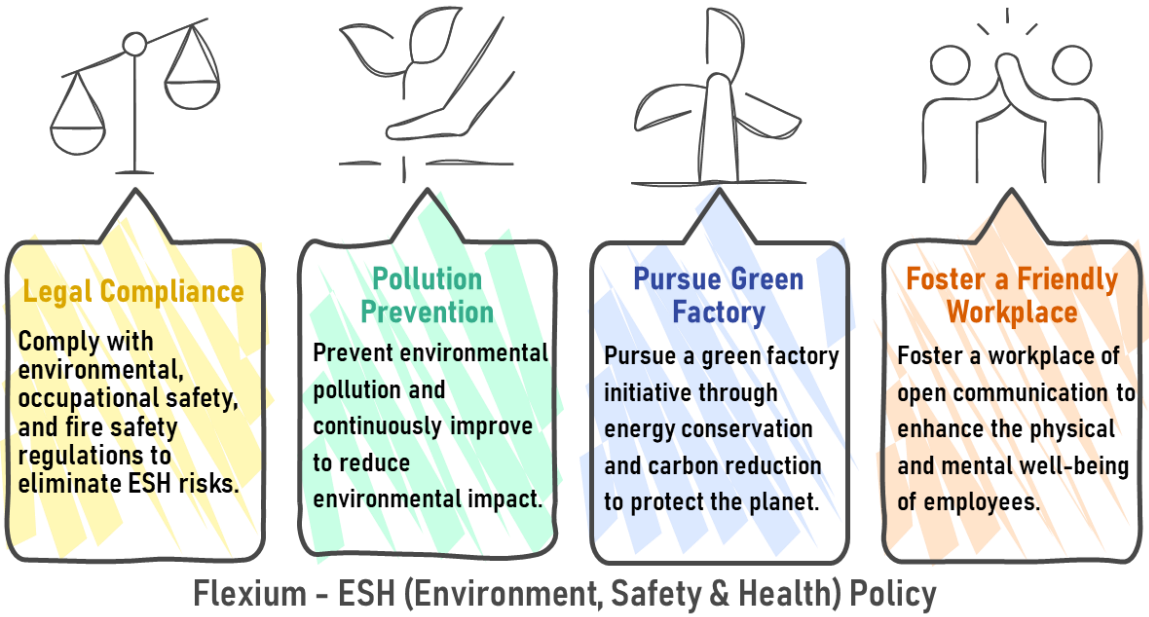
Flexium is committed to not prohibiting the procurement of minerals from the Democratic Republic of the Congo or its neighboring countries, but rather to sourcing exclusively from qualified smelters that comply with the Responsible Minerals Assurance Process (RMAP) and customer requirements. This ensures that the minerals procured do not directly or indirectly benefit armed rebel groups in the region, thereby preventing the flow of funds to conflict areas and mitigating negative impacts such as violence, human rights violations, and environmental degradation. This practice aligns with Flexium’s Responsible Minerals Policy: Conduct Due Diligence and Establish a Responsible Mineral Supply Chain. To strengthen awareness, the company regularly promotes the Responsible Minerals Policy through new employee orientation programs and ESG Seed Training, ensuring both new and existing employees understand and uphold the company’s commitment. In addition, the policy is publicized via the Flexium App bulletin board, reinforcing employee understanding and alignment through multiple communication channels.

03
Environment

Management Approach

Topic	Significance of the Topic	Policies/Strategies	Objectives and Targets	Evaluation Mechanism	Performance and Adjustments	Preventive or Remedial Measures
Climate Change	Increasingly stringent regulations and demands for carbon reduction from customers and investors.	Promoting carbon reduction, pollution prevention, and the development of green factories.	The company sets 2022 as the base year for GHG emissions. • Short-term target: Reduce GHG emissions by 20% by 2025. • Mid-term target: Reduce GHG emissions by 50% by 2030. • Long-term target: Achieve net-zero GHG emissions at all operating sites by 2040.	Regular reviews based on ISO management systems and risk assessment processes.	Carbon emissions decreased by 17.84% in 2023 and 34.39% in 2024 (vs. base year). A 2024 self-inventory was completed, with third-party verification planned for Q1 2025. Efforts to achieve carbon reduction targets will continue.	Establishing a carbon neutrality plan, conducting internal audits, and reviewing legal and customer requirements.
Energy and Resource Management	Increased electricity use raises costs and the risk of power outages, impacting production stability and customer trust.	Enhancing energy efficiency, increasing the use of renewable energy, and implementing management systems.	• 2024: The Group will purchase 4 MWh of renewable energy. • 2025: The Group will purchase 6,200 MWh of renewable energy. • 2028: Renewable energy will account for 50% of the Group's total electricity consumption (RE50). • 2030: Renewable energy will account for 70% of the Group's total electricity consumption (RE70).	Verification and audits conducted in accordance with ISO 14064 and ISO 50001 standards.	Electricity savings in 2024 reached 5,374,210.28 kWh, meeting the Energy Administration's annual 1% electricity conservation requirement.	Purchasing renewable energy, implementing energy conservation projects, and adjusting management procedures.
Water Management	Increased water consumption and water supply uncertainty could impact costs and production stability.	Formulating water efficiency policies, and promoting water-saving designs and water recycling.	• Short-term target (2024): Increase the Group's greywater recycling rate to 32%. • Short-term target (2025): Increase the Group's greywater recycling rate to 35%. • Mid-term target (2026): Increase the Group's greywater recycling rate to 36%. • Mid-to-long-term target (2030): Increase the Group's greywater recycling rate to 50%.	PDCA assessments and internal audits conducted in accordance with ISO 14001.	The greywater recycling rate for 2024 was 33.99%, with a total of 533,745 tons of water reclaimed. The short-term target for 2025 has been adjusted to increase the Group's greywater recycling rate to 35%.	Optimizing process water reuse, RO system cleaning and maintenance, and promoting water conservation initiatives.
Waste Management	Rising disposal costs and environmental impact can lead to a loss of business and diminished trust.	Promoting waste reduction, sorting, reuse of liquid waste, and resource recovery.	With 2023 as the base year: Short-term targets (2024): • Reduce general waste generation per unit (STEP) by 3%. • Reduce hazardous industrial waste generation per unit (STEP) by 3%. • Reduce waste incineration per unit (STEP) by 3%. Short-term targets (2025): • Reduce general waste generation per unit (STEP) by 15%. • Reduce hazardous industrial waste generation per unit (STEP) by 15%. • Reduce waste incineration per unit (STEP) by 15%. Mid-to-long-term targets (2030 onwards): • Reduce general waste generation per unit (STEP) by 20%. • Reduce hazardous industrial waste generation per unit (STEP) by 20%. • Reduce waste incineration per unit (STEP) by 20%.	Regular audits and improvements in accordance with the ISO 14001 management system.	In 2024, waste generation decreased to 2,853 tons from 4,817 tons in 2023, a reduction of approximately 59.2%. The company has established short, mid, and long-term targets and will proactively and continuously implement waste reduction and reuse initiatives.	Implementing waste reduction, reusing liquid waste, and enhancing awareness campaigns and audits.

Flexium take the results of significant environmental impacts and risks evaluated in accordance with ISO 14001:2015 and ISO 45001:2018 (originally OHSAS 18001:2007) as our operational strategies. Accordingly, we formulated our "Environment, Health, and Safety (EHS) Management Manual". The manual applies the plan-do-check-act cycle to the establishment and maintenance of our EHS management system. The relevant departments are required to act in accordance with the "Environmental Aspects Identification Management Procedures" and the "Hazard Identification and Risk Evaluation Management Procedures" to identify potential emergencies and accidents that might have an impact on EHS. The same departments are also required to follow the "Emergency Response Management Procedures" when responding to environmental emergencies and accidents to prevent or mitigate unfavorable effects on EHS. Flexium established guidelines for chemical spills and emergency procedures to respond to emergencies and mitigate impacts. We have never been fined by the competent authorities for serious chemical spills incidents since the founding of the company.



Flexium - ESH (Environment, Safety & Health) Policy

To address the challenges of climate change and energy transition, Flexium joined the RE100 global renewable energy initiative in 2022, committing to achieve 100% renewable energy use by 2040. This commitment aims to drive the development of Taiwan's renewable energy industry and contribute to a sustainable future, while aligning with global net-zero trends to mitigate the impacts of climate change. In accordance with RE100 requirements, Flexium annually completes the CDP (Carbon Disclosure Project) questionnaire and actively participates in RE100 Taiwan member events to stay updated on the latest policy developments and international sustainability trends. On December 18, 2024, Flexium attended the annual RE100 member meeting, gaining valuable insights through reports and discussions that serve as key references for continuously refining its net-zero roadmap and advancing toward sustainability goals.

In 2024, Flexium launched its Green Factory Implementation Program, completing a clean production self-assessment and planning to obtain certification in the first half of 2025 and the Green Building Label in the second half of 2025. Flexium's environmental management goal is "Zero Penalties, Zero Pollution." Any environmental issues or external disputes arising during operations are handled in accordance with the Communication Management Procedure. In 2024, Flexium recorded no environmental penalties or external complaints, demonstrating the company's proactive commitment and effective performance in environmental protection.

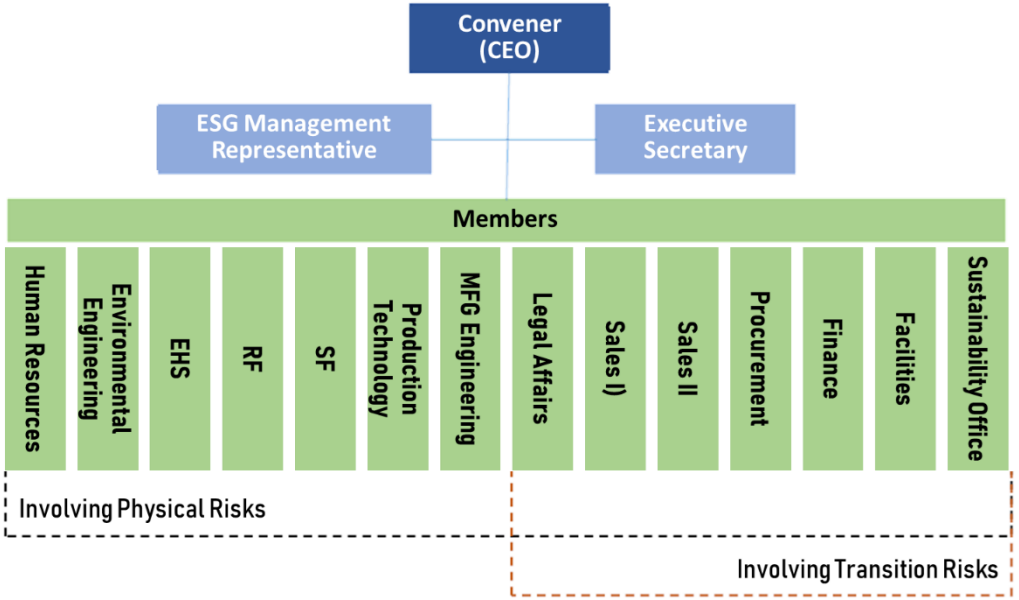
3.1 Climate Action

3.1.1 Climate Risk and Opportunity Management

Flexium has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to enhance the company's resilience and adaptability to climate change. Each year, Flexium identifies transition and physical risks associated with climate change, conducts risk assessments, and establishes control measures to ensure emergency response mechanisms operate promptly and effectively, minimizing disaster-related losses.

In the event of a natural disaster, the Emergency Response Center follows the Emergency Response Operation Procedure to verify abnormal conditions, issue notifications, coordinate responses, perform repairs, and eliminate hazards. If an incident occurs, regulatory authorities are also notified immediately in accordance with legal requirements. These measures aim to mitigate the operational impacts of climate change while capturing potential business opportunities.

Recognizing that climate change may affect multiple business functions, Flexium has established a Climate Change Adaptation Task Force, enabling two-way communication between management and departments. Through clear task allocation based on departmental responsibilities, the company strengthens its climate governance system and drives sustainable development collaboratively.



Governance

Flexium reports climate-related issues to the Board annually, which reviews major capital expenditures in relation to climate matters. The ESG Steering Committee, led by the ESG Management Representative, oversees sustainability initiatives. The representative submits annual reports on key climate-related plans and results.

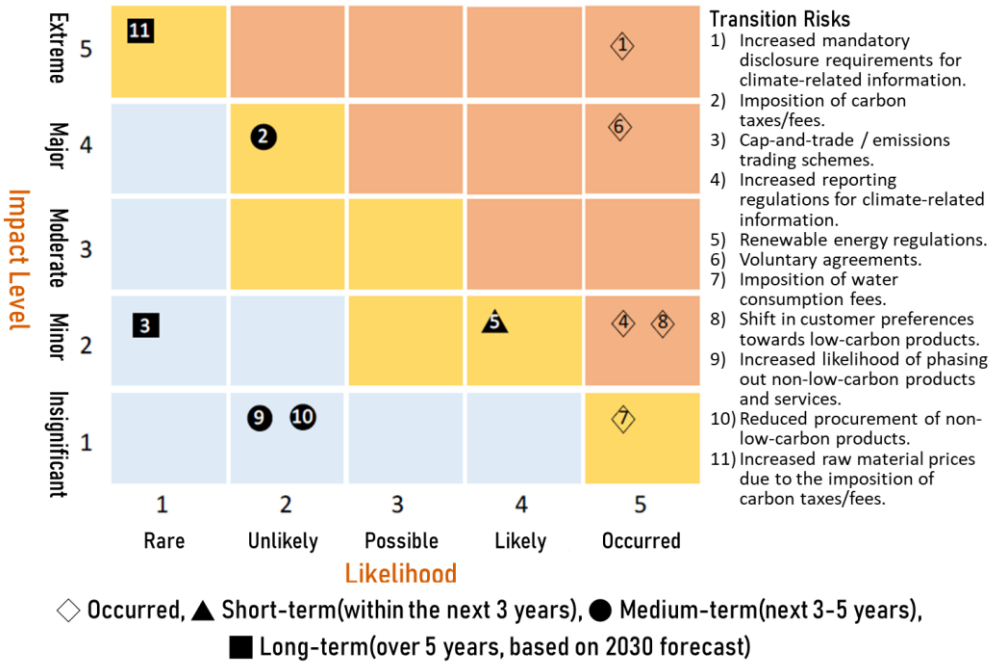
Short-, Medium-, and Long-Term Climate-Related Risks and Opportunitie

Flexium identified 2024 climate-related risks and opportunities following the TCFD framework, evaluating impacts on operations:

1) 2024 Transition Risk Topics (11 items): include increased mandatory climate-related disclosure regulations, carbon tax/fee imposition, cap/allowance trading, increased mandatory reporting requirements, renewable energy regulations, voluntary agreements, water fees, changes in customer preference for low-carbon products, potential phase-out of non-low-carbon products/services, reduced procurement of non-low-carbon products, and increased raw material prices due to carbon taxes/fees. Other topics were not related to the company's business.
   a) Major Risk Topics: increased mandatory climate-related disclosure regulations, increased mandatory reporting requirements, voluntary agreements, changes in customer preference for low-carbon products
   b) Moderate Risk Topics: carbon tax/fee imposition, renewable energy regulations, increased raw material prices due to carbon taxes/fees
   c) Non-Major Risk Topics: cap/allowance trading, potential phase-out of non-low-carbon products/services, reduced procurement of non-low-carbon products

2) 2024 Transition Opportunities (6 items) include optimizing in-plant material transport to reduce fuel costs, recycling high-value metal waste, promoting green factory initiatives to improve energy efficiency, implementing water- and energy-saving measures to reduce consumption and costs, expanding green electricity supply and usage, and installing energy storage and smart EMS platforms to ensure efficient and stable energy supply.

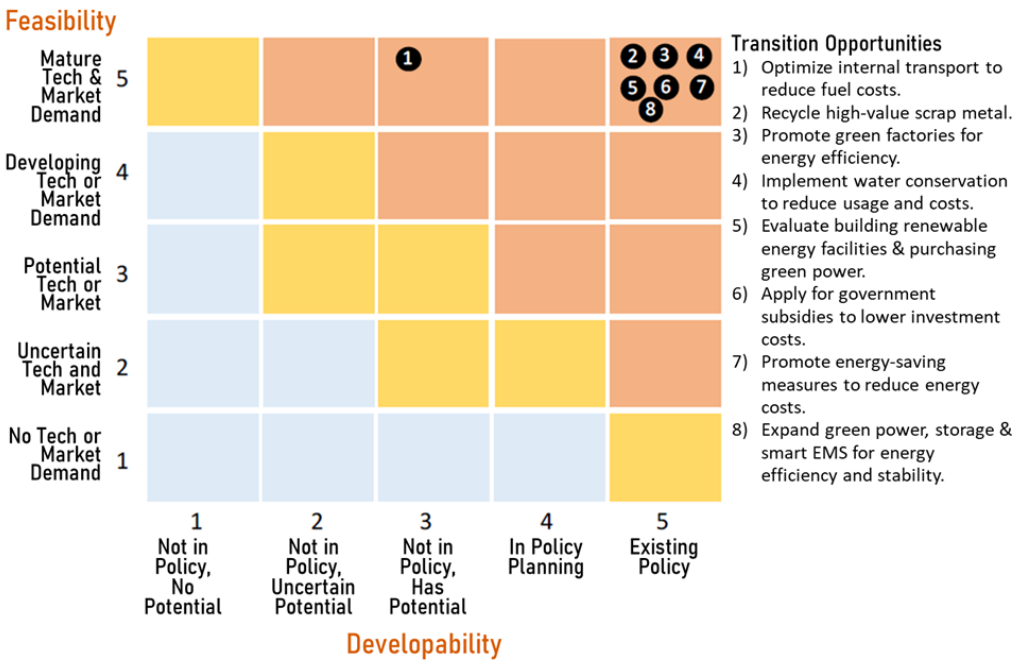
Transition Risk Matrix



Transition Risks

1) Increased mandatory disclosure requirements for climate-related information.
2) Imposition of carbon taxes/fees.
3) Cap-and-trade / emissions trading schemes.
4) Increased reporting regulations for climate-related information.
5) Renewable energy regulations.
6) Voluntary agreements.
7) Imposition of water consumption fees.
8) Shift in customer preferences towards low-carbon products.
9) Increased likelihood of phasing out non-low-carbon products and services.
10) Reduced procurement of non-low-carbon products.
11) Increased raw material prices due to the imposition of carbon taxes/fees.

Transition Opportunity Matrix



Transition Opportunities

1) Optimize internal transport to reduce fuel costs.
2) Recycle high-value scrap metal.
3) Promote green factories for energy efficiency.
4) Implement water conservation to reduce usage and costs.
5) Evaluate building renewable energy facilities & purchasing green power.
6) Apply for government subsidies to lower investment costs.
7) Promote energy-saving measures to reduce energy costs.
8) Expand green power, storage & smart EMS for energy efficiency and stability.

Physical Risk Assessment and Financial Impact

For physical risks, Flexium assessed potential future scenarios of flooding, drought, and extreme heat. Based on forecasted scenarios and existing mitigation measures, the results are as follows:

- Flooding Scenario:
  - Key risk events include disrupted material transport, logistics interruptions, work stoppages due to heavy rain, damage to main gate equipment, and emergency generator failures.
  - The plant has flood prevention measures such as sandbags and water pumps, which effectively mitigate most risks. However, extreme events causing work stoppages may incur additional labor costs, estimated at TWD 200,000.
- Drought Scenario:
  - Risk assessment indicates the plant is fully resilient to drought, with no expected impact.
- Extreme Heat Scenario:
  - Key risk events include increased electricity costs, deteriorated working conditions, and excessive machine load.
  - Extreme heat may accelerate equipment aging, increasing replacement costs, estimated at TWD 5.7 million.
  - Existing measures effectively manage working condition issues, but extreme heat may still raise electricity expenses, estimated at TWD 11.51 million.

Summary Table of Physical Risk Financial Losses and Management Costs

Climate Hazard	Key Topic	Risk Event	Type of Financial Impact	Financial Loss Amount	Management Action	Management Cost
Flooding	**Raw Material Supply**	Flooding requires switching to non-mechanized equipment for material handling, impacting efficiency.	-	-	-	-
	Products/Sales	Affects factory logistics, impacting capacity and operations, which indirectly increases the risk of customers switching to other suppliers.	-	-	-	-
	Employee Commuting	Work suspension due to heavy storms.	Increased personnel expenses.	NT$200,000	-	-
	Buildings	Flooding causes damage to main gate equipment.	-	-	-	-
	Facilities & Equipment	Damage to the emergency generator.	-	-	-	-
High Temperatures	**Energy Management**	Increased electricity demand for air conditioning due to rising temperatures.	Increased demand for energy resources.	NT$11.51 million	Adjusting contract capacity for electricity.	NT$2.4 million
	Storage Management	Deterioration of the working environment for employees.	-	-	-	-
	Facilities & Equipment	Excessive load demand on facilities (Mechanical & Electrical) due to high temperatures.	Equipment damage.	NT$5.7 million	Increasing air intake/exhaust for electrical panels to extend component lifespan.	NT$109,900

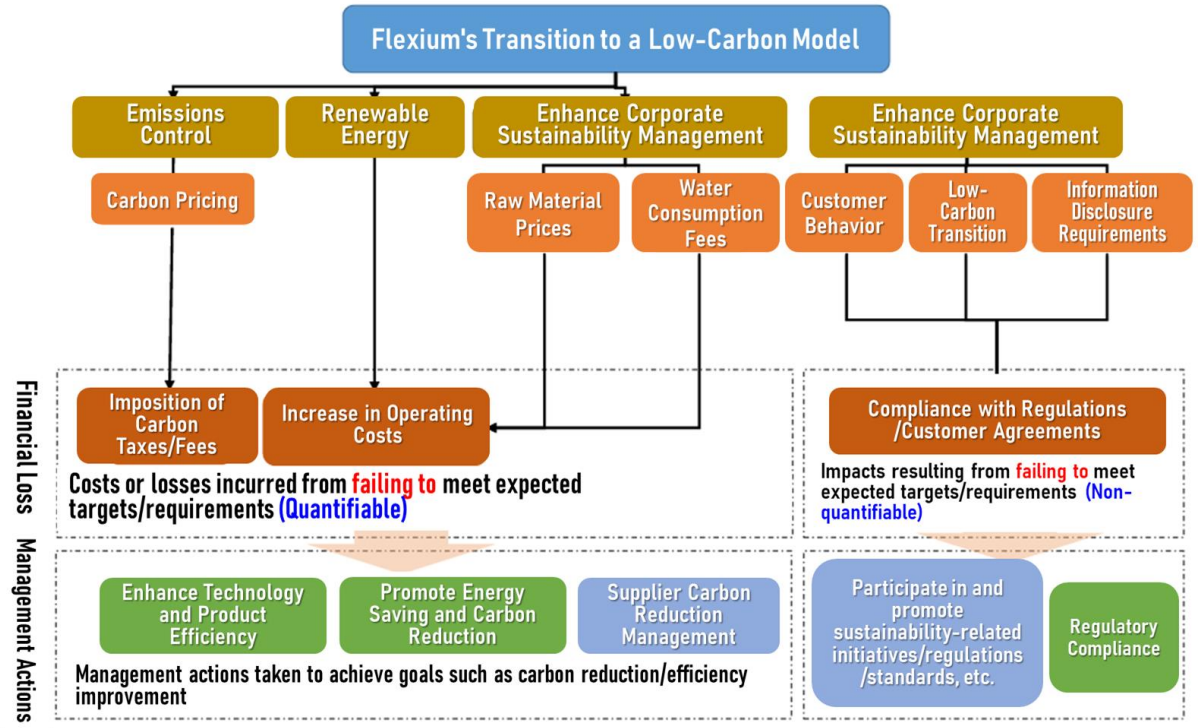
Transition Risk Assessment and Financial Impact

Flexium assesses transition risks using both qualitative and quantitative approaches, tailored to the specific attributes of each topic. The Company established a “Transition Risk Impact Chain” to clarify the causal relationships among these risks, which helps identify topics requiring future scenario development for comprehensive evaluation.

Quantitative assessments are applied to operational issues such as carbon taxation, raw material price increases, and water tariffs. In contrast, qualitative assessments are used for regulatory and disclosure-related topics, including climate information verification and product performance labeling.

Risk assessments have been carried out in the following areas:

- **Quantitative Assessment:**
  - Carbon Tax: A quantitative assessment was conducted to evaluate the direct impact of carbon taxation on the company’s operating costs.
  - Raw Material Price Increase: The potential effects of raw material price fluctuations on the company’s cost structure were analyzed and quantified.
  - Water Usage Fee Imposition: A quantitative risk assessment was performed regarding water resource consumption and associated fee collection.



Transition Risk Impact Chain▲

■ Qualitative Assessment:

- Climate Information Disclosure and Verification: This issue involves compliance with policies and regulations; therefore, qualitative assessment was conducted to evaluate potential impacts.
- Product Performance and Labeling Regulations: A qualitative analysis was conducted regarding the application and interpretation of new regulations to ensure the company's responsiveness and adaptability to regulatory changes.

■ Risk 1: Potential Carbon-Related Costs from Greenhouse Gas (GHG) Emissions Regulations

Flexium has conducted a comprehensive assessment of potential carbon-related expenditures, covering the financial impacts of both domestic and international carbon pricing mechanisms.

1) **Domestic Carbon Fee (Taiwan):** Under current regulations, manufacturers with annual emissions exceeding 25,000 metric tons of CO_2e are subject to a carbon fee. In 2023, the combined Scope 1 and Scope 2 emissions of our five manufacturing sites totaled 56,402.86 metric tons of CO_2e, with each site's average emissions remaining below the threshold. However, should the Ministry of Environment (MOE) lower the threshold to 15,000 metric tons and increase the fee rate, our Dafa III and Hofa sites could be impacted. The estimated maximum financial impact under this scenario is **approximately NT$66.96 million.**
2) **European Union (EU) Carbon Border Adjustment Mechanism (CBAM):** The EU is set to implement its carbon tariff (CBAM) starting in 2026, with an estimated carbon price of €100.34 per metric ton. In 2023, sales to the EU accounted for 7% of our total annual revenue. The potential maximum financial impact from CBAM is estimated at approximately **NT$13.62 million**.
3) **Proposed U.S. Clean Competition Act (CCA):** The proposed U.S. Clean Competition Act (CCA) includes a carbon tax of US$55 per metric ton, potentially effective from 2024. In 2023, sales to the U.S. constituted 81% of our total annual revenue. The estimated maximum financial exposure related to this act is **approximately NT$132.93 million.**

To address these emerging carbon-related costs, the Company plans to invest approximately NT$162.20 million in energy conservation, carbon reduction initiatives, and the installation of renewable energy systems to mitigate the financial impact.

■ Risk 2: Increased Operational Risks from Stricter Government Regulations

1) **Renewable Energy Obligations:** Flexium is fully compliant with Taiwan's "Renewable Energy Development Act," having met the mandated 10% renewable energy installation target. As a result, no additional compliance costs are currently incurred.
2) **Water Conservation Fee:** The government imposes a water conservation fee on consumption exceeding statutory limits. Our operational activities may be subject to this fee, with an estimated potential financial impact of approximately **NT$240,000**. To mitigate this risk and enhance water efficiency, we are actively implementing water-saving measures and plan to invest approximately **NT$41 million** in system upgrades.

■ Risk 3: Rising Operational Costs

The transition to a low-carbon economy has become a market trend, requiring Flexium to invest additional resources to comply with regulations and meet customer demands. To achieve our RE80 goal, we plan to invest approximately NT$141 million in the acquisition of solar photovoltaic (PV) systems. An associated cost of approximately NT$2.52 million is estimated for related employee training and strategic adjustments.

Additionally, with the implementation of carbon pricing policies, there is a risk of carbon cost pass-throughs from our supply chain. Our primary copper material supplier is subject to carbon fees, resulting in an estimated passed-through cost of NT$260,000. To address this risk, the Company will promote energy conservation and carbon reduction initiatives with our suppliers, investing approximately NT$94,000 in personnel costs for this engagement.

■ Risk 4: Heightened Sustainability Awareness Among Stakeholders

Growing emphasis on Environmental, Social, and Governance (ESG) principles has increased stakeholder expectations. A failure to meet these evolving sustainability standards could expose the Company to reputational damage and a crisis of confidence. This could in turn negatively impact our stock price, eligibility for government recognitions, media sentiment, talent recruitment, and supply chain partnerships.

Summary of Financial Impacts and Management Costs for Transition Risks

Transition Risk Event	Value Chain Impact Stage	Impact Category	Potential Financial Impact	Management Actions	Management Cost
Increased demand for corporate climate-related information disclosure	Direct Operations	Regulatory Impact	None	• Finance Dept.: Expand and enhance sustainability information on the corporate website. • EHS Dept.: Allocate additional human resources for disclosure tasks and seek external consulting support.	NT$0.806 million
Domestic carbon fee imposition	Direct Operations	Financial Impact	Approx. NT$44.64 - 66.96 million	• Reduce carbon emissions through energy-saving measures such as equipment upgrades and process optimization. • Promote self-generation and consumption of solar power and purchase renewable energy. • Optimize exhaust gas treatment systems.	NT$162.20 million
EU Carbon Border Adjustment Mechanism (CBAM) imposition	Direct Operations	Financial Impact	Approx. NT$13.62 million		
U.S. product carbon tariff imposition	Direct Operations	Financial Impact	Approx. NT$132.93 million		
GHG emissions subject to regulatory quotas/caps	Direct Operations	Regulatory Impact	None		
Mandatory reporting of climate-related information	Direct Operations	Regulatory Impact	None	• Finance Dept.: Expand and enhance sustainability information on the corporate website. • EHS Dept.: Allocate additional human resources for disclosure tasks and seek external consulting support.	NT$0.806 million
Mandatory use of renewable energy	Direct Operations	Regulatory Impact	None	• Annually increase the procurement and installation of renewable energy (to meet RE80).	NT$122.20 million
Increased necessity for voluntary participation in climate-related standards	Direct Operations	Reputational Impact	Approx. NT$141.00 million	• Reduce carbon emissions through energy-saving measures such as equipment upgrades and process optimization. • Optimize exhaust gas treatment systems.	NT$40.00 million
Increased water expenditure due to water conservation fee	Direct Operations	Financial Impact	NT$0.61 million	• Improvement plans for EDR reclaimed water system and wastewater treatment process. • Implement ISO 46001 Water Efficiency Management System with expert guidance.	NT$41.00 million
Increased customer expectation for low-carbon products	Downstream	Reputational Impact	None	• Product and market strategy adjustments • Supply chain management and carbon footprint optimization • Financial risk adjustment and response • Technological upgrades and innovation • Stakeholder communication • Personnel training • Regulatory and policy response	NT$0.18 million (Carbon neutrality training)
Phasing out of products without a low-carbon footprint by the market	Downstream	Production Impact	None	• Product and market strategy adjustments • Supply chain management and carbon footprint optimization • Financial risk adjustment and response • Technological upgrades and innovation • Stakeholder communication • Personnel training • Regulatory and policy response	NT$2.10 million (Carbon management personnel & training fees)
Customers reduce procurement of non-low-carbon products	Downstream	Production Impact	None	• Product and market strategy adjustments • Supply chain management and carbon footprint optimization • Financial risk adjustment and response • Technological upgrades and innovation • Stakeholder communication • Personnel training • Regulatory and policy response	NT$0.24 million (Marketing expenses)
Price increase in raw materials due to carbon tax on suppliers	Upstream	Financial Impact	Approx. NT$0.26 million	• Prioritize promoting energy conservation and carbon reduction plans with key suppliers. • Target: Achieve 20% energy saving and 20% carbon reduction for copper supplier Taiflex by 2030. • Appoint a primary material procurement representative to track progress.	NT$0.094 million

Transition Opportunities and Potential Financial Benefits

To mitigate transition risks and comply with Taiwan's 2050 net-zero emissions target and related regulations (such as the Climate Change Response Act), as well as to align with international decarbonization initiatives (e.g., SBTi) and supply chain requirements, the Company assessed eight transition opportunities in 2024. These include adopting more efficient transportation modes to optimize on-site material transport, recycling high-value metal scrap to promote resource circularity, developing green buildings with higher energy efficiency, implementing water conservation measures to reduce water costs, achieving our RE100 goal by using low-carbon energy, participating in renewable energy projects, implementing energy-saving measures, and promoting energy diversification to ensure supply stability. These initiatives will help reduce our carbon emissions, effectively address regulatory and market demands, and advance the company's sustainable development.

- Opportunity 1: Develop Low-Carbon or Energy-Saving Technologies to Reduce Operational Expenditures
  - **Reduction in Electricity Costs:** In response to internal and policy requirements, the Company has initiated energy conservation projects to reduce carbon emissions and lower electricity expenditures. Based on an estimated 1% annual reduction in electricity consumption, this is projected to result in annual savings of approximately **NT$3,639,887**.
- Opportunity 2: Develop Efficient Transportation Modes to Reduce Costs
  - **Optimizing On-site Transportation to Reduce Fuel Costs:** By consolidating transportation and centralizing shipments, we project a 50% reduction in fuel costs. The adjusted transportation model is expected to decrease annual fuel expenses by approximately **NT$339,088** while also lowering greenhouse gas emissions.
- Opportunity 3: Resource Recovery and Reuse
  - **Recovery and Reuse of Metal Scrap:** By recovering gold and copper scrap from defective products and converting it into high-value metal scrap, we anticipate generating approximately **NT$79,000,400** in operating revenue.
  - **Water Reclamation:** The implementation of our ROR (Reverse Osmosis Reclaim) system has improved water reuse efficiency, saving costs on fresh water and wastewater treatment. In 2023, this resulted in an expenditure reduction of approximately **NT$13,321,680**.
- Opportunity 4: Utilize Low-Carbon Energy to Enhance Corporate Reputation and Maintain Customer Relations

  In addition to regulatory mandates, Flexium has set a goal to achieve RE80 by 2030 in response to customer requirements. Currently, a 3.56 MW solar PV system has been installed at our Kaohsiung site, with an additional 1,432 kW planned for installation. The remainder of the target will be met by procuring green electricity. Increasing our share of renewable energy will not only help maintain partnerships with existing clients but also attract potential new customers, which is projected to generate approximately **NT$26,421,790,201** in revenue.

Summary of Potential Financial Benefits from Transition Opportunities

Aspect	Area	Initiative	Status	Benefit Driver	Benefit (NT$)
Resource Efficiency	**Efficient Transport**	Optimize on-site transport	Considering transport consolidation	Reduced fuel costs	**NT$0.339 million**
	Recycling & Reuse	Recover high-value metal scrap	2023: Recovered 28.3 tons scrap & 653 kg copper	Increased revenue from scrap sales	**NT$79.00 million**
	Efficient Buildings	Promote green buildings	Hefa site is a green building	Higher energy efficiency	-
	Water Conservation	Implement water-saving measures	2023: Reclaimed 283,440 tons of water	Cost savings from water reuse	**NT$13.32 million**
Energy Source	**Low-Carbon Energy**	Develop renewable energy	3.56 MW solar installed; procuring more green power	Secures customer base	**NT$2,642.17 million**
Resilience	**Energy Saving**	Promote energy efficiency	Targeting 1% annual electricity savings	Meets conservation targets	**NT$3.63 million**
	Energy Diversification	Diversify energy sources	Planning with external partners	Enhanced supply stability	-

Metrics and Targets

For climate risk indicators, Flexium tracks daily rainfall and intensity forecasts from the Central Weather Bureau during typhoons for early response. During droughts, the Water Resources Agency's daily reservoir status updates guide actions based on a three-stage water restriction signal system, as outlined in the "Operational Guidelines for Water Restrictions in Plants." In the first stage (Yellow Light), booster pumps are activated to supplement water. In the second stage (Orange Light), groundwater is utilized, and water trucks are coordinated. In the third stage (Red Light), additional water trucks are deployed to various water sources.

Scope 1 emissions risk arises as hotter climates increase the use of chillers, refrigerators, and company vehicles, leading to higher refrigerant and oil consumption, thus increasing greenhouse gas emissions. This can negatively impact environmental sustainability targets, affecting corporate reputation and customer environmental commitments. Scope 2 risk involves higher electricity consumption due to rising temperatures, leading to increased greenhouse gas emissions. Continuous increases in purchased electricity necessitate proportional rises in renewable energy capacities like solar power to meet customer demands, potentially raising costs. Failing to increase green energy capacity could result in not meeting customer requirements, risking order losses.

Flexium's industry-specific greenhouse gas emission intensity is measured as CO_2e-t/step, where a "Step" refers to the completion of an operational process on a single production line. The intensity values for the last two years are 0.0180 CO_2e-t/step for 2023 and 0.0206 CO_2e-t/step for 2024, and we formulate relevant targets based on these figures.

2024 Target	2024 Achievement Status	2025 Environmental Target	Target Description
Cumulative reduction of 1,749 metric tons of GHG emissions	Achieved an annual carbon reduction of 16,605.025 metric tons	Reduce GHG emissions by 1,000 metric tons	Compared to 2022, a total annual carbon reduction of 1,000 metric tons is projected for 2025 through on-site electricity and water conservation measures.
Increase the total plant water recycling rate to 32%	Total plant water recycling rate reached 33.99%	Increase the total plant water recycling rate to 35%	Calculation basis: [Discharged water volume / (Total recycled water + Discharged water volume)] * 100%.
Reduce chemical usage per metric ton of wastewater by 15% (Baseline: 2022)	Reduced by 51.37%	Reduce chemical usage per metric ton of wastewater by 50%	Maintain optimized operational parameters to reduce chemical usage per metric ton of wastewater, using the 2022 level as the baseline.
Procure 4 MW of renewable energy	Not procured	Achieve an installed renewable energy capacity of 3.561 MW	Annually expand installed renewable energy capacity and transition to self-generation and self-consumption.
Reduce hazardous industrial waste generation per "Step" by 3% (Baseline: 2023)	Hazardous industrial waste generation per "Step" was reduced by 14.17%	Reduce hazardous industrial waste generation per "Step" by 15% (Baseline: 2023)	Strive to reduce hazardous industrial waste generation. The goal is a 15% reduction in waste generation per "Step" compared to the 2023 baseline.

3.1.2 Greenhouse Gas Management

Climate change has become a global challenge that requires collective efforts to address. Flexium is deeply aware of the worsening climate and environment due to the emissions of greenhouse gas. As an Earth citizen, we strive to conduct greenhouse gas inventory and reduction works to meet the standards set by the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement, in order to effectively monitor and manage greenhouse gas emissions. Through risk assessment and opportunity management, we hope to effectively minimize or avoid operating losses and explore potential business opportunities.

Flexium believes that greenhouse gas (GHG) reduction is key to combating climate change, and a precise GHG inventory is the foundation of our reduction strategy. This process allows us to set clear targets, define a decarbonization pathway, and effectively measure performance. We established our GHG inventory system in 2009, following a formal management procedure to quantify the seven major greenhouse gases: Carbon dioxide (CO_2), Methane (CH_4), Nitrous oxide (N_2O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs), Sulfur hexafluoride (SF_6), and Nitrogen trifluoride (NF_3). Beginning in 2022, we aligned our methodology with the ISO 14064-1:2018 standard, conducting our first comprehensive inventory of Categories 1 through 6. To streamline data consolidation, a centralized platform was implemented in November 2023. Our 2024 inventory data successfully underwent third-party verification in April 2025, and we have obtained the corresponding verification statement.

With the addition of our fifth site, the Hofa Plant, and the completion of third-party verification of our greenhouse gas (GHG) inventory, 2022 has been established as our baseline year. In accordance with the ISO 14064-1:2018 standard, we define our organizational boundary using the operational control approach, which encompasses six locations: five manufacturing sites and one dormitory building. All emission sources are fully owned by the Company. We consolidate facility-level GHG emissions and removals, identifying significant indirect emission sources through a significance assessment.

Our third-party verified GHG emissions for the 2022 baseline year were 90,851.770 metric tons of CO_2e. For 2023, verified emissions decreased to 74,639.433 metric tons of CO_2e. This was achieved through process improvements that reduced fluorinated gas emissions and enhanced plant-wide energy efficiency following the implementation and third-party certification of our ISO 50001:2018 energy management system. This represents an overall carbon reduction of 17.84% compared to our baseline year.

For 2024, our third-party verified GHG emissions further decreased to 58,034.408 metric tons of CO_2e, marking a 22.25% reduction compared to 2023 and a significant 36.12% reduction from our baseline year. We will continue to promote energy-saving initiatives to improve efficiency and lower our carbon emissions annually, in alignment with the Group's sustainability goals.

The Company is well-prepared for the introduction of Taiwan's carbon fee in 2025. Currently, the average emissions per site are only 11,606.88 metric tons of CO_2e, far below the initial threshold for the levy. This low-risk position demonstrates that our dedicated efforts to become a low-carbon enterprise have yielded tangible results. Beyond our own operations, we have also initiated surveys on our suppliers' green electricity planning and carbon inventories, aiming to collaborate with them to build a sustainable, low-carbon supply chain alliance.

Greenhouse Gas (GHG) Emissions (metric tons CO_2e)

Category	Source	2022	2023	2024
Catagory 1	Stationary Combustion	983.0855	1,074.9715	727.0119
	Mobile Combustion	83.4651	96.2967	68.3658
	Process Emissions	25,134.4792	7,272.9900	6,873.5385
	Fugitive Emissions	2,536.4730	639.5304	246.1569
	Subtotal	28,737.5028	9,083.7886	7,915.0731
Catagory 2	Indirect Emissions from Imported Energy	45,958.6214	47,319.0727	37,189.2929
Catagory 3	Upstream Transportation & Distribution	1,563.1612	1,472.4421	1,298.6815
Category 4	Purchased Goods & Services	14,592.4846	16,764.1300	11,631.3601
	Subtotal	62,114.2672	65,555.6448	50,119.3345
	Grand Total	90,851.770	74,639.433	58,034.408

Notes:
1. The organizational boundary is defined using the operational control approach and includes the Dafa Plant, Dafa II Plant, Dafa III Plant, Dafa V Plant, Hefa Plant, and the dormitory building in the Kaohsiung complex. Data for the Hefa Plant was included starting in 2022.
2. Emissions are calculated using the emission factor method, based on the "GHG Emission Factor Management Table 6.0.4" (updated 2019/6/27) from Taiwan's Ministry of Environment. Global Warming Potentials (GWPs) are based on the IPCC's Sixth Assessment Report (AR6).
3. Scope 1 emissions include stationary combustion, mobile combustion, process emissions, and fugitive emissions.
4. Scope 2 emissions are from purchased electricity. The grid emission factors used are 0.495 $kgCO_2e/kWh$ (2022), 0.494 $kgCO_2e/kWh$ (2023), and 0.474 $kgCO_2e/kWh$ (2024).
5. The Pingzhen office's annual electricity consumption is less than 0.1% of the Kaohsiung complex's total and is thus excluded from the energy and GHG inventory.
6. All GHG data is the result of a self-inventory conducted in accordance with the ISO 14064-1:2018 standard for the years 2022-2024.
7. The 2022 GHG emissions figure disclosed in the 2022 Sustainability Report was 89,475.333 metric tons CO_2e, based on a self-inventory. Following third-party verification in 2024, certain calculation methods were revised. The restated 2022 emissions are 90,851.770 metric tons CO_2e, an increase of 1,376.437 metric tons CO_2e from the originally disclosed figure.
8. The 2023 GHG emissions figure disclosed in the 2023 Sustainability Report was 76,494.943 metric tons CO_2e, also from a self-inventory. After third-party verification in 2024, the data collection method for certain fugitive emission activities was adjusted. The restated 2023 emissions are 74,639.433 metric tons CO_2e, a decrease of 1,855.510 metric tons CO_2e from the originally disclosed figure.

Emissions of each Gas in Catagory 1 (tCO_2e)

Emissions	2022	2023	2024
CO_2	1,062.5248	1,167.4551	792.4830
CH_4	254.3499	275.4982	242.5031
N_2O	2.8274	2.7250	2.0787
HFCs	2,056.5215	365.1203	4.4698
PFCs	25,134.4792	7,272.9900	6,873.5385
SF_6	226.8000	0	0
NF_3	0	0	0
Total	28,737.5028	9,083.7886	7,915.0731

Notes:
1. Category 1 emissions include stationary combustion, process emissions, mobile combustion, and fugitive emissions.
2. The Category 1 emissions disclosed in the 2022 Sustainability Report, based on a self-inventory, were 42,866.792 tons of CO_2e. Following third-party verification in 2024, the calculation methodology was revised, and this figure was restated in the 2023 report to 28,737.5028 tons of CO_2e, representing a decrease of 14,129.2892 tons of CO_2e from the original disclosure.
3. The Category 1 emissions disclosed in the 2023 Sustainability Report, also based on a self-inventory, were 12,359.9392 tons of CO_2e. After third-party verification in 2024, the data collection method for certain fugitive emission activities was adjusted, and the figure was restated to 9,083.7886 tons of CO_2e, a decrease of 3,276.1506 tons of CO_2e from the original disclosure.
4. The verified emissions for 2024 are 7,915.0731 tons of CO_2e.

3.2 Energy and Resources Management

3.2.1 Energy Use

Flexium has three dedicated energy managers, positions held by our facilities supervisors, who lead an Energy and Resource Management Organization in planning and implementing annual conservation plans. While our energy use includes gasoline and diesel, electricity is the primary source of consumption.

To ensure cost control and production efficiency, our energy managers monitor and record electricity usage weekly. This resulted in a significant reduction in purchased electricity, from 95,788 thousand kWh in 2023 to 78,458 thousand kWh in 2024, an 18.09% decrease.

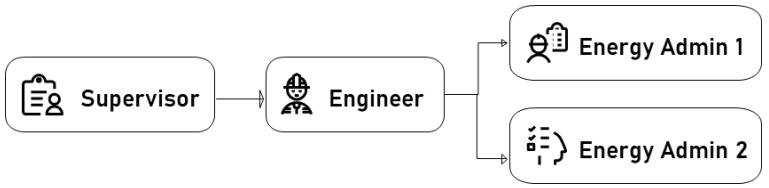
Furthermore, our Dafa Plant implemented the ISO 50001:2018 Energy Management System and was certified in November 2023. We plan to extend this standard to other company sites in the future.

As electricity is the primary source of our company's greenhouse gas emissions, Flexium implements control measures based on our "Greenhouse Gas Inventory Management Procedure" to reduce emissions. In addition to ongoing GHG management, we introduced the ISO 50001:2018 Energy Management System in 2023. This system guides equipment improvement and maintenance through our procedures for "Energy Review," "Energy Targets and Action Plans," "Energy Monitoring and Analysis," and "Control of Major Energy-Consuming Equipment."

In 2024, we continued our energy-saving initiatives, which included replacing large equipment older than 15 years, such as air compressors and chillers, and optimizing our HVAC and compressed air systems to improve energy efficiency. Furthermore, our smart Energy Management System (EMS) enables real-time monitoring and energy savings by setting appropriate consumption levels for machinery and automatically adjusting power allocation during non-production times. These measures in 2024 saved approximately 2,067.7 kWh of electricity, achieving a carbon reduction of 1,021.44 metric tons of CO_2e.

For our plant sites with a contract electricity capacity over 800KW, we are required to annually report energy savings of at least 1% as a large electricity consumer. Based on this target, our energy managers implement conservation plans. They hold quarterly meetings to review progress and adjust plans as needed, ensuring an annual energy efficiency improvement of at least 1% compared to the previous year.

Flexium Energy Management Organization



- **Supervisor:** Oversees the implementation of carbon reduction efforts, formulates energy-saving targets, and completes project tasks.
- **Energy Administrators:** Focuses on energy improvements.
- **Engineer:** Arranges meetings, collects energy-saving and carbon reduction data, and prepares monthly execution reports.

Energy Consumption

Energy Type	Unit	2022	2023	2024
Diesel	kilolitre	12.8	23.3	13.41
	Million Joules（MJ）	$4.50*10^2$	$8.19*10^2$	$4.85*10^2$
Gasoline	kilolitre	9.04	21.16	19.41
	Million Joules（MJ）	$2.95*10^2$	$6.91*10^2$	$6.18*10^2$
Natural gas	Thousand cubic meters	508.683	506.49	343.503
	Million Joules（MJ）	$2.05*10^7$	$2.08*10^7$	$1.39*10^7$
Purchased Electricity	Kilowatt-hours	80,335	95,788	78,458
	Million Joules（MJ）	2.89×10^8	3.45×10^8	2.82×10^8
Renewable Energy	Kilowatt-hours	0	0	0
	Million Joules（MJ）	0	0	0
Total	Million Joules（MJ）	$\fallingdotseq 2.89 \times 10^8$	$\fallingdotseq 3.66 \times 10^8$	$\fallingdotseq 2.96 \times 10^8$

Note:

1. Diesel is primarily used for stationary generators, official vehicles (mobile source), and forklifts (mobile source). Gasoline is mainly used for official vehicles (mobile source).
2. The figure for purchased electricity is the sum of electricity consumption (in kWh) from Taipower bills.
3. As the electricity consumption of the Pingzhen office has been less than 0.1% for the past three years, it is excluded from the scope of our energy and greenhouse gas inventory.
4. The calorific value of diesel is 8,642 Kcal/L (as announced by the Ministry of Environment). 8,642 Kcal/L * 4.184 = 36,158 KJ/L. (36,158 KJ/L * Activity Data) / 1,000 = Megajoules (MJ).
5. The calorific value of gasoline is 7,609 Kcal/L (as announced by the Ministry of Environment). 7,609 Kcal/L * 4.184 = 31,836 KJ/L. (31,836 KJ/L * Activity Data) / 1,000 = Megajoules (MJ).
6. 1 kWh of electricity = 3.6 Megajoules (MJ).
7. Annual gasoline consumption is calculated based on actual fuel receipts and the average fuel price.
8. Natural gas has only been in use since the activation of the Dafa V Plant in 2021; therefore, the data for 2019 and 2020 do not include natural gas.
9. The total calorific value of natural gas is calculated based on data from the gas distribution station, using the formula: (Monthly Average Calorific Value [kcal] * Monthly Consumption) * 4.184 (J/cal).
10. The Hofa Plant was included in the second half of 2022 and became fully operational in 2023. The inclusion of its full-year consumption data resulted in an increase in purchased electricity and diesel usage compared to previous years.
11. In 2024, no renewable energy was used at Flexium's Kaohsiung sites or the Pingzhen office.

2024 Energy Saving Measures

Item	Method	Electricity Savings (1,000 kWh/year)	Description
Air Conditioning System	Control Optimization	1,897.6	Adjusted the static pressure setpoint of the MAU from 300Pa to 240Pa, reduced the operating frequency of the OAS, and operated the process exhaust system at a reduced load, achieving annual electricity savings of approximately 1,897,555 kWh.
Compressed Air System	Production Equipment Operation Optimization	96.8	At the Dafa V Plant, the high-pressure air supply for production equipment was optimized by reducing the supply pressure from 7kg to 6kg, effectively improving energy efficiency and resulting in annual electricity savings of 96,855 kWh.
Dust Collection System	Operation Optimization	33.7	Operation schedules were adjusted to match production demands, reducing unnecessary daily operation. Annual electricity savings: 33,734 kWh.
Chilled Water Supply System	Pump Operation Optimization	39.6	The minimum operating frequency of the pumps was lowered from 30 Hz to 25 Hz, and the differential pressure control setpoint was reduced to 0.5 kg/cm², resulting in estimated annual electricity savings of 39,629 kWh.
Total Electricity Savings (1,000 kWh/year)		2,067.7	-

Greenhouse Gas Reduction Benefits of Energy-Saving Measures

Item	Unit	Benefit		
		2022	2023	2024
Electricity Savings	1,000 kWh	29.3	5,374.21	2,067.7
	Megajoules	$1.05*10^5$	$1.93*10^7$	$7.44*10^6$
Carbon Dioxide Reduction	tons CO_2e	14.928	2,654.860	1,021.44
Total Investment Amount	NT$ million	0	0	0
Annual Cost Savings	NT$ million	0.07	20.42	7.86

Notes:
1. The purchased electricity emission factors used are 0.495 kg CO_2e/kWh (2022), 0.494 kg CO_2e/kWh (2023), and 0.474 kg CO_2e/kWh (2024).
2. 1 kWh of electricity = 3.6 Megajoules (MJ).
3. Cost savings are calculated using an average electricity price of NT$3.8 per kWh (based on the average of semi-peak and off-peak periods under the three-tier tariff system).
4. Considering that in addition to Category 2 indirect electricity emissions (calculated via emission factors), Category 4 must also cover upstream energy emissions, carbon savings will be calculated using the electricity carbon footprint starting from 2024. The electricity carbon footprint figure adopted for 2024 is 0.494 kg CO_2e/kWh.

◎ Renewable Energy Planning for the Future

In addition to replacing aging equipment and continuously implementing various energy-saving measures, Flexium is also proactively addressing the issue of power shortages. On September 5, 2022, the company announced its membership in the RE100 global renewable energy initiative, which is led by The Climate Group and CDP.

To demonstrate our commitment to sustainability, we have advanced the global RE100 target by ten years, pledging to achieve 100% renewable energy use for the Group by 2040 instead of 2050. Concurrently, we have committed to first achieving RE60 for the Group by 2030.

In our current renewable energy planning, Flexium expects to complete the installation of 3.561 MWp of solar capacity by 2025, which will be immediately used for self-consumption. Based on this capacity, the estimated annual power generation is expected to reach 4,451,556 kWh, yielding a carbon reduction benefit of 2,697.62 metric tons of CO_2e. In subsequent years, we will continue to expand our solar installations and, in line with the Group's overall carbon neutrality roadmap, further evaluate the feasibility of purchasing off-site green electricity to maximize our use of renewable energy.

To achieve the RE60 target by 2030, the original plan was for the Kaohsiung plant to purchase 1 MW and the Kunshan plant to purchase 2 MW of renewable energy in 2023. Following a strategic adjustment for the Group, the current focus is primarily on the Kunshan plant's continued purchase of Renewable Energy Certificates (RECs). In 2024, the Kunshan plant purchased 10,000 MWh of RECs, continuing our promotion of sustainable energy development.

3.2.2 Raw Materials

Providing our global customers with high-quality and environmentally friendly products is central to our company's procurement philosophy, in which eco-friendliness is a primary consideration. Currently, due to quality considerations and customer requirements, all our raw materials are virgin materials; we do not procure recycled materials at this time.

According to 2024 procurement value statistics, Flexium's top three raw materials were copper materials, protective films, and chemicals. Fluctuations in the consumption of these materials are driven by changes in our product mix and market demand. In 2024, the consumption of copper materials and protective films decreased by 36% and 34% respectively compared to 2023, primarily due to a shift in demand towards new products and multilayer boards. Conversely, the consumption of chemicals increased by 7% in 2024 compared to 2023, driven by the addition of a new plant production line and increased production capacity.

To actively implement our local sourcing policy, Flexium not only reduces unnecessary air and sea freight costs but also lowers the carbon footprint associated with material transportation. Our primary sourcing region for raw materials is currently Taiwan. In 2024, local procurement accounted for a significant 94% of our total procurement value. Through these purchasing actions, we actively support the development of local suppliers.

Usage of Main Materials

Item	Unit	Usage			Notes
		2022	2023	2024	
Copper	m^2	956,011	1,036,703	658,600	1. Chemicals are primarily liquids, including acids, bases, detergents, contrast agents, etc. 2. Data sources: internal procurement system and material requisition slips.
Coverlays	m^2	1,794,183	1,609,164	1,054,532	
Chemicals	l	3,232,152	3,654,249	3,922,843	

For product and packaging material handling, Flexium's main products are Flexible Printed Circuits (FPC) and Flexible Printed Circuit Assemblies (FPCA). After shipment to customers, defective products are either scrapped locally by the customer or returned to Flexium for disposal. Products recycled from customers are typically defective FPCs and FPCAs. In 2024, the total weight of recycled FPC scrap was 6.163 metric tons (from the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants). This represents a significant 78.22% reduction from the 28.294 metric tons recycled in 2023, a decrease of 22.131 metric tons. This FPC scrap is categorized into two types: gold-containing edge trim and copper-containing edge trim. After processing, 100% of the gold-containing material is reused to produce gold bars and gold salts, while 100% of the copper-containing material is reused to produce crude copper. Our primary packaging materials consist of 378 tons of plastic film rolls and 86 tons of cardboard boxes. These materials are sorted by category and stored before being collected, processed, and reported by qualified recycling vendors.

3.2.3 Water Resources

According to the global water risk assessment by the Water Risk Atlas, Flexium's Kaohsiung sites and Pingzhen office are both located in a medium-low risk zone for Overall Water Risk, indicating a relatively low risk in water acquisition. Nevertheless, Flexium places great importance on water resources and is committed to their reduction, effective use, and recycling. We assess our water usage and conservation efforts and monitor for potential water shortage crises caused by drought. Regarding tap water quality, the company continuously monitors the pH and conductivity to facilitate the subsequent operation of our pure water system. We have also installed on-site water storage tanks to ensure that unexpected external events do not cause an immediate impact from water scarcity. In terms of water consumption, our water resource management is based on the three strategies of reduction, recycling, and reuse. We monitor the water usage of our production lines daily and make adjustments to the consumption of reclaimed pure water accordingly.

Assessment Aspect	Upstream Suppliers	Flexium	Downstream Customers
Water Withdrawal	Primarily domestic water use.	Risk of lowering water table from using wells during dry seasons.	No significant water withdrawal needs.
Water Consumption	No process water consumption.	High water consumption due to process cleaning with pure water.	No water consumption.
Water Discharge	No discharge.	Effluent contains regulated heavy metals (copper, nickel).	No discharge generated.
Mitigation Measures	Promote domestic water-saving.	Enhance water control and recycling to reduce withdrawal and discharge.	N/A
Wastewater Treatment	Must meet local effluent standards.	Pre-treated wastewater is discharged to the industrial park's sewage plant.	N/A

Flexium's primary water source is the Fengshan Reservoir. In 2021, we initiated a project to reuse Reverse Osmosis Reject (ROR) water for cooling towers and scrubbers, and subsequently extended the system's pipelines to more buildings to improve reuse efficiency and reduce overall tap water consumption. In 2024, our tap water consumption was 1,150,750 metric tons, a decrease of approximately 17.96% from 1,402,643 metric tons in 2023. This reduction was primarily due to lower production capacity resulting from a sluggish global consumer electronics market, which led to a downward trend in overall water consumption and discharge. Rainfall in 2024 was sufficient, alleviating concerns of a dry season. Consequently, groundwater was withdrawn only to accommodate temporary water suspensions during local pipeline construction, with total groundwater withdrawal at 11,329 metric tons—a significant 82.97% decrease from 66,518 metric tons in 2023. In 2024, our company continued its internal water conservation initiatives by reusing ROR water in cooling towers and scrubbers. At the Hofa Plant, following the completion of a project in December 2023 to also supply ROR water to scrubbers, the total recycled water volume for 2024 was 533,745 metric tons. Although this represents a 12.34% decrease from the 608,872 metric tons recycled in 2023 due to lower production capacity, our overall plant-wide water recycling rate improved from 31.57% in 2023 to 33.99% in 2024—an increase of approximately 2.5%. This success is attributed to the installation of ROR reuse systems during the construction of new plants, which directly channel ROR water to scrubbers and cooling towers and also use it as the primary supply for toilet flushing, leading to significant efficiency gains. To maximize reuse, we employ circulation mechanisms for ROR water, achieving a concentration ratio of approximately 11.5 for cooling towers and 20 for scrubbers. Additionally, our production line rinsing tanks feature a three-layer design to maximize cleaning water use (by a factor of approximately 2.5). The estimated annual water circulation volume is 3,516,734 metric tons, translating to a carbon saving of 548,610.5 kgCO_2. As shown by our water management performance data, our water reuse performance improves annually, effectively reducing the strain on regional water resources. We set water management targets based on environmental policies, risk assessments, legal and customer requirements, and internal audit results, reviewing KPI achievement monthly to monitor progress and drive improvements. By increasing our water recycling volume, we help alleviate water allocation issues in the industrial park and contribute to a more sustainable industrial development environment.

Note: The "plant-wide water recycling rate" is calculated using the formula: [Total Recycled Water Volume / (Total Recycled Water Volume + Effluent Discharge Volume)].

Water Consumption and Discharge

Item		Unit	2022	2023	2024
Water Withdrawal	Third-party source: Tap water	Megaliters	1,194.240	1,402.643	1,150.750
	Groundwater		0.751	66.518	11.329
	Surface water: Rainwater		1.100	3.368	5.883
	Produced water: Recycled water		429.183	608.872	533.745
Total Water Withdrawal			1,625.274	2,081.401	1,701.707
Water Discharge		Megaliters	1,083.415	1,319.600	1,036.654
Water Consumption		Megaliters	541.859	761.801	665.053

Notes:
1. Water Consumption = Total Water Withdrawal – Water Discharge.
2. The calculation scope for 2022 includes the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants. As the Hofa Plant commenced operations in the second half of 2022, its data covers the period from July to December 2022, while all other sites are calculated for the full year.
3. The calculation scope for 2023 and 2024 includes the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants, with data for all sites calculated for the full year.
4. Recycled water and groundwater are recorded using cumulative flow meters. Rainwater volume is an estimate calculated based on rainfall and the plant's land area.
5. The Total Dissolved Solids (TDS) for all water withdrawal sources is ≤ 1,000 mg/L.
6. Rainwater volume is an estimated value calculated using data from the Central Weather Bureau's Kaohsiung station with the formula: (Monthly Rainfall Data * Plant Land Area * 2% Reuse Rate).
7. Carbon emission factor for water: 0.156 kg CO_2e/m^3 (Source: Taiwan Water Corporation 2023 Sustainability Report).

Water Management Performance

Item	Unit	Usage		
		2022	2023	2024
Total Water Consumption	Megaliters	1,624.174	2,078.033	1,695.824
Third-party water withdrawal: Tap water	Megaliters	1,194.240	1,402.643	1,150.750
Tap water withdrawal percentage	%	73.53	67.5	67.86
Groundwater withdrawal	Megaliters	0.751	66.518	11.329
Groundwater withdrawal percentage	%	0.05	3.2	0.67
Produced water: Recycled volume	Megaliters	429.183	608.872	533.745
Recycled water percentage	%	26.42	29.3	31.47

Notes

1. Tap water volume data is based on readings from water meters.
2. Recycled water volume data is based on daily meter readings (inlet flow to the recycling system).
3. The calculation scope for 2022 includes the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants. As the Hofa Plant commenced operations in the second half of 2022, its data covers the period from July to December 2022, while all other sites are calculated for the full year.
4. The calculation scope for 2023 and 2024 includes the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants, with data for all sites calculated for the full year.

Water Conservation Measures and Outcomes

Item	Unit	2022	2023	2024
Measures	-	Continued the 2021 water conservation plan by reusing ROR in cooling towers and scrubbers.	1) Added pipelines at the Hofa Plant to reuse ROR in scrubbers. 2) Continuously optimized the chemical cleaning process of the pure water/greywater system to improve water efficiency.	1) Continuously optimized the chemical cleaning process of the pure water/greywater system to improve water efficiency. 2) Performed membrane maintenance on the RO system to enhance pure water production efficiency and reduce water consumption.
Water Conservation	ton	429,183	608,872	533,745
Annual Cost Savings	NT$	20,171,601	28,616,961	25,086,015

Notes:

1. Real-time data from electronic water meters allows for effective monitoring of water usage.
2. Cost savings are calculated based on an average cost of NT$47 per metric ton of recycled water.
3. Annual Cost Savings = Water Savings x NT$47/ton (comprising NT$27/ton for sewage discharge fees and NT$20/ton for pure water costs).

3.3 Pollution Management

3.3.1 Exhaust

Flexium's primary air pollutant is Volatile Organic Compounds (VOCs). We apply for stationary pollution source permits from the Environmental Protection Bureau in accordance with the law, and our trial run tests, conducted under the "Management Regulations for the Installation and Operation Permits of Stationary Pollution Sources," consistently show actual values far below the emission standards announced by the Ministry of Environment.

The company has established an "Air Pollution Control Procedure," under which qualified personnel with specialized air pollution control training operate our stationary source equipment and conduct regular monitoring to ensure compliance with permit regulations. In the event of facility failure or other sudden incidents leading to significant pollutant emissions, we act in accordance with the "Air Pollution Control Act" by notifying the municipal Environmental Protection Bureau within one hour of the incident, completing repairs or ceasing operations within 24 hours, and submitting a written report to the local competent authority within 15 days.

In October 2024, Kaohsiung, where our company is located, was struck by Typhoon Sandu'er. The city suffered severe damage from prolonged average level-13 wind gusts, and our control equipment was also damaged. However, we followed our standard operating procedures to report the incident and submitted a written report after completing improvements within the deadline, demonstrating our commitment to environmental compliance and the effectiveness of our internal standardized procedures.

To demonstrate our proactive approach to environmental protection, in September 2024, we initiated an industry-academia collaboration with National Sun Yat-sen University as part of an innovative cross-disciplinary promotion project for industrial parks. The project aimed to ensure our stationary source emissions comply with legal standards while also identifying optimal production parameters through operational adjustments. Before the project's guidance, the Nitrogen Oxides (NOx) concentration in our stack emissions was approximately 50-80 ppm. After the collaboration, we successfully identified better operating parameters, reducing the NOx concentration to around 50 ppm, thus fulfilling our corporate social responsibility and commitment to an eco-friendly environment.

In 2024, our total revenue decreased by approximately 19.2%, from NT$32.729 billion in 2023 to NT$26.443 billion. During the same period, our VOCs emissions decreased by an even greater margin of 25.1%, from 22,797 kg to 17,075 kg. While balancing economic development and environmental protection can be challenging, the fact that our VOCs emissions reduction outpaced the decline in revenue demonstrates the significant effectiveness of our VOCs control measures.

VOCs Emissions Volume

Item	Unit	2022	2023	2024
Volatile Organic Compounds (VOCs)	kg	26,787	22,797	17,075
Nitrogen Oxides (NOx)	kg	369	487	329
Total Suspended Particulates (TSP)	kg	14	17	11
Sulfur Oxides (SOx)	kg	0	0	0

Notes

1. Emission quantities are calculated in accordance with the "Regulations on Process Emission Factors, Operating Unit (including equipment components) Emission Factors, Control Efficiencies, and Other Measurement Methods for Volatile Organic Compounds for the Declaration of Air Pollution Control Fees by Public and Private Stationary Pollution Sources," as announced by the Ministry of Environment.
2. The calculation scope includes the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants. As the Hofa Plant commenced operations in the second half of 2022, its data covers the period from July to December 2022, while all other sites are calculated for the full year.
3. Data Source: The sum of quarterly data reported to the Ministry of Environment from 2022 to 2024.
4. The VOCs emissions disclosed in the 2022 Sustainability Report were originally 25,065 kg, a figure based on testing factors. Following a review by the competent authority, it was required that the declaration be based on the officially announced factors. The figure was subsequently revised to 26,787 kg. Therefore, the information has been restated, resulting in an increase of 1,722 kg compared to the originally disclosed data.

3.3.2 Effluents

All wastewater discharged by Flexium undergoes treatment processes such as equalization, coagulation, and sedimentation in our wastewater facilities. In addition to internal sampling and tracking, our company has voluntarily installed automatic continuous monitoring equipment at the discharge outlet—even though it is not mandatory—to ensure real-time control over the quality of our effluent. We also adhere to the legally stipulated schedule by arranging for third-party certified bodies to periodically test our discharge for all items regulated by the industrial parks' sewage systems, with all results complying with effluent standards. After confirming the water quality meets the discharge standards of the Dafa and Hofa Industrial Parks, the treated wastewater is discharged into their respective sewage treatment plants. Furthermore, our wastewater treatment process incorporates a copper electrolysis recovery system, which treats high-concentration copper-containing wastewater to produce high-purity (99%) copper columns for recycling. In 2024, a total of 11.308 metric tons of copper columns were produced. Our company focuses on both source reduction and end-of-pipe treatment. To demonstrate our proactive approach to environmental protection, in September 2024, we launched an industry-academia collaboration with Cheng Shiu University. This project developed a strategy to improve the quality of our stormwater runoff. Following this guidance, by altering water channels and reducing debris, the concentration of Suspended Solids (SS) in the runoff was successfully reduced to below 10 mg/L. Therefore, our wastewater discharge does not have a significant impact on natural habitats or biodiversity. In 2024, total water consumption decreased by 20.9% to 1,162,079 metric tons from 1,469,161 metric tons in 2023. Correspondingly, total wastewater discharge in 2024 was 1,036,654 metric tons, a 21.44% decrease from 1,319,600 metric tons in 2023. This downward trend in both water consumption and discharge was primarily due to a reduction in production capacity compared to 2023.

3.3.3 Waste

Regarding the transportation and disposal of waste, Flexium has never had any illegal incidents involving itself or its contractors. To ensure the effective sorting and storage of in-plant waste, we have established a "Work Instruction for Waste Sorting, Storage, and Disposal," which enables a correct and rapid response in the event of a waste-related accident. Our Environmental Engineering Department classifies in-plant waste into two main categories: general industrial waste and hazardous industrial waste, with all items compiled and logged in a "Waste Management Record Form." The primary types of hazardous waste generated include mercury-containing waste light sources, waste ink, metal-containing printed circuit board scrap and powder, wastewater treatment sludge from electroplating processes, waste acid etching solution, toxic hazardous waste containers, copper and its compounds, copper sulfate crystals, and cyanide plating solution from electroplating waste. All of these are entrusted to qualified domestic vendors for transportation, disposal, and recycling. In accordance with our "Work Instruction for Auditing Waste Disposal Vendors," we formulate an "Annual Waste Disposal Vendor Audit Plan" to conduct regular on-site audits and unannounced inspections of transport vehicles. The results are documented in an "Industrial Waste Disposal Vendor Audit Record Form" to ensure that waste is handled properly. Flexium has no waste that is transported or processed overseas. To address the direct impact of waste generation, our company actively implements improvements and increases the number of items that can be recycled and reused. Since 2020, we have been processing waste copper sulfate solution through a wastewater copper electrolysis system to produce copper columns with over 99% purity. This system was also installed at our newly activated Hofa Plant in 2022, as we continue to pursue our goal of creating environmental benefits by recovering copper from liquid waste. In 2024, the copper columns produced from this process amounted to 11.3 metric tons, a 7.7% increase from the 10.5 metric tons produced in 2023. This increase in recycled volume bucked the trend of a 19.2% decrease in revenue. Combined with the company's enhanced enforcement of its internal waste sorting and recycling policy in 2024, our total waste generation decreased by approximately 40.8%, from 4,817 metric tons in 2023 to 2,853 metric tons in 2024. This reduction rate far exceeds the rate of revenue decline, demonstrating our company's tangible achievements in environmental protection.

Waste Impact Assessment Results

Impact Stage	Upstream Suppliers	Flexium	Downstream Customers
Source of Impact	Primary waste originates from organic solvents used in production processes.	Industrial waste is generated from production activities and the wastewater treatment system.	Electronic waste is difficult to treat, and improper disposal can lead to soil and water contamination.
Mitigation Measures	Implementing recycling equipment to recover and reuse organic solvents.	Increasing the types and quantities of recyclable materials to reduce the volume of waste incinerated, thereby lowering secondary pollution from incineration.	Products are designed for direct assembly downstream, generating minimal waste. End-of-life products can be dismantled and recycled through local collection systems.

Solid Waste Production

Off-site Waste Classification	Ministry of Environment Waste Category Code	Item	Unit	2022	2023	2024
General Industrial Waste	*D、R*	Preparation for reuse	Metric tons	759	866	490
		Recycling	Metric tons	0	0	0
		Other recovery operations	Metric tons	0	0	0
		Recycling and Reuse Rate	%	45	36	34
	D	Incineration (with energy recovery)	Metric tons	916	1,544	962
		Incineration (without energy recovery)	Metric tons	NA	NA	NA
		Incineration Rate	%	55	64	66
		Subtotal Generation	Metric tons	1,675	2,410	1,452
Hazardous Industrial Waste	*A、C、E、R*	Preparation for reuse	Metric tons	2,127	2,273	1,358
		Recycling	Metric tons	0	0	0
		Other recovery operations	Metric tons	0	0	0
		Recycling and Reuse Rate	%	100	94	97
	C	Incineration	Metric tons	0	134	43
		Incineration Rate	%	0	6	3
		Subtotal Generation	Metric tons	2,127	2,407	1,401
		Total	Metric tons	3,802	4,817	2,853

On-site Waste Classification	Ministry of Environment Waste Category Code	Item	Unit	2022	2023	2024
General/Hazardous Industrial Waste	-	Preparation for reuse	Metric tons	0	0	0
		Recycling	Metric tons	0	0	0
		Other recovery operations	Metric tons	0	0	0

Notes

1. Data Source: Based on the Ministry of Environment's Waste Reporting System.
2. Calculation Method: The monthly total for domestic waste is estimated from the weight of single-batch measurements.
3. Ministry of Environment Waste Category Codes:A: Hazardous industrial waste from processes, B: Toxic hazardous industrial waste, C: Biomedical and hazardous industrial waste identified by hazardous characteristics, D: General industrial waste, E: Mixed metal scrap, R: Waste designated for reuse/recycling by official announcement
4. The calculation scope for 2023-2024 includes full-year data for the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants.

04
Social

Management Approach

Topic	Significance of the Topic	Policies/Strategies	Objectives and Targets	Evaluation Mechanism	Performance and Adjustments	Preventive or Remedial Measures
Occupational Safety and Health	Employee health and safety are linked to production stability, costs, and corporate reputation.	Promoting a healthy workplace, implementing hierarchical management, and preventing risks.	Short-term (2024): Obtain the national-level "Healthy Workplace Initiation" for all Kaohsiung sites to promote employee health. Short-term (2025): Obtain the national "Healthy Workplace Promotion Label" for the remaining 2 sites (Dafa II Plant, Dafa V Plant). Mid-term (2026-2027): Obtain the "Excellent Healthy Workplace" certification for one site per year (Hofa Plant, Dafa Plant).	Tracking the progress of Healthy Workplace label certification and facilitating cross-departmental communication.	The "Healthy Workplace Initiation" certification for all five sites was completed ahead of schedule in 2023. In 2024, we exceeded our goals by obtaining the "Healthy Workplace Promotion Label" for the Dafa I, Dafa III, and Hofa plants. We plan to obtain this label for the remaining 2 sites (Dafa II, Dafa V) in 2025.	If targets are not met, initiate cross-departmental communication and adjustments to ensure timely completion.
Talent Attraction and Retention	A stable talent pool is crucial for operational development, customer satisfaction, and corporate competitiveness.	Offering attractive compensation, providing career training, and strengthening management systems.	Short-term (2024-2025): • Promote and externally hire 50 managerial-level employees. • Recruit 70 indirect labor personnel for the new plant. Mid-term (2026-2027): • Promote and externally hire 50 managerial-level employees. • Recruit 70 indirect labor personnel for the new plant. Long-term (2028 onwards): • Promote and externally hire 60 managerial-level employees. • Recruit 80 indirect labor personnel for the new plant.	Implementation is carried out in accordance with internal HR policies and regulations, with measures to prevent employment discrimination.	In 2024, 71 managerial-level employees were promoted or externally hired, and 81 indirect labor personnel were recruited for the new plant. These results meet the company's short-term targets. We will continue to promote talent recruitment and retention measures in the future.	Improving compensation packages, strengthening supervisor training, conducting turnover analysis, and fostering a positive corporate culture.

4.1 Talent Attraction and Retention

Talent is the core of our business operations. Beginning in 2024, to meet the demands of our production capacity and R&D, we have been actively recruiting managerial-level employees and indirect personnel to join Flexium. For 2024, we set a target of promoting or externally hiring 50 managerial-level employees and recruiting 70 indirect personnel, both of which were successfully achieved.

In addition to using online job platforms, we have also participated in career fairs and campus lectures at major universities and colleges. We leverage social media by periodically posting updates and promotional videos of company activities on our official Facebook and LinkedIn pages to build Flexium's corporate image.

To encourage our engineers to showcase their technical achievements, we held a special "Engineers' Technical & Work Achievement Showcase" in 2024. This event provided a platform for every engineer to present their work, enabling supervisors to identify and nurture high-potential talent and facilitating internal transfers to ensure every employee is in a role where they can best utilize their strengths.

4.1.1 Workforce Composition and Recruitment

In response to the complexity of the FPC process and industry characteristics such as high labor demand in later stages and significant variations between peak and off-peak seasons, Flexium continued to pursue the goal of process automation in 2024. The SF (Smart Factory) department was established to prepare for this, while we actively recruited and cultivated talent in related fields.

The total number of employees in 2024 was 1,964[Note 2]. Manufacturing personnel constitute the largest job category, accounting for approximately 70%. To enhance the skills of our current workforce, the company continues to train employees in multitasking and implements job rotations, enabling junior employees to acquire more skills and realize their potential.

In 2024, affected by the weak market and price fluctuations in the consumer electronics industry, the number of direct employees decreased significantly compared to the previous year, resulting in a notable change in the overall workforce.

Note 2: With the exception of foreign employees, the company does not hire fixed-term contract personnel or employees without guaranteed hours.

Flexium Workforce Composition

Category	Year		2022		2023		2024	
	Group	Gender	Number of Employees	% of Total	Number of Employees	% of Total	Number of Employees	% of Total
Type of employment contract	Regular employees	Male	1259	50.46%	1252	50.10%	961	48.93%
		Female	890	35.67%	865	34.61%	697	35.49%
	Foreign employees	Male	0	0	0	0	0	0.00%
		Female	346	13.87%	382	15.29%	306	15.58%
Region	Northern Region	Male	5	0.20%	5	0.20%	4	0.20%
		Female	9	0.36%	9	0.36%	8	0.41%
	Southern Region	Male	1254	50.26%	1247	49.90%	957	48.73%
		Female	1227	49.18%	1238	49.54%	995	50.66%
Age	Below 30	Male	406	16.27%	381	15.25%	251	12.78%
		Female	556	22.28%	544	21.77%	372	18.94%
	31-49	Male	772	30.94%	786	31.45%	635	32.33%
		Female	634	25.41%	648	25.93%	579	29.48%
	50 and above	Male	81	3.25%	85	3.40%	75	3.82%
		Female	46	1.84%	55	2.20%	52	2.65%
Position	Senior management	Male	24	0.96%	24	0.96%	20	1.02%
		Female	0	0	0	0	0	0.00%
	Middle management	Male	97	3.89%	99	3.96%	91	4.63%
		Female	21	0.84%	28	1.12%	24	1.22%
	First-line management	Male	125	5.01%	128	5.12%	94	4.79%
		Female	28	1.12%	30	1.20%	34	1.73%
	Engineers & administrators	Male	394	15.79%	430	17.21%	339	17.26%
		Female	239	9.58%	241	9.64%	214	10.90%
	First-line workers	Male	619	24.81%	571	22.85%	417	21.23%
		Female	948	38.00%	948	37.94%	731	37.22%
Job category	Manufacturing	Male	850	34.07%	799	31.97%	584	29.74%
		Female	937	37.56%	937	37.49%	728	37.07%
	QA	Male	72	2.89%	69	2.76%	55	2.80%
		Female	98	3.93%	98	3.92%	85	4.33%
	R&D	Male	176	7.05%	232	9.28%	197	10.03%
		Female	74	2.97%	86	3.44%	74	3.77%
	Administrators and others	Male	161	6.45%	152	6.08%	125	6.36%
		Female	127	5.09%	126	5.04%	116	5.91%

Notes:
1. Personnel statistics are based on data as of December 31 each year.
2. Workforce numbers include only full-time employees.
3. Regular employees: Those on indefinite contracts, including senior and junior employees, considered permanent but excluding foreign employees. Foreign employees: All foreign staff on fixed-term contracts.
4. Senior management: plant, division level and above; Middle management: department and section level; First-line management: group/unit levels
5. Manufacturing staff refers to all units related to manufacturing; R&D staff refers to all units related to research and development; QA staff refers to all units related to quality control and inspection; Administrative staff refers to administration, IT, finance, materials, and sales departments. Others are classified as other staff.
6. By Region: The Northern Region includes personnel at the Pingzhen District, Taoyuan City office. The Southern Region includes personnel at the Daliao District, Kaohsiung City plant sites.

Flexium Workforce Composition in 2024

Item	Dispatched Worker	Security Guards	Cleaning Staff	Contractors Entering and Leaving the Plant
Number/Visits	30	25	17	17,057
Total	30	17,099		

Notes:
1. Security guards and cleaning staff are counted by headcount. Contractors entering and exiting the plant are counted by the number of entries (person-trips), totaling 17,057 for the period from January 1, 2024, to December 31, 2024. The number of contractor entries was highest in January, mainly for annual and routine equipment maintenance and overhauls. The lowest number was in October, as comprehensive inspections and maintenance had already been completed in the first half of the year, resulting in fewer entries compared to other months.
2. There were 30 dispatched workers, whose job type is production support for the manufacturing process. This figure is based on the number of personnel as of December 31st. In 2024, the number of dispatched workers decreased significantly from the previous year, affected by the weak market and price fluctuations in the consumer electronics industry, resulting in a notable change in the overall workforce.

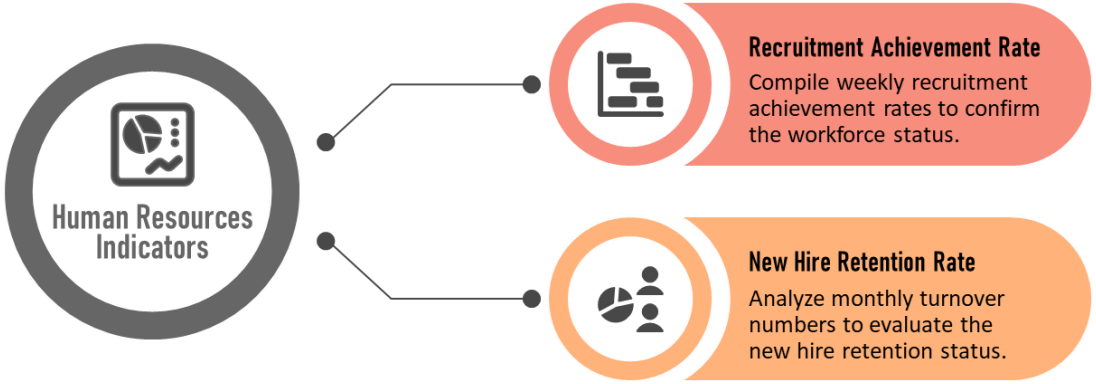
Diverse Workforce Composition

2024	Taiwan		Vietnam		Other Countries		Total
	Male	Female	Male	Female	Male	Female	
Senior Management	19	-	-	-	1	-	20
Other Management	184	49	-	6	1	3	243
Other Employees	751	631	1	313	4	1	1,701
Total	954	680	1	319	6	4	1,964

Notes:
1. Senior Management: Plant/Division level and above; Other Management: Manager and Section Chief levels; Other Employees: All personnel excluding Senior and Other Management levels.
2. Other Nationalities: Includes American, Indian, Mainland Chinese, etc.

In 2024, Taiwan faced a severe labor shortage. To maintain a stable workforce, we continued to optimize retention conditions, expand our sources for recruitment channels, and increase company exposure. These efforts included participating in 13 campus career fairs and lectures, recruiting through social media platforms, and strengthening cooperation with nearby community service centers and government employment channels. We also advertised on recruitment platforms and utilized government resources, such as the "Kaohsiung Youth Project" through which we recruited 17 individuals, to expand Flexium's visibility in the recruitment market.

In terms of recruitment management, the company regularly conducts manpower inventories to identify hiring needs. Annual MBO KPIs are set for the recruitment achievement rate at each level, serving as key monitoring indicators. In addition to daily statistical summaries showing progress on achievement rates, the number of hires for the current week and month, target numbers, and total hires to date, we also conduct weekly and monthly reports. In these reports, we propose strategic solutions for manpower gaps to achieve our goal of maintaining a stable workforce.



Gender Ratio by Job Category

2024	Female Ratio	Male Ratio	Total	Notes
Managerial Positions	22.05%	77.95%	100%	1. Managerial Positions: Supervisors at the Section Chief level and above. 2. Technical Positions: The calculation basis for personnel numbers is adjusted according to STEM definitions and includes employees from the following units: Quality Assurance Division, R&D Division, Product R&D Division, Facilities Section (Manufacturing), Process Engineering Section (Manufacturing), Equipment Section (Manufacturing), Process Engineering Department, Environmental Engineering Department, IE Promotion Department, and IT Division."
Technical Positions	31.85%	68.15%	100%	

◎ Workplace Diversity

To enhance workforce diversity and support minority groups, Flexium ensures that recruitment is free from discrimination based on age, gender, religion, or ethnicity. We encourage the employment of individuals with disabilities and assign suitable roles to boost their performance and confidence. Over the past three years, the number of employees with disabilities hired has exceeded legal requirements, and the tenure of these employees is higher than the average tenure of other employees, demonstrating Flexium's commitment to workplace diversity and inclusion.

Number of Disabled Employees Recruited

Year	2022	2023	2024
Male	24	19	15
Female	9	11	10
Total	33	30	25
Hiring Rate	1.32%	1.20%	1.27%

Note: Hiring Rate = (Actual number of employees with disabilities hired in the current year) / (Total number of active employees as of December 31st of that year).

4.1.2 New Hires and Employee Turnover

In 2024, Flexium hired 260 new employees, accounting for 13.24% of the total workforce for that year. Regarding the age distribution of these new hires, the majority were in the 31-49 age group. By gender, males were the majority, at 61.15%.

Composition of New Employee Hires

Category	Year		2022		2023		2024		Notes
	Group	Gender	Number of Employees	Rate by Category	Number of Employees	Rate by Category	Number of Employees	Rate by Category	
Age	Below 30	Male	165	40.64%	137	35.96%	72	28.69%	1. Total New Hire Rate: (Total number of new permanent employees) / (Total number of permanent employees still active as of December 31st of that year). 2. Rate by Category: (Number of new hires in a specific gender and age group) / (Number of active employees in that same gender and age group as of December 31st).
		Female	292	52.52%	164	30.15%	44	11.83%	
	31-49	Male	123	15.93%	110	13.99%	86	13.54%	
		Female	94	14.83%	104	16.05%	56	9.67%	
	50 and above	Male	4	4.94%	1	1.18%	1	1.33%	
		Female	0	0.00%	3	5.45%	1	1.92%	
Total			844	33.12%	678	27.17%	260	13.24%	

In 2024, the number of employee departures at Flexium was 699, accounting for 35.59% of the total workforce. The majority of these were general staff. To reduce the turnover rate, we allow employees to choose fixed shifts that suit their needs, which helps improve retention. For those who find it difficult to adapt to their work environment, we offer job rotation opportunities to ensure they are in suitable roles. In our new plants, in addition to the original break areas, we have added employee rest lounges for manufacturing staff to use during their secondary breaks, helping them conserve energy and adapt to the long hours of standing required by their jobs.

When an employee resigns, both their department supervisor and the HR unit conduct an exit interview to understand whether the reason for leaving is personal or management-related. If it is a management issue, the employee's feedback is relayed to the relevant unit with a request for improvement. For current employees, we conduct periodic, random employee care interviews. Additionally, HR personnel visit each department to conduct annual employee care interviews to understand their concerns, and improvements are proposed after consolidating the feedback. To increase the retention rate, Flexium conducts annual promotions and salary adjustments, encouraging employees to excel in the workplace based on indicators such as individual performance and supervisor evaluations.

To attract and retain core talent, the company has been issuing stock awards since 2019 to employees with outstanding individual performance and those in key positions. These awards are linked to the company's operational performance and individual annual reviews to encourage employee development and long-term retention.

Composition of the Resigned Employees

Category	Year		2022		2023		2024		Notes
	Group	Gender	Number of Employees	Rate by Category	Number of Employees	Rate by Category	Number of Employees	Rate by Category	
Age	Below 30	Male	163	40.15%	130	34.12%	140	55.78%	1. Turnover Ratio: Total number of regular employees who resigned / Total number of regular employees still employed as of December 31 of the year. 2. Ratio by Category: Number of employees in the category / Total number of employees in the category. 3. Employees who resigned within three months of employment are not counted.
		Female	218	39.21%	145	26.65%	130	34.95%	
	31-49	Male	211	27.33%	145	18.45%	232	36.54%	
		Female	190	29.97%	118	18.21%	150	25.91%	
	50 and above	Male	8	9.88%	14	16.47%	28	37.33%	
		Female	4	8.70%	5	9.09%	19	36.54%	
Total			794	31.82%	557	22.29%	699	35.59%	

4.2 Talent Development

4.2.1 Career Development and Planning

People are the foundation of every enterprise, and Flexium emphasizes talent cultivation and succession. We define “nurturing talent” as making the best use of our people and strengthening our talent pool. Flexium promotes learning by doing, turning knowledge into ability through continuous improvement, innovation, and goal-driven execution. Most importantly, our people are encouraged to shift from a “manufacturing mindset” to a “value-providing mindset” to create products that exceed customer expectations. Flexium's talent training vision is "to be a global leader in flexible circuit board transmission technology and module solutions," and our training policy is rooted in "a spirit that values people." We design training programs around three key competencies to continuously enhance employee capabilities and unleash their innovative potential. We create focused development programs for employees at all levels, shaped by participation in proposals, the pooling of collective wisdom, and the generation of numerous improvement solutions. This enhances their professional and managerial skills and empowers them to excel in their respective roles. Our aspiration is to collectively build a lasting, evergreen enterprise for the next century.

The Framework of Talent Training ▲

In 2024, employees completed a total of 45,162 training hours, averaging 23 hours per employee. Training covered new employee onboarding, cross-department general courses, management programs, and various professional skill trainings, with total expenses of NT$4.54 million. The decrease in total training hours and expenses in 2024 was due to fewer new hires, which significantly reduced new employee OJT hours, and a focus on offering online courses, which effectively lowered course costs. In 2024, we continued to offer diverse advanced management competency courses to strengthen the managerial skills of personnel at all levels. Concurrently, in response to company development and the evolution of AI technology, a series of "Smart Factory" lectures were held to help employees understand the company's future smart factory vision and the application of AI tools and data analysis. Additionally, in the first half of 2024, a special " Engineer Technical Achievement Presentation" was held to provide a platform for engineers to present their technical achievements and work performance and to promote knowledge sharing.

Total Training Expenditures/Training Hours

Item/Year	2022	2023	2024
Total Expenditure (NT$)	8,791,537	8,124,302	4,545,394
Total Training Hours	76,796	77,385	45,162
Mean Training Expenditure per Employee (NT$)	3,524	3,251	2,314
Mean Training Houes per Employee (NT$)	31	31	23

Notes

1. The employee count of 1,964 represents the number of personnel at the Kaohsiung sites, including full-time foreign employees, who participated in training during the year and were still employed at year-end.
2. Total training expenses include the salary costs of employees for new hire training.
3. The aforementioned expenses include: (Number of personnel hired during the year and employed for >1 month as of year-end) x 22 days (working days per month) x 4 hours of online on-the-job training, plus (Number of personnel hired during the year and employed for <1 month as of year-end) x (number of days employed x 0.7 [working day factor]) x 5 hours of online on-the-job training.
4. Personnel statistics are based on data as of December 31st of each year.

Competency Training Hours

Item		2022	Mean	2023	Mean	2024	Mean
All Employee	Male	41,335	33	41,176	33	21,517	22
	Female	25,418	21	36,209	29	12,976	13
Position	Senior management (Male)	413	17	635	26	171	9
	Senior management (Female)	0	0	0	0	0	0
	Middle management (Male)	2,662	27	3,203	32	2,693	30
	Middle management (Female)	227	8	729	26	505	21
	First-line management (Male)	3,106	24	3,431	27	1,389	15
	First-line management (Female)	213	7	633	21	433	13
	Engineers (Male)	16,497	38	19,903	46	12,443	37
	Engineers (Female)	9,402	39	8,061	33	7,646	36
	Specialists (Male)	18,658	33	14,004	25	4,822	12
	Specialists (Female)	15,576	16	26,786	28	4,392	6
Job category	Manufacturing personnel (Male)	25,945	31	25,247	32	11,082	19
	Manufacturing personnel (Female)	15,626	17	27,623	29	4,794	7
	QA personnel (Male)	1,646	23	1,569	23	1,267	23
	QA personnel (Female)	2,741	28	2,206	23	2,135	25
	R&D personnel (Male)	7,776	44	9,678	42	6,403	33
	R&D personnel (Female)	2,609	35	2,863	33	2,347	32
	Adm. and other personnel (Male)	5,969	37	4,683	31	2,765	22
	Adm. and other personnel (Female)	4,443	35	3,517	28	3,701	32

Notes

1. The above competency courses include management competencies (management courses) and professional competencies (various professional training for all levels).
2. The formula for calculating total competency hours is based on the actual courses offered and the training hours and category attributes of trainees still employed at the end of the year.
3. Definitions: Senior management: plant, division level and above; Middle management: department and section level; First-line management: group/unit levels; Manufacturing personnel cover all units related to manufacturing; R&D personnel cover all units related to research and development; QA personnel are responsible for quality control, inspection, and quality management; Administrative personnel include administration, IT, finance, materials, and sales departments; Other personnel are those not included in the above categories.
4. The average hours above represent the average training hours per employee for management and professional competencies.
5. The formula for calculating average hours is the total hours of competency courses for each level and type divided by the number of regular and foreign employees for each level and type that year.
6. The number of employees is based on the data as of December 31 each year.
7. According to GRI Standard 2-8, dispatched personnel are classified as non-employee workers, thus the employee numbers for 2020-2022 have been adjusted accordingly. The disclosed data for 2020-2022 have been revised downward due to the exclusion of dispatched personnel and calculation based on the number of employees as of December 31.

◎ Sexual Harassment Prevention Training

In response to the new regulations of the "Gender Equality in Employment Act," which officially took effect on March 8, 2024, we launched a company-wide "Sexual Harassment Prevention" training program. The training enabled all employees to understand the definition, forms, and harm of workplace sexual harassment to both individuals and the organization, strengthening the entire staff's vigilance and prevention awareness. For the 215 managerial-level employees, the training focused on how to effectively handle sexual harassment incidents and on learning to establish appropriate procedures to ensure a prompt and proper response should a problem arise. For general staff, the focus was on identifying workplace sexual harassment, knowing how to seek appropriate assistance when they feel violated, and understanding their relevant legal rights and the company's internal support systems. A total of 1,868 employees company-wide completed the training, and it is now planned for all new hires to receive this training on their first day of employment. By enhancing the sensitivity and handling capabilities of all staff regarding workplace sexual harassment, we are continuously moving toward creating a safer and more friendly work environment.

◎ Managerial Communication Skills Series

Building on our focus on frontline supervisor development in 2023, Flexium launched the “Managerial Communication Skills Series” in 2024. The program covered three key themes — Instructor Training, Communication Skills, and Emotional Management — to help frontline supervisors provide effective guidance and communication in the workplace. It also equipped them to manage emotions, stay composed under pressure, and resolve conflicts while leading their teams. A total of 108 supervisors participated in the program. Through case discussions and group sharing, they reflected on real workplace scenarios and enhanced their leadership approach. The program aimed to help supervisors recognize that harmonious communication promotes workflow efficiency, reduces misunderstandings and emotional conflicts, and ultimately boosts overall productivity.

Managerial Communication Skills Series

◎ Smart Factory Lecture Series

Since 2023, Flexium has established a Smart Factory Team to drive company-wide strategies in digitalization and automation. To deepen employees’ understanding of our smart manufacturing direction, the company held the “Smart Factory Lecture Series” in 2024, featuring four main topics: Overview and Development of Smart Factories, Quality 4.0, Applications of Data Science in Smart Manufacturing, and Generative AI. The series attracted a total of 421 participants and concluded successfully.

The first session, led by the Director of Product R&D, provided an in-depth look at the fundamental concepts, structure, and development trends of smart factories. The second session, also delivered by the R&D Director, introduced Quality 4.0, focusing on how advanced technologies and data analytics can enhance product quality, precision control, and intelligent manufacturing capabilities.

In the third lecture, Professor Chia-Yu Hsu from the Department of Industrial Management at National Taiwan University of Science and Technology shared real-world applications of data science in smart manufacturing, demonstrating how data-driven approaches can maximize production efficiency. The final lecture, presented by AI expert Wu Cheng-Ying, explored Generative AI—its workplace applications, cross-industry potential, and role in shaping the future of work.

This successful lecture series not only deepened participants’ understanding of smart factory technologies but also provided valuable insights to guide Flexium’s ongoing innovation and digital transformation journey.

Smart Factory Lecture Series

◎ Engineer Technical & Work Achievement Presentation

At Flexium, our operating philosophy—Cherish, Gratitude, Responsibility, and Sharing—guides our approach to talent development. We believe that 'sharing' is not just a method for transferring knowledge, but a catalyst for continuous reflection and learning. In the first half of 2024, we launched the "Engineer Technical & Work Achievement Presentation" to foster knowledge sharing and collaboration among our engineers while encouraging them to present their professional skills and innovative achievements.

Running from January 11 to June 24, the event spanned 33 sessions. A total of 258 engineers presented, showcasing not only their individual efforts but also the power of teamwork and their outstanding performance in their professional fields. The presentation also drew significant interest from colleagues, with 1,174 attendees joining to support the presenters. This fostered a vibrant learning atmosphere and sparked the exchange of professional knowledge.

Recognition from supervisors during the event boosted employees' confidence and motivation. At the same time, it provided an excellent opportunity for managers to discover high-potential talent and better understand their teams' developmental needs, allowing for more targeted career and training opportunities. This presentation not only promoted knowledge exchange but also laid a solid foundation for future talent development, creating a positive impact throughout the company.

Engineer Technical & Work Achievement Presentation

4.2.2 Promotion and Compensation

To motivate our talent, Flexium links compensation to the company's operational results, as well as department and individual performance. In addition to exceeding the local minimum wage, our salary standards strive for internal, external, and individual equity. We conduct regular performance and career development reviews for all employees, regardless of gender, to ensure clear and open channels for promotion.

Performance reviews for all employees are conducted twice annually. For professional staff and above, goals are set with supervisors in January and July, followed by mid-term reviews in March and September, and final performance evaluations in July and the following January. Promotions and salary adjustments are then made in February and August based on the previous year's performance results.

In career development, we aim to place employees in roles that best suit their talents. When internal rotation opportunities arise, they are announced internally for all employees to apply freely. If a job transfer is necessary due to organizational needs, we first consult with the employee to obtain their consent before proceeding with the rotation, ensuring their rights at work are protected.

The Salary Ratio of Men to Women

Item	2022		2023		2024	
	Basic Salary	Package	Basic Salary	Package	Basic Salary	Package
Senior management	★	★	★	★	★	★
Middle management	1.17	1.11	1.13	1.13	1.07	1.15
First-line management	1.04	1.04	1.05	1.06	1.06	1.08
Engineers	1.09	1.15	1.09	1.17	1.10	1.17
First-line workers	1	1.05	1	1.04	1.00	1.04

Notes:
1. Base Salary: The fixed monthly salary.
2. Remuneration: Base Salary + Bonuses (such as year-end bonuses, patent awards, outstanding employee awards, and performance bonuses).
3. Ratio: Male Salary / Female Salary.
4. Categories: Senior Management: Factory and department level and above; Mid-level Management: Managerial level and section chief; First-line Management: Team leader and section head.
5. ★ indicates no female employees.

Salary of Non-management Full-time Employees

Item	2023	2024	Change (%)	Notes
Number of Employees	2,302	1,980	-13.99%	1. Scope of Statistics: The data covers non-managerial employees who have been with the company for six months or more within the calendar year (January 1st to December 31st) and are not classified as corporate insiders (managers) as declared by the company or disclosed in the annual shareholder meeting report. 2. Salary Definition: Includes regular earnings (such as base salary and fixed monthly allowances and bonuses), overtime pay (both taxable and non-taxable), and non-regular earnings (such as non-monthly allowances, bonuses, and employee compensation).
Average Salary (NT$ thousands)	647	648	+0.15%	
Median Salary (NT$ thousands)	570	549	-3.68%	

4.3 Human Rights and Care

Flexium has established a "Labor and Human Rights Policy" to protect the human rights and equality of our employees. Our Employee Code of Conduct explicitly prohibits any form of discrimination or exclusion based on factors such as race, color, gender, age, sexual orientation, disability, religious belief, political affiliation, union membership, or marital status. It also stipulates that employees must be treated fairly and reasonably, and prohibits any form of sexual harassment or other acts of violence, threats, or intimidation. These related policies are also specified in our work rules. For detailed information on our human rights management policy, please refer to the Flexium corporate website link under section 1.1.1.1 ESG Milestones and Roadmaps.

We hold an annual ESG Seed Training to ensure that our frontline supervisors understand the company's ESG policies and the implementation direction of our annual targets. This includes related courses such as human rights advocacy. Concurrently, our new hire training program explains the company's corporate principles, development direction, management approach, ESH (Environment, Safety & Health) courses, and the philosophy of corporate sustainability to new employees. The content covers the prohibition of forced labor and child labor, anti-discrimination, anti-harassment, the implementation of working hours management, the assurance of humane treatment, and the provision of a healthy and safe environment.

All externally hired security personnel receive at least two hours of relevant human rights training upon joining. This includes an overview of sexual harassment prevention, guard etiquette, and response training to ensure that no incidents of sexual harassment or human rights violations occur in the performance of their security duties.

Human Rights Policy Training (Code of Conduct)

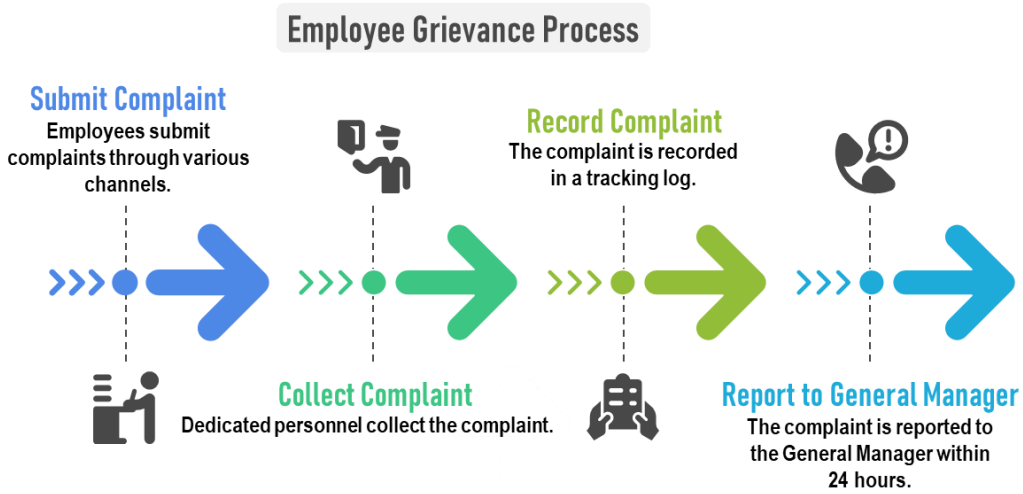
Item	2022	2023	2024	Notes
Number of participants	2,495	2,499	1,964	1. Training Rate (%) = (Actual number of trainees / Number of employees required to be trained) * 100%. 2. Number of Trainees: Total number of employees still employed as of December 31 of the year. 3. Human Rights Policy Training is primarily delivered through new employee orientation, quarterly ESG Seed Training sessions for all employees, and ongoing internal advocacy.
Training hours	9,119	9,453	7,961	
Participation rate (%)	100	100	100	

To ensure the implementation of human rights, we have established the "Labor Rights and Business Ethics Risk Assessment Regulation." Annually, the Human Resources Department conducts regular risk identification and assessment of labor rights regulations. Risk coefficients are calculated, and if they exceed the prescribed value, improvement targets and measures are set. If targets are not met, an improvement plan must be proposed and implemented. In 2024, 36 labor rights management items were assessed, with 2 identified as high-risk and 34 as low-risk. The high-risk items were: working hours exceeding 60 hours per week (including overtime) and the factory not providing at least one day off every seven days. These two high-risk items have been incorporated into the 2025 ESG KPIs for management.

4.3.1 Human Rights

Flexium is committed to humane management, grounded in the belief of shared success through strong labor-management relations. We provide diverse channels for communication to promote harmony, build consensus, and strengthen workplace cohesion.

To protect employee rights, we offer multiple grievance channels, including a physical and email "General Manager's Mailbox" (109@flexium.com.tw) and a dedicated hotline. Employees can file complaints through our "Employee Grievance, Whistleblowing, and Feedback Procedure," with guaranteed confidentiality. Investigations are completed within two weeks, and a report is submitted to the General Manager for a formal response and resolution from the relevant departments. In 2024, all 41 complaints received—covering topics from management to welfare—were fully resolved. Based on the findings, we implement corrective actions and follow-ups to prevent similar issues from recurring.



Number of Complaints

Type of complaint	2022	2023	2024
General Complaint	26	45	34
Ethics complaints	0	0	0
Opinions or suggestions	6	1	7
Total (cases)	32	46	41
Case closure rate (%)	100	100	100

Notes:
1. General complaints: Complaints of unfair treatment or poor management of employees at work.
2. Ethics complaints: Complaints of ethics violations that interfere with the normal operations of the Company.
3. Opinions or suggestions: Opinions or suggestions regarding company measures and facilities.

4.3.2 Benefits and Care

◎ Maternity Health

To create a comprehensive pregnancy-friendly workplace, when an employee notifies us of her pregnancy, we immediately reassign her to the day shift and prohibit night work. Our occupational health nurse provides initial health education and conducts an on-site job suitability assessment to ensure her duties pose no risk to the pregnancy.

A consultation with the company doctor is then arranged to assess her well-being, followed by monthly phone check-ins from our nurse to monitor her health. We also provide practical support, such as elevator access and designated friendly parking.

For postpartum employees returning to work, the nurse conducts a similar suitability assessment to ensure their work environment does not adversely affect breastfeeding. She also provides information and support regarding our on-site lactation facilities.

Parental Leave

In accordance with the Gender Equality in Employment Act and related regulations, the company has established a parental leave without pay policy. In 2024, a total of 56 employees applied for this leave, including 38 women and 18 men. The return-to-work rate was 59.18%. Based on interviews with employees who either did not return or who left after returning, the primary reason cited was the need to return to the family to care for their children.

Parental Leave in 2024	Male	Female	Total
Number of employees eligible for parental leave in the given year (A)	119	93	212
Number of employees who have applied for parental leave in the given year (B)	18	38	56
Number of employees who intend to return to work after parental leave in the given year (C)	19	30	49
Number of employees who have returned to work after parental leave in the given year (D)	15	14	29
Number of employees who returned to work after parental leave in the previous year and who have stayed with the Company for over a year (E)	7	13	20
Number of employees who returned to work after leave in the previous year (F)	12	17	29
Returned-to-work rate of employees taking parental leave (%) (D/C)	78.95%	46.67%	59.18%
Retention rate of employees taking parental leave (%) (E/F)	58.33%	76.47%	68.97%
Note: The calculation of the number of employees eligible for unpaid parental leave is based on employees who have applied for maternity or paternity leave in the past three years			

Retirement and Benefits

Corporate Social Responsibility (CSR) and ESG have become key indicators of corporate development, with the "Social" aspect being crucial to a company's relationship with its employees and the community. As a bridge between the company and its employees, the Employee Welfare Committee plays a vital role in promoting social welfare activities that enhance employee well-being and fulfill our corporate commitment to society. Through the committee's efforts, we strengthen employees' sense of belonging, foster a healthy corporate culture, and create shared value for the company, our employees, and the community. Looking ahead, the Welfare Committee will be even more integral to our ESG development, empowering Flexium to be not just a profitable enterprise but also a positive force for social good.

Flexium's retirement plan complies with the "Labor Standards Act," with funds managed in dedicated accounts. Overseen by our legally established Labor Pension Fund Supervisory Committee, we contribute 2% for the legacy pension system and make monthly contributions of 6% to individual accounts for the new system, ensuring full legal compliance and funding.

Valuing employee welfare, Flexium provides not only mandatory labor and health insurance but also supplementary group insurance covering life, accident, and medical needs, along with annual health check-ups for comprehensive protection. We also offer subsidies for major life events, employee travel, and holiday gifts. For holidays like the Mid-Autumn and Dragon Boat Festivals, the committee thoughtfully selects products from disadvantaged groups, blending employee welfare with social responsibility.

In 2024, social activities included a year-end party at the Hi-Lai Arena, employee travel in March, and special events for Mother's Day and the Dragon Boat Festival, all designed to strengthen bonds between employees and their families. We also continue to encourage employee clubs. There are currently six clubs focused on sports, service, and recreation, offering employees opportunities to enrich their lives and maintain their well-being outside of work.

Employee Welfare Committee Expenditures

Item	2022	2023	2024
Total amount (NTD)	50,306,045	34,065,202	41,313,900
Percentage of Welfare Expenditure to Revenue (%)	0.13	0.10	0.16

Welfare Committee Activities in 2024

2024 Prosperity Year-End Party	2024 Employee Travel	2024 Family Day Event
		
2024 Mid-Autumn Festival Event	**2024 Company Anniversary Celebration**	**2024 Dragon Boat Festival Event**
		

Club Activities in 2024

Volunteer Association of Flexium	Coffee Club	Board Game Club	Flexium Badminton Club	Camping Club	Health & Fitness Club
					

Healthy Workplace

Flexium is committed to building a healthy, positive workplace to help our employees maintain a good work-life balance. To achieve this goal, we have pooled manpower and resources to build a healthy and cordial working environment and organized health management and promotional activities to give employees access to accurate healthcare knowledge and help them develop a positive, proactive attitude toward their health.

Health Management

To maintain a comprehensive health management system, Flexium identifies high-risk zones and personnel through process and material risk assessments, environmental monitoring, and engineering controls. We also conduct health risk assessments to screen for high-risk employees, reassigning their work as needed to prevent repeated exposure to hazards. In 2024, 188 employees were engaged in special health hazard operations, with a 100% health management implementation rate. These operations involve risks that can lead to diseases of the respiratory tract, skin, hearing, and malignant tumors. To date, our company has had zero recorded cases of occupational diseases. Furthermore, all personal data from employee health check-ups is kept strictly confidential in accordance with our "Personal Data Protection Management Regulations" to protect employee privacy.

Number of Workers Involved in Tasks with Special Health Hazards

Type of work\Year	2022	2023	2024
Operations involving noise exposure	47	50	42
Operations involving ionizing radiation	71	78	66
Operations involving exposure to nickel	94	50	54
Operations involving exposure to manganese	25	21	26
Total	237	199	188

Flexium provides health check-ups at a frequency that exceeds legal requirements. General health check-ups are conducted annually, and employees engaged in special health hazard operations also undergo annual special health check-ups. Through these comprehensive examinations, Flexium aims to care for its employees. Based on the results, we implement a system of risk-level management and provide one-on-one health consultations with professional physicians to better understand an employee's work environment and exposure status. We also offer health education and follow-up, and, depending on the employee's health condition and needs, may recommend a reassignment of duties to protect their well-being.

Year	2022	2023	2024
General health examination attendance	1,588	1,728	1,608
Proportion of individuals at high risk for cardiovascular diseases	7%	8%	6%

Participation in these check-ups and consultations is mandatory for all employees with at least one year of service. To ensure the health of our entire workforce, the company also provides special health check-ups free of charge for employees with less than one year of service. Additionally, special health examinations are required for new hires before they begin work in special health hazard operations and upon their departure.

Since 2021, we have included an electrocardiogram (EKG) test in the annual general health check-up for all employees as a screening tool for cerebrovascular and cardiovascular diseases. In 2024, 1,608 employees participated in the general health check-up, with 6% identified as being in the high-risk group for cardiovascular diseases. For these individuals, our occupational health nurses initiate follow-up care, and we arrange consultations with occupational physicians to provide health guidance. We also organize health promotion activities; for instance, we invited a psychologist from Minsheng Hospital to conduct a workplace stress relief lecture and encourage high-risk employees to attend health seminars to improve their physical and mental well-being.

Annual and Special Health Checkups

◎ Health Promotion

Flexium is committed to providing a healthy and safe work environment. In addition to conducting annual employee health check-ups, organizing health lectures, providing health information, and promoting health education, we also use monthly posters to convey the latest health information to our staff. In 2025, our workplace smoking cessation services have achieved outstanding results, with over 25 individuals referred to quit-smoking hotlines or clinics. Furthermore, our Dafa I, Dafa III, and Hofa plants have all obtained the "Healthy Workplace Promotion Label" certification. We plan to apply for this certification for our Dafa II and Dafa V plants in 2025.

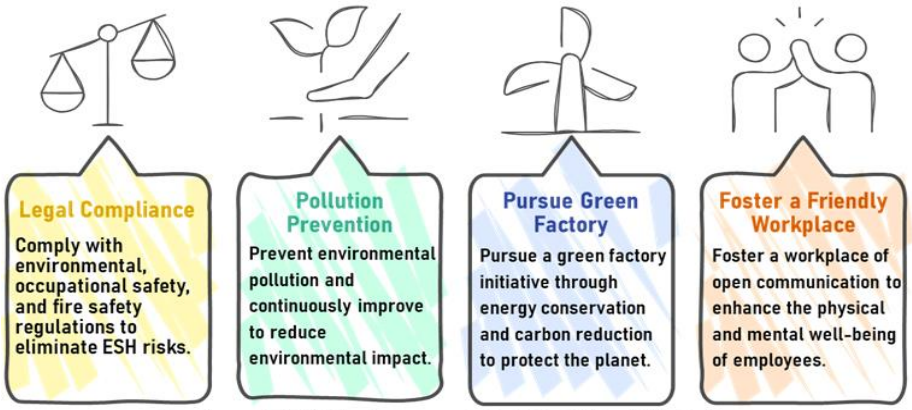
Our on-site clinic is staffed by a company nurse and a contracted occupational medicine specialist who provide comprehensive care through health assessments and related consultations. In 2024, the occupational physician provided on-site services 72 times, benefiting 863 employees.

In 2024, we installed Automated External Defibrillators (AEDs) in our workplaces, with training provided by a professional AED vendor. This enables non-medical personnel to administer first aid for sudden cardiac arrest within the critical first five minutes, while also reminding employees of the importance of autonomous health management. Additionally, electronic blood pressure monitors have been placed in the cafeterias of each building for employees to use at any time. We will continue to build a healthy, vibrant, and happy work environment and foster a safety and health culture with full employee participation.

Health Promotion Themes	Flu & COVID-19 Vaccination Event	Health Lecture: Fun & Easy Stress Relief	Health Lecture: AED+CPR First Aid Training	Health Lecture: Tobacco Hazard Prevention	Health Lecture: Musculoskeletal Injury Prevention
Description	Provided a convenient vaccination event to reduce transmission risks and help staff boost their immunity, creating a healthier work environment to protect themselves and their colleagues.	Helped staff learn stress management techniques, enhance mental resilience, and reduce anxiety and fatigue through professional guidance, fostering a healthier, more positive workplace.	Taught critical response skills to improve the ability to handle emergencies. Through professional training, participants learned to provide immediate life-saving support for themselves, colleagues, and family.	Raised employee awareness of smoking hazards and helped smokers master effective cessation methods, reducing health risks and promoting physical and mental well-being.	Helped staff learn correct posture and prevention techniques to reduce long-term strain. Through professional guidance, the lecture aimed to improve work comfort and efficiency while lowering injury risks.
Outcome	Expected: 110 Actual: 104 Attendance: 95%	Expected: 51 Actual: 54 Attendance: 106%	Expected: 111 Actual: 97 Attendance: 87%	Expected: 55 Actual: 48 Attendance: 87%	Expected: 32 Actual: 29 Attendance: 90.6%
Event Photos					

4.4 Occupational Safety and Health

To reduce environmental impacts and prevent accidents, Flexium upholds the philosophy of "doing everything right the first time." Through our EHS management system, we have been able to effectively prevent occupational injuries and diseases. We also developed an EHS policy and work continuously to ensure a green, healthy, legally compliant, and safe work environment. We formulated the "Environment, Health, and Safety (EHS) Management Manual" and established corresponding procedures, operational instructions, and regulations to ensure the effective implementation of occupational safety and health practices.



Flexium - ESH (Environment, Safety & Health) Policy

4.4.1 Occupational Safety and Health Management Systems

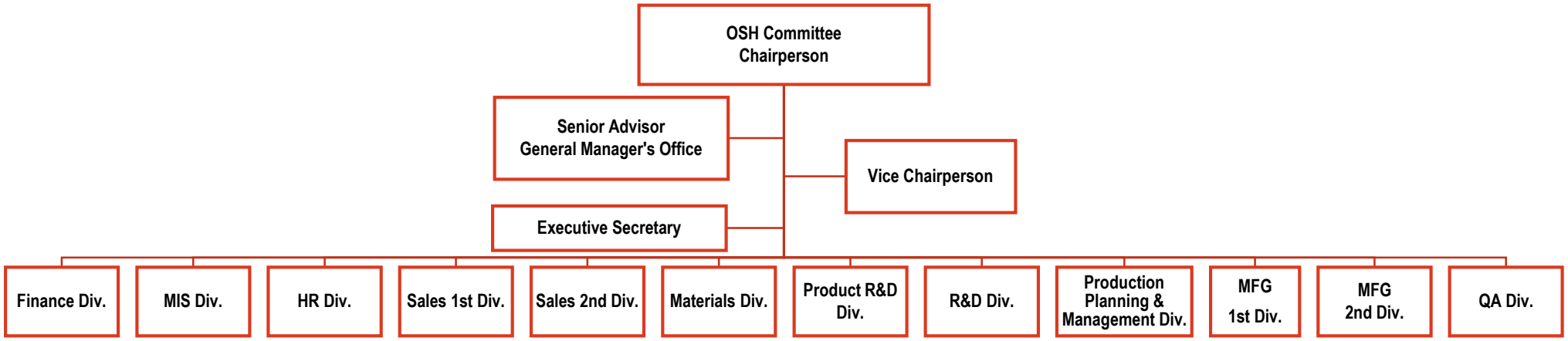
In accordance with the law, Flexium has an Occupational Safety and Health (OSH) Committee chaired by the Plant Director, who oversees all safety and health work and related decision-making. The committee's leadership also includes a vice chairperson, a senior advisor from the General Manager's Office, and an executive secretary.

Committee members include department supervisors, OSH personnel, engineering staff, company nurses, and employee representatives. The committee meets quarterly, and in compliance with regulations, employee representatives make up over one-third of its members.

Key agenda items in these meetings include reports on OSH operations, analysis of occupational accident statistics, and reviews of safety management plans from incident-related departments. The committee's primary responsibility is to review, coordinate, and recommend OSH-related matters to prevent occupational accidents and protect employee health and safety.

Composition of OSH Committee in 2024

Number of Employee Representatives	Employee Representative Ratio (%)	Number of Manageent Representatives	Management Representative Ratio (%)
6	40	9	60



OSH Committee

Health Promotion Program in 2024

Item	Qualitative Fit Test	Fire Safety Knowledge Training	Oil Pan Fire Extinguishing Drill	Floodgate Drill
Description	In compliance with legal requirements, this annual test ensures that when employees use respiratory protective equipment, it forms a complete seal with their face to prevent exposure to airborne hazardous substances. 	Instructed by the Daliao Fire Department, this course covered fire safety regulations, equipment operation, and key fire escape techniques. It also included case studies of factory fires to enhance fire prevention. 	This hands-on drill trained employees on the correct use of fire extinguishers and response techniques for oil fires to improve their emergency handling capabilities and strengthen fire safety awareness, ensuring a rapid response to sudden fires. 	This practical drill on floodgate operation enhanced employees' disaster response capabilities and prevention awareness, aiming to reduce risks of equipment damage and operational disruption from events like heavy rain and floods. 

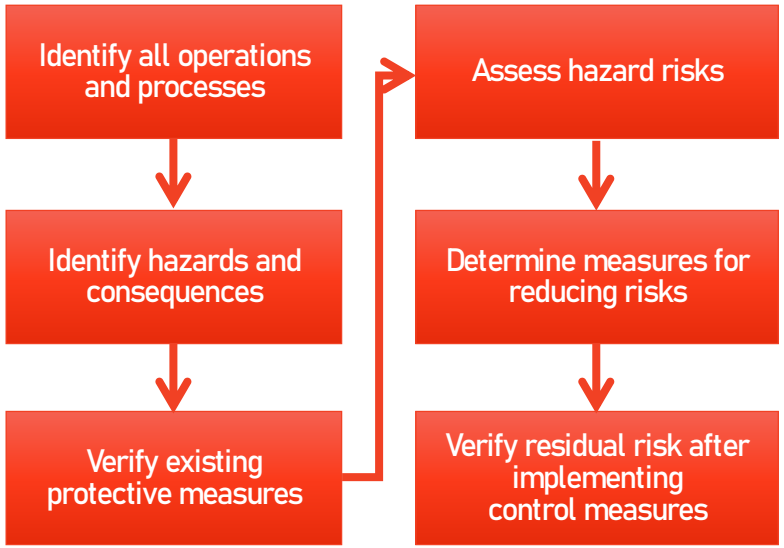
4.4.2 Occupational Injury Management

Flexium is committed to maintaining workplace safety and health, actively investing resources to provide a more supportive work environment for our employees. We foster a culture where every team member understands that safety is a personal responsibility, and we are collectively dedicated to achieving our primary goal of zero accidents. To support this, we have a team of 14 dedicated OSH personnel, with 1 to 2 assigned to each building, who work with all employees to maintain a safe environment and achieve zero-accident work hours. We have established OSH performance indicators, divided into proactive and reactive categories. Proactive indicators include the achievement rate of ESH goals and the completion rates for machinery safety acceptance and automated inspections. Reactive indicators cover the number of deficiencies found during daily inspections and the completion rate of corrective actions for occupational accidents and near-miss incidents. These indicators are reviewed monthly for each department to foster a culture of autonomous improvement. Underperforming departments receive strengthened on-site coaching and more frequent inspections.

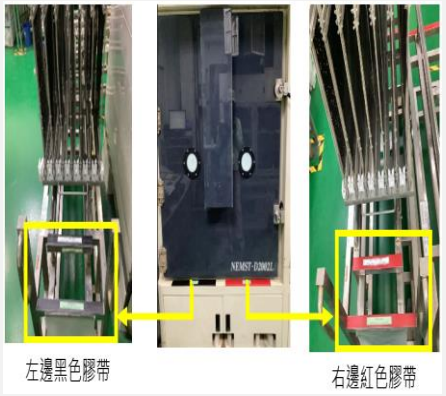
To mitigate occupational hazards, we identify and assess risks for both routine and non-routine activities, implementing a hierarchical control system. Personnel responsible for this process receive annual training on hazard identification, and its effectiveness is evaluated. Our in-plant risk assessment classifies risks into four levels based on the frequency of exposure, likelihood of an incident, and potential severity of harm. For high-risk items (Levels 1-3), specific control measures and an "unacceptable risk control plan" are developed, while low-risk items (Level 4) continue with existing procedures. Priorities for our annual OSH management plan are set based on operational needs, while also considering factors like regulatory compliance, stakeholder concerns, technical feasibility, cost, and business impact.

In 2024, our plant-wide risk assessment identified only four items as Level 3 high-risk. These were primarily related to near-miss incidents, prompting the creation of dedicated improvement projects for the machinery involved, the progress of which is now regularly tracked.

Process for Identifying Occupational Hazards and Risk Assessment▼



2024 Plant-wide Hazard Risk Assessment Results

Equipment Name	Heater	Shuttle Cart	Distribution Panel	Film Frame
Risk Level	Level 3	Level 3	Level 3	Level 3
Reason for Risk Level 3	Before improvement, the machine lacked a low-liquid-level interlock to cut off the heater, posing a risk of dry burning.	The original markings on the shuttle cart had low visibility, creating a safety gap.	Short circuits or overloads in the distribution panel can easily cause disasters; regular inspections and maintenance by professionals are required.	Friction from cleaning the sticky roller can easily generate static electricity and sparks, posing a fire risk.
Improvement Measures	Set L and LL liquid level interlocks to cut off the heater.	Differentiate chambers and carts with color-coded markings.	1. Establish a plant-wide list of electrical control boxes and conduct IR scans. 2. Add quarterly IR scan inspections to maintenance instructions. 3. Provide training for personnel on IR scans and terminal block inspections. 4. Add electrical control box specifications to acceptance standards.	1. Install a grounding wire on the film frame. 2. Revise the operating procedure work instructions for the RTR double-sided parallel exposure machines.
				

We engage all employees to build a strong safety culture and include near-miss incidents in our reporting procedures. Employees are encouraged to identify hazards and submit improvement proposals, with rewards given for both proposals and implementations, reducing near-miss incidents.

The plant's reporting system allows anonymous submissions. Employees can withdraw from immediate danger and notify their department head afterwards without penalty. The right to withdraw from hazardous situations is detailed in the "Emergency Response Plan Procedures," and relevant training is provided to ensure understanding. After an accident, we implement improvements in the affected unit and review other units for similar issues, making necessary changes. All cases are used for company-wide training and lessons learned.

In the event of an occupational accident, the Environment Health and Safety Section, with certified personnel, will conduct the investigation. They will form an investigation team with the affected unit and produce an investigation report. If the accident occurs in the workplace, labor representatives must be included in the investigation. If an employee is on leave due to an occupational accident for one month or more, they must submit a leave termination request and expected return date to their supervisor, with approval from their original medical facility. Before the employee returns, the supervisor should conduct an interview to assess the employee's recovery and job fitness. Based on this assessment, the supervisor will assign a suitable role or job function. After the employee returns, operational observations and job interviews should be conducted to confirm their adaptation.

Flexium - Analysis of Occupational Injury Types

Category / Year	2022	2023	2024
Falls from height	-	-	-
Slips, Trips, and Falls	-	2	1
Caught in/between	-	1	-
Contact with harmful substances	-	-	-
Ergonomic/Improper motion	-	-	-
Cuts/Abrasions	-	-	-
Object collapse	-	-	-
Struck by object	2	1	-
Burns	-	-	-
Crushed by object	-	1	-
Total (cases)	2	5	1

Notes

1. Statistics cover the Kaohsiung sites (including the Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants) and the Pingzhen office.
2. For each occupational accident that occurred in 2024, Flexium immediately launched a hazard investigation. Based on the findings, we implemented engineering or procedural improvements. These measures were then extended plant-wide to all departments for a synchronized review of similar potential hazards, followed by further corrective actions. We are committed to reducing the probability of and preventing occupational accidents.

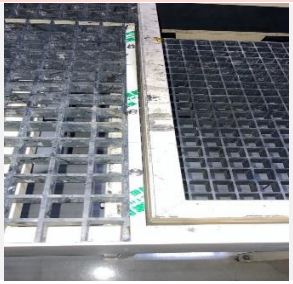
Occupational Injury Statistics

Item	Gender	2022	2023	2024	Calculation Method
Total Recordable Injury Cases	Male	0	0	1	Statistics are based on the annual number of occupational injuries at the Kaohsiung sites (Dafa I, Dafa II, Dafa III, Dafa V, Hofa Plant) and the Pingzhen office. As the Pingzhen office has only about 10 employees, its data is consolidated with the Kaohsiung sites. The Dafa I and Dafa II plants are not distinguished as their personnel support each other.
	Female	2	5	0	
	Total	2	5	1	
Total Work Hours	Male	2,793,128	2,665,152	2,327,344	Based on the total annual work hours for personnel at the Kaohsiung sites and the Pingzhen office. The formula is: Total work days * 8 hours/day = Total work hours.
	Female	2,303,176	2,340,576	1,941,544	
	Total	5,096,304	5,005,728	4,268,888	
Recordable Injury Rate	Male	0.00	0.00	0.08	Recordable Injury Rate = (Total number of work injuries × 200,000) / Total actual work hours. This calculation excludes near-miss incidents without personal injury and employee traffic accidents during commutes.
	Female	17.37	2.14	0.00	
	Total	7.85	1.00	0.04	
Disabling Injury Frequency Rate	Male	0	0	0.43	Disabling Injury Frequency Rate = (Total injury cases / Total work hours) × 1,000,000. (Total figures are calculated to two decimal places without rounding.)
	Female	0.87	2.14	0	
	Total	0.39	1.00	0.23	
Disabling Injury Severity Rate	Male	0	0	12.89	Disabling Injury Severity Rate = (Total lost days / Total work hours) × 1,000,000. (Total figures are truncated to an integer without rounding.)
	Female	2	162.78	0	
	Total	1	76.11	7.02	
Absenteeism Rate (%)	Male	11.10	11.63	12.19	Absenteeism Rate (%) = (Total days of absence / Total work days) × 100%. 1. Total days of absence include occupational injury leave, sick leave, personal leave, and menstrual leave. 2. Data covers all plant sites. The total rate is calculated as: (Total days of absence for both genders) / (Total work days for both genders).
	Female	14.40	17.18	19.71	
	Total	12.60	14.23	15.61	

Notes:

1. Major occupational accident: An incident resulting in a fatality, or injuring three or more people, or injuring one or more people requiring hospitalization.
2. Recordable injury: An injury resulting in death, disability, restricted work or job transfer, medical treatment beyond first aid, loss of consciousness, or an occupational disease.
3. Severe disabling injury: An occupational injury resulting in 6 or more months of lost work time.
4. In 2024, there were no employee fatalities or severe disabling injuries resulting from occupational incidents.

2024 Occupational Accident: Cause and Corrective Actions

Cause	Equipment Name		Improvement Measures
During maintenance, a floor plate and partition plate were removed. The left floor plate, left unsecured by the partition, caused an employee to misstep and sustain a cut from a C-shaped bracket.	SBS Black Shadow Line		A plant-wide investigation was conducted. For all floor plates of a similar design, they are now to be secured with locking partition plates.

Flexium upholds the spirit of safety and health as its first priority and has established policies for risk management, regulatory compliance, communication and training, and continuous improvement. In response to the OHSAS 18001 system standard transition, Flexium obtained the new ISO 45001 certification in March 2020, including the Dafa III Plant in its scope. In April 2022, it also obtained ISO 45001 certification, including the Dafa V Plant in its scope. The scope covers employees of the Kaohsiung plants, contractors, and personnel working within the plant sites. Additionally, as the company's operational scale continues to expand, the Hofa Plant was included in the certification scope in 2023. Through the effective operation of the management system, we foster a friendly workplace and enhance the physical and mental well-being of our employees.

Workers within the Scope of the Occupational Safety and Health Management System (ISO 45001)

Category	Item	Internal Audit Scope	External Audit Scope	Notes
Employees	Number of Personnel	745	1,992	1. Internally Audited Units: Equipment Section, M&E Section, Facilities Section (Mfg. Div. I & II), Manufacturing Sections (I, II, III, VI of Mfg. Div. I), Manufacturing Sections (II, III of Mfg. Div. II), Quality System Section, OSH Section, Procurement Section, Reliability Center, and Recruitment & Development Section. The Equipment, M&E, and Facilities sections, whose work covers the entire plant, are mandatory annual audit units. Other units are audited according to the audit plan. 2. Number of Contractors (Internal Audit): Calculated based on the actual number of contractors who entered the plant during the internal audit period (December 27, 2024 - January 7, 2025). 3. Number of Personnel (External Audit Scope): Calculated based on the number of employees and contractors at all plant sites covered by the system certification.
	Coverage Rate	100%	100%	
Contractors	Number of Personnel	418	206	
	Coverage Rate	100%	100%	

In compliance with legal requirements, and to ensure every employee is familiar with relevant occupational safety and health regulations and the company's safety and health management system, we regularly provide occupational health and safety education and training. This serves to instill our corporate culture and concepts of safety and health. In 2024, the total training attendance was 5,414 person-times. This included safety and health education and training for new hires and transferred personnel, as well as general safety and health training, machinery safety training, and hazardous chemical training for current employees.

◎ Contractor Management

In our contractor management, we review all work applications, requiring the submission of documents such as proof of labor insurance, employer's liability insurance, relevant operator licenses, and a work risk assessment. Prior to plant entry, all contractor personnel are informed of workplace hazards, required protective measures, emergency response procedures, and relevant safety and health regulations. They also receive a one-hour training session to mitigate potential OSH risks. Our online training platform for contractors was officially launched in September 2022, allowing contractors to complete courses and take tests online. This promotes paperless administration, offers greater flexibility in training schedules, and advances our goal of digitalizing contractor training. In 2024, 1,213 person-times completed this online pre-entry training. We implement a tiered management system based on the high, medium, or low-risk level of the work. For high-risk activities (such as confined space entry), we review supervisor qualifications, notify the local labor inspection agency in advance, review the hazard prevention plan, and require the on-site presence of their supervisor at all times. For medium-risk activities (hot work, lifting, high-altitude work), we employ various supervision and inspection mechanisms, including verifying operator licenses, inspecting equipment certificates, and requiring fire extinguishing equipment to be on standby. For low-risk work, management requirements include the submission of insurance prior to starting, the placement of work notices at the site, and the completion of pre-, during-, and post-work checklists.

Since 2021, we have implemented a system for inspecting the certification of contractor equipment (including power tools, ladders, extension cords, and automatic electric shock prevention devices) before it enters the plant, with re-inspections conducted quarterly to prevent accidents caused by faulty equipment. We also hold quarterly contractor coordination meetings to discuss safety and health matters and to reiterate in-plant regulations. To ensure compliance, a contractor's OSH performance is used as a reference for classifying them as prohibited, restricted, or preferred for future work. Since 2022, we have required contractors to complete either online or in-person OSH training before plant entry. Furthermore, when issuing work permits, our internal supervisors must thoroughly verify the contractor's scope of work, location, and all accompanying documentation to reduce the risk of industrial accidents.

◎ Prospects for Occupational Safety and Health Management

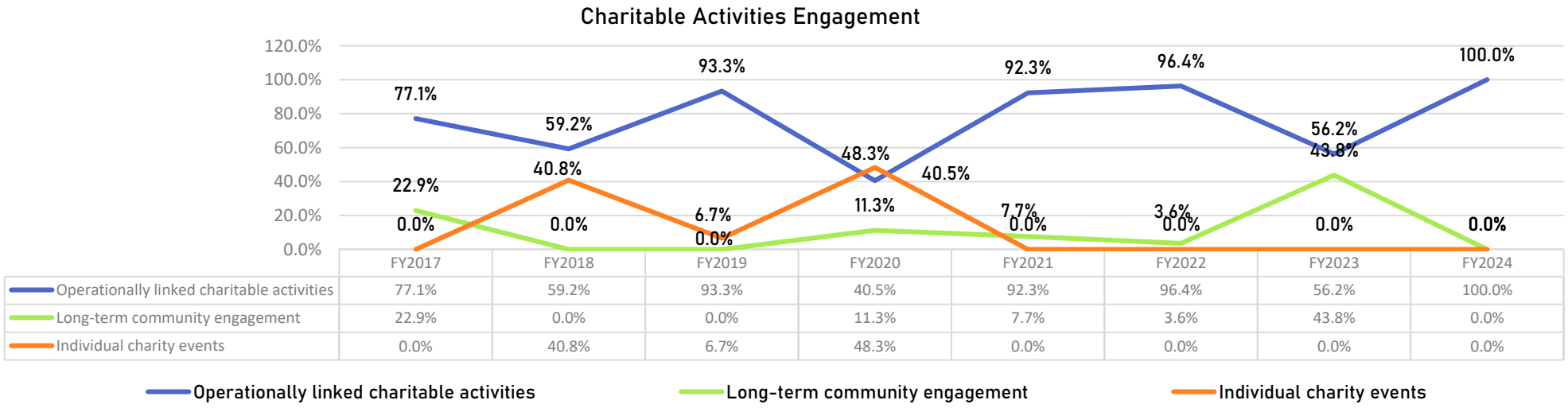
The concept of our Safety Officer system originates from the idea of building safety from the ground up. Since its implementation in 2020, the system has grown to include 46 Safety Officers in 2024, who have become a key force in creating a safe and healthy environment and promoting OSH initiatives. The system empowers these officers to enhance their department's fundamental OSH practices and serve as a vital reporting channel, ensuring that personnel at all levels fulfill their safety responsibilities to prevent accidents and occupational diseases, thereby advancing our plant-wide safety culture. We held regular refresher training for Safety Officers in 2022, with courses focused on preventing musculoskeletal hazards and cerebrovascular/cardiovascular diseases to mitigate related injuries. We continue to provide periodic refresher training and ensure effective replacements and continuous training when personnel changes occur.

Flexium's long-term OSH management goal is to establish a safe work environment, with 'zero industrial accidents' as our ultimate objective. Although one occupational accident occurred in 2024, resulting in 30 lost days, we are taking action by increasing the frequency and coverage of our OSH audits. This enhanced audit program is designed to communicate OSH prevention awareness from the top down and encourage full employee participation in implementing safety measures. We have 1 to 2 dedicated OSH personnel assigned to each building, with a clear division of responsibilities, serving as a bridge for promoting safety activities and executing OSH tasks.

On the management level, in addition to establishing relevant work standards and providing employee training, we use hazard identification and risk assessment to verify the feasibility of these standards. This improves the identification and effective elimination of in-plant risk factors to achieve our goal of safe operations. Through annual OSH training and awareness campaigns, we are progressively reducing the frequency of workplace hazards while enhancing employee safety awareness.

4.5 Social Engagement

Flexium has consistently engaged in charitable activities in recent years. By evaluating the types of engagement, we aim to enhance the effectiveness and impact of our charitable efforts through optimal resource allocation. Our primary focus has been on operations-linked charitable activities, followed by long-term community involvement and one-time charity events. Going forward, we plan to integrate "Care," one of Flexium's five core sustainability policies, into our annual review to continue fulfilling our corporate citizenship responsibilities.



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Operationally linked charitable activities	77.1%	59.2%	93.3%	40.5%	92.3%	96.4%	56.2%	100.0%
Long-term community engagement	22.9%	0.0%	0.0%	11.3%	7.7%	3.6%	43.8%	0.0%
Individual charity events	0.0%	40.8%	6.7%	48.3%	0.0%	0.0%	0.0%	0.0%

4.5.1 Community Care

◎ Volunteer Association of Flexium

To extend the spirit of compassion from Flexium's corporate sustainability policy, the Volunteer Association of Flexium was established in 2017. The association recruits employees to join its volunteer efforts, transforming care into action and contributing their time and energy. From 2018 to 2024, the association has continuously organized various engaging public welfare activities, with a plan to hold at least three service events annually, although activities in 2021-2022 were impacted by the COVID-19 pandemic. In the seven years since its founding, the association has held over 20 service events. Through their hands-on contributions, our volunteers embody the value of life. We plan to diversify our activities in the future to encourage more employees to participate in public welfare. In 2023, the association actively applied to become a formal company club, with the hope of securing more resources and inspiring more Flexium employees to join the volunteer ranks.

Flexium's spirit of compassion has always been proactive in giving back to the local community. The local Yong'an Children's Home and Chaoliao Elementary School are our long-term service partners. We not only provide donations of materials and funds but also organize numerous in-person and outdoor activities. These events allow our volunteers to interact directly with the recipients, creating a two-way exchange of warmth through personal connection. This gives the children direct contact with positive role models and allows our volunteers to experience the happiness and fulfillment of giving back. In addition to local institutions, we are also extending our service scope, where possible, to the House Of The Little Angels Kaohsiung, which cares for infants and toddlers aged 0-2, spreading the love of our volunteers through diverse initiatives. From 2021 to 2023, we further expanded our service scope to include nearby elementary schools such as Daliao Elementary School and Weng Yuan Elementary School as local partners. In 2024, our efforts also extended to the Jing-Zhong Orphanage in Nanzhou, Pingtung. We hope the Volunteer Association of Flexium can continue to spread its love in the future.

◎ Used Clothes and Shoes Charity Drive

Lunar New Year, we held a heartfelt "Used Clothes and Shoes Charity Drive" to collect and donate used clothing and shoes to communities in need. The drive, supported by 60 volunteers, successfully collected 1,169 items. All collected goods were donated to Step30 International Ministries to provide tangible assistance to disadvantaged groups.

Prior to the event, we promoted the drive widely, encouraging all employees to donate thin clothing and shoes they no longer used. The atmosphere on the day of the drive was enthusiastic, with volunteers actively sorting, classifying, and packing all the donated items. These items not only help reduce resource waste but also provide substantive support to families in need, spreading warmth and care.

Step30 International Ministries has long been dedicated to helping impoverished communities in Africa, particularly families in need of shoes and clothing. Our donation drive was a direct show of support for their work. We believe that these used items represent more than just a transfer of material goods; they are a continuation of love and compassion, allowing more people to feel the warmth and care of our community.

◎ Mid-Autumn Charity Gift Box Promotion

The Mid-Autumn Festival is not only a time for family reunions but also a cherished occasion for gift-giving. Continuing the tradition from the previous year, the Volunteer Association collaborated with the Employee Welfare Committee during its annual Mid-Autumn gift distribution.

The program encouraged all employees to purchase additional charity gift boxes, once again selecting options from the Syin-Lu Social Welfare Foundation. This year, the collective generosity of Flexium's employees resulted in the purchase of 158 charity boxes. With 39 employees participating, the initiative raised a total of NT$50,115. This activity not only met employees' needs for holiday gifts but also boosted sales for the charity, providing tangible support to those the foundation serves.

◎ Good Deeds Day Fundraising and Donation Project

This event's primary activity was a charity sale to raise funds for purchasing daily necessities to be donated to institutions in need. Promoted through internal announcements and emails, the Volunteer Association of Flexium purchased items for the sale. A total of 66 employees participated, and with the NT$43,915 raised, we successfully purchased two washing machines and a vacuum cleaner. We donated these essential items to the Jing-Zhong Orphanage in Nanzhou, Pingtung. We hope these donations will provide the children with more convenient and hygienic living conditions, allowing them to grow up in a more comfortable environment.

The "Good Deeds Day Fundraising and Donation Project" was more than just a charity sale; it was an event that brought together and channeled the compassion of our employees. Through such initiatives, we aim to raise awareness for disadvantaged groups in our community and encourage a culture of care over indifference in daily life. We look forward to organizing more charity events in the future, allowing the power of compassion to continue to grow and benefit more people in need.

Looking ahead, Flexium will continue to champion its operating philosophy of "Cherish, Gratitude, Responsibility, and Sharing." We will invite more employees who share this spirit of generosity and passion for service to join our efforts, gradually expanding the Volunteer Association. We are committed to continuously reinvesting our company's success into social development and talent cultivation. This includes ongoing support for local educational resources and establishing community-based care services. Our goal is to spread Flexium's compassion far and wide, creating a lasting, positive impact and a continuous cycle of giving.

Appendix

Principles of Reporting

In 2025, Flexium Co., Ltd. (hereinafter "Flexium" or "the Company") published its ninth Sustainability Report. This report proactively discloses our philosophy and practices in sustainable management to all our stakeholders, demonstrating our commitment to being a sustainable enterprise. Going forward, we will continue to annually disclose information on our operational performance, environmental protection, and social engagement, and to proactively communicate with our stakeholders. The previous Sustainability Report was published in June 2024, and the next report is scheduled for release in August 2025. The reporting period and scope of this report are the same as those of the annual standalone financial report. Compared to the previous version, this report contains restated information, which is explained in the notes of the relevant tables in their respective sections. (For section references, please see the GRI Standards Content Index).

Data Disclosure Period	Data Collection Scope - Internal	Data Collection Scope - External	Reporting Standards	Assurance Level
• January 1, 2024, to December 31, 2024 • The reporting period of this report is the same as that of the annual standalone financial report.	• The content and materiality assessment boundary of this report include Flexium's Kaohsiung sites (Dafa I, Dafa II, Dafa III, Dafa V, and Hofa plants) and the Pingzhen office. • With the exception of section 0.3.3 Financial Performance, which aligns with the annual consolidated financial report, the scope of this report is otherwise the same as that of the annual standalone financial report.	• Investors • Customers • Partners (Suppliers) • Government • Community	GRI Standards 2021 (in accordance with)	AA1000 Assurance Standard (AA1000AS) v3; Type 1 - Moderate level of assurance..

Data Scope	Internal	This report's disclosure period is from January 1, 2024, to December 31, 2024. The content covers the Company's actions and performance data in operational management, environmental protection, and social engagement. The reporting scope includes Flexium's Kaohsiung sites (Dafa I, Dafa II, Dafa III, Dafa V, and Hofa Plant) and the Pingzhen office. The disclosure period and scope of this report are consistent with the annual standalone financial report, with the exception of Section 0.3.3 Financial Performance, which is based on the annual consolidated financial report.
	External	The external disclosure scope includes investors, customers, partners (suppliers), employees, government, and the community.
Review	Internal Review	This report was prepared in accordance with the procedures set forth in the Company's "Sustainability Report Preparation, Review, and Disclosure Management Regulations." The Sustainability Report editorial team compiled relevant performance data and drafted the report. Following consolidation, it was submitted to the Management Representative for review, deliberated by the ESG Decision-Making Committee, and then presented to the Board of Directors for final approval before its external release. The financial information disclosed is sourced from financial statements audited and certified by accountants. Other data is sourced from government-published information, internal management systems, or general estimation methods and is confirmed through standardized operating procedures to ensure its accuracy and consistency.
	External Assurance	The information disclosed in this report was verified by an impartial third party, SGS Taiwan, between May 14, 2025, and June 25, 2025. The disclosed financial data is sourced from the annual financial report audited by PricewaterhouseCoopers, Taiwan, with the New Taiwan Dollar (NTD) as the unit of currency. The Environmental Management System (ISO 14001), Quality Management System (ISO 9001), Occupational Safety and Health Management System (ISO 45001), Energy Management System (ISO 50001:2018), and Greenhouse Gas Inventory Management System (ISO 14064-1:2018) have all been certified by an impartial third party.

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GRI Standards Index

Statement	Flexium refer to the GRI Standards and the reporting period is from January 1, 2024 to December 31, 2024
Adopted GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Guidelines	No applicable GRI Industry Guideline yet

GRI 2: General Disclosures 2021				
GRI Std. Code	Indicators	Chapters	Pages	Supplementary/Explanatory Notes
2-1	Organizational details	**About Flexium**	**7**	
2-2	Entities included in the organization's sustainability reporting	**Principles of Reporting**	**105**	
2-3	Reporting period, frequency and contact point	**Principles of Reporting**	**105**	
2-4	Restatements of information	**2.1.3.2 Principles of Reporting** **3.1.2 Greenhouse Gas Management** **3.3.1 Exhaust**	**54** **69** **77**	This report contains information restated from the previous version. Explanations are provided in the table notes of the corresponding sections, as indicated in the left column.
2-5	External assurance	**Principles of Reporting** **Third-party Assurance Statement**	**105** **110**	
2-6	Activities, value chain and other business relationships	**About Flexium** **2.2 Sustainable Supply Chain**	**7** **55**	
2-7	Employees	**4.1 Talent Attraction and Retention**	**82**	
2-8	Workers who are not employees	**4.1 Talent Attraction and Retention**	**82**	
2-9	Governance structure and composition	**1.1.1.1 ESG Organization** **1.2.1 Corporate Governance**	**16** **28**	
2-10	Nomination and selection of the highest governance body	**1.2.1 Corporate Governance**	**28**	
2-11	Chair of the highest governance body	**1.2.1 Corporate Governance**	**28**	
2-12	Role of the highest governance body in overseeing the management of impacts	**1.1.1.1 ESG Organization** **1.1.2.1 Materiality Analysis** **1.2.1.1 The Board of Directors**	**16** **20** **28**	
2-13	Delegation of responsibility for managing impacts	**1.1.1.1 ESG Organization**	**16**	
2-14	Role of the highest governance body in sustainability reporting	**1.1.1.1 ESG Organization** **1.1.2.1 Materiality Analysis**	**16** **20**	
2-15	Conflicts of interest	**1.2.1 Corporate Governance**	**28**	
2-16	Communication of critical concerns	**1.2.1.1 The Board of Directors**	**28**	
2-17	Collective knowledge of the highest governance body	**1.2.1.1 The Board of Directors**	**28**	
2-18	Evaluation of the performance of the highest governance body	**1.2.1 Corporate Governance**	**28**	
2-19	Remuneration policies	**1.2.1.1 The Board of Directors**	**28**	**[Not Applicable]** Remuneration for our Board and senior management is not yet linked to economic, environmental, and social (ESG) performance; it is currently based solely on job responsibilities and performance appraisals. The feasibility of introducing such a link will be evaluated in the future, depending on the maturity of our ESG programs and relevant industry trends.
2-20	Process to determine remuneration	**1.2.1 Corporate Governance**	**28**	
2-21	Annual total compensation ratio	**NA**	**-**	**[Disclosure Restricted by Confidentiality]** The annual total compensation ratio for our senior management is not disclosed, as it is considered confidential information in accordance with our internal human resources strategy.
2-22	Statement on sustainable development strategy	**Letter from the Chairman**	**4**	

2-23	Policy commitments			1.1.1.2 ESG Roadmaps and Policy	17	
2-24	Embedding policy commitments			1.1.1.2 ESG Roadmaps and Policy	17	
2-25	Processes to remediate negative impacts			4.3.1 Human Rights	91	
2-26	Mechanisms for seeking advice and raising concerns			1.2.1.2 Business Ethics	32	
2-27	Compliance with laws and regulations			1.2.1.2 Business Ethics	32	
2-28	Membership associations			Participation in Associations	14	
2-29	Approach to stakeholder engagement			1.1.2 Material Issues and Stakeholder Engagement	20	
2-30	Collective bargaining agreements			NA	-	[Not Applicable] The Company has not established a corporate union. Consequently, no collective bargaining agreements have been requested or signed.
GRI 3: Material Topics 2021						
3-1	Process to determine material topics			1.1.2 Material Issues and Stakeholder Engagement	20	
3-2	List of material topics			1.1.2 Material Issues and Stakeholder Engagement	20	
Topic Aspect	Material Topics					
Governance	Business Ethics					
	GRI 3: Material Topics 2021	3-3	Management of material topics	1.1.2 Material Issues and Stakeholder Engagement	20	
	GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	1.2.1.2 Business Ethics	32	
		205-2	Communication and training about anti-corruption policies and procedures	1.2.1 Corporate Governance	28	
		205-3	Confirmed incidents of corruption and actions taken	1.2.1 Corporate Governance	28	
	Information Security					
	GRI 3: Material Topics 2021	3-3	Management of material topics	1.1.2 Material Issues and Stakeholder Engagement	20	
	GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.2.2.3 Information Security Management 2.1.3 Customer Relationship Management	41 52	
Environment	Climate Change					
	GRI 3: Material Topics 2021	3-3	Management of material topics	1.1.2 Material Issues and Stakeholder Engagement	20	
	GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	3.1.2 Greenhouse Gas Management	69	
		305-2	Energy indirect (Scope 2) GHG emissions	3.1.2 Greenhouse Gas Management	69	
		305-5	Reduction of GHG emissions	3.1.2 Greenhouse Gas Management 3.2.1 Energy Use 3.2.3 Water Resources	69 71 74	
		305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.1.2 Greenhouse Gas Management	69	
	Energy and Resources Management					
	GRI 3: Material Topics 2021	3-3	Management of material topics	1.1.2 Material Issues and Stakeholder Engagement	20	
	GRI 302: Energy	302-1	Energy consumption within the organization	3.2.1 Energy Use	71	
		302-3	Energy intensity	2.1.2.2 Ecological Efficiency Management 3.2.1 Energy Use	50 71	
		302-5	Reductions in energy requirements of products and services	3.2.1 Energy Use	71	
	Water Management					

	GRI 3: Material Topics 2021	3-3	Management of material topics	**1.1.2 Material Issues and Stakeholder Engagement**	**20**	
	GRI 303: Water and Effluents (2018)	303-1 (Management Approach)	Interactions with water as a shared resource	**3.2.3 Water Resources**	**74**	
		303-2 (Management Approach)	Management of water discharge-related impacts	**3.2.3 Water Resources**	**74**	
		303-3	Water withdrawal	**3.2.3 Water Resources**	**74**	
		303-4	Water discharge	**3.2.3 Water Resources**	**74**	
		303-5	Water consumption	**3.2.3 Water Resources**	**74**	
	Waste Management					
	GRI 3: Material Topics 2021	3-3	Management of material topics	**1.1.2 Material Issues and Stakeholder Engagement**	**20**	
	GRI 306: Waste (2020)	306-1 (Management Approach)	Waste generation and significant waste-related impacts	**3.3.3 Waste**	**78**	
		306-2 (Management Approach)	Management of significant waste-related impacts	**3.3.3 Waste**	**78**	
		306-3	Waste generated	**3.3.3 Waste**	**78**	
		306-4	Waste diverted from disposal	**3.3.3 Waste**	**78**	
Social	Occupational Health and Safety					
	GRI 3: Material Topics 2021	3-3	Management of material topics	**1.1.2 Material Issues and Stakeholder Engagement**	**20**	
	GRI 403: Occupational Health and Safety 2018	403-1 (Management Approach)	Occupational health and safety management system	**4.4.1 Occupational Health and Safety Management Systems**	**96**	
		403-2 (Management Approach)	Hazard identification, risk assessment, and incident investigation	**4.4.2 Occupational Injury Management**	**97**	
		403-3 (Management Approach)	Occupational health services	**4.3.2 Benefits and Care**	**91**	
		403-4 (Management Approach)	Worker participation, consultation, and communication on occupational health and safety	**4.4.1 Occupational Health and Safety Management Systems**	**96**	
		403-5 (Management Approach)	Worker training on occupational health and safety	**4.4.1 Occupational Health and Safety Management Systems**	**96**	
		403-6(Management Approach)	Promotion of worker health	**4.3.2 Benefits and Care**	**91**	
		403-7 (Management Approach)	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**4.4.2 Occupational Injury Management**	**97**	
		403-8	Workers covered by an occupational health and safety management system	**4.4.1 Occupational Health and Safety Management Systems**	**96**	
	Waste Management					
	GRI 3: Material Topics 2021	3-3	Management of material topics	**1.1.2 Material Issues and Stakeholder Engagement**	**20**	
	GRI 401: Employment	401-1	New employee hires and employee turnover	**4.1.2 New Hires and Employee Turnover**	**85**	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**4.3.2 Benefits and Care**	**91**	
		401-3	Parental leave	**4.3.2 Benefits and Care**	**91**	
	GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	**1.2.1 Corporate Governance** **4.1.1 Workforce Composition and Recruitment**	**28** **82**	
		405-2	Ratio of basic salary and remuneration of women to men	**4.2.2 Promotion and Compensation**	**89**	

GRI 400: Social Series					
Series	Indicators	Description	Chapters	Pages	Supplementary/Explanatory Notes
GRI 404: Training and Education	404-1	Average hours of training per year per employee	**4.2.1 Career Development and Planning**	**86**	
	404-2	Programs for upgrading employee skills and transition assistance programs	**4.2.1 Career Development and Planning**	**86**	
	404-3	Percentage of employees receiving regular performance and career development reviews	**4.2.1 Career Development and Planning**	**86**	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	**4.3.1 Human Rights**	**91**	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	**4.3.1 Human Rights**	**91**	
GRI 409: Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	**4.3.1 Human Rights**	**91**	
Note: GRI Standards 1, 2, and 3 follow the 2021 edition. GRI 303 follows the 2018 edition, GRI 306 follows the 2020 edition, while all remaining standards utilize the 2016 edition.					

SASB Index

Indicators	Std. Code	Description	Chapters	Pages
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	**1.2.2.3 Information Security Management**	41
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of Gender and Racial/Ethnic Group Representation for Management and All Other Employees	**4.1.1 Workforce Composition and Recruitment**	82
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	**2.1.2.1 Hazardous Substances**	50
	TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria	**2.2.1 Supplier Sustainability Management**	55
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	**3.2.2 Raw Materials**	74
Material Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	**2.2.1 Supplier Sustainability Management**	55
Activity Metric	TC-HW-000.A	Number of units produced by product category	**Financial Performance**	11
	TC-HW-000.B	Area of manufacturing facilities	**Company Profile**	7
	TC-HW-000.C	Percentage of production from owned facilities	**Company Profile**	7

Sustainability Disclosure Indicators (Manufacture of Electronic Parts and Components)

No.	Indicator	Category	Unit	Outcomes in 2024
1	Total energy consumption, percentage of purchased electricity and renewable energy usage	Quantification	Billion joules (GJ), percentage (%)	Total energy consumption in 2024 was 282,459 GJ. Purchased electricity accounted for 100%, and no renewable energy was used.
2	Total water withdrawal and total water consumption	Quantification	Thousand cubic meters (m^3)	Total water withdrawal in 2024 was 1,168 thousand cubic meters (1,167,962 m^3), and total water consumption was 131 thousand cubic meters (131,308 m^3).
3	Weight of hazardous waste generated and percentage of recycling	Quantification	Metric tons (t), percentage (%)	In 2024, 1,401 metric tons of hazardous industrial waste were generated, with 1,358 metric tons recycled, achieving an overall recycling rate of 97%.
4	Description of the type, number and rate of occupational hazards	Quantification	Ratio (%), Quantity	There was 1 case of occupational injury in 2024, an 80% decrease from the 5 cases in 2023.
5	Disclosure of product lifecycle management: weight and percentage of recycling of end-of-life products and electronic waste (Note 1)	Quantify	Metric tons (t), percentage (%)	In 2024, a total of 6.163 metric tons of scrapped products were recycled. All were fully recovered and reused, fulfilling our goals for a circular economy and waste reduction.
6	Description of risk management related to the use of critical materials	Qualitative Description	Not applicable	The 2024 target for hazardous substance reduction was under 40 items. A total of 39 items were actually reduced, successfully achieving the reduction plan's goal.
7	Total monetary loss due to legal actions related to anti-competitive behavior regulations	Quantify	Reporting Currency	In 2024, there were no legal proceedings related to violations of anti-competitive behavior, and thus no financial losses were incurred.
8	Production of major products by product type	Quantify	Varies by product type	For information on our company's product production volume, please refer to section 0.3.3 Financial Performance in the Foreword of this report.

Note: Includes the sale of scrap materials or other forms of recycling; relevant details should be provided.

Third-party Assurance Statement

SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FLEXIUM INTERCONNECT, INC.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Flexium Interconnect, Inc. (hereinafter referred to as Flexium) to conduct an independent assurance of the Sustainability Report for 2024. The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 1 Moderate level during 2025/05/14 to 2025/06/25. The boundary of this report includes Flexium Taiwan operational and production or service sites as disclosed in Flexium's Sustainability Report of 2024. The boundary is not the same as Flexium's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Flexium's Stakeholders.

RESPONSIBILITIES

The information in the Flexium's Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and the management of Flexium.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (With Reference to)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standard.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS

Financial data drawn directly from independently audited financial accounts,Task Force on Climate-related Financial Disclosures (TCFD) and SASB have not been checked back to source as part of this assurance process.

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from Flexium, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

Flexium has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reports, Flexium may proactively consider setting specific inclusivity metrics to measure the effectiveness, outcomes, and impact of stakeholder engagement.

MATERIALITY

Flexium has established processes for determining issues that are material to the business. It is recommended that Flexium further clarify the assessment criteria and thresholds used in the future reports, such as the level of impact and stakeholder concern, to enhance the overall consistency and transparency of the materiality assessment process.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

Flexium has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

ADHERENCE TO GRI

The report, Flexium's Sustainability Report of 2024, is reporting with reference to the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to Flexium's contributions to sustainability development. For future reporting, Flexium is encouraged to further incorporate the "Double Materiality" principle in its material topic assessment process, evaluating both the financial impacts on the company (financial materiality) and external impacts on the environment and society (impact materiality), thereby making the report more comprehensive and aligned with international trends.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Report
000-8/V3-YHDW4

Stephen Pao
Business Assurance Director
Taipei, Taiwan
01 July, 2025
WWW.SGS.COM

FLEXium