

Promoting sustainable development implementation status and differences in sustainable development practice

guidelines with listed and OTC companies and the reasons. :

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
I、Has the company established a governance framework to promote sustainable development, set up a specialized unit (or assigned responsibilities) to promote sustainable development, and authorized senior management to handle it, with supervision from the board of directors?	✓		Our Company established the ESG Sustainable Development Promotion Team on March 14, 2023, with the General Manager responsible for planning, promoting, and overseeing sustainability-related issues. We are dedicated to implementing sustainable development.	In the future, we will consider establishing a committee based on regulatory requirements.
II、Has the company conducted risk assessments on environmental, social, and governance issues related to the company's operations based on the materiality principle and established relevant risk management policies or strategies? (Note 2)	✓		The Company has established the "Organizational Overview and Risk Opportunity Management Procedures," which involve an annual internal and external organizational issues review. This includes conducting environmental, social, and corporate governance risk assessments. The Board approved the relevant assessment results of the Directors on March 13, 2024, and strategies or objectives have been formulated for significant risks, along with proposed future improvement measures.	We will consider setting up such a position in the future based on legal requirements or the company's actual needs.
III、Environmental Issues (1) Has the company established an appropriate environmental management system based on its	✓		(1) The company has maintained the working environment and natural environment under	

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
industry characteristics?			labor health and safety regulations, waste disposal laws, and other regulations.	No significant differences.
(2) Is the company committed to improving energy efficiency and using renewable materials with low environmental impact?	✓		(2) The company is committed to improving energy efficiency. Steel is the primary raw material used in its products and can be recycled at the end of its life cycle. Additionally, the functional design of the company's products aligns with concepts of recycling, energy saving, and environmental protection to reduce ecological impact.	No significant differences.
(3) Has the company assessed the potential risks and opportunities of climate change in its present and future operations and taken measures to address climate-related issues?	✓		(3) Our company's product features focus on reducing air pollution and minimizing VOC emissions. We continuously strive towards various product development strategies for air quality control, improvement, and energy conservation. The issue of climate change has led to increased emphasis on environmental protection, energy efficiency, waste reduction, and achieving net-zero emissions in government policies and private enterprises. This presents favorable opportunities for	No significant differences.

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
(4) Has the company compiled data on greenhouse gas emissions, water usage, and total waste production for the past two years and developed policies for energy conservation, greenhouse gas reduction, water usage reduction, and other waste management?	✓		<p>promoting our products and contributes to our future business prospects.</p> <p>(4) The statistics from the Longtan factory demonstrate our company's dedication to energy conservation and carbon reduction. In the fiscal years 2023 and 2022, the factory used 298,880 kWh and 321,960 kWh of electricity, 4,505 m<sup>3</sup> and 5,172 m<sup>3</sup> of water, and generated a total waste amount of 2,430 kg and 10,070 kg, respectively. These efforts resulted in carbon emissions of 200,213 kg and 214,631 kg, respectively. We achieved these results using energy-saving lighting fixtures and a concerted effort to reduce water and electricity consumption.</p>	Our company's greenhouse gas emissions have not been verified externally and are based on self-management statistics.
IV. Social Issues  (1) Has the company developed management policies and procedures following relevant laws and international human rights conventions?	✓		(1) Our company has established a human rights policy following relevant regulations and international human rights conventions. It has been published in our company's website's Corporate Social Responsibility section.	No significant differences

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
(2) Has the company established and implemented reasonable employee welfare measures (including salary, leave, and other benefits) and appropriately reflected business performance or results in employee salaries?	✓		<p>(2) Our company has established relevant personnel management regulations that comply with the labor standards outlined in the Labor Standards Act. We have also set up a Welfare Committee, elected by the employees, to handle various welfare matters.</p> <p>Our employee compensation policy mainly consists of three categories: salary, employee bonuses, and year-end bonuses. Salaries are determined based on individual positions and job levels and are fixed remuneration. On the other hand, employee and year-end bonuses are allocated based on the company's operational performance and achievements, per the company's bylaws or bonus allocation policies. The subsequent distribution to employees considers individual capabilities, contributions to the company, and overall performance. The remuneration of employees is appropriately reflected based on the company's operational performance or achievements.</p> <p>(3) The company has obtained ISO 45001</p>	<p>No significant differences</p> <p>No significant differences</p> <p>No significant differences</p>

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
(3) Does the company provide employees with a safe and healthy working environment, and regularly conduct safety and health education for employees?	✓		occupational health and safety management certification. Regular safety and health information and fire education training are conducted to reduce losses from work injuries and disasters.	No significant differences.  The social responsibility policy has not yet been incorporated into the contract with the suppliers. In the future, the company will consider establishing relevant policies according to its needs.
(4) Has the company established an effective employee career development and training plan?	✓		(4) The company encourages employees to pursue further education and provides subsidies for tuition fees when necessary. It has also established the "Education and Training Management Regulations" to plan relevant training courses for employees.	
(5) Regarding customer health and safety, customer privacy, marketing, and labeling of products and services, does the company comply with relevant laws and international standards and develop related policies and complaint procedures to protect consumer or customer rights?	✓		(5) Our company specializes in industrial equipment, and our primary target customers are production manufacturers rather than general consumers. Our products adhere to environmental protection, energy efficiency, waste reduction, and recycling. Our products undergo customer certification and are tailored to meet specific customer requirements. We prioritize customer needs and develop products accordingly.	
(6) Has the company established a supplier management	✓		(6) Our company has established a Supplier Code of Conduct, which requires suppliers to adhere to	

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
policy that requires suppliers to follow relevant regulations regarding environmental protection, occupational safety and health, or labor rights and monitor their implementation?			relevant standards in environmental protection, occupational health and safety, and labor rights. To better understand the sustainable development practices of our suppliers in terms of environment, society, and governance, we have developed a sustainability survey questionnaire in 2022. We plan to distribute this questionnaire to our suppliers who have had transactions with us during the year 2023. By evaluating the self-assessment results, we aim to assess suppliers' awareness and level of sustainable management. This process also serves as a means to promote and reinforce compliance with our Supplier Code of Conduct.	
VI. Has the company referred to international standards or guidelines for preparing non-financial reports such as corporate social responsibility reports? Has the report mentioned above obtained a reliable or assured opinion from a third-party verification unit?		✓	Our company has not reached the threshold for preparing a sustainability report.	We have not prepared a sustainability report yet. In the future, we will formulate relevant policies based on laws and regulations and the company's needs.
<p>VI. If the company has its sustainable development guidelines following the "Practical Guidelines for Sustainable Development of Listed and Over-the-Counter Companies," please describe the differences between its operation and the established guidelines:</p> <p>Our company has already established the "Practical Guidelines for Corporate Social Responsibility," the management team is continuously promoting corporate governance and sustainable environmental development.</p>				

Item	Status(*1)			Differences and ways to improve
	Y	N	Note(*2)	
<p>VII, Other important information that helps to understand the implementation of sustainable development:</p> <p>Company's performance in environmental protection:</p> <p>1. Environmental Protection Performance:</p> <p>The company specializes in treating volatile organic compounds (VOCs), process exhaust gas treatment, and pollution prevention equipment. Its core values prioritize green ecology and environmental protection. Enhancing the effectiveness of research and development products contributes significantly to environmental protection.</p> <p>2. Occupational Health and Safety Performance:</p> <p>The company sends representatives to designated institutions appointed by regulatory authorities annually to participate in occupational health and safety education and training. This ensures that a safety and health culture is deeply ingrained in all operational aspects.</p> <p>3. Social Care:</p> <p>The company encourages employees to participate in social care activities. In 2023, it donated kitchen waste recycling equipment to Penghu Prison, contributing to its waste and carbon reduction goals.</p> <p>In 2023, the company donated 2.5 million NTD to the Kenan Autism Foundation and organized a family day for employees to visit the foundation and learn about its operations.</p> <ul style="list-style-type: none"> <li>- In 2023, the company purchased 258 Mid-Autumn Festival gift boxes from the Kenan Autism Foundation.</li> <li>- In 2024, the company purchased 200 year-end banquet gift boxes from the Kenan Autism Foundation.</li> </ul> <p>4. Enhanced Information Disclosure:</p> <ul style="list-style-type: none"> <li>- Since 2024, the company has uploaded an English version of the annual report. It discloses financial and business information in English on its official website. Additionally, the company has established a cybersecurity policy and discloses relevant information about the board of directors.</li> </ul>				

\*1: If "Yes" is selected, please explain the critical policies, strategies, measures, and implementation status adopted. If "No" is selected, please explain the reasons and describe the plan to adopt relevant policies, methods, and measures in the future.

\* 2: If the company has already prepared a Corporate Social Responsibility Report, accessing the report and the corresponding page numbers can be used instead.

\*3: "Significant principles" refer to environmental, social, and corporate governance issues that significantly impact the company's investors and other stakeholders.