2024

Sustainability Report

TAILYN
台林電通股份有限公司
TAILYN TECHNOLOGIES, INC.

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Message from the Chairman

To all who care about Tailyn Technologies' sustainable development:

In 2024, amidst the intertwined challenges of global dynamics and industry shifts, the company continued to strengthen operational resilience, steadily advancing its sustainability transformation, and achieving tangible progress in carbon management and supply chain collaboration. Looking ahead to 2024, we will maintain our steady pace, reinforce innovation and green initiatives, and work together with our partners to create sustainable value while moving toward a more resilient and responsible corporate vision.

Tailyn focuses on the research, development, and manufacturing of industrial electronic equipment, covering four major areas: industrial networking, industrial computing, semiconductor applications, and electric vehicles. With over 40 years of manufacturing experience, Tailyn's industrial networking solutions are widely applied in 5G, smart factories, utilities, surveillance, and transportation markets, providing partners and customers with robust network infrastructure. Through automation and intelligent management, we continue to refine our production technologies and deliver high-quality, highly reliable manufacturing services to global brands, earning their trust worldwide.

To enhance its sustainability capabilities, Tailyn Technologies has established a Sustainability Development Committee to ensure that, while pursuing sound corporate governance, technological innovation, and long-term profitability, the company also places equal emphasis on environmental protection, employee rights, social welfare, and the balanced interests of all stakeholders.

In alignment with its environmental strategy, the Company has obtained ISO 14064-1 certification for greenhouse gas inventory and actively supports government policies on energy conservation, carbon reduction, and pollution control, driving the transition toward a greener operating model. The Company complies with all relevant regulations and follows international standards on environmental, health, and safety (EHS), energy management, and green product requirements. Through the implementation of energy-saving measures, it has successfully reduced carbon emissions, promoted the use of environmentally friendly packaging, and enhanced recycling practices to improve resource efficiency. The Company also strengthens communication and collaboration with employees, suppliers, and the broader community to support the effective implementation of its EHS and green product management systems. In 2024, the Company reduced electricity consumption by 44,768 kWh compared to 2023, resulting in a carbon reduction of 21.22 metric tons of CO_2.

Chairman of Tailyn Technologies, Inc.

Chun-Ting Chen

In terms of employee care, Tailyn Technologies strives to create a safe, healthy, and harmonious work environment for its employees and to minimize the risks they may face while performing their duties in the workplace. In terms of employee training, Tailyn Technologies has developed plans to continuously implement management training programs for various levels as well as specialized training courses by function. The Company also addresses employee health management needs by regularly organizing health checkups and various health and safety seminars to remind employees to take care of their health in daily life in addition to their work. In terms of improving employee communication, the Company not only holds quarterly labor-management meetings but also provides communication channels such as physical and internal website mailboxes. These serve as references for organizational and departmental improvements, enabling employees to fully apply their talents at work without concern. When annual profits are generated, 5% to 10% is allocated as employee remuneration.

In terms of social engagement, Tailyn is dedicated to caring for and giving back to society and local communities. In 2003, to give back to society and help disadvantaged groups, the Company's founder and Honorary Chairman, Mr. Che-Hung Chen, established the Taipei Rosyclouds Education Foundation. The foundation focuses on rural education, underprivileged groups, and the physical and mental health of the elderly. In 2024, its activities benefited a total of 34,827 participants. In recent years, the Company has also donated NT$300,000 annually to the Reindeer Home Foundation. Sponsored programs include the "A Stable Home for Children – Land Acquisition Plan for Reindeer Children's Home" in 2020 and 2021, and the "Child Sponsorship Program" from 2022 to 2024. Additionally, Tailyn Technologies participated in the 6th to 8th rounds of the "Solar for Good" program organized by the Taiwan Green Energy Public Welfare Development Association, donating a total of NT$750,000 from 2022 to 2024. In 2024, the Company organized the "Plastic-Free Eco Tour & Beach Cleanup" event, drawing the participation of 84 employees and members of the public.

Looking ahead, Tailyn Technologies will continue to focus on sustainable corporate development by strengthening corporate governance, deepening innovation and R&D, fulfilling environmental responsibilities, safeguarding employee welfare, and actively giving back to society. We sincerely invite continued support and valuable feedback from our partners and stakeholders as we work together toward a resilient and sustainable future for Tailyn Technologies.

About This Report

Tailyn Technologies is committed to sustainable development and continues Tailyn Technologies is committed to sustainable development and has strengthened its sustainability disclosures by publishing the 2024 Sustainability Report (hereinafter referred to as “this Report”). Through this Report, the Company presents its continued efforts and achievements in promoting integrity in corporate governance, advancing environmental protection and occupational safety, and enhancing employee compensation and welfare, all aligned with its long-term sustainability objectives. Through this Report, we hope to help stakeholders gain a better understanding of Tailyn, recognize the Company’s progress, and continue to support Tailyn’s journey toward a better and more sustainable future.

Reporting Boundaries and Scope

Disclosure Category	Coverage Scope
Reporting Period	This Report primarily discloses information related to business operations in 2024 (from January 1, 2024, to December 31, 2024). However, to comply with the GRI reporting principles of completeness and comparability, certain management performance content includes data from prior to 2024.
Scope and Boundary	Taiwan Operations
Financial Data	Aligned with the consolidated financial statements publicly disclosed by Tailyn Technologies.
Environmental, Health, and Safety (EHS) Data	Cover Tailyn Technologies, Inc.’s Taoyuan Headquarters
Employee Data	Cover Tailyn Technologies, Inc.’s Taoyuan Headquarters
Community Engagement Performance	Cover Tailyn Technologies, Inc.’s Taoyuan Headquarters
Restatement of Information	2023 carbon inventory data has been revised; please refer to relevant sections for details.

Reporting Basis and Information Verification

- This Report is prepared in accordance with the 2021 edition of the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board (GSSB), and also takes into account the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the disclosure standards of the Sustainability Accounting Standards Board (SASB). The content further complies with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE and TPEx Listed Companies". Corresponding appendices in this Report include the GRI Content Index, SASB Index, TCFD Disclosure Mapping, the TPEx Sustainability Disclosure Indicators for the Telecommunications and Networking Industry, and Climate-related Information for Listed Companies, for stakeholder reference.

- The financial data disclosed in this Report has been audited by Ernst & Young in accordance with the International Financial Reporting Standards (IFRS), and is presented in thousands of New Taiwan Dollars (NTD).

- Environmental, employee, and occupational safety and health data have been compiled and verified by the responsible departments. Data are presented using internationally recognized metrics and have been reviewed by department heads for accuracy.

- Greenhouse gas emissions data for 2022 were self-estimated by the Company. Greenhouse gas emissions data for 2023 were verified and certified in 2024 by TUV NORD Taiwan Ltd. Greenhouse gas emissions data for 2024 were verified in 2025 by TUV NORD Taiwan Ltd. and certified in accordance with ISO 14064-1.

Report Management

The content of this Sustainability Report was compiled by the task forces under the Company's Sustainability Development Committee. Each task force was responsible for data collection and drafting, followed by integration, cross-checking, proofreading, and compilation by the executive secretary. The Report is written in Traditional Chinese and finalized upon approval by the Board of Directors. Financial data are sourced from publicly disclosed information verified by certified public accountants. Some data are obtained from official government publications or internally compiled statistics, and are presented using commonly adopted descriptive methods. Once completed, the Report is published on the Company's official website and filed via the Market Observation Post System (MOPS) in accordance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE and TPEx Listed Companies".

Publication Cycle

Tailyn Technologies publishes its Sustainability Report on an annual basis.

2024.08 First Edition

2025.08 Current Edition Release Date

2026.08 Next Edition Release Date

Feedback

If you have any comments or suggestions regarding the content of this Report, please feel free to contact us.

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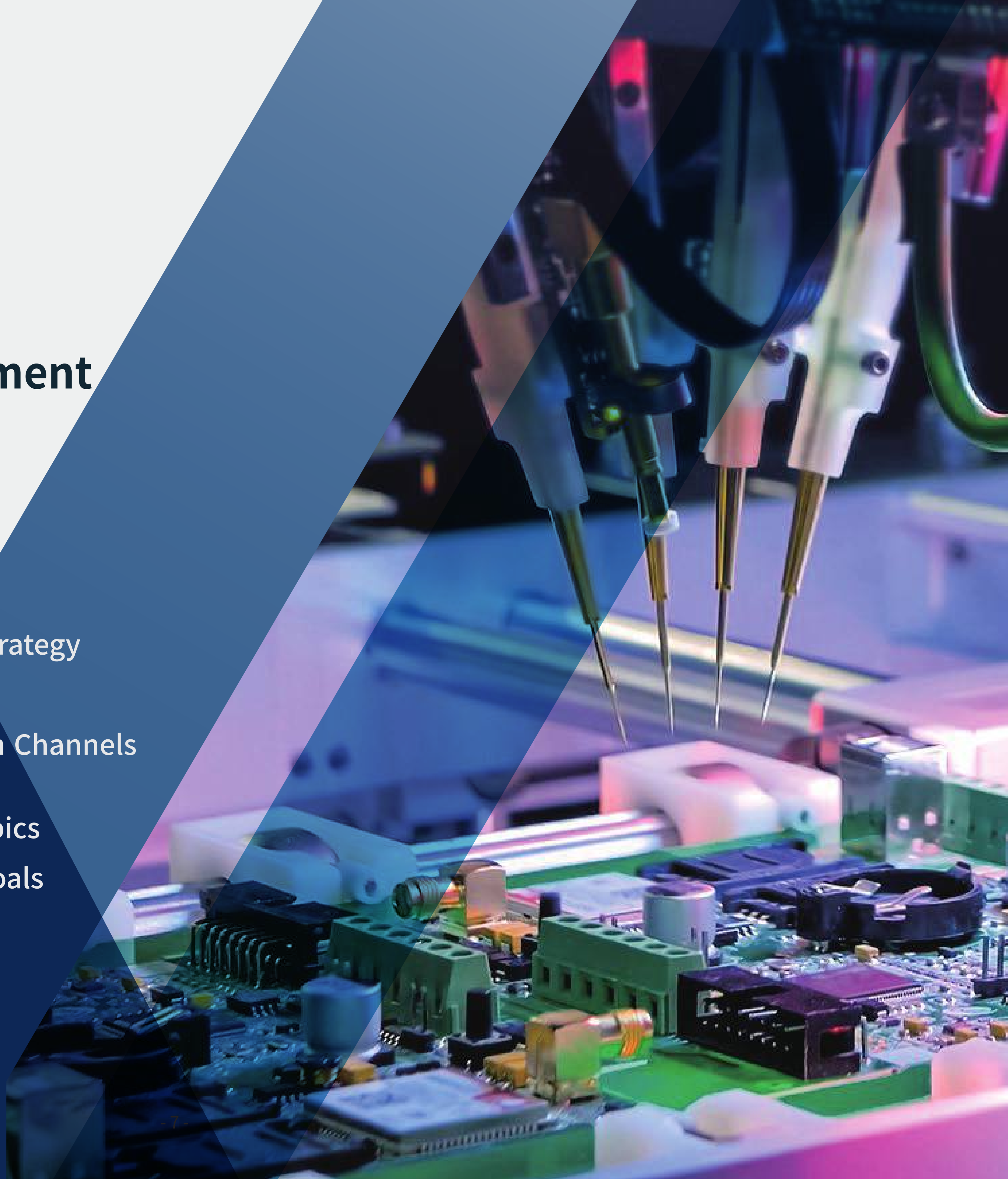
1 CHAPTER
Sustainable Management



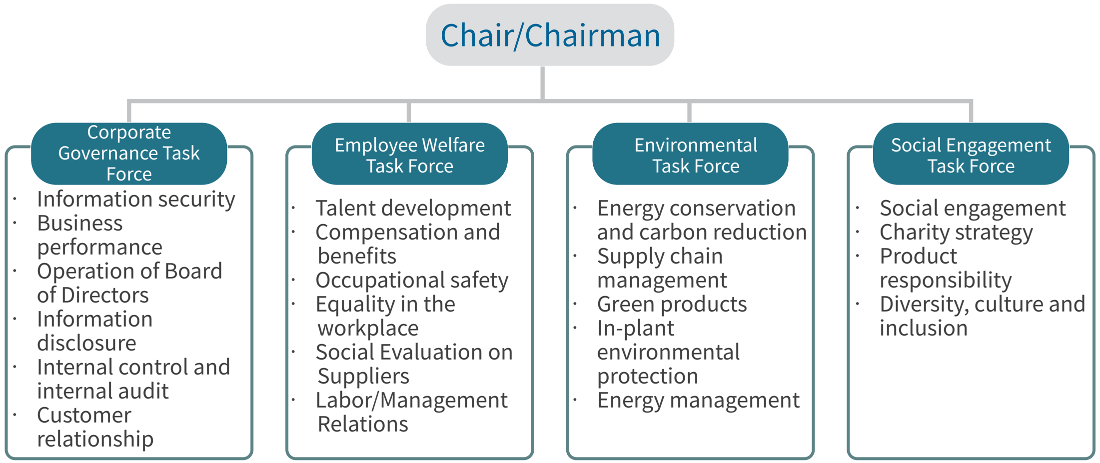
1.1 Sustainable Development Strategy

Tailyn Technologies actively promotes sustainable development in alignment with international trends, striving to improve environmental performance, corporate governance, and social engagement, thereby enhancing its competitive edge based on long-term environmental and societal sustainability.

The Company has established a "Sustainability Development Committee" (hereinafter referred to as the "Committee") as its highest internal decision-making body for sustainability matters, chaired by the Chairman of the Board. The Committee comprises four task forces: Environmental Protection, Corporate Governance, Employee Welfare, and Social Engagement. The governance officer and the Committee Chair jointly conduct regular reviews of the Company's ESG operations, annual sustainability plans and implementation status, as well as future sustainability goals and strategic directions. The management team frequently discusses sustainability-related topics through various internal meetings. These meetings are convened by the Chairman or senior executives to communicate the Company's priorities and plans regarding sustainability, encouraging collaboration across all levels to gradually realize the Company's long-term sustainability vision. The Committee reports annually to the Board of Directors on its progress and future work plans, proposes strategic directions for sustainability initiatives, delegates tasks to the respective task forces, and tracks and evaluates outcomes to ensure effective implementation of the Company's sustainability policies. The effectiveness of implementation is continuously tracked and reviewed to ensure the Company's sustainability policies are fully executed.

Tailyn Technologies, Inc.
Stakeholder Section

Organization Chart of the Sustainable Development Committee



Functions of the Sustainability Development Committee	Responsibilities of the Chairman
• Establish corporate sustainability development goals and strategies • Promote and supervise the implementation of corporate sustainability initiatives • Handle other matters related to corporate sustainability development • Handle other matters related to corporate sustainability development • Review the sustainability report	• Formulate sustainability development policies • Supervise committee members in executing policies and compiling the sustainability report

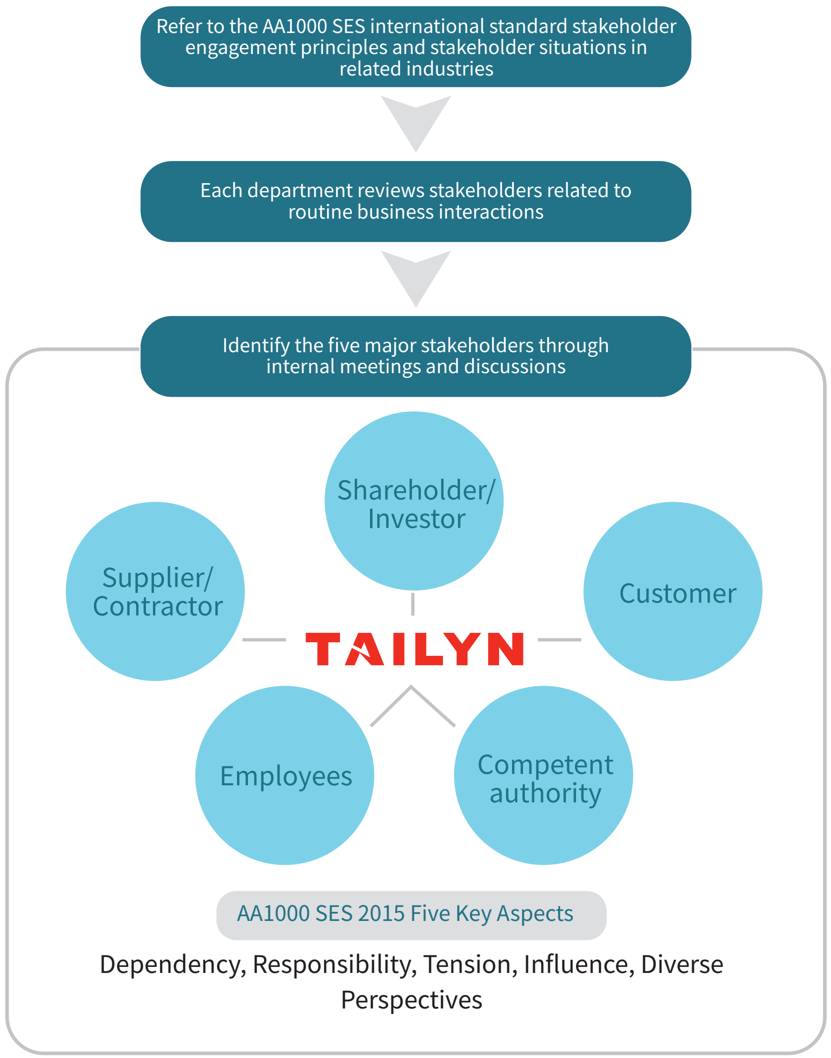
Tailyn will continue to implement its corporate sustainability policies through the Sustainability Development Committee, with a commitment to safeguarding employee welfare and actively promoting environmental protection initiatives. Guided by the vision of coexisting and thriving with society, the Company focuses on three key pillars of environmental protection, corporate governance, and social responsibility as it advances toward its goal of sustainable operations.

The Sustainability Development Committee holds meetings annually to review the objectives and outcomes of each task force. Additional meetings may be convened as needed in response to environmental or regulatory changes. In addition to regular attendance by committee members, the Chair may convene and preside over meetings, inviting relevant task force members to participate depending on the agenda. All resolutions or matters approved through discussion by the Committee are documented and, upon review by the Chairperson, are assigned to the relevant departments for implementation. In 2024, in response to and in alignment with the core themes of Corporate Governance 3.0, including "enhancing board functions to increase corporate sustainability value", "improving information transparency to promote sustainable operations", "strengthening stakeholder communication to foster positive engagement", "aligning with international standards to promote responsible governance", and "deepening a culture of sustainability while offering diversified products", the Sustainability Development Committee completed a review of the implementation results of the year's sustainability initiatives. A report was presented to the Board of Directors on November 11, 2024.

1.2 Stakeholder Identification

While striving for corporate sustainability, Tailyn Technologies also places great importance on the voices of its stakeholders. Any individuals or groups that either influence or are influenced directly or indirectly by Tailyn's business operations are considered stakeholders of the Company. The Company's Sustainability Committee adopts the five core principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES): dependency, responsibility, influence, diverse perspectives, and tension. Based on these principles and through internal discussions, Tailyn identified four key stakeholder groups in 2023 including employees, customers, suppliers or contractors, and shareholders or investors. In 2024, in response to increasingly stringent external regulatory requirements and rising expectations from regulatory authorities regarding corporate sustainability governance, Tailyn formally added regulatory authorities as its fifth key stakeholder group. This addition aims to ensure operational compliance and transparency while enhancing communication and responsiveness to policymaking entities.

Key Stakeholder Identification Process



1.3 Stakeholder Communication Channels and Issues of Concern

Given the diverse identities of Tailyn Technologies' stakeholders, their concerns and interests vary accordingly. The Company provides comprehensive sustainability-related information on its official website and maintains open and direct communication channels for stakeholders. These channels allow the Company to better understand the reasonable expectations and needs of stakeholders and to respond appropriately to their concerns. Through this, Tailyn fosters positive stakeholder relations and works toward building mutually beneficial, win–win outcomes. The Company also continuously reviews and improves its sustainability performance. Each year, a report on key stakeholder engagement is submitted to the Board of Directors to serve as a reference for sustainability strategy planning.

Tailyn consolidates the issues raised by key stakeholders through routine communication between departments and stakeholder groups. The Sustainability Committee reviews and organizes these topics in reference to the GRI Standards 2021 (Universal Standards) and SASB industry-specific metrics. As a result, 21 material sustainability topics have been identified across economic, environmental, and social dimensions, ensuring that disclosures on environmental (E), social (S), and governance (G) issues meet stakeholder expectations.

Stakeholder Communication Channels and Issues of Concern

Key Stakeholder Category	Relevance of Stakeholders to the Company	Topics of Concern	Communication Channel/Frequency	Communication Practice
Shareholder/ Investor	Investors play a vital role in supporting the Company. The Company is committed to protecting their rights and interests by ensuring equal treatment for all investors and providing them with timely, transparent access to material information, as well as opportunities to participate in and make informed decisions regarding significant corporate matters.	• Business performance • Innovative R&D • Corporate governance • Risk management • Information System Security Management	• Contact information: Spokesperson: Mr. Robin Chen, Sr. Vice President TEL: +886-3-322-2201 • Investor Conference: Twice a year • Annual General Shareholders' Meeting: Once a year • Company website: https://www.tailyn.com • Market Observation Post System (MOPS) https://mops.twse.com.tw/	• Monthly revenue, financial reports / material information / regular or ad hoc announcements • Annual reports / meeting handbooks / shareholder meeting minutes • Investor relations section and email inbox • Two investor conferences held in 2024 • Shareholder attendance at the 2024 Annual General Meeting: 60.89%

Key Stakeholder Category	Relevance of Stakeholders to the Company	Topics of Concern	Communication Channel/Frequency	Communication Practice
Supplier/ Contractor	Tailyn regards its suppliers as long-term partners. In addition to the essential requirements of competitive quality, technology, delivery, and cost, Tailyn places increasing emphasis on suppliers' performance in governance, environmental, and social aspects, aiming to jointly promote sustainable development throughout the value chain. Through regular risk assessments and identification, Tailyn continuously strengthens its win-win sustainable supply chain policy.	• Customer relationship • Business performance • Supply chain management • Corporate governance • Information System Security Management	• Procurement Division 03-322-2201 ext. 1401 procurement@tailyn.com.tw • Factory audits are conducted before formal transactions with new suppliers. • Irregular factory audits are conducted for existing suppliers, mainly targeting suppliers with delivery quality issues exceeding specifications or with obvious delivery delays, to carry out audit and corrective guidance. • Supplier meetings are held irregularly, focusing on key raw material suppliers.	• Meeting minutes/email/phone/social media apps • Monthly supplier visit frequency: 30 suppliers • Supplier Audit Report • Restricted and Prohibited Substances Declaration • Restricted and Prohibited Substances Survey • Conflict Minerals Survey • Uyghur Forced Labor Prevention Act
Customer	Maintaining a high level of customer satisfaction helps strengthen customer recognition of the Company. The Company regards product quality, safety, and after-sales service as its highest commitment to customers.	• Business performance • Corporate governance • Supply chain management • Risk management • Waste management • Product quality and delivery schedule • Information security • Environmental sustainability	• Contact information: Email (Q/L/T/C) of contact person in each responsible unit • Customer meeting: quarterly, QBR • Sales visits (depending on location): by weekly, monthly, quarterly, annually • QLTCS functional meetings: by weekly, biweekly, annually • Customer satisfaction survey: Conducted in Q1 each year • Phone, email, social media apps: From time to time	• Email/phone/social media apps • 2024 average score of customer satisfaction survey: 90 points (sustained positive growth for four consecutive years) • Customer feedback via suggestion mailbox • Customer complaint statistics
Employees	Employees are the indispensable foundation of the company's operations. Providing a workplace that supports both physical and mental well-being and fosters diverse development is the company's commitment and responsibility, ensuring that employees can work without concern.	• Business performance • Compensation and benefits • Customer relationship • Labor Relations • Information System Security Management	• Contact information: HR Division/03-3222201 ext.3404/ HR@tailyn.com.tw • Labor-management meeting/quarterly • Employee compliant channels/from time to time	1. Internal meetings (quarterly): 4 sessions held, with 1,687 total participants 2. Internal and external professional training: A total of 214 sessions held, with 3,485 participants

Key Stakeholder Category	Relevance of Stakeholders to the Company	Topics of Concern	Communication Channel/Frequency	Communication Practice
Competent authority	Competent authority serves as supervisors ensuring compliance in the Company's operational activities, with significant influence over legal compliance, sustainable development, and industrial policy. Tailyn complies with relevant government regulations and proactively supports policy implementation. Through transparent and two-way communication, the Company earns the trust, support, and cooperation of government agencies.	• Corporate governance • Ethical corporate management and ethics and business conduct • Business performance • Investor Protection • Climate Change • Information System Security Management	• Market Observation Post System (MOPS): from time to time • Seminars/discussion forums, evaluations: from time to time • Official letters, phone, email: from time to time	1. Market Observation Post System (MOPS): from time to time 2. Seminars/discussion forums, evaluations: from time to time 3. Official letters, phone, email: from time to time

1.4 Identification of Material Topics

Material Topics Identification Process

STEP 1:
Understand the Organizational Context
Understand the organization' s profile, products or services, and the markets served, as well as industry characteristics and domestic and international issues relevant to the organization, and review the context of operational activities and their business relationships.

STEP 2:
Identify Actual and Potential Impacts
Identify the actual or potential impacts of organizational activities and business relationships on the economy, environment, and people, and, after understanding the issues of concern to stakeholders, summarize the sustainability issues.

STEP 3:
Assess the Significance of Impacts
Determine the significance of impacts for each issue based on the potential severity, likelihood of occurrence, duration of impact, and reversibility. (Impacts include actual/potential, positive/negative, short/long-term, intentional/unintentional, reversible/irreversible, etc.)

STEP 4:
Determine the Material Topics for Reporting
Through internal and external stakeholder questionnaires, obtain the combined scores for "stakeholder concern for sustainability issues" and "impact of company operations on sustainability issues." After ranking the scores from highest to lowest, the corporate governance members discuss and determine the material topics in the economic, environmental, and social aspects with high concern and high impact for reporting.

Sustainable Strategy 21 items → Concern Assessment Questionnaire 101 questionnaires collected → Impact Assessment Questionnaire 11 questionnaires collected → Identification of Material Topics 7 topics

2024 Material Topics

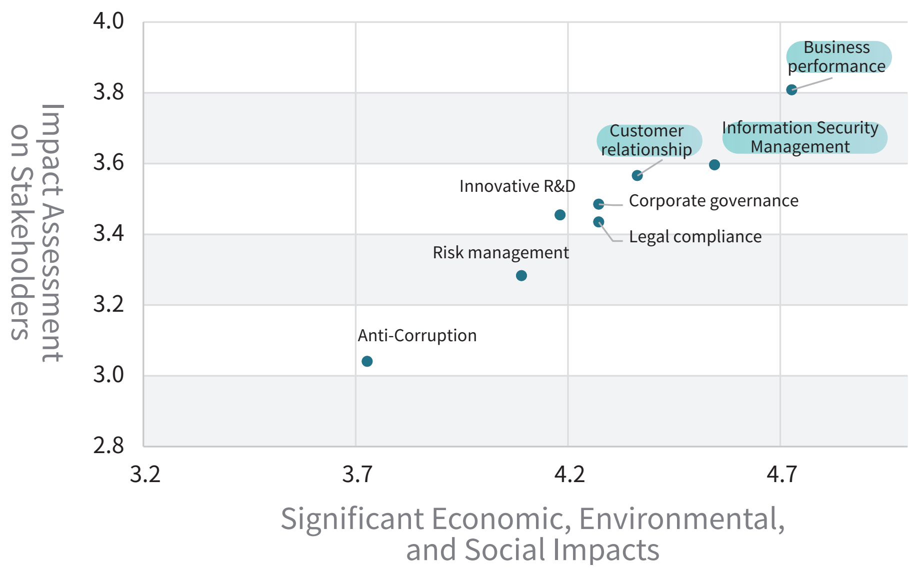
Environment Aspect	Supply chain management, energy conservation and carbon reduction
Social Aspect	Talent development, salary and benefits
Corporate Governance Aspect	Customer Relationship, Operational Performance, Information Security Management

1.4.1 Material Topic Analysis

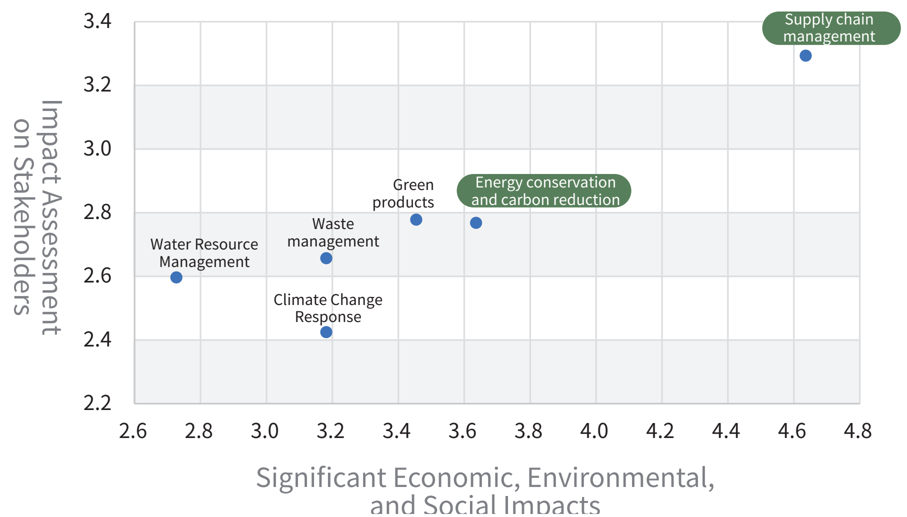
Tailyn Technologies conducts a materiality assessment every two years. The Sustainability Development Committee developed 21 sustainability strategies, and in 2023, an online questionnaire was distributed to key stakeholders. A total of 99 valid responses were collected, with stakeholders rating the impact level of each sustainability issue on corporate governance, the environment, and people. Simultaneously, an internal survey was distributed to 11 department heads, who evaluated the company's business activities and commercial relationships for their impacts on governance, environmental, and social dimensions. The results from both groups were consolidated to generate a materiality matrix. After discussion by the Sustainability Development Committee, the selection of material topics was based on the top two highest-scoring topics in each of the three dimensions: economic, social, and environmental. Additionally, "Customer Relationship", which ranked third in the economic dimension and received a higher score than the top two topics in the other dimensions, was deemed highly relevant to Tailyn and was thus included. As a result, a total of seven material topics were identified for Tailyn Technologies in 2023. In 2024, Tailyn designated competent authorities as a new stakeholder group. The same questionnaire from 2023 was issued to this group for evaluation. The collected responses were analyzed along with previous stakeholder feedback and internal management assessments to determine the level of impact each sustainability topic has on the Company, forming the 2024 impact assessment results. The final set of material topics for 2024 remains the same as in 2023:

Supply Chain Management, Energy Conservation and Carbon Reduction, Talent Development, Compensation and Benefits, Customer Relationship, Business Performance, and Information Security Management. These material topics were approved by the Chairperson of the Sustainability Development Committee. Tailyn Technologies will outline the management approach and relevant disclosures for each of these material topics in this report.

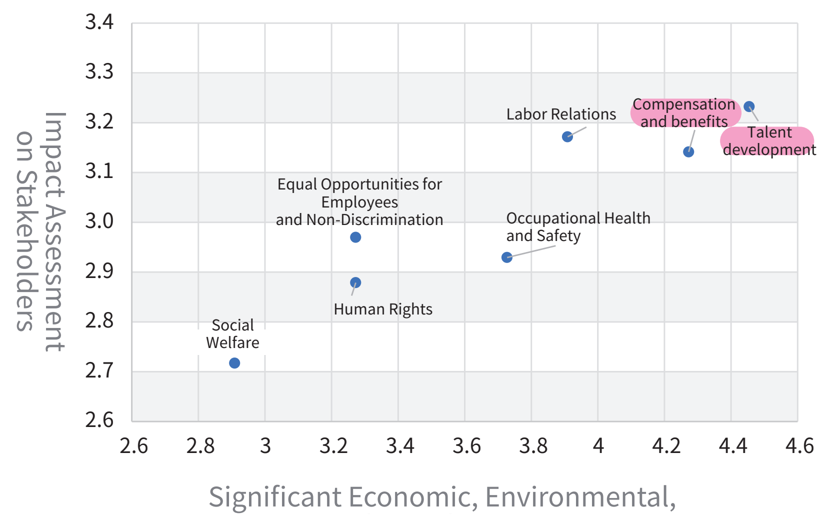
Materiality Matrix – Economic Topics



Materiality Matrix – Environmental Topics



Materiality Matrix – Social Topics



1.4.2 Identification of Material Topics and Boundaries

Aspect	Material Topics	Positive Impact	Negative Impact	Actual/ Potential	Internal Boundary	External Boundary			Disclosure Chapter in the Report
					Company	Investors	Suppliers	Customers	
Environment	Supply chain management	V		Actual	●		●	●	3.9 Supply Chain Management
Environment	Energy conservation and carbon reduction		V	Potential	●	●	●	●	4.2 Energy Resource Management and Carbon Reduction
Society	Talent development	V		Actual	●	●			5.2 Talent Development
Society	Compensation and benefits	V		Actual	●				5.1 Workforce Structure
Corporate governance	Customer relationship	V		Actual	●			●	3.8 Customer Relations
Corporate governance	Business performance	V		Actual	●	●	●	●	3.5 Operational Performance
Corporate governance	Information security	V		Potential	●	●	●	●	3.7 Information Security

1.5 Sustainable Development Goals

Tailyn Technologies aligns its sustainability strategy with the United Nations Sustainable Development Goals (SDGs), integrating these goals into its overall business strategy. In addition to pursuing economic performance and technological innovation, the Company emphasizes environmental protection and regulatory compliance, offers competitive compensation and employee benefits to attract and retain talent, promotes workplace equality, enhances water efficiency and carbon reduction, and actively encourages suppliers to participate in environmental protection and the creation of a more inclusive and supportive work environment. Looking ahead, Tailyn Technologies aims to further contribute to the Sustainable Development Goals (SDGs) and continue fulfilling its corporate social responsibilities. The Company's key achievements in implementing sustainability initiatives aligned with the SDGs are summarized in the following table:

Aspect	Environment		
SDGs		Tailyn Technologies Sustainability Performance Indicators	Environmental Management System
Responsible Unit	Environmental Task Force		
Implementation Strategy	Eliminate hazards and reduce risks through the PDCA management cycle to ensure the effective operation of the ISO 14001 Environmental Management System.		
Short-Term Goals (2024–2026)	Maintain effective operation of the ISO 14001 Environmental Management System.		
2024 Performance	Successfully passed the ISO 14001certificate renewal audit in January 2024 and maintained effective system operation.		

Aspect	Environment
SDGs	 Tailyn Technologies Sustainability Performance Indicators: Energy Conservation Project
Responsible Unit	Environmental Task Force
Implementation Strategy	Continue to implement various energy-saving improvement projects by enforcing electricity-saving measures, improving energy efficiency, and promoting energy conservation in office areas and public facilities.
Short-Term Goals (2024–2026)	Achieve an annual energy conservation target of 1% in 2024.
2024 Performance	1. The Company is a high-voltage power user with a contracted capacity of 1,000 kW and has set an annual electricity saving rate target of more than 1%. 2. From 2016 to 2024, the Company achieved an average annual electricity saving rate exceeding 1%.

Aspect	Environment
SDGs	 Tailyn Technologies Sustainability Performance Indicators: Climate Change Governance
Responsible Unit	Environmental Task Force
Implementation Strategy	Adopt the TCFD (Task Force on Climate-related Financial Disclosures) framework to strengthen climate risk governance.
Short-Term Goals (2024–2026)	Complete TCFD disclosures and include them in the Sustainability Report.
2024 Performance	Completed the 2024 climate risk assessment under the TCFD framework and ongoing implementation is in progress.

Aspect	Environment		
SDGs	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Tailyn Technologies Sustainability Performance Indicators	Product Responsibility
Responsible Unit	Environmental Task Force		
Implementation Strategy	1. R&D must request suppliers to sign the "Rules for Environmental Substance Management" when applying for new internal part numbers to ensure raw materials are free from hazardous substances. 2. Product quality is strictly controlled during the validation phase to ensure compliance with customer requirements and manufacturing standards, avoiding quality issues in mass production. 3. Tailyn is committed to not using metals sourced from conflict-affected regions. 4. All products must pass mandatory safety tests and certifications in accordance with customer requirements before entering mass production. 5. Tailyn provides products compliant with IEC 62443 standards.		
Short-Term Goals (2024–2026)	1. Zero customer complaints caused by restricted or hazardous substances 2. 100% signing rate of key suppliers 3. Declaration of non-use of conflict minerals 4. All outgoing products meet customer safety certification requirements 5. Continue to maintain the operation of the quality system: ISO 9001, TL 9000, IATF 16949, IECQ QC080000, and IEC 62443.		
2024 Performance	1. Zero customer complaints caused by restricted or hazardous substances 2. 100% of key suppliers signed the Declaration of Non-Use of Conflict Minerals 3. UL conducted unannounced factory audits in 2024 with no non-conformities 4. 256 new part numbers were covered by supplier declarations in 2024 5. All quality management systems operating normally: TL 9000, ISO 9001, IEC 62443, IATF 16949, and IECQ QC 080000		

Aspect	Environment		
SDGs	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Tailyn Technologies Sustainability Performance Indicators	Green Product Design and Development
Responsible Unit	Environmental Task Force		
Implementation Strategy	1. Improve energy efficiency of products. 2. Adopt environmentally friendly raw materials through green procurement 3. Streamline packaging and material usage 4. Adopt design for easy disassembly and recycling		
Short-Term Goals (2024–2026)	1. Increase the use of metal materials (iron, aluminum) for product casings. Use 70% recycled paper for outer cartons. 2. Discontinue printed product manuals to reduce paper consumption and carbon footprint, while enhancing user convenience for reading and file management convenience and file management.		
2024 Performance	1. Products designed by the Company utilized recyclable metal casings and outer cartons made of 70% recycled paper materials 2. Product manuals have been fully digitized; printed versions are no longer provided		

Aspect	Environment		
SDGs	14 LIFE BELOW WATER 15 LIFE ON LAND	Tailyn Technologies Sustainability Performance Indicators	Ecological Conservation
Responsible Unit	Social Engagement Task Force		
Implementation Strategy	Promote the concept of “Protecting the Marine Environment Together”. We hope that through concrete actions, we can implement relevant actions and help the public understand the impact of garbage and pollutants on the general public. Impacts on the marine environment and ecology; gain an in-depth understanding of the impacts of marine pollution and plastic litter on the environment and biodiversity; and thereby encourage the public to reduce the use of single-use plastics and recycle resources properly to ensure the sustainable development of our marine environment.		
Short-Term Goals (2024–2026)	Organize ecological protection activities every year.		
2024 Performance	In September 2024, Tailyn co-organized a local “Plastic-Free Travel” ecological education and beach cleanup event with the Society of Wilderness, with participation from 84 employees and members of the public, promoting the concept of “Protecting the Marine Environment Together”.		

Aspect	Environment	
SDGs	1 NO POVERTY 10 REDUCED INEQUALITIES Tailyn Technologies Sustainability Performance Indicators	Support for the Disadvantaged and Public Welfare Donations
Responsible Unit	Social Engagement Task Force	
Implementation Strategy	1. To give back to the society and help the disadvantaged groups, the Company established the Rosyclouds Foundation in 2003 to give back to the society and help the disadvantaged groups. 2. Donate to the Reindeer Children's Home to support the foundation in taking care of the children and young people who have been orphaned or dependents, so that they can grow up stably and integrate into society smoothly. 3. Through the promotion of the green energy public welfare model, we help disadvantaged groups in society to share the benefits of sustainable green energy, energy saving and carbon reduction, and enhance the knowledge of disadvantaged groups, thereby improving the problems of climate change and energy inequality, bringing renewable energy to those in need and fostering a more inclusive, sustainable society. 4. In response to the severe impact of the major earthquake that struck Hualien on April 3, 2024, the Company, guided by humanitarian concern and social responsibility, made a timely donation to support disaster relief efforts, assist with post-disaster reconstruction, and help affected residents restore their daily lives. 5. To uphold its commitment to local engagement and cultural inclusivity, the Company supported the original musical Don't Cry, Dancing Girls: The Musical, produced by VMTheatre Company, in line with the SDGs' emphasis on promoting inclusive societies and cultural diversity. We aim to help invigorate Taiwan's arts and culture scene and collaborate with the broader community to foster a culturally vibrant and sustainable future. 6. To promote green urban transportation and enhance mobility for residents, the Company sponsored the establishment of a YouBike public bicycle rental station, actively supporting the concept of sustainable transport and a livable urban environment. The station serves local communities and commuters, improving connectivity and the overall efficiency of the public transportation system. Through this initiative, the Company hopes to encourage low-carbon lifestyles among city residents and work alongside all sectors of society to create a more sustainable and accessible urban future.	
Short-Term Goals (2024–2026)	Encourage employees to form volunteer groups to support disadvantaged communities and organize donation and supply drives.	
2024 Performance	Total donations in 2024 amounted to NT$3.24 million. 1. Donated NT$1.66 million to the Rosyclouds Educational Foundation (founded 2003), supporting rural education, disadvantaged groups, and elderly well-being (2011–2024). 2. Donated NT$1.5 million to the Reindeer Home Foundation (Taoyuan), supporting the "Land Acquisition Project" and "Child Sponsorship Program" (2020–2024). 3. Contributed NT$750,000 to the "Solar for Good" program under the Taiwan Green Energy Public Welfare Development Association (2022–2024). 4. Donated NT$300,000 for relief efforts following the April 3, 2024 Hualien earthquake. 5. Supported the original musical Don't Cry, Dancing Girls: The Musical (Leap Theatre Company) with a donation of NT$500,000, promoting local cultural creativity. 6. Sponsored NT$1.6 million for the installation of a YouBike stations.	

Aspect	Environment
SDGs	Tailyn Technologies Sustainability Performance Indicators: Healthy Workplace
Responsible Unit	Employee beneEmployee Welfare Task Force
Implementation Strategy	1. Comply with laws and other relevant requirements. 2. Provide a safe and healthy working environment to prevent illness and reduce operational risks to personnel in the workplace. 3. We continue to communicate and consult with employees, contractors, and the general public, and are committed to implementing and executing our occupational health and safety policies. 4. In compliance with legal requirements, we employ occupational health personnel and appoint contracted physicians to conduct monthly on-site visits. These services include health examinations, education, and consultations on the prevention of work-related injuries and illnesses. 5. A labor health service plan has been formulated, with health education information regularly posted on bulletin boards. Targeted health promotion services are provided to high-risk groups on an individual basis.
Short-Term Goals (2024–2026)	1. Zero disabling work injury incidents throughout the year 2. General health checkups are provided every three years for all employees, while annual checkups are arranged for managers. Special health examinations are conducted annually for employees exposed to lead and ionizing radiation. Workplace environmental monitoring is regularly carried out for carbon dioxide, organic solvents, dust, lead, ionizing radiation, and noise levels. 3. Continue to maintain the operation of the occupational safety and health system: ISO 45001. 4. Appoint occupational health personnel and a contracted physician for monthly on-site visits.
2024 Performance	1. Zero disabling work injury incidents throughout the year. 2. In 2024, 14 managerial staff participated in health examinations; 82 participants underwent cancer screenings; and 99 employees in special operations (lead and ionizing radiation) participated in occupational health examinations, with a 100% attendance rate. 3. The onsite physician visited 12 times in 2024.

Aspect	Environment		
SDGs	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING	Tailyn Technologies Sustainability Performance Indicators	Improve employee benefits
Responsible Unit	Employee Welfare Task Force		
Implementation Strategy	1. Festival bonuses/Employee subsidies for weddings, funerals, and celebratory events/Education subsidies for employees' children/Hospitalization condolence payments for employees. 2. Year-end performance bonuses and profit-sharing based on company performance and individual evaluations. 3. Club activities, holiday celebrations, company trips, hiking events, and year-end banquets. 4. Group insurance. 5. Free employee cafeteria, dormitory, car and motorcycle parking spaces. 6. Free recreational facilities such as yoga room, fitness equipment, table tennis tables, billiard tables, and employee lounge container café.		
Short-Term Goals (2024–2026)	1. Benefits exceeding Labor Standards Act requirements. 2. Diverse employee benefits. 3. Annual bonuses and promotion/salary adjustment plans based on individual performance.		
2024 Performance	1. When the Company makes profit in the year, 5% - 10% of the profit shall be appropriated as employee remuneration. 2. Established an employee welfare committee in accordance with the law, with legally mandated allocations for employee welfare funds and labor retirement pension contributions. 3. Provided a fitness center or sponsored club activities to encourage employee participation in health-related events. 4. In December 2024, officially launched the YouBike "Tailyn Station," demonstrating Tailyn's commitment to ESG policies by enhancing transportation convenience for employees and the public, effectively reducing carbon emissions, easing traffic congestion, and lowering air pollution to achieve carbon reduction goals.		

Aspect	Environment		
SDGs	17 PARTNERSHIPS FOR THE GOALS	Tailyn Technologies Sustainability Performance Indicators	Customer Relationship Management
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	1. Emphasize customer needs and provide quality customer service. 2. Deliver value to customers and promptly resolve complaints to reduce distrust.	3. Establish win-win service partnerships with customers.	
Short-Term Goals (2024–2026)	1. Customer satisfaction score ≥ 80 points.	2. Customer complaint cases decrease year by year.	
2024 Performance	1. Received the Excellent Supplier Award from a semiconductor equipment customer in 2024. 2. The average score of the 2024 customer satisfaction survey was 90 points (met the target for three consecutive years). 3. The number of customer complaints continued to decline in 2024, down 19.3% compared to 2023. 4. No customer complaints or incidents were received in 2024 related to violations of product and service health and safety regulations.		

Aspect	Environment		
SDGs	8 DECENT WORK AND ECONOMIC GROWTH	Tailyn Technologies Sustainability Performance Indicators	Employees Relation Management
Responsible Unit	Employee Welfare Task Force		
Implementation Strategy	1. Protect employee rights, promote labor-management harmony, improve labor-management relations, and create a friendly workplace. 2. After one month of employment, new hires participate in a "Production Line Tour" to gain a better understanding of the company's production processes and product overview. To help new employees integrate into the company, an online survey titled "New Employee Feedback" is provided to promote a people-oriented approach to employee care. 3. Hold a quarterly labor-management meeting for two-way communication.		
Short-Term Goals (2024–2026)	1. Maintain open communication channels to promote harmonious labor relations.	2. No compliant cases reported.	
2024 Performance	1. In 2024, the Company hosted a training course titled "Unlocking the Code to Cross-Generational Leadership," which focused on analyzing the differences between older and younger generations in the workplace. The course aimed to enhance leadership and communication skills, promote effective communication strategies, improve internal interactions, and foster innovative thinking within the organization. 2. Four labor-management meetings have been held in 2024.		

Aspect	Environment		
SDGs	4 QUALITY EDUCATION	Tailyn Technologies Sustainability Performance Indicators	Talent Sustainability
Responsible Unit	Employee Welfare Task Force		
Implementation Strategy	1. Continue offering professional and management courses to strengthen the competencies required for each position, enhancing overall organizational performance. 2. Optimize the learning system to ensure training quality for employees. 3. Manage and plan to control turnover rate by improving benefits and conducting interviews to retain top talent.		
Short-Term Goals (2024–2026)	1. Functional training coverage for new employees: 100% 2. Review development roadmaps for supervisors to cultivate leadership capable of meeting future challenges. 3. Promote digital learning to eliminate limitations of location, time, and cost.		
2024 Performance	1. Functional training coverage for new employees: 100% 2. Average training hours per employee: 14.1 hours. 3. In 2024, Tailyn conducted training programs such as “AI Applications,” “Intergenerational Leadership and Communication,” and “Building a High-Cohesion Diamond Team,” reaching 204 participants and totaling 949 training hours. 4. To enhance user experience and accessibility, Tailyn adopted the Business Weekly Co-Learning Circle program and e-learning general education courses. 5. In 2024, the total cost of education and training was NT$1,260,000.		

Aspect	Environment		
SDGs	17 PARTNERSHIPS FOR THE GOALS	Tailyn Technologies Sustainability Performance Indicators	Supply chain management
Responsible Unit	Environmental Task Force/Corporate Governance Task Force		
Implementation Strategy	1. Require key suppliers to obtain ISO 14001 environmental management system certification. 2. Require key suppliers to sign the "Supplier Sustainability Commitment". 3. New suppliers are reviewed for EHS management systems and social responsibility during initial evaluations to assess any adverse records or reputational risks regarding environmental and social impacts. 4. Require key suppliers to identify environmental impacts and implement concrete mechanisms to mitigate adverse effects on the community, environment, and natural resources. 5. For EHS non-conformities identified during audits, suppliers must immediately correct issues. In cases of serious violations, cooperation will be suspended until compliance is verified.		
Short-Term Goals (2024–2026)	1. Key suppliers (20 suppliers, accounting for 57% of revenue) complete the signing of the "Supplier Sustainability Commitment". 2. Require suppliers to sign the Non-Use Conflict Minerals Survey". 3. Establish an annual key supplier audit and review plan. Promote continuous improvement for suppliers with poor performance in the previous year. 4. Provide guidance to suppliers that meet audit/guidance criteria.		
2024 Performance	1. 100% of key suppliers (20 suppliers, accounting for 57% of revenue) have signed the "Supplier Sustainability Commitment". 2. 100% of all suppliers (approximately 580) have signed the "Non-Use Conflict Minerals Survey". 3. Annual key supplier audit and review plan – number of poor performers in the previous year: 0 in 2024. 4. 23 suppliers met the audit/guidance conditions: 100% received guidance, with improvement results documented via supplier audit checklists or meeting minutes. 5. In 2024, quality management audits were conducted for 536 key suppliers. Non-conformities were issued corrective and preventive action requests and are under ongoing tracking.		

Aspect	Corporate governance		
SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Tailyn Technologies Sustainability Performance Indicators	Corporate Governance Evaluation
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	1. Increase ESG disclosure items.	2. Strengthen corporate governance and continue improving evaluation indicator scores.	
Short-Term Goals (2024–2026)	1. Gradually implement ESG improvement measures in line with evaluation indicators. Increase ESG disclosure items. 2. Maintain Corporate Governance Evaluation results within the top three tiers, with a target of being in the top 35% of OTC-listed companies.		
2024 Performance	1. To align with the Corporate Governance Evaluation, the Company enhanced disclosure on its official website regarding responsible governance and corporate sustainability to improve transparency. 2. In the 2024 Corporate Governance Evaluation, the Company ranked in the top 6%–20% among OTC-listed companies, representing an improvement of one tier compared to 2023.		

Aspect	Corporate governance		
SDGs	17 PARTNERSHIPS FOR THE GOALS	Tailyn Technologies Sustainability Performance Indicators	Operation of the Board of Directors and Functional Committees
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	1. Establish various functional committees and task forces to assist the operation of the Board of Directors.	2. Maintain and strengthen the board of directors and functional committees.	
Short-Term Goals (2024–2026)	1. Establish functional committees or task forces according to the company's development and scale. 2. Hold at least one separate meeting per year between independent directors and the chief auditor and CPA.	3. Conduct annual self-assessments of board performance; conduct external assessments every three years.	
2024 Performance	1. In addition to the legally required Audit Committee and Remuneration Committee, a new functional committee, the Sustainability Committee, was established in 2024 to assist the board in planning and supervising the execution of corporate sustainability. 2. A total of two separate meetings between independent directors and the chief auditor and CPA were held in 2024. 3. Completed the 2024 performance evaluation of the board of directors and all functional committees, with results disclosed in the annual report.		

Aspect	Corporate governance		
SDGs	17 PARTNERSHIPS FOR THE GOALS	Tailyn Technologies Sustainability Performance Indicators	Information security
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	1. Enhance information security policies and implementation procedures. 2. Establish an internal information security organization, designate an information officer, and assign dedicated information security personnel. 3. Continuously strengthen the company's software and hardware infrastructure and review network security control measures. 4. Conduct regular asset risk assessments, vulnerability scans, and recovery plan drills.	5. Implement document classification and custody, and enforce system backup mechanisms. 6. Strengthen employee management and training. 7. Changes in internal and external information security issues or risk assessments → conduct annual management reviews; in the event of major information security incidents → hold immediate review meetings.	
Short-Term Goals (2024–2026)	1. Information security organization meeting ≧ 1 time/year. 2. Information security audit ≧ 1 time/year. 3. Vulnerability scan ≧ 1 time/year. 4. Information security testing (social engineering drill) ≧ 1 time/year.	5. Implement XDR network detection and protection on internal network. 6. Add NAC (network access control) to perform identity authentication and prevent unauthorized devices (BYOD) from accessing the internal network.	
2024 Performance	1. Passed ISO/IEC 27001 certification and obtained the certificate in Q2 2024. 2. Zero information security incidents in 2024. 3. Information security training: 1) Professional training – 1 person obtained ISO 27001:2022 LA certification. 2)General training (for indirect personnel) – external lecturer provided an in-person course on social engineering prevention: awareness and prevention of email-based social engineering; 101 participants attended; total training hours: 101 hr. 4. Conducted 1 internal information security audit in 2024, with no non-conformities. 5. Completed 1 vulnerability scan on externally facing service servers in 2024, identifying three medium-risk and one low-risk vulnerabilities. Patched all three medium-risk vulnerabilities; no critical or high-risk vulnerabilities identified. 6. Number of MDR endpoint installations: 355 units. 7. 308 participants completed the 2024 information security (social engineering drill).		

Aspect	Corporate governance		
SDGs		Tailyn Technologies Sustainability Performance Indicators	Collective Knowledge on Sustainable Development
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	Organize relevant sustainability training courses.		
Short-Term Goals (2024–2026)	Individual directors are required to complete at least 6 hours of training annually based on functional needs. Future training content should be adjusted to include all three ESG dimensions.		
2024 Performance	All directors completed at least 6 hours of external training in 2024.		

Aspect	Corporate governance		
SDGs		Tailyn Technologies Sustainability Performance Indicators	Legal compliance
Responsible Unit	Corporate Governance Task Force		
Implementation Strategy	1. Monitor domestic and international policies and regulations that may affect the company's finance, operations, and environmental, health, and safety aspects. 2. Establish corresponding risk management and operational procedures.	3. Formulate environmental safety measures and conduct drills. 4. Strengthen employees' legal awareness and competence.	
Short-Term Goals (2024–2026)	1. Strengthen each department’s awareness of legal compliance and risk. 2. No significant monetary or non-monetary loss or penalty was incurred in relation to economic regulations.	3. No violations of environmental or labor-related regulations, and no fines or penalties were imposed.	
2024 Performance	There were no major violations or breaches of law in 2024.		

Aspect	Corporate governance
SDGs	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; Tailyn Technologies Sustainability Performance Indicators: Operational Performance
Responsible Unit	Corporate Governance Task Force
Implementation Strategy	1. Pursue stable operations and technological innovation. 2. Establish effective communication channels with investors. 3. Regularly disclose the Company's business strategies and operational performance.
Short-Term Goals (2024–2026)	1. Continue investing in technological innovation. 2. Strengthen financial operations to respond to changes in industry and market trends. 3. Hold investor conferences and fully disclose relevant operational and governance matters on the official website.
2024 Performance	1. Communicated with stakeholders through phone calls, letters, and other channels. 2. Carried out various operational announcements in accordance with the regulations of the competent authority. 3. Held the annual shareholders' meeting and uploaded investor conference videos/presentations to the Market Observation Post System and the official website for stakeholders to understand the Company's operations. 4. Continued innovation in product development, with R&D expenses accounting for 4.96% of 2024 revenue.

TAILYN
台林電通股份有限公司
TAILYN TECHNOLOGIES, INC.

2 CHAPTER
About Tailyn Electric Technology

2.1 Company Profile

Tailyn Technologies, Inc. (stock code: 5353), hereinafter referred to as “Tailyn,” is primarily engaged in the research and development, manufacturing, services, and sales of network communication equipment and industrial application products. Its operations encompass both Electronic Manufacturing Services (EMS) and Original Design Manufacturing (ODM). Tailyn focuses on four major industrial sectors: wired and wireless communication equipment, industrial computers, electric vehicle electronics, and semiconductor front-end process equipment and back-end testing equipment. The Company provides products along with related software and hardware design, manufacturing, OEM services, sales, and after-sales support.

Since its establishment in 1980, Tailyn has adhered to the principle of continuous improvement, dedicated to providing customers with comprehensive product development solutions. The Company places great emphasis on enhancing manufacturing efficiency, ensuring product stability and reliability, and delivering strong post-manufacturing support. We provide customers with comprehensive support in design, joint development, manufacturing, related engineering, and logistics, applying Tailyn’s capabilities and value to their products. Since being listed on the TPEx in 1998, Tailyn has actively strengthened its R&D capabilities, enhanced manufacturing processes, and maintained a high standard of quality. The Company has accelerated product development, continuously improved factory automation, attracted new talent, and refined operational management and efficiency. As a reliable partner, Tailyn is committed to providing customers with high-quality, fast, and flexible value-added services and solutions.

With over 40 years of experience, Tailyn provides comprehensive integrated solutions covering design, pilot runs, mass production, and test engineering across industrial applications, communications, automotive electronics, and other precision equipment sectors. Through strong engineering capabilities, a highly integrated approach, a sense of accountability, and a proactive learning mindset, the Company addresses customer challenges from design through manufacturing. Tailyn is dedicated to helping customers achieve their production goals while fostering a thoughtful and strategic partnership that embodies forward-thinking strategies, commitment to results, and care for people.

Company Name	Tailyn Technologies, Inc.
Industry	Telecommunication and Networking Industry
Headquarters	No. 10, Rongan Rd, Luzhu District, Taoyuan City
2024 Shareholding Structure	Domestic institutions: 25.6%; Domestic individuals: 72.7%; Foreign institutions and individuals: 1.7%
2024 Capital	NT$751,980 thousand
2024 Revenue	NT$1,864,100 thousand
Operational Location	Headquarters (Factory): No. 10, Rongan Rd, Luzhu District, Taoyuan City
Products and Services	The Company focuses on the R&D and manufacturing of communications and industrial application related products, including wired and wireless networking products, industrial computer, electric vehicles and vehicle electronics and semiconductor frontend process equipment and backend test equipment. It provides the software and hardware design, manufacturing, OEM, sales and aftersales related services for these products. The major product categories are as follows: 1. Industrial and commercial wide temperature grade Ethernet switches (Wired Devices). 2. Industrial and commercial grade wireless LAN devices (Wireless Devices). 3. Industrial Computers. 4. Manufacturing of electric vehicles and vehicle electronics products. 5. R&D and manufacturing of semiconductor frontend process equipment and backend testing equipment.

Proportion of Revenue by Major Products in the Past Two Years

Year	2024		2023	
Product Type	Amount (NT$ thousand)	Proportion of Revenue (%)	Amount (NT$ thousand)	Proportion of Revenue (%)
Communication network products	639,569	34.31%	856,460	43.24%
Computer and peripheral products	325,948	17.49%	457,475	23.10%
Other electronic products	864,626	46.38%	638,593	32.24%
Other	33,957	1.82%	28,204	1.42%
Total	1,864,100	100.00%	1,980,733	100.00%

Industry Value Chain

Upstream

- Electronic component suppliers
- Material suppliers
- Technology providers

Midstream

- ODM: Industrial Network Applications, Semiconductor Equipment
- EMS: Industrial Applications, Industrial Computers, Automotive Electronics, Semiconductor Equipment

Downstream

- Brand manufacturers
- System Integrators
- Government unit
- Retailers

In the industrial network communication industry, the upstream segment comprises suppliers of components, materials, and technologies used in various communication terminals. These include network IC chips, RF IC chips, microprocessors, satellite communication/positioning and sensor chips, memory, passive and active components, printed circuit boards, heat sinks and antennas, plastic/metal enclosures, and network cables, among other communication product components. Tailyn is positioned in the midstream of the communication network industry value chain and possesses strong R&D and manufacturing capabilities. The Company offers standardized modularized in-equipment solutions and the design and manufacturing of niche products. Tailyn provides ODM (Original Design Manufacturer) services, delivering comprehensive solutions ranging from design and development to manufacturing based on customer requirements. This includes early-stage professional communication, new product pilot runs, the establishment of customer focus teams, and support in identifying alternative components to extend the product lifecycle, all aimed at effectively reducing customers' overall costs. Strict quality control and product testing are implemented throughout the manufacturing process to ensure high-quality products for customers. In addition to standard procedures, Tailyn offers customized processes such as conformal coating, airtightness testing, and high and low temperature testing to meet the requirements of specialized applications. On the equipment side, the Company has introduced advanced production equipment to build a comprehensive production line, including smart storage systems, intelligent material racks, solder pasteinspection, high-speed pick-and-place machines, reflow ovens, 3D AOI, 3D X-ray, and temperature testing systems, supporting both wired and wireless industrial networking products. The downstream segment of the industry chain consists of suppliers of various end-use products and services, which can be categorized into five major types: network equipment, optical communication equipment, wireless communication equipment, wired communication equipment, and telecommunications service providers.

Tailyn has also actively introduced the green supply chain concept by promoting carbon disclosure and responsible sourcing among upstream suppliers, while supporting downstream brand customers in achieving their ESG and carbon neutrality goals, serving as a key sustainability driver within the industry value chain.

In the industrial computer and peripheral equipment industry chain, the upstream consists of component suppliers, while the downstream primarily comprises suppliers of computer end-use products and other peripheral equipment. Tailyn’s EMS (Electronics Manufacturing Services) process begins with engineering review and design verification based on customer-provided design documents to ensure manufacturability and compliance with customer requirements. Upon confirmation, Tailyn proceeds with component sourcing and production, followed by product assembly, testing, and packaging according to customer specifications.

In the automotive electronics industry supply chain, Tailyn plays an important role. Upstream component and material suppliers provide Tailyn with the necessary raw materials and components for production, such as semiconductors, electronic parts, and substrates. Tailyn is responsible for manufacturing and technical support, utilizing proprietary process equipment and specialized manufacturing techniques to deliver high-quality, high-yield automotive electronic products. In addition, Tailyn offers professional technical support, including customized product design optimization and production process improvements to meet customer requirements. Downstream in the automotive electronics industry chain, vehicle manufacturers and system integrators incorporate Tailyn’s electronic products into their vehicles. Tailyn collaborates closely with downstream customers to provide comprehensive solutions and continuously introduces new products to meet market demands, ensuring more complete and advanced offerings for its clients.

In the semiconductor equipment industry chain, Tailyn’s Semiconductor Equipment Division plays a critical role by working with upstream component suppliers and supporting downstream semiconductor equipment manufacturers to ensure product quality and performance. Tailyn partners with various upstream component suppliers to guarantee the provision of high-quality, compliant components and materials for semiconductor equipment manufacturing and production. Tailyn has a comprehensive design team including project managers, hardware, software, firmware, PCB layout, mechanical engineers, and new product pilot run analysts. The team supports world class semiconductor equipment manufacturers by developing and designing high quality solutions for critical components (PCBA) and modules (Module & Rack).

2.2 Business Philosophy and Governance Structure

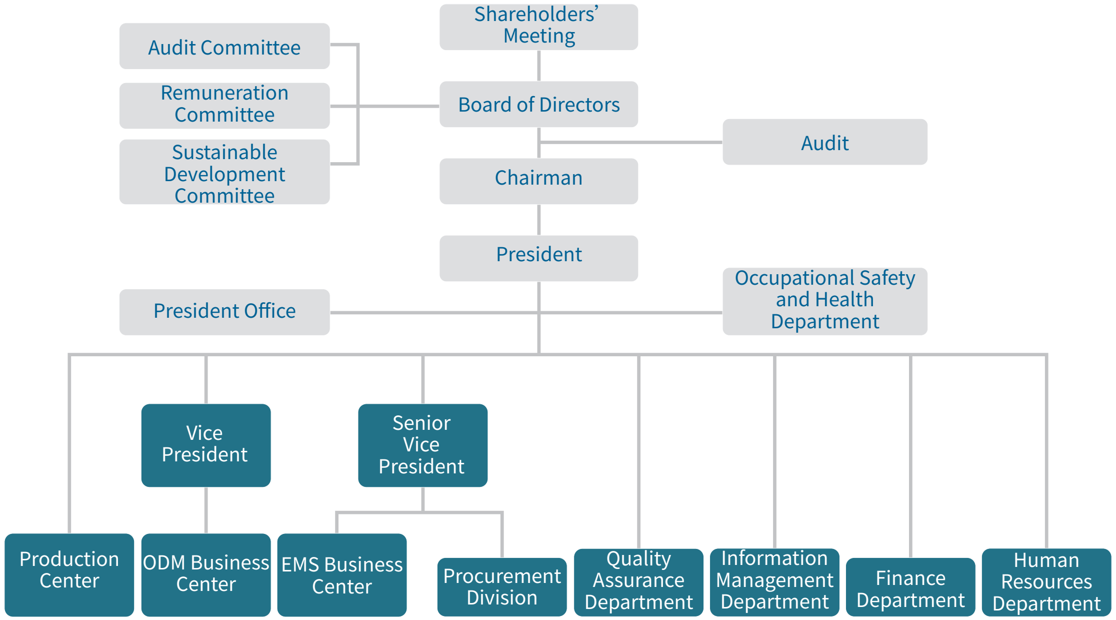
Business Philosophy

Tailyn upholds the business philosophy of"Innovation and Development, Social Contribution, Quality Enhancement, Customer Service, Profit Generation, and Labor-Management Sharing", striving for sustainable growth and long-term operation. With "focus" at its core, the management team strengthens close collaboration with customers and key component suppliers to deliver products and services that meet market demands. By leveraging rapid mass production capabilities and yield improvement techniques, Tailyn shortens time-to-market and enhances customer satisfaction, laying a solid foundation for the Company's sustainable development.

Brand Value of Tailyn

1. Strategy
   (1) Strategies include both the execution of plans and future innovation.
   (2) Short-, medium-, and long-term goals are clearly defined, with specific and actionable plans, and a thorough understanding of the impact of each measure.
   (3) Effectiveness is ensured by setting clear plans and corresponding review mechanisms.
2. Determination
   (1) Stay focused on goals, with a firm commitment to achieving them.
   (2) Embrace challenges and difficulties encountered in the process.
   (3) Determination is not a slogan, but a constant commitment to ensuring that plans are fully realized
   (4) Determination is not individualism, but the spirit of teamwork.
3. Humanity
   (1) Recognize that behind everything are people, and remain constantly aware of their presence.
   (2) Care about the perspectives, feelings, and needs of all internal and external stakeholders.
   (3) Success is built on maximizing the benefits for all parties.
   (4) Tailyn values "mutual cooperation" and "partnership".

Corporate Governance Structure



Name of department		Work duties
President Office		To achieve the company operation goals, handle the company's strategic operational planning and execution, select and build strategic partner alliances, allocate and adjust the company's resources, coordinate and communicate with every department and cultivate and recruit talents for the company.
Audit		To process internal audit business, check and evaluate the appropriateness and effectiveness of the design and execution of the internal control system.
Occupational Safety and Health Department		To draft, plan, monitor, and drive matters on occupational safety and health, and guide departments on related implementation and provide health education consultation, take care of treatments for the wounded in emergency events and so on aspects.
EMS Business Center		Provide customers with professional manufacturing production, assembly testing, joint R&D and supporting services for a complete supply chain management to achieve the operation and profit targets set by the company.
ODM Business Center	ODM Business Center	Responsible for industrial network communications product promotion, customer development and provide overall solution plans and services according to the needs of the customers, and execute related new product project development, new product introduction and industry market information collection. The goal is to pursue long-term steady growth in achieving the operational profit targets set by the Company.
	Research and Development Center	Plan the company's product future development and technical directions, draft product investment plan, control the development and research of new products, build related product software and hardware technical abilities, and provide design quality verification mechanism for R&D technology, with the aim to provide product design of higher quality and competitiveness.
Production Center	Manufacturing Division	Responsible for the company's manufacturing and the planning and execution of the factory, equipment, manufacturing process, technology, talents, and capacity as required by the manufacturing. The operation goals to increase quality, lower costs and shorten the delivery time is pursued through continuous improvement activities. Furthermore, by cooperating with the sales unit in developing new customers, introduce new products, and transfer product information and technology and equipment.
	Material Division	Responsible for the material planning, inventory control, warehouse management, order response, delivery time control, production scheduling and planning, and shipment management that are required by manufacturing.
	Procurement Division	Responsible for company procurement of raw materials, non-production materials and equipment, execute supply chain management and strategic procurement, and monitor the costs of materials, delivery schedule, and related market information to lower the company's production costs.
Quality Assurance Department		Responsible for the establishment and promotion of the quality system, execute quality verification, quality abnormalities analysis and handling, customer complaints analysis and handling for enhancement of quality to ensure the company's advantages in competition.
Finance Department		For the effective management of the company's funds, investment planning and management, stock affairs, accounting matters, operation management and analysis, tax management, financial report and budget preparation.
Information Management Department		Responsible for the planning, development, evaluation and coordination work relating to the company's information and technology systems to ensure the continuous development and operations of the management information system.
Human Resources Department		Responsible in drafting and executing human resources and general affairs strategies, such as recruitment and hiring, salaries and welfare, training and talent cultivation and assets management, plant and office equipment planning and management, general affairs management, door access restriction and safety management, environmental management, and engineering works.

2.3 Management System

Tailyn has a comprehensive quality management system and organizational structure aimed at meeting the diverse needs and expectations of customers and stakeholders. Through the operation and management of customer-oriented processes, support processes, and departmental functions, the company implements total quality management. Tailyn Technologies has obtained certifications for seven major management systems, including ISO 9001 (Quality Management System), TL 9000 (Telecommunications Industry Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), IECQ QC 080000 (Hazardous Substance Process Management System), IATF 16949 (Automotive Quality Management System), and ISO 27001 (Information Security Management System), and continues to maintain the validity of these certifications.

Tailyn Technologies has long maintained a rigorous product development process. However, with the growing global emphasis on cybersecurity, cyber resilience has become increasingly critical for key infrastructure and across various sectors. With the advancement of Industry 4.0 and the Industrial Internet of Things (IIoT), cybersecurity in industrial control systems has become an increasingly critical issue. In 2022, Tailyn Technologies obtained IEC 62443-4-1 certification for industrial control, enabling comprehensive management of security and quality throughout product development. Delivering IEC 62443-compliant products has become a cornerstone of industrial cybersecurity and enhances the company’s overall competitiveness. In 2024, Tailyn Technologies obtained ISO 27001 Information Security Management System certification. The company remains committed to continued investment in delivering high-quality, cybersecurity-compliant products and related information security services for its partners.

Management System	ISO 9001 : 2015	TL 9000-H R6.3/R5.7	ISO 14001 : 2015	ISO 45001 : 2018	IECQ QC 080000:2017	IATF 16949 : 2016	IEC 62443-4-1	ISO 27001 : 2022
Certification Category	Quality Management System	Quality Management System for the Communications and Electronics Industry	Environmental Management System	Occupational Safety and Health Management System	Hazardous Substance Process Management System	Quality Management System for Automotive Industry	Product Safety Design Certification	Cyber Security Management System Certificate
Certification Bodies	SGS	SGS	SGS	SGS	SGS	SGS	Bureau Veritas	SGS
Certificates								

CERTIFICATE	ISO 9001	TL 9000	ISO 14001	ISO 45001	IECQ QC 080000	IATF 16949	ISO 27001
CERTIFIED	1994/12	2001/10	2002/11	2002/11	2006/11	2015/12	2024/5
LASTEST RENEWAL	2022/11/18 ISO 9001:2015	2023/1/14 TL9000-H R6.3/R5.7	2024/01/31 ISO 14001:2015	2023/12/31 ISO 45001:2018	2025/2/28 IECQ QC 080000:2017	2024/1/10 IATF 16949:2016	NA
VALID UNTIL	2025/11/18	2026/1/13	2027/01/31	2026/12/31	2028/2/27	2027/1/9	2027/5

2.4 Corporate Honors and Participation in External Organizations

Rewards and Honors

◀ Taiwan Mobile Assists Tailyn in Obtaining ISO 27001 Certification Aligning with International Standards to Strengthen Information Security Management

In 2024, with the professional support of Taiwan Mobile Co., Ltd., Tailyn Telecom Co., Ltd. successfully obtained the ISO/IEC 27001 certification, marking a significant milestone in enhancing its enterprise information security management capabilities. The certification demonstrates that Tailyn's risk prevention, real-time monitoring, and incident response mechanisms meet international standards. The certificate was officially presented by PO-YU Stephen Pao, Vice President of SGS Taiwan Ltd., and received on behalf of Tailyn Technologies by Chairman Chun-Ting Chen. Hsiao-Hsing Chu, Chief Business Officer of Taiwan Mobile Enterprise Services, also attended the ceremony with her team to witness the event.

▲ Received the 7th Taiwan Mittelstand Enterprise

Tailyn Technologies was honored with the 7th Taiwan Mittelstand Enterprise Award presented by the Ministry of Economic Affairs. This award recognizes companies with outstanding growth potential, technological innovation, and international market competitiveness. This honor affirms our strong capabilities in production processes and engineering technologies, as well as the high level of trust and support we have earned from our customers. We will continue to enhance our core competitiveness through technological innovation and process improvement, striving for sustainable development and making greater contributions to industrial upgrading and social value creation.

▲ Tailyn Technologies Participates in MWC 2024 in Barcelona

Tailyn Technologies also participated in MWC 2024 in Barcelona, where the focus was on 5G Private Networks, 5G AIoT Development, and Smart Manufacturing. Tailyn has built a robust and reliable time-sensitive network (TSN), which is already implemented in our 5G fronthaul switches, TSN switches, 90W PoE switches, 5G gateways, and mid-range Ethernet switches. We continue to invest in and improve manufacturing technologies across areas such as automation processes, smart factory management, intelligent mining, and various vertical markets. At our exhibition booth, Tailyn showcased TSN Ethernet transmission switch networks and industrial-grade 5G wireless gateway solutions integrated with 5G vertical applications. We also introduced the concept of AI-optimized networking, with live demonstrations on site.

Rewards and Honors

▲ Smart Mobility Industry Forum

The Taiwan Smart Mobility Association (SMAT), in collaboration with CommonWealth Magazine, hosted the “3rd Smart Mobility Industry Forum: A Decade of Electrification Ahead” on April 29, 2024. The forum focused on “Sustainable Governance for Net-Zero Cities” and “The Future Blueprint of Smart Mobility”. Distinguished guests included Vice Premier Cheng, Wen-Tsan, New Taipei City Deputy Mayor Liu, He-Ran, Kaohsiung City Deputy Mayor Lin, Chin-Jung, SMAT Chairman Chiu, Chun-Jung, Gogoro Taiwan General Manager Henry Chiang, Fortune Electric CEO and Fortune Power Chairman & CEO Hsu, Yi-Sheng, Tailyn Technologies Chairman Chen, Chun-Ting, and Ark Power COO and ChargeSmith General Manager Wang, Chien-Wen. The event fostered dialogue and insight into key developments shaping the next decade of electrification.

▲ Tailyn Technologies Donates YouBike Station to Taoyuan City Government

Tailyn Technologies actively supports Taiwan’s energy-saving and carbon-reduction policies by promoting green transportation. In December 2024, the company will donate a YouBike station named “Tailyn Technologies Station” to the Taoyuan City Government. The station will enhance the accessibility of public bicycles and encourage employees and residents to adopt low-carbon transportation options. This donation demonstrates Tailyn’s commitment to corporate social responsibility and reflects its dedication to long-term environmental sustainability.

Participation in External Organizations

In addition to enhancing its product competitiveness, Tailyn Technologies also actively engages with stakeholders. By participating in industry-related associations, the Company maintains positive interactions with other members and gains insight into the latest industry developments.

Name of External Organizations	Membership Status
Taiwan Transportation Vehicle Manufacturers Association	Member
Taiwan Electrical and Electronic Manufacturers' Association	Member
Telecom Infra Project (TIP)	Member
Taiwan Electronic Equipment Industry Association	Member
The Institute of Internal Auditors-Taiwan	Member
Smart Mobility Association of Taiwan (SMAT)	Member
Taiwan Computer Emergency Response Team / Coordination Center (TWCERT)	Member
CC-Link Partner Association	Member
Taiwan Chief Information Security Officer (CISO) Alliance	Member

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TAILYN TECHNOLOGIES, INC.

3 CHAPTER Responsible Governance

Good corporate governance requires the Board of Directors and management to achieve operational goals in a manner that aligns with the best interests of the Company and all shareholders. It supports business operations and provides an effective oversight mechanism to encourage the efficient use of resources, enhance performance, strengthen competitiveness, and promote the welfare of shareholders and society.

Tailyn, in accordance with the Securities and Exchange Act and related regulations, has established a sound corporate governance system and an effective governance framework. In line with the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”, the Board of Directors has approved the adoption of the “Corporate Governance Best-Practice Principles,” which are disclosed on the Market Observation Post System and the Company’s website. The Board of Directors of the Company exercises its authority in accordance with laws, the Articles of Incorporation, and resolutions of the shareholders’ meeting. It is responsible for guiding the Company’s strategy, overseeing management, and being accountable to the Company and its shareholders, thereby ensuring sound corporate governance. To achieve the goals of corporate governance, the selection of directors is conducted in accordance with the Articles of Incorporation through a candidate nomination system. The “Corporate Governance Best-Practice Principles” and the “Procedures for Election of Directors” specify that board composition shall consider diversity, taking into account the Company’s operations, business model, and development needs to establish a diversity policy. Selection criteria cover, but are not limited to, two main aspects: fundamental qualities and values, and professional knowledge and skills. Current board members generally possess the industry expertise, skills, and competencies required to perform their duties, including professional capabilities in business judgment, management, accounting and finance, crisis management, leadership, decision-making, and a global market perspective.

The Company’s directors and employees, in addition to strictly complying with the provisions of the Securities and Exchange Act, also adhere to internal regulations established by the Company, including the “Regulations for Prevention of Insider Trading”, “Corporate Governance Best-Practice Principles”, “Ethical Corporate Management Best Practice Principles”, “Procedures for Handling Material Internal Information”, and the “Code of Ethical Conduct” in the implementation of corporate governance. At least once a year, the Company educates the current directors, managers and employees on the “Procedures for Handling Internal Material Information”, “Management Regulations for Prevention of Insider Trading” and related laws and regulations. Provide relevant laws and regulations and educational promotion materials that insiders need to follow within 2 days.

In the 11th Corporate Governance Evaluation in 2024, Tailyn ranked in the top 6%–20% among TPEx-listed companies, reflecting the Company's effective and well-functioning overall governance. Going forward, Tailyn will continue to enhance the overall effectiveness of its corporate governance and strengthen stakeholder trust in the Company.

Corporate Governance Best-Practice Principles	Ethical Corporate Management Best Practice Principles	Code of Ethical Conduct	Regulations for Prevention of Insider Trading	Procedures for Handling Material Internal Information

2024 Corporate Governance Achievements

- In the 11th Corporate Governance Evaluation of 2024, Tailyn ranked in the top 6%–20% among TPEx-listed companies.
- The performance evaluations of the Board of Directors and functional committees were rated as "Good to Excellent".
- The total training hours for directors and the corporate governance officer reached 72 hours.
- Directors completed a total of 60 training hours, meeting the annual training requirements set by the competent authority, demonstrating Tailyn's strong commitment to enhancing governance professionalism.
- Tailyn achieved concrete management objectives under its board diversity policy:
  1) Independent directors account for 44% of board seats, exceeding the statutory requirement.
  2) Directors concurrently serving as company executives do not exceed one-third of total board members..
  3) No independent director has served more than three consecutive terms.
- On 2024/9/4, internal promotion of regulations regarding insider share trading was completed for directors and managerial officers.
- On 2024/11/11, an education and awareness session was conducted for current directors, managerial officers, and employees. The course covered: ethical corporate management, prevention of sexual harassment, ethical conduct, trade secrets, and human rights declaration.

3.1 Governance Practices

The shareholders' meeting, composed of all shareholders, is the highest decision-making body of the Company and is responsible for making decisions on material matters. The Board of Directors serves as the highest governance body. Board members are responsible for reviewing the Company's business policies, overseeing financial performance, and ensuring compliance with applicable laws and regulations. To enhance corporate governance and strengthen competitiveness, the Board has established the Remuneration Committee, the Audit Committee, and the Sustainability Development Committee. The Remuneration Committee assists the Board in the overall management of the Company's compensation policies, systems, standards, and structures to ensure fairness and integrity in incentive programs. The Audit Committee oversees the proper presentation of the Company's financial statements, the appointment, dismissal, independence, and performance of the certified public accountants, the effectiveness of internal controls, compliance with relevant laws and regulations, and risk management. The Sustainability Development Committee assists the Board in promoting the Company's sustainable development and advancing corporate governance to achieve the goal of long-term sustainability.

3.1.1 Board of Directors

The Board of Directors is the Company's highest governance body and operates in accordance with the "Rules of Procedure for Board of Directors Meetings". To effectively fulfill its functions, the Board has established the Audit Committee, Remuneration Committee, and Sustainability Development Committee based on respective authorities and responsibilities, thereby enhancing the division of duties and operational efficiency.

1. Composition and Professional Knowledge and Skills of the Board Members

According to Tailyn's Articles of Incorporation, directors are elected through a candidate nomination system and re-elected on a regular basis. The composition of the Board shall consider diversity and ensure members possess the professional knowledge, skills, and competencies required to perform their duties. In addition, directors who concurrently serve as company executives shall not exceed one-third of the total number of board seats. Independent directors are not to serve more than three consecutive terms. The appointment

Core Item / Diversity / Name of director		Basic composition								
		Nationality	Gender	Concurrently working as an employee of the Company	Age			Term of Office and Years of Service as Independent Director		
					40 to 59 years old	60 to 69 years old	70 years old and above	1 to 3 years	3 to 6 years	6 to 9 years
Director	Chun-Ting Chen	Republic of China (Taiwan)	Male	V	V					
	Che-Hung Chen	Republic of China (Taiwan)	Male				V			
	Wen-Chieh Chen	Republic of China (Taiwan)	Male			V				
	Kuo-Hung Chen	Republic of China (Taiwan)	Male			V				
	Shih-Tse Weng	Republic of China (Taiwan)	Male				V			
Independent Director	Chao-Pang Liao	Republic of China (Taiwan)	Male			V				V
	Tzu-Hsuan Huang	Republic of China (Taiwan)	Male		V					V
	Yin-Feng Chan	Republic of China (Taiwan)	Male			V		V		
	Chih-Chao Weng	Republic of China (Taiwan)	Male		V			V		

of independent directors takes into account a reasonable mix of professional expertise and the objective conditions required for independent execution of duties.

The Board of Directors of the Company currently consists of 9 directors, including 4 independent directors and 5 non-independent directors. Among them, 2 directors are over 70 years old, 4 directors are between 60-69 years old, and 3 directors are The age range of 40-59 years old, and the directors are all elites in the industry. The Company has only one director who is also an employee, accounting for 11%, and independent directors, accounting for 44%, and none of them has served for more than 3 terms. In the past, the Company has primarily focused on the professional capabilities and experience of its directors, without placing particular emphasis on gender balance. Currently, there are no female directors among the Board members. However, the Company will actively broaden its search scope to build a more diverse talent pool and seek more qualified female candidates. The goal is to increase the proportion of female directors to one-third (33%) or more in the future.

2. Board Operations, Conflict of Interest Avoidance, and Continuing Education

Each term of Tailyn's Board of Directors is three years. In accordance with the law, board meetings are held at least once every quarter to establish the Company's business plans, review operational performance, assess financial and business-related risks and opportunities, and discuss key ESG strategic topics and significant issues, including economic, environmental, and social impacts. The Board confirms follow-up action plans through these meetings, and progress is reported and reviewed in the subsequent meetings.

In 2024, a total of four board meetings were held, with an average director attendance rate of 89%. In addition to the approval of the business plan and financial reports, the Board also discussed and managed key issues such as greenhouse gas emissions, information security, intellectual property, ethical corporate management, sustainability, and stakeholder engagement. No complaints were received that had a material impact on the Company's operations or financial performance.

Considering that directors may face various issues related to regulatory compliance and governance practices in their involvement with corporate decision-making, Tailyn actively encourages and arranges relevant professional training for directors. In 2024, the total number of director training hours reached 60. These programs ensure that Tailyn's sustainability strategies are formulated, planned, and implemented in alignment with its sustainability performance goals, while also strengthening board oversight and effectiveness.

Industry experience and expertise / Name of director		Industry experience					Professional knowledge and skills							
		Network communications	Electronic/ Mechanical Components	Semiconductor equipment	Building Construction	Financing	Make judgments about operations	Accounting and finance	Management administration	Crisis management	Industry knowledge	International market perspectives	Leadership	Decision-making capability
Director	Chun-Ting Chen	V	V				V		V	V	V	V	V	V
	Che-Hung Chen	V	V				V		V	V	V	V	V	V
	Wen-Chieh Chen		V				V		V	V	V	V	V	V
	Kuo-Hung Chen	V	V				V	V	V	V		V	V	V
	Shih-Tse Weng					V	V	V	V	V		V	V	V
Independent Director	Chao-Pang Liao				V		V		V	V	V	V	V	V
	Tzu-Hsuan Huang		V				V	V	V	V		V	V	V
	Yin-Feng Chan		V	V			V		V	V	V	V	V	V
	Chih-Chao Weng		V				V	V	V	V		V	V	V

Operations of the Board of Directors

Title	Name	Meetings Required to Attend (A)	Actual attendance in person (B)	In-person attendance rate (%) [B/A]
Chairman	Chun-Ting Chen	4	4	100%
Director	Juristic person's representative, Hui Hung Investment Co., Ltd.: Che-Hung Chen	4	4	100%
Director	Juristic person's representative, Hung Tai Investment Co., Ltd.: Wen-Chieh Chen	4	4	100%
Director	Juristic-person representative, Howteh Technology Co., Ltd.: Kuo-Hung Chen	4	3	75%
Director	Shih-Tse Weng	4	4	100%
Independent Director	Chao-Pang Liao	4	3	75%
Independent Director	Tzu-Hsuan Huang	4	2	50%
Independent Director	Yin-Feng Chan	4	4	100%
Independent Director	Chih-Chao Weng	4	4	100%

1. **Implementation Status of Conflict of Interest Recusal by Directors and Independent Directors**

Directors uphold a high level of self-discipline in executing conflict of interest recusal. For matters discussed in Board or functional committee meetings where a director or the legal entity they represent has a conflict of interest, the director is required to disclose the material aspects of the conflict during the meeting and must recuse themselves from both the discussion and voting. They are also prohibited from voting on behalf of other directors. In the current year, there were no proposals requiring recusal by any director or independent director.

2. **Continuing Education for Directors**

In 2024, continuing education for directors focused not only on regulatory compliance, corporate governance practices, and industry trends, but also included courses on sustainability trends to support the formulation and promotion of the Company's sustainability development goals. These courses were designed to enhance directors' understanding of ESG-related perspectives and practices expected of modern enterprises.

To further strengthen risk management and encourage qualified professionals to serve as directors, Tailyn provides directors' liability insurance annually. This coverage allows directors to carry out their duties without undue concern and reduces the risk of significant losses to the Company and its shareholders.

3. Appointment and Continuing Education of the Corporate Governance Officer

To enhance support for directors in the performance of their duties and improve board effectiveness, Tailyn appointed the Head of the Finance Department as the Corporate Governance Officer by resolution of the Board of Directors on November 4, 2022. The responsibilities of the Corporate Governance Officer include:

1. **Handling matters related to Board and shareholders' meetings in accordance with applicable laws**
2. **Providing directors with necessary financial, business, and regulatory information**
3. **Assisting directors with onboarding and continuing education**
4. **Preparing minutes of Board and shareholders' meetings**
5. **Providing information required for directors to perform their duties**
6. **Supporting corporate governance evaluation and strengthening all related corporate governance functions**

Participant	Date	Hours	Organizer	Course name
Che-Hung Chen	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Chun-Ting Chen	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Kuo-Hung Chen	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Wen-Chieh Chen	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Shih-Tse Weng	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Tzu-Hsuan Huang	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/8	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
Chao-Pang Liao	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/8	3	Securities and Futures Institute	How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response (including Gender Equality)
	2024/11/8	3	Securities and Futures Institute	Carbon Trading Mechanism and Applications of Carbon Management
Yin-Feng Chan	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends
	2024/11/12	3	Taiwan Corporate Governance Association	Sustainability Trends and Governance
Chih-Chao Weng	2024/5/10	3	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.
	2024/8/9	3	Taiwan Investor Relations Institute	Business Cycle and Industry Trends

The Corporate Governance Officer completed 12 hours of continuing education in 2024, in compliance with regulatory requirements. The training details are as follows:

Date	Organizer	Course name	Hours
2024/5/10	Taiwan Investor Relations Institute	Sustainability Trend Analysis: ESG Thinking and Action Needed by Enterprise.	3
2024/5/29	ROC Accounting Research and Development Foundation	The Latest Laws and Regulations on Annual Reporting/Sustainability Information/ Preparation of Financial Statements, and Internal Controls Practices	6
2024/8/9	Taiwan Investor Relations Institute	Business Cycle and Industry Trends	3

3.1.2 Functional Committees

To enhance the functions of the Board, strengthen its supervisory role, and reinforce management capabilities, the Board of Directors has established several functional committees, including the Audit Committee, Remuneration Committee, and Sustainability Development Committee. Except where laws or regulations require independent exercise of authority, each functional committee is accountable to the Board of Directors, submits recommendations, and reports or refers proposals to the Board for discussion.

1. Operation of the Audit Committee

Tailyn established the Audit Committee on June 9, 2022, in accordance with the "Audit Committee Charter" approved by the Board of Directors. The Committee assists the Board in overseeing the fair presentation of financial statements, the appointment, dismissal, independence, and performance of certified public accountants, the effective implementation of internal control systems, compliance with relevant laws and regulations, and the management of corporate risk. The results of the Committee's evaluations are submitted to the Board for discussion. The Committee is currently composed of four independent directors, including one serving as the convener. At least two members possess expertise in accounting or finance. The term of the current committee members is from June 9, 2022, to June 8, 2025. The Audit Committee convenes at least once every quarter. In 2024, four meetings were held, with an average attendance rate of 81% among all members.

Financial statements

Monthly financial performance

Audit Committee Attendance

Title	Name	Meetings Required to Attend (A)	Actual attendance in person (B)	In-person attendance rate (%) (B/A)
Independent Director (Convener)	Chih-Chao Weng	4	4	100%
Independent Director	Chao-Pang Liao	4	3	75%
Independent Director	Tzu-Hsuan Huang	4	2	50%
Independent Director	Yin-Feng Chan	4	4	100%

2. Operation of the Remuneration Committee

To establish a sound compensation system for directors and managerial officers, Tailyn formed the Remuneration Committee under the approval of the Board of Directors and in accordance with the "Remuneration Committee Charter." The Committee evaluates whether the compensation received by directors and managerial officers is fair and reasonable in relation to their performance. The Committee is composed of three independent directors, none of whom concurrently serve on the remuneration committees of other TWSE/TPEx-listed companies. In 2024, the Committee held three meetings, with an overall attendance rate of 67%.

The main duties of the Remuneration Committee include formulating and regularly reviewing policies, systems, standards, and structures for performance evaluation and compensation of directors and managerial officers; periodically assessing their remuneration; and reviewing the compensation of directors (including the Chairperson) and managerial officers (including the President, Vice Presidents, Assistant Vice Presidents, and equivalents) based on corporate goals, operational performance, and competitive industry benchmarks.

When conducting evaluations, the Remuneration Committee shall comprehensively consider the following principles: compensation must comply with relevant laws and be sufficient to attract top talent; the performance evaluation and compensation of directors and managerial officers should reference typical industry standards, while also taking into account individual time commitment, responsibilities, achievement of personal goals, performance in other roles, and historical compensation for comparable positions within the Company. Evaluations should further assess the alignment between individual performance and the Company’s short- and long-term business objectives, financial condition, and associated risks. The proportion of short-term performance-based rewards and the timing of payment for certain variable compensation for directors and senior executives shall be determined based on the characteristics of the industry and the nature of the Company’s operations.

In practice, the Remuneration Committee adheres to the duty of care of a prudent manager and faithfully fulfills its responsibilities, including formulating and regularly reviewing the policies, systems, standards, and structures for the performance evaluation and compensation of directors and managerial officers, as well as periodically assessing and determining their compensation. Recommendations made by the Committee are submitted to the Board of Directors for discussion. Tailyn also continually reviews the competitiveness of employee compensation against external market benchmarks. The Company participates in salary surveys to track market levels and formulates salary adjustment policies, bonus distribution principles, employee profit-sharing incentives, immediate reward mechanisms for outstanding employees, and retention bonuses for key talent, all aimed at attracting, motivating, and retaining top-performing employees.

Remuneration Committee Attendance

Title	Name	Meetings Required to Attend (A)	Actual attendance in person (B)	In-person attendance rate (%) (B/A)
Independent Director (Convener)	Chao-Pang Liao	3	2	67%
Independent Director	Tzu-Hsuan Huang	3	1	33%
Independent Director	Chih-Chao Weng	3	3	100%

3. Operation of the Sustainable Development Committee

To implement the Company's sustainability vision and enhance its ESG governance framework, Tailyn has established the Sustainable Development Committee as a functional committee under the Board of Directors. The Committee is responsible for overseeing and coordinating the Company's strategies and management efforts across the Environmental (E), Social (S), and Governance (G) dimensions. The Committee consists of the Chairman and two independent directors. In 2024, it convened two meetings, achieving a 100% attendance rate.

Title	Name	Meetings Required to Attend (A)	Actual Attendance in person(B)	In-Person Attendance Rate (%) (B /A)
Chairman (Convener)	Chun-Ting Chen	2	2	100%
Independent Director	Tzu-Hsuan Huang	2	2	100%
Independent Director	Chih-Chao Weng	2	2	100%

The Sustainable Development Committee holds regular meetings to review and monitor the progress of sustainability initiatives across departments. It discusses and oversees key issues such as carbon management and greenhouse gas reduction, sustainable supply chain management, employee welfare and development, ethical corporate management, and community engagement. These efforts ensure that sustainability goals are aligned with the Company's overall business strategy, while continuously enhancing the quality of corporate governance and sustainable competitiveness.

In addition, the Sustainable Development Committee regularly monitors international trends and stakeholder expectations, and reviews the Company's key sustainability issues in a timely manner. For material sustainability topics, the Company conducts periodic stakeholder surveys based on the principle of materiality to ensure that its sustainability strategies align with long-term corporate development and broader societal expectations, thereby steadily building a resilient and sustainable operating framework.

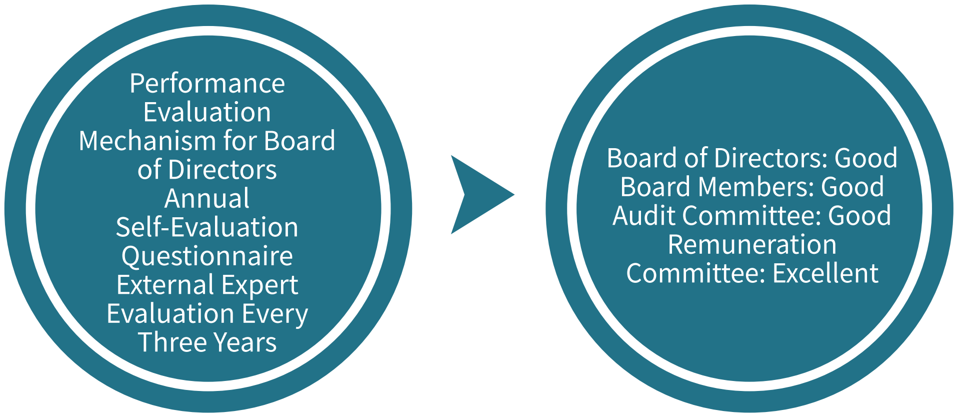
Looking ahead, the Sustainable Development Committee will continue to track domestic and international sustainability trends and regulatory requirements, refine the governance structure, and strengthen ESG issue management and communication mechanisms, with the goal of working with stakeholders to advance the Company's sustainability objectives.

3.1.3 Performance Evaluation of the Board of Directors, Directors, and Functional Committees

The primary responsibility of the Company's Board of Directors is to supervise the company to be in the state of legal compliance, financial transparency, making immediate disclosure of material information, and to make objective and independent judgements for the company's finance and business. Therefore, they have already met the legal requirements at the time of election. To establish a sound board operation system and strengthen supervisory functions, Tailyn has formulated organizational charters for each functional committee under the Board, clearly defining their respective responsibilities for compliance purposes. To improve the quality of board decision-making, the Board has approved the "Board Performance Evaluation Policy." Under this policy, annual internal evaluations are conducted via self-assessment questionnaires covering the performance of the Board, individual directors, and each functional committee. Additionally, performance evaluations must be conducted by an external, professional, and independent institution at least once every three years.

According to the "Rules for Performance Evaluation of Board of Directors" , the evaluation of individual board member includes six key dimensions: (1) Awareness of the Company's goals and mission (2) Awareness of directors' duties and responsibilities (3) Evaluate the performance of individual directors on six aspects: participation in the company's operations (4) Internal relationship management and communication (5) Directors' professionalism and continuing education (6) Internal control, as a reference for determining their individual remuneration.

The scope of evaluation for 2024 evaluation of board of directors covers the entire board, individual board members and the functional committee (the remuneration committee, audit committee and sustainable development committee). The method of evaluation adopted is internal self-evaluation. The grading standard for each of the evaluation item (index) is divided into 5 levels namely, "Excellent (5), Very Good (4), Good (3), Acceptable (2), Needs Improvement (1)".



Board and Functional Committee Performance Evaluation (2022–2024)

Self-Evaluation (Questionnaire)	2022	2023	2024
Board of Directors	4.87	4.84	4.84
Audit Committee	4.82	4.95	4.86
Remuneration Committee	4.74	5.00	4.84
Sustainable Development Committee	-	-	4.94

Results of the 2024 board performance self-evaluation

Evaluation aspects	Item	Average scores	Evaluation results
A. Level of participation to the company's operations	12	4.92	
B. Enhancement of the quality of the board's decision-making	12	4.75	
C. Composition and structure of the board	7	4.86	4.84
D. The election of the Directors and their continuing education	7	4.71	
E. Internal control	7	5.00	

Results of the 2024 board member self-evaluation

Evaluation aspects	Item	Average scores	Evaluation results
A. Understanding of the Company's goals and mission	3	4.85	4.82
B. Directors' acknowledgment of responsibilities	3	4.89	
C. Level of participation to the company's operations	8	4.78	
D. Management and communications of internal relationships	3	4.74	
E. Directors' professionalism and continuing education	3	4.85	
F. Internal control	3	4.89	

The self-evaluation results of the "Board of Directors" and "Board Members" are rated as "Good" or higher, with an overall average score ranging between 4.71 and 5.00. This indicates that the operation of the Board is in good condition, and the Board has effectively fulfilled its role in guiding and overseeing the company's strategy, major business matters, and risk management, in line with the principles of corporate governance. Regarding the composition of directors, the Company currently does not have female directors, but will aim to increase the number of female directors to more than one third (or 33%) of the directors.

2024 Remuneration Committee Performance Self-Evaluation Results

The self-evaluation results of the Remuneration Committee are rated as "Good" or higher, with an overall average score ranging between 4.60 and 5.00. In the aspect of "Functional committee's acknowledgment of responsibilities", it is recognized that there is room for improvement. The Committee will continue to strengthen its focus on professionalism, transparency, and accountability, through optimizing the governance structure, establishing clear compensation policies, and enhancing internal and external communication. This will ensure that remuneration decisions are fair and reasonable, enabling the committee members to better fulfill their duties, promote corporate governance, attract talent, and increase shareholder trust.

Evaluation aspects	Item	Average scores	Evaluation results
A. Level of participation to the company's operations	4	5.00	4.84
B. Functional committee's acknowledgment of responsibilities	5	4.60	
C. Enhancement of quality of decisions by Functional Committee	7	5.00	
D. The composition of the Functional Committee and the election of its members	3	4.67	

2024 Audit Committee Performance Self-Evaluation Results

The self-evaluation results of the Audit Committee are rated as "Good" or higher, with an overall average score ranging between 4.71 and 5.00. In the aspect of "Enhancement of quality of decisions by Functional Committee", it is recognized that there is room for improvement. The company will enhance the timely provision of information and ensure sufficient time for internal and external communication, enabling the audit committee members to better fulfill their duties and facilitate continuous improvement.

Evaluation aspects	Item	Average scores	Evaluation results
A. Level of participation to the company's operations	4	4.75	4.86
B. Functional committee's acknowledgment of responsibilities	5	5.00	
C. Enhancement of quality of decisions by Functional Committee	7	4.71	
D. The composition of the Functional Committee and the election of its members	3	5.00	
E. Internal control	3	5.00	

2024 Sustainable Development Committee Performance Self-Evaluation Results

The self-evaluation results of the Sustainability Development Committee are rated as "Good" or higher, with an overall average score ranging between 4.75 and 5.00. In the aspect of "Level of Participation in Company Operations", it is recognized that there is room for improvement. The company will strengthen the provision of professional knowledge, promote collaboration, and implement responsibilities. The Sustainability Development Committee, through regular training, deep involvement in key decisions, and enhanced supervision and guidance, effectively integrates sustainability principles into company operations, achieving long-term value creation while improving operational efficiency and social impact.

Evaluation aspects	Item	Average scores	Evaluation results
A. Level of participation to the company's operations	4	4.75	4.94
B. Functional committee's acknowledgment of responsibilities	3	5.00	
C. Enhancement of quality of decisions by Functional Committee	7	5.00	
D. The composition of the Functional Committee and the election of its members	3	5.00	

The performance evaluation of the Board of Directors, Board members and functional committees (Remuneration Committee, Audit Committee and Sustainable Development Committee) ranged from "Good" to "Excellent", indicating that the Board of Directors, Board members and functional committees are generally operating well and in compliance with corporate governance standards. In the future, enhancements shall be made to the functions and operational efficiency of the Board of Directors and functional committees with reference to the evaluation results. The self-evaluation results were approved by the Board of Directors on March 4, 2025.

External Independent Evaluation

Tailyn conducts an external performance evaluation of the Board of Directors once every three years through an independent professional institution. The external institution interviews the Chairperson, directors, independent directors, and conveners of functional committees, and presents the evaluation results to the Board of Directors. In 2023, Tailyn engaged the Taiwan Investor Relations Institute, an external professional independent institution, to carry out the external performance evaluation of the Board. The evaluation covered five key dimensions: Board composition and professional development, quality of decision-making, operational effectiveness, internal control and risk management, and the Board's involvement in corporate social responsibility. The institution and the executing experts had no business dealings with the Company and maintained full independence. The evaluation report was issued on December 18, 2023, and the results were reported to the Board on March 6, 2024. The next external evaluation is scheduled for 2026.

3.1.4 Internal Audit

Tailyn places great importance on corporate governance, aiming for sustainable growth and ethical business practices. The Company continues to strengthen its governance framework, upholding transparency and implementing an effective internal control system to protect the rights and interests of stakeholders. In accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies", Tailyn has established its internal control system, which has been reviewed and approved by the Audit Committee and the Board of Directors. The purpose of the system is to provide reasonable assurance regarding the effectiveness and efficiency of operations, the reliability, timeliness, and transparency of information reporting, and compliance with relevant laws and regulations.

In accordance with the law, Tailyn has established an independent Audit Office under the Board of Directors. The Audit Office is staffed with qualified and full-time internal auditors and has designated a deputy to act as a substitute when necessary. The Company submits filings in the prescribed format to the competent authority on a regular basis. The appointment or dismissal of the Chief of Internal Auditor must be approved by the Audit Committee and resolved by the Board of Directors. The purpose of internal audit is to assist the Board of Directors and management in examining and reviewing deficiencies in the internal control system, evaluating the effectiveness and efficiency of operations, and providing timely recommendations for improvement. This ensures the continued effective implementation of the internal control system and serves as a basis for its review and enhancement.

Based on the results of risk assessments, the Audit Office formulates the annual audit plan, which is submitted to the Audit Committee and the Board of Directors for approval.

The Office then conducts various audit activities accordingly. Any deficiencies in the internal control system or irregularities identified are documented in audit reports. After the reports are reviewed, follow-up is conducted, with tracking reports prepared at least quarterly until improvements are completed. The Chief of Internal Auditor reports the implementation status of the audit plan to the independent directors on a monthly basis and presents audit reports at Audit Committee and Board meetings. In addition to these routine reports, any material deficiencies are reported immediately to the independent directors and the Board of Directors to uphold the principles of sound corporate governance. In 2024, the Audit Office did not identify any material deficiencies during its audits.

Each year, the audit unit reviews the self-assessment reports on internal control systems submitted by all departments and key subsidiaries. It consolidates the results into an overall company-wide assessment, which is presented to the Board of Directors and the Audit Committee. This serves as the basis for evaluating the effectiveness of the overall internal control system and for issuing the Statement on Internal Control.

Audit Process Flowchart

01 Execute audit operations in accordance with the annual audit plan

02 Attach working papers to prepare the audit report (including deficiencies, abnormal matters, and suggested improvements)

03 Complete the audit report and submit to the Chairperson for approval

04 The audited unit shall propose improvement measures for audit recommendations; internal audit shall prepare a follow-up report at least quarterly

05 Deliver the approved audit report and follow-up report to all independent directors for review by the end of the following month

06 Internal audit to attend the Audit Committee and Board of Directors meetings and present internal audit business reports

07 Include deficiencies identified from internal and external audits during the year as key audit items and scope for the following year' s audit plan

08 Present the annual audit plan for the following year to the Audit Committee and the Board of Directors before the end of each fiscal year

Communication between independent directors and internal auditors:

Date	Participants	Communication method	Communication items	Communication outcomes
2024.3.6	Independent Director - Chao-Pang Liao Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	Internal Chief Auditor report: ● Internal Audit Report ● 2023 Internal Control System Evaluation Result ● 2023 Internal Control System Statement	The proposal is passed as proposed without any objections
2024.5.10	Independent Director - Chao-Pang Liao Independent Director - Tzu-Hsuan Huang Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	Internal Chief Auditor report: ● Internal Audit Report	The proposal is passed as proposed without any objections

Date	Participants	Communication method	Communication items	Communication outcomes
2024.8.9	Independent Director - Tzu-Hsuan Huang Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	Internal Chief Auditor report: ● Internal Audit Report	The proposal is passed as proposed without any objections
2024.11.11	Independent Director - Chao-Pang Liao Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	Internal Chief Auditor report: ● Internal Audit Report ● Amendment to the Enforcement Rules of the Internal Control System and Internal Audit ● 2025 Audit Plan	The proposal is passed as proposed without any objections

Communication between independent directors, accountants and internal auditors

Date	Participants	Communication method	Communication items	Communication outcomes
2024.3.6	Independent Director - Chao-Pang Liao Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng CPA - Chien-Wen Lu Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	CPA report: ● 2023 Consolidated financial statement, internal control review results, and explanation of key audit matters ● Description of issues related to the recent update of regulations	The proposal is passed as proposed without any objections
2024.11.11	Independent Director - Chao-Pang Liao Independent Director - Yin-Feng Chan Independent Director - Chih-Chao Weng CPA - Chien-Wen Lu Internal Chief Auditor - Ya-Fen Chiu	Meeting report and discussion	CPA report: ● Q3 2024 Consolidated financial statement, internal control review scope, and explanation of key audit matters ● Interpretation of operating financial data ● Description of issues related to the recent update of regulations	The proposal is passed as proposed without any objections

3.1.5 Business Ethics

Tailyn is committed to legal compliance as its foundation and has clearly defined its ethical corporate management policy. The policy comprises the fundamental values of integrity, transparency, and accountable administration. The policy requires the development of integrity-oriented policies, which must be approved by the board. Additionally, it stipulates the implementation of strong corporate governance and risk management systems in order to foster a sustainable business environment. Furthermore, it stipulates that "Directors, managers, employees, agents, or those with substantial control capabilities of the company, in the course of conducting business, shall not directly or indirectly offer, promise, request, or accept any improper benefits, nor engage in other acts of dishonesty, illegality, or breach of fiduciary duties to obtain or maintain benefits."

In order to improve the Company's ethical corporate management, the human resources unit is responsible for the establishment of ethical corporate management policies and preventive plans, and is responsible for the promotion of ethical corporate management, anti-corruption, anti-bribery and legal compliance matters, and reports to the Company's Board of Directors at least once a year Its implementation. The internal audit unit formulates an annual audit plan, which is submitted to the Board of Directors for approval prior to execution. The plan outlines the audit subjects, scope, items, and frequency. Audit findings are compiled into audit reports and submitted to the Board for acknowledgment.

Code of Ethical Conduct

Ethical Corporate Management Best Practice Principles

Regulations for Whistleblowing System Management

2024 Integrity Education and Training Performance

To further embed the concept of business ethics into daily operations, Tailyn requires all new hires to sign a commitment letter upon onboarding. In addition, the Company conducts annual training sessions on ethical corporate management and regularly promotes integrity-related messages during internal and external meetings and through official communications. These efforts aim to cultivate employees' awareness of integrity while encouraging management to lead by example and adhere strictly to ethical principles, thereby fostering a company-wide culture of integrity through subtle influence.

In 2024, the Company conducted training programs related to ethical corporate management, the code of ethical conduct, prevention of insider trading, and gender equality compliance, as outlined in the table below:

Course Item	Personnel Category	Number of persons
Communication of the Company’s anti-corruption policy and procedures	Director	9 people
	Employees	411 people
	Business partners	Approx. 600
Completion of compliance training	Director	9 people
	Employees	Total 297 employees (142 direct employees, 155 indirect employees)

Note: Business partners are issued an anti-corruption statement.
Note: Compliance training includes the Code of Integrity, Code of Ethical Conduct, Prevention of Insider Trading, and Gender Equality courses.

3.1.6 Whistleblowing Mechanism and Due Diligence

To ensure the effective implementation of the Company's Code of Ethical Conduct and Ethical Corporate Management Best Practice Principles, Tailyn has disclosed the "Regulations for Whistleblowing System" on its official website for stakeholders to access. The policy provides a mechanism for reporting any violations of the Code of Ethical Conduct or Ethical Corporate Management Principles, as well as specific complaints involving suspected criminal conduct, fraud, or legal violations by current directors or managerial officers at the level of Vice President or above. The policy clearly outlines the protection of the legal rights and interests of whistleblowers and related parties, and aims to address any improper treatment that violates social responsibility. All reports are handled in accordance with the procedures set forth in the Regulations for Whistleblowing System, including proper complaint processing and due diligence investigations.

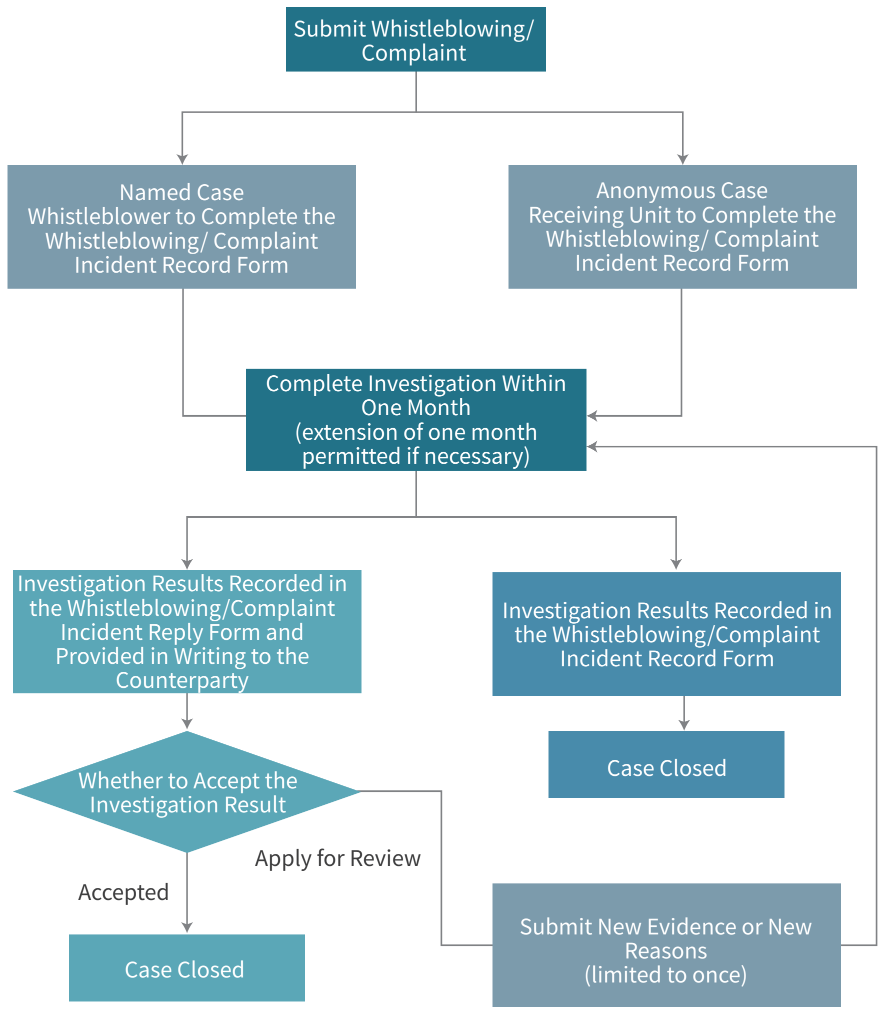
All employees, suppliers, customers, and other related parties may file a report upon discovering any of the following situations: violations of the Company's Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, existing internal rules and procedures, or incidents that infringe upon their legitimate rights and interests in the course of business operations.

The designated units for handling whistleblower cases are as follows: reports concerning the Company's suppliers or contractors are handled by the Audit Office; reports from internal employees, customers, or other stakeholders are handled by the responsible department head and the Human Resources Department; if the content of the report involves a director or senior executive, the case is submitted to the Audit Committee for investigation. During the due diligence process, all cases shall be handled impartially, with strict enforcement of conflict of interest avoidance, confidentiality rules, and whistleblower protection. The identity of the whistleblower must not be disclosed without cause. Tailyn is committed to ensuring that whistleblowers are not subjected to any improper treatment as a result of their reports.

In its commercial activities, Tailyn has established mechanisms for risk assessment and prevention, conducting timely analysis and evaluation of operations with a higher risk of unethical conduct. Preventive measures are reinforced accordingly. Before entering into commercial transactions, the Company assesses the legitimacy of agents, suppliers, customers, or other counterparties and verifies whether they have any record of unethical behavior, in order to avoid engaging in transactions with such parties. For the signing of contracts between the Company and other counterparties, the contract terms include the requirement to abide by the Ethical Corporate Management Policy and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Tailyn has established an independent whistleblowing channel managed by designated personnel, enabling employees, suppliers, and other external stakeholders to report any violations of laws, human rights, the Code of Ethical Conduct, or the Ethical Corporate Management Best Practice Principles. In 2024, there were zero employee complaints filed with local authorities and zero complaints or grievances received internally. No material deficiencies were identified through internal audits or customer audits. (Note: Whistleblowing email – HR@tailyn.com.tw / Whistleblowing hotline – extensions of the Head of Human Resources or Head of Internal Audit)

Whistleblowing Investigation and Handling Procedures



3.2 Risk Management

The Board of Directors serves as the highest governance body for risk management, responsible for approving the Company's risk management policies, procedures, and framework, and overseeing their implementation to ensure effective operation. In assessing risk, the Company takes into account stakeholder communication outlined in Chapter 1, as well as the results of internal and external impact assessments. Material risks related to environmental, social, and governance (ESG) aspects of sustainable development are disclosed in this report under Material Topics (Section 1.4). This section outlines risk items related to operational considerations and the corresponding response measures.

Risk Management Process

Process	Operation
Risk Identification	The Board of Directors and senior management identify the sources and categories of risk based on the Company's scale, industry characteristics, nature of business, operational activities, and various aspects of corporate sustainability, and plan corresponding strategic objectives. Each department conducts risk identification in alignment with its responsibilities and short-, medium-, and long-term goals.
Risk Analysis and Classification	Based on current environmental and resource conditions, identified risk factors are evaluated and classified according to likelihood of occurrence, severity and duration, and scope of impact.
Risk Response	High-risk items are identified and corresponding risk strategies are developed. Medium- and low-risk items are subject to ongoing monitoring.
Risk Monitoring and Review	Each business unit monitors and reviews risks related to its operations, selecting appropriate response strategies or implementing mitigation plans based on the Company's strategic objectives, stakeholder perspectives, risk appetite, and available resources. To ensure that all types of risks remain within controllable limits, risk management personnel, in collaboration with relevant staff from each business unit, continuously monitor risks and report significant matters to senior management in a timely manner.

Risk Items and Countermeasures for 2024

Aspect	Risk Item	Impact on the Company	Strategy/Countermeasure
Economic	Interest Rate Fluctuation	The interest rate risks of the Company mainly come from the floating interest risks of deposits. On the sensitivity analysis of the interest risks, in assumption that there is one accounting year, the Company's 2024 profit and loss will increase or decrease by NT$112 thousand when the interest rate goes up or down by ten basic points.	1. The funds needed by the Company's operations are mainly the cash flow generated from operations. Even though there are a few short-term borrowings at times, but they are of small amounts and the borrowing periods are fairly short. When the need arise in the future for short-term revolving fund, the cash deposits shall be able to be used as support. Thus, the effects of interest rate changes are limited. 2. The interest rate risks mainly come from the floating rate certificate of deposit investments. In response to the interest rate changes, in order to lower the operation risks, the company has selected outstanding financial institutions in business dealings and maintain close contacts with them during regular days to obtain better interest rates. It is a goal to obtain high returns under low risk conditions.
Economic	Exchange Rate Fluctuation	The exchange rate risk for the Company is mainly impacted by the fluctuations in USD exchange rate. When the NTD to USD exchange rate appreciates or depreciates by 1%, Tailyn's profit and loss will reduce or increase by NT$2,891 thousand for the year 2024.	1. The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts are to hedge exchange rate fluctuation risk, the gain or loss made on the contracts from the fluctuation in exchange rates are expected to mostly offset gains or losses made on the hedged item. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. 2. The finance unit maintains close contacts with the financial institutions with dealings, and collects related information on the exchange rate changes at all times. The unit remains in full understanding of the information on the domestic and overseas exchange rate trends and changes, and adopts beneficial countermeasures in a timely manner. It is hoped to lower the negative impacts from any exchange rate changes. 3. When preparing quotations for the customers, the impacts arising from exchange rate changes shall be taken into consideration, adopting a more stable exchange rate as the basis for quotation. The goal is to minimize the impact level from the exchange rate fluctuations to the accepted orders. 4. Retain foreign currency position in the foreign currency deposit account in response to the foreign currency fund requirements. Depending on the situation of the exchange rate changes, adjustments will be made to the position held by the foreign currency in a timely manner. This is to lower the impacts from the exchange rate changes. 5. Taking into consideration that the sales based on foreign currency pricing is of a higher proportion, the company makes timely and flexible adoption of forward contract used for hedge trading. This is to lower the impacts from the exchange rate changes to the company's profit and loss.
Economic	Inflation	In 2024, the annual growth rate of the consumer price index was 2.2%. Overall, inflation has no significant impact on the Group's operations and profits.	The Company keeps a close watch on the fluctuations of the raw materials market prices and maintains good relationships with the suppliers. Suitable adjustments are made to the price quotations for the customers depending on the market situation to reduce the effects from cost changes to the company's profit and loss. The implementation of the budget system and internal control system is proceeded with in order to effectively control the operation costs and expenses within a reasonable scope.

Aspect	Risk Item	Impact on the Company	Strategy/Countermeasure
Economic	Credit Risk	Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.	Credit risk is managed by each business unit of the Company subject to established policy, procedures and controls relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment and trade credit insurance.
Economic	Market Fluctuations in Industry and Technology	1. Increasing product complexity 2. The rolling out of new technologies attracts more new suppliers entering the market intensifying market competition. 3. As the network technologies become more mature, the threshold for product development lowers.	1. Provide customized product design and diverse and variable quantity manufacturing service model. With our technical capability and high flexibility, we provide one stop service of high quality and best overall procurement costs to our partners. 2. Focuses on industrial and business use products. Develop technologies to meet the specific requirements of the quality and specifications for such products for product differentiation with those of low technology thresholds. Utilize existing core technologies and heterogeneous network integration capability, and invest in developing products for new application fields, such as wired and wireless network convergence devices, and security surveillance. Create new opportunities and raise company profit. 3. Prudently evaluate the market trends, focus on specific fields of application and utilize existing technology platforms and customer groups. The purpose is to enhance the depth of collaborations and to provide new services and product developments in specific fields of applications to achieve Time to Market and better gross profit. 4. Avoid consumer electronic sector. Deepen technology-oriented industrial applications. Attract outstanding R&D manufacturing talents and cultivate a highly skilled professional team.
Economic	Supply Chain Disruptions	Potential disruptions in the supply chain may result in production line stoppages and delays in customer deliveries	1. To mitigate procurement risks and reduce costs, the Company sources from at least two suppliers for each item to ensure interchangeability and maintain competitiveness. For electronic components with high commonality, a second-source management mechanism is in place. In addition, safety stock levels are maintained for key materials to prevent shortages or quality-related issues. 2. Short-term risk: For foreseeable short-term disruptions such as major national holidays, the Company places advance orders and coordinates early material deliveries. In the event of supply chain interruptions caused by abnormal weather conditions (e.g., typhoons or earthquakes), the Company may request suppliers to adjust transportation methods based on the situation to ensure on-time delivery of components for production and to meet customer shipment schedules. 3. Mid-term risk: For materials with unique specifications, the Company conducts evaluations and implements alternative components, thereby maintaining strong control over pricing, quality, and lead times. 4. Long-term risk: The Company identifies high-risk suppliers and requires them to undergo audits and corrective actions within a specified timeframe, with the goal of reducing their risk classification to medium or low.

Aspect	Risk Item	Impact on the Company	Strategy/Countermeasure
Economic	Trade Secret/ Intellectual Property Rights	Infringement claims by third parties (including Non-Practicing Entities, NPEs)	1. Enhance internal management systems to systematically manage intellectual property. 2. Continuously strengthen awareness of intellectual property rights across all departments and among employees. 3. Respond appropriately to infringement allegations from third parties to minimize legal costs and potential risks. 4. Regularly review internal operating procedures and related contractual documents with employees. 5. Improve information security systems to prevent data theft or leaks caused by external hackers or internal personnel. 6. Implement a classification system for confidential information and establish corresponding control mechanisms to reduce the risk of leakage. 7. Maintain communication channels with external organizations to stay informed on legal and industry developments.
Economic	Information security	Cyber attacks targeting corporate information systems or websites may result in website outages and data breaches, which can damage the company's reputation, erode customer trust, and in severe cases, lead to business failure. Therefore, enterprises must pay attention to information security, strengthen preventive measures, and reduce security vulnerabilities.	1. Review information security policies, procedures, and management measures 2. Strengthen information system software and hardware. 3. Conduct information asset inventory and risk assessment. 4. Implement business continuity drills and various information security operations. 5. Provide regular education and training, incorporating updates and requirements from relevant laws and regulations. 6. Establish and maintain cybersecurity intelligence to adjust and enhance countermeasures as needed. 7. Conduct internal and external audits and hold management review meetings annually. 8. Obtained ISO 27001 certification in May 2024 and continuously optimize information security through the PDCA cycle.
Social	Product safety	If issues with product safety occur and even result in violations of laws or regulations, it indicates deficiencies in personnel, operations, systems, and governance, which can severely undermine customer confidence and damage the company's reputation.	All of the Company's products are manufactured in accordance with corporate responsibility, in full compliance with applicable regulations, and conform to the EU RoHS directive, ensuring they contain no hazardous substances. Products undergo laboratory testing and safety certifications before mass production and sale to customers, including certifications such as FCC and UL (United States), CE (European Union), PSE (Japan), UL 62368-1, among others. To transfer product liability risks, mitigate potential financial losses, and enhance product safety, the Company has secured the following insurance coverage: US$6 million in product liability insurance, NT$2.1 billion in fire insurance, and NT$2 billion in cargo transportation insurance.
Environment	Climate Change	Extreme rainfalls and droughts, rising raw material costs, and government levies on carbon and energy taxes that may result in disruption of production capacity and increase in operating costs.	It is necessary to strengthen disaster prevention facilities, use low-carbon energy, and use more efficient production and distribution the Company's sales procedures to cope with it.

3.3 Climate-related Financial Disclosures

In line with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company categorizes its approach into governance, strategy, risk management, and metrics & targets. Tailyn has, since 2023, identified climate-related risk and opportunity every three years led by senior management to formulate response strategies. Progress and effectiveness of these initiatives are reported to the Board of Directors annually, with the Board overseeing their implementation.

Governance	Strategy	Risk management	Metrics and Targets
Tailyn's Governance of Climate-related Risks and Opportunities	Business, strategy and financial planning, actual and potential climate-related impacts	Climate-related risk management process	• Metrics and targets for assessing and managing climate-related issues
Climate risk and opportunity governance (combined with annual sustainability risk management topics) is reported to the Board of Directors annually, and the Board supervises implementation performance.	For details, please refer to the 2023 Short-, Medium-, and Long-term Climate Risks and Opportunities Table.	The process for identifying, assessing, and managing climate-related risks is as follows: STEP 01 • Climate and environmental background data collected by members of the Sustainability Development Committee • Climate risk and operational scope evaluation STEP 02 • Establish a list of climate risk and opportunity items • Establish an internal operational impact survey questionnaire STEP 03 • Sustainability Development Committee members conduct climate risk, opportunity, and operational impact analysis • Determine major risk items STEP 04 • Establish implementation strategies and target setting STEP 05 • Annually review the effectiveness of implementation strategies and targets through the Sustainability Development Committee meetings	• In 2024, the Company completed its greenhouse gas inventory and enhanced disclosures through its official website and public information channels. • Annual average electricity saving rate is 1%
The Chairman of the Board serves as the Chair of the Sustainability Development Committee; the committee members are responsible for identifying, assessing, and managing relevant risks.	Refer to climate-related impacts		• 2024 scope 1 emissions were 158.3766 metric tons; scope 2 emissions were 2,076.0429 metric tons and scope 3 emissions were 540.7131 metric tons.
	The Company referenced the 1.5° C scenario (1.5DS) during discussions at the Sustainability Committee meetings. Simultaneously, the Company utilized tools provided by the Taiwan Climate Change Information Platform (TCCIP) to assess physical climate risks. Ultimately, the Company adopted the 1.5DS/RCP8.5 scenario as the basis for evaluating physical climate risks. Under this scenario, the Company identified and described climate-related risks and opportunities, including physical risks and transitional risks such as regulatory changes.	The Company has incorporated climate-related risks and opportunities into the operations of each department in accordance with its climate risk planning.	Compared to the base year 2023: • By 2030, achieve a 6% reduction in Scope 1 and Scope 2 GHG emissions. • By 2040, achieve a 16% reduction in Scope 1 and Scope 2 GHG emissions.

Table of Short, Medium, and Long-Term Climate-Related Risks and Opportunities (2023–2025)

No.	Climate Change Risk Topics	Risk Classification	Time Horizon
R1	Increased pricing of greenhouse gas emissions	Low	Long-term
R2	Enhanced emissions reporting obligations	Medium	Long-term
R3	Exposure to litigation risks	Low	-
R4	Substitution of existing products/services with low-carbon ones	Low	Long-term
R5	Unsuccessful investment in new technologies	Low	-
R6	Cost of transition to low-carbon technologies	Medium	Medium-term, Long-term
R7	Changes in customer behavior	High	Short, Medium, Long-term
R8	Market signal uncertainty	Low	Long-term
R9	Rise in raw material costs	High	Short, Medium, Long-term
R10	Shift in consumer preference – industry stigmatization	Low	-
R11	Increasing stakeholder attention and negative feedback	Medium	Medium-term, Long-term
R12	Increased severity of extreme weather events (e.g., typhoons, floods)	Low	Long-term
R13	Changes in rainfall (water) patterns and extreme climate shifts	Medium	-
R14	Rise in average temperatures	Medium	Medium-term, Long-term

Note 1: Short-term = 1–3 years; Medium-term = 3–5 years; Long-term = 6–10 years

No.	Climate Change Opportunity Topics	Opportunity Classification	Time Horizon
O1	Adoption of more efficient modes of transportation	Low	Long-term
O2	Adoption of more efficient production and distribution processes	High	Short-term, Medium-term, Long-term
O3	Recycling and reuse	Low	Long-term
O4	Shifting to more energy-efficient buildings	Low	Long-term
O5	Reduction of water use and consumption	Low	-
O6	Use of low-carbon energy	Medium	Medium-term, Long-term
O7	Adoption of incentive policies	Medium	Medium-term, Long-term
O8	Adoption of new technologies	Medium	Medium-term, Long-term
O9	Participation in carbon trading markets	Low	Long-term
O10	Shifting to decentralized energy sources	Low	Long-term

Classification	Aspect	Item	Significance and Impact to the Company	Strategy	Management Measures/Response Measures/Cost Invested
TCFD (Climate-related Financial Disclosures)	Transition Risk – Market	Changes in customer behavior	Although the industrial network communication market has demonstrated steady growth due to stable demand, in the long term, shifts in consumer preferences may lead to reduced demand for certain products and services (long-term 10% - 15%).	1. Continue to monitor market trends and changes in customer behavior, and actively engage in R&D and innovation to enhance market positioning and product competitiveness. 2. Continue to develop new customers in overseas markets 3. Continue to expand and diversify the product portfolio 4. The Company conducts annual greenhouse gas (GHG) inventories to collect carbon emission data and obtains verification statements.	1. Enhance the competitiveness of assembly operations and establish technical support to assist in strengthening assembly capabilities, thereby securing more new projects. The total investment was approximately NT$2 million. 2. Continue investing in R&D by expanding the development team to increase design and development capacity. Additionally, expand assembly and cleanroom facilities to accommodate more product lines and project volume, with an investment of approximately NT$9.5 million. 3. In response to increasing demand from international brand clients, the Company has increased R&D investment to strengthen design capabilities and accelerate the launch of new products. The investment amounted to approximately NT$3 million. 4. In 2024, GHG inventory and third-party verification were conducted, with an investment of approximately NT$700,000.
	Transition Risk – Market	Rising Raw Material Costs	Climate change has led to raw material shortages and increased demand for low-environmental-impact materials. In addition, the gradual implementation of carbon tariffs in various countries is raising operational costs, with a moderate level of financial impact.	1. Implement supplier evaluations to promote low-carbon transition among suppliers. 2. Prioritize the selection of suppliers that provide low-carbon products or services	1. Continuously monitor carbon tariff regulations in various countries. 2. Identify competitive low-carbon suppliers through ESG evaluations of the supply chain. 3. Implement management systems to address the risk; no additional investment cost is required.

Reduction Targets	Strategic Actions	Implementation Schedule
Compared to the base year 2023 By 2030, achieve a 6% reduction in Scope 1 and Scope 2 GHG emissions. By 2040, achieve a 16% reduction in Scope 1 and Scope 2 GHG emissions.	1. Through green procurement, the Company purchases infrastructure and equipment bearing environmental labels and is replacing all refrigeration and air conditioning systems with Level 1 energy efficiency models. 2. Implement energy conservation projects for facility equipment. 3. Install solar power systems for on-site consumption.	Corresponding Reduction Targets: 1. 2023~2030 2. 2023~2040

3.4 Regulatory Compliance

Upon onboarding, new employees are educated on regulations related to environmental protection, occupational safety, and the Labor Standards Act, to cultivate legal awareness relevant to their job responsibilities. Considering the dynamic nature of regulatory changes, each department keeps abreast of relevant amendments through interactions with government agencies or reports by professional media. Internal and external training sessions are then conducted within departments to ensure company operations remain compliant with applicable regulations.

In terms of corporate governance, Tailyn has established an Audit Committee to supervise financial operations and the internal control system. The Board of Directors has also approved the "Corporate Governance Best Practice Principles" and the "Rules for Performance Evaluation of the Board of Directors", to encourage active board participation in key decision-making. A dedicated corporate governance officer has been appointed to assist board operations and provide professional advice, thereby enhancing board effectiveness. In the future, the Company will continue to follow the Corporate Governance Evaluation System, the Corporate Governance Best Practice Principles, and relevant regulations to strengthen employees' awareness of regulatory compliance.

In terms of personnel management, the management team leads by example and requires every employee to ensure that their business conduct complies with applicable laws, internal policies, and company regulations. Compliance is reviewed through the annual internal control self-assessment and subject to internal audits. The Company has established operational guidelines for employees to follow in the course of their duties. All employees of the Group, regardless of their position, level, or location, are required to comply with the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct," which cover standards for the working environment, equal opportunities, confidentiality clauses, prohibition of secondary employment, avoidance of conflicts of interest, acceptance or offering of gifts and business etiquette, respect for employees and customers, whistleblower protection and exemption, among others. These measures aim to earn public trust, enhance corporate image, and ensure the Company's sustainable operation and development.To prevent and avoid violations of fair competition and antitrust regulations that may result in penalties, the Company has established relevant codes of conduct as behavioral guidelines for management and employees when engaging in business activities. These guidelines help mitigate legal risks, and ensure the Company participates in industry competition with integrity and fairness, thereby fostering a law-abiding corporate culture and building a trustworthy and respected corporate reputation. In 2024, the Company reported no legal proceedings involving anti-competitive behavior, antitrust, or monopolistic practices. There were no confirmed incidents of corruption, nor any complaints related to business ethics.

In terms of compliance training for personnel, in order to enhance employees' awareness of professional ethics and regulatory compliance, Tailyn provides regular legal and regulatory training tailored to different departments and job levels, in accordance with applicable laws and internal company regulations. Training content is adjusted based on the responsibilities of each role and includes onboarding programs for new employees, in-person training sessions, internal briefings by departments, and external training courses. In addition, the Company provides compliance guidelines via its website, allowing employees to access regulatory information at any time.

In terms of environmental, health, and safety (EHS) regulatory management, Tailyn has established relevant regulatory identification and management procedures to ensure compliance with environmental protection and occupational safety laws throughout the entire product life cycle. The Company also effectively operates its environmental and occupational safety management systems, identifying potential issues through a management cycle approach and implementing control measures in a timely manner to prevent damage to the Company.

In 2024, Tailyn did not incur any major violations related to corporate governance, securities trading, environmental protection, labor and human rights, occupational safety, customer privacy breaches, marketing and labeling, customer health, or product safety responsibility. (Note: "Major violation" is defined as a penalty amounting to NT$1 million or more.)

3.5 Operational Performance

Material Topic: Operational Performance

Significance and Impact to the Company	Operational performance reflects the overall business results of a company and encompasses a range of performance indicators, including financial performance, customer and market development, research and innovation, internal system and process management, information management, human resources management, and corporate social responsibility. Each of these indicators is equally important in gaining recognition from the public and stakeholders for the value of the company's operations.
Policy or Commitment	The Company focuses on industrial and vertical application fields, and takes "high quality, high reliability, and excellent technology" as its appeal. The Company provides standard products and customized design services, OEM production models and comprehensive after-sales services. In addition to meeting customers' basic needs The pure OEM production model forms the Company's important competitive advantage. In addition, the Company will continue to strengthen the introduction of new products, engineering and technical services, and upgrade of production automation equipment technology to exceed customer needs and strive for more business opportunities.
Management Measures/ Resource Investment	1. Integrate manufacturing engineering services and precision production equipment to strengthen long-term customer relationships. 2. Actively expand target customer groups that align with the Company's long-term strategic direction as a key policy. 3. Expand the network communication business and penetrate into the electric vehicle market and the semiconductor equipment market with the Company's application of existing network and communications core abilities, R&D resources, and applied industrial technologies and production technologies. 4. Strengthen supply chain and production/sales management mechanisms to reduce raw material costs and inventory risks. 5. Improve efficiency and quality through process automation and flexible adjustment of production manpower, to achieve fast, on-time delivery and high customer satisfaction. 6. Develop toward a smart factory through the implementation of 5G private networks and AI applications. 7. In recent years, the company has purchased the inspection equipment (such as 3D AOI, 3D XRAY and Flying Probe) required for producing high-quality products, introduced automated manufacturing to sustain increasing the long-term reliability and quality of products, and collected, analyzed, and processed important equipment information with AI's assistance in order to achieve the goals of smart factories.
Targets	1. Continue to develop new customers in overseas markets 2. Expand the product portfolio 3. Revenue and gross profit increasing year by year
Evaluation Mechanism/ Outcomes	1. Actively expanded into overseas markets and successfully developed new customers. 2. Successfully broadened the scope of contract manufacturing for existing customers. 3. In 2024, the Company's overall revenue and profit slightly declined by 5.9% and 3.7% compared to the previous year. Net income after tax increased by 0.6%. Although the revenue declined, the Company has focused on developing high-margin industries, improving production efficiency, and optimizing its operational management system led to an increase in gross margin. In addition, tax benefits from investment tax credits contributed to the growth in net profit after tax. 4. Became the Sole Qualified PCBA Contract Manufacturer in Taiwan for a Leading Semiconductor Equipment Company
Responsible Department	Sales, R&D, and Manufacturing Center
Grievance Communication	Annual General Shareholders' Meeting, Investor Hotline, Investor Conferences, Investor Relations Section on the Company Website

Management performance is reflected in employee rewards

The principles governing the distribution of employee compensation are handled in accordance with Article 28 of the Company's Articles of Incorporation: If the Company records profit in a year after the deduction of employee compensation and Directors' and Supervisors' remuneration and the offset of accumulative losses, it shall appropriate 5~10% of the profit for employee compensation, and not more than 5% for Directors' and Supervisors' remuneration. Employees' remuneration may be granted to employees of subsidiaries of the Company who meet certain criteria. The ratio of distribution of remuneration to employees, directors' and supervisors' remuneration and the ratio of employee remuneration to be paid in stock or cash, shall be resolved by the board of directors and reported to the shareholders' meeting.

Direct Economic Value Generated and Distributed by Tailyn in 2024

Unit: NT$ thousand

Item	2022	2023	2024
Revenue (A)	1,912,267	1,980,733	1,864,100
Operating Cost (B)	1,471,504	1,483,827	1,385,628
Employee salaries and benefits (C)	185,252	209,237	217,638
Payments to capital providers* (D)	67,820	90,784	107,261
Payments to government** (E)	39,976	34,641	30,348
Community investments (F)	980	1,452	3,317
Retained Economic Value (A-B-C-D-E-F)	146,735	160,792	119,908

* Payments to capital providers are defined as the dividends paid to all shareholders plus interest payments made to lenders.
** Payments to government are defined as all taxes and fines paid by the organization based on international, national, and local regulations.
(Taxes may include business tax, income tax, and property tax)

Financial Assistance Received from the Government

Unit: NT$ thousand

Source of Subsidy	2022	2023	2024
Tax exemptions and credits, investment grants, R&D subsidies, and other related financial assistance	11,865	7,036	5,432
Government subsidies	3,140	4,975	1,122
Subtotal	15,005	12,011	6,554

Current Products and Services of Tailyn

The Company focuses on the R&D and manufacturing of communications and industrial application related products, including wired and wireless networking products, industrial computer, electric vehicles and vehicle electronics and semiconductor frontend process equipment and backend test equipment. It provides the software and hardware design, manufacturing, OEM, sales and aftersales related services for these products.

The major product categories are as follows:
1. Industrial and commercial wide temperature grade Ethernet switches (Wired Devices).
2. Industrial and commercial grade wireless LAN devices (Wireless Devices).
3. Industrial Computers.
4. Manufacturing of electric vehicles and vehicle electronics products.
5. R&D and manufacturing of semiconductor frontend process equipment and backend testing equipment.

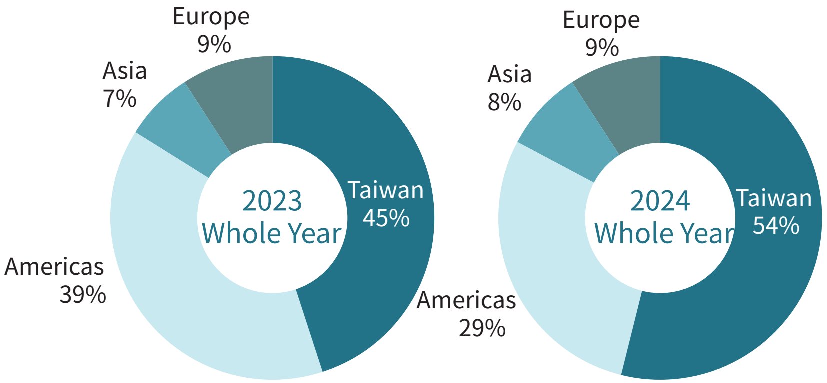
Market, Production, and Sales Overview

1. Sales region

Unit: NT$ thousand

Region \ Year		2023		2024	
		Sales amount	%	Sales amount	%
Domestic sales		898,064	45	1,007,713	54
Overseas sales	Americas	775,986	39	537,205	29
	Asia	127,834	7	143,101	8
	Europe	178,849	9	176,081	9
	Other	0	0	0	0
Total		1,980,733	100	1,864,100	100

Operational Performance - By Region



2. Market share

Percentage of the Company's 2024 network communications category products to the Taiwan networking equipment value is as follows:

Year	2024
Network communications equipment	NT$537.6 billion
Market share percentage	0.12%

Source: Industry, Science and Technology International Strategy Center (ISTI) of Industrial Technology Research Institute (ITRI), Research team of ITIS (2025.2.19)

3. State of supply and demand for the future market and its growth:

With the new demands of AI applications on the network, the rise of 5G private network application and Industrial Internet-of-Things (IIoT) and Industry 4.0, automation and network security have become one of the main drivers for industrial communications and industrial PC. The integration of wired and wireless communication paves the way to the necessity in the merging of the manufacturing system (Operation Technologies (OT)) and the internal business information system (Information Technologies (IT)). Consequently, it achieves the requirements for the effective automation of both production and management. The Company has over the long term, invested in wideband communication and its application field, and focused on the product technologies and services that enable it to employ its core capabilities. It also constantly makes refinements and improvements to differentiate itself from the competition by companies in the same industry and in low cost countries. This brings opportunities for the Company in gaining competitiveness and momentum in future growth in the areas of low-energy and high-efficiency industries, business grade communications and industrial PC. As mentioned above, in general, the overall market for industrial network communication maintains a steady growth trend due to its stable market demands.

4. Competitive niche

(1) High quality and security for the core technology of the software and hardware of wideband communication.
(2) Highly reliable product design, certifications and production technologies.
(3) Comprehensive procurement and production procedures control.
(4) Flexible material supply and production capability.
(5) Excellent production environment and highly efficient production line.
(6) Capability in lowering production cost in the quickest manner.

Development plans for new products

1. 90W PoE Industrial Ethernet Switch
   With the rapid growth in demand for high-resolution surveillance and highly stable networks in fields such as Smart City, Intelligent Transportation Systems (ITS), Smart Factory, and Power Plant, Tailyn continued to develop high-port-count managed 802.3bt 90W PoE switches in 2024, aiming to expand into more vertical market applications. This product not only effectively addresses the high cost and limited coverage issues of traditional power wiring, but also upgrades its hardware specifications from 1Gbps to 10Gbps to meet future high-bandwidth application requirements.
   In terms of software development, Tailyn focuses on flexible power management and network security mechanisms, significantly reducing maintenance and operation costs while fully complying with industrial network security standards (IEC 62443). Furthermore, Tailyn is actively developing seamless redundant stacking technology and integrating time synchronization technology into the 90W PoE industrial Ethernet switches to ensure higher network reliability and synchronization precision. For different vertical market applications, the R&D direction focuses on ruggedized smart Ethernet switches, covering areas such as smart transportation, smart factories, smart mining, smart cities, and power plants.
   Looking ahead to 2025, Tailyn will continue investing in the development of 90W PoE switches, concentrating on applications requiring high system power output. The Company aims to further optimize designs for harsh environments such as power plants, smart transportation, and factory automation, driving the advancement of next-generation industrial switches and providing a more stable and efficient network infrastructure for smart industries.

2. Time Sensitive Networking Ethernet Switch
   With the promotion of 5G networks and smart factory technologies, TSN switches have become the core technology of next-generation Ethernet switches. The Company has successfully developed industrial Ethernet switches featuring Time-Sensitive Networking (TSN), fully integrating key technologies such as frame preemption (IEEE 802.1Qbu), time-aware traffic scheduling (IEEE 802.1Qbv), time synchronization for time-sensitive applications (IEEE 802.1AS Rev), and seamless network redundancy (IEEE 802.1CB).
   With years of technical expertise in telecom Ethernet switches, the Company has effectively applied IEEE 1588v2 technology to develop low-latency, high-precision time synchronization TSN industrial Ethernet switches. This technology lays a solid foundation for 5G networks and smart manufacturing, unlocking broader application possibilities.
   Looking forward to the future, in both 2024 and 2025, the Company has continued to deepen its TSN switch development, with a focus on factory automation, power plants, and smart transportation. These efforts aim to ensure compliance with industrial network security standards (IEC 62443) and high-precision Ethernet time synchronization technologies. Through these advancements, the company will further enhance the reliability and performance of industrial networks, driving smart industries toward higher levels of development.

3. Semiconductor equipment
   The company continues to cultivate relationship with existing customers in providing professional design services to obtain more design projects, and expands the scope of the project contents for a challenge in taking on design projects relating to precision technologies.

Long and short term business development plan

Short-term

The Company's principal focus is the fields of communication and industry applications, providing R&D design and professional manufacturing services. The development plans for 2025 are as follows:

1. Technology design service: In addition to continuous strengthening of the existing software and hardware technology platforms, providing new product development design service to target customers, the company makes further step in building exclusive ability in specific application fields. Such as: Specific protocols required by automation, security requirements (Profinet, EtherNet/IP, IEC 61850, CyberSecurity, etc.), high speed and low latency communication requirements, industrial ethernet communication equipment, business and industry use wireless network equipment, industrial PC, and so on aspects. On the semiconductor frontend process equipment and backend testing equipment, we have produced and manufactured various circuit control boards, module assemblies, etc., and provided R&D teams for engineering redesigns.The technology fields covered include: Mixed-signal, power management, interface, FPGA, and MCU high-level programming technologies. The expanded service fields are: Frontend process, backend packaging testing equipment, and various types of test boards (Device Interface Board) for semiconductor IC.

2. Professional manufacturing: It is proceeded with starting from PCB layout, mechanism design, PCB assembly, system assembly, and functional test & verification, to rapid mass production introduction, and providing comprehensive supply chain management complementary measures. In recent years, the company has purchased the inspection equipment (such as 3D AOI and 3D XRAY) required for producing high-quality products, introduced automated manufacturing to sustain increasing the long-term reliability and quality of products, and collected, analyzed, and processed important equipment information with AI's assistance in order to achieve the goals of smart factories.

Long-term

Continue to enhance focusing on related 5G applications and in the four major industrial fields: Industrial network communication, industrial PC, vehicle electronics, and semiconductor frontend process equipment and backend testing equipment strategies. Maintain close communications with the customers through the product platform, Ready-to-Use, on the industrial network communication for joint efforts locking in target markets. At the same time, deepen the collaborations with suppliers of key chip technology to enhance the competitiveness of product R&D. On manufacturing, there are intense efforts in boosting rapid mass production techniques and yield rate improvement abilities to shorten the market entry time. Through effective pursuit of the leading international technology suppliers of Europe, USA, and Japan, we expand the scale of collaboration. On the industrial PC, vehicle electronics, and semiconductor frontend process equipment and backend testing equipment, we continue to strengthen our relationship with existing customers and develop new customers in order to achieve the company's goals in long term business growth and profit. The Company also continues to implement the ESG management philosophy of environmental protection, social responsibility, corporate governance and security as important indicators of sustainable management and investment decisions, as well as implementation of GHG management.

3.6 Products and Services

3.6.1 Overview of Technology and R&D

The Company's R&D work is mainly based on developing new technical platform products and manufacturing technologies. In order to increase such capabilities, the company will continue to increase and actively recruit professional talents in the future and invest in the software and hardware equipment required for research and development. Investments related to research and development in the most recent years:

Item	2023	2024
Net Operating Revenue	1,980,733	1,864,100
Research and development	90,695	92,479
Percentage of research and development expenses to net operating revenue	4.58%	4.96%

R&D outcomes in recent years:

In the field of factory automation, as the integration of 5G mobile communications and smart industrial manufacturing progresses, coupled with strong government promotion, the network architecture for Industry 4.0 has been gradually taking shape. Tailyn has successfully developed managed industrial Ethernet switches with Time-Sensitive Networking (TSN) capabilities, seizing early market opportunities. These products provide the foundational PoE power supply infrastructure for surveillance video and wireless communication networks in future Industry 4.0 environments, integrating OT and IT networks.

As the trend toward widespread network adoption in industrial environments grows, there is increasing awareness of the importance of infrastructure cybersecurity. Tailyn has adopted the latest industrial security standards (IEC 62443-4) to enhance the cybersecurity protection capabilities of its industrial Ethernet switches. The Company is progressively applying this standard across all newly developed industrial Ethernet switches, providing a safer network environment to meet the stringent requirements of critical industrial vertical applications.

In the development of its industrial Ethernet switch products, Tailyn focuses on vertical application fields such as industrial automation, security monitoring, transportation, and energy markets. The Company is dedicated to the technological development of the Ethernet Train Backbone standard (IEC 61375-2-5) and industrial network security standards (IEC 62443). As train networks increasingly face operational demands for frequent changes in train composition, which complicates network configuration, Tailyn has developed the Train Topology Discovery Protocol (TTDP) in compliance with IEC 61375-2-5. By adopting automated network configuration technologies, the Company aims to enhance the operational efficiency of railway communication networks.

In the power generation industrial sector, Tailyn has invested in seamless high-performance network redundancy protocols (PRP/HSR) and power plant-specific time synchronization protocols (PTP Power Profile / IEEE C37.238). The Company has obtained IEC 61850 and IEEE 1613 certifications from the international certification body TÜV. For applications in power generation, transmission, distribution, energy storage, and even renewable energy fields, Tailyn is able to offer comprehensive solutions.

Furthermore, in 2024, Tailyn invested in seamless redundant chassis stacking technology for industrial networks to enhance deployment flexibility and network aggregation capabilities. By the end of 2024, the Company completed certifications for multiple factory automation TSN switches supporting CC-Link IE over TSN. Tailyn plans to complete the development of OPC UA over TSN in 2025, achieving deep integration of Time-Sensitive Networking (TSN) and OPC UA. This will enable seamless data connectivity from the field level to the control, management, and cloud layers, further incorporating TSN network management technologies to enhance the usability of its products in practical applications.

Moreover, Tailyn plans to invest in intelligent computing technologies in 2025, focusing on the development of proactive time synchronization network traffic regulation and path control technologies for industrial applications. This will further enhance the intelligence and automation capabilities of industrial networks to meet the evolving demands of Industry 4.0.

3.6.2 Intellectual Property Management

To align with operational goals and R&D resource management, Tailyn has established the “Procedures for Patent Application and Maintenance and Incentive Policy”. This policy serves as the basis for a systematic patent management system, an employee patent application incentive scheme, and collaboration with patent law firms for patent filings. Such practices help safeguard valuable technological achievements, encourage employees to apply for patents, enhance product competitiveness, and support company profitability.

1. Patent Management
   A systematic patent management system has been established, defining standard operating procedures (SOPs) from the application process through post-grant maintenance. In addition, external patent law firms are periodically engaged to assist with patent applications and planning.

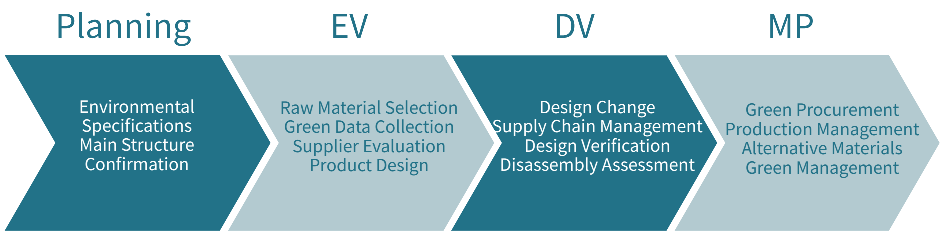
2. Trade Secret Protection
   Upon onboarding, all employees are required to sign a “Confidentiality Agreement,” which stipulates their obligations during employment and defines the ownership of intellectual property rights. In addition, the Company has implemented specific measures to strengthen information security, including continuous maintenance of information security infrastructure, classification of document confidentiality levels, establishment of system access control, restriction of access to confidential data, and regular internal audits. These measures are intended to prevent the theft, tampering, damage, loss, or leakage of confidential information. To prevent potential infringement disputes, the Company also rigorously reviews confidentiality clauses in all commercial contracts to ensure appropriate protection of its rights and limitation of liabilities.

3. Implementation Status of Intellectual Property
   As of December 31, 2024, the Company’s patent portfolio is as follows:
   Obtained a total of 17 invention and utility model patents, including 2 patents granted in 2024, with 3 additional applications currently under review.

4. Education, training and advocacy were conducted from time to time.
   On November 11, 2024, a report on the implementation of intellectual property management was presented to the Board of Directors to ensure that the operation and effectiveness of intellectual property management align with the Company's expectations and plans, and to establish a mechanism for continuous improvement.

3.6.3 Green Products and Product Responsibility

1. Tailyn Green Product Development Cycle



2. Tailyn Green Product Design Guidelines

At the design stage, Tailyn incorporates environmentally friendly materials and low-pollution alternative substances, adopting various design approaches that reduce the use of natural resources and increase recyclability. For example, Tailyn actively develops and adopts recycled plastics and biodegradable plastics in electronic products; ensures that plastic components are compatible with raw materials used for chemical surface treatments; and applies modular design to make key components easy to replace and upgrade, thereby extending product life cycles. Most product casings designed by the Company are made of metal materials (iron and aluminum). Outer packaging boxes are made of paper containing 70% recycled paper, all of which are recyclable and reusable. Product manuals have also been digitized. Discontinue printed product manuals to reduce paper consumption and carbon footprint, while enhancing user convenience for reading and file management convenience and file management.

3. Restriction of Hazardous Substances in Waste Electrical and Electronic Equipment (RoHS)
   In view of the increasing environmental impact caused by discarded electronic and electrical products, the European Union issued the RoHS (Restriction of the use of Certain Hazardous Substances Directive) in 2002, which regulates the concentration levels of 10 hazardous substances. All Tailyn products are 100% compliant with the limits stipulated by the RoHS directive, and no product has ever been returned due to RoHS violations.
4. Product Safety
   All products designed by Tailyn undergo laboratory testing and certification according to customer requirements before mass production and sales to ensure user safety. Certifications include FCC and UL (United States), CE (European Union), PSE (Japan), and UL 62368-1, among others.
   UL conducts factory inspections from time to time each year to ensure compliance with UL manufacturing standards. In the area of industrial automation cybersecurity management systems, the Company has obtained the IEC 62443-4-1 certification in the industrial control field. Providing products certified under IEC 62443 is a critical foundation for industrial cybersecurity. Tailyn will continue investing in delivering high-quality, cybersecurity-compliant products and related services to partners. No violations or customer complaints related to product safety or user health occurred in 2024.

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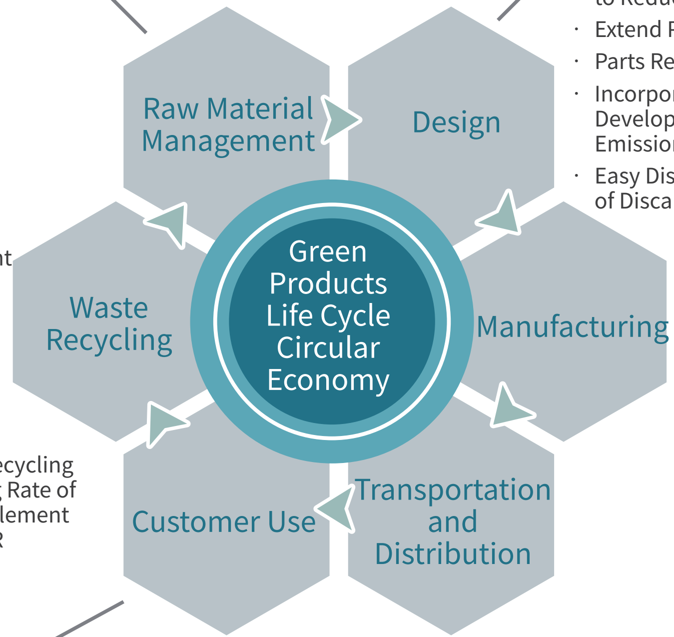
C US 272536
D3E700 RoHS

5. Circular Economy Perspective



Raw Material Management

- Comprehensive Quality Inspection to Ensure Products are Free of Hazardous Substances
- Compliance with RoHS and REACH Regulatory Directives
- Prohibition of Conflict Minerals
- Increase the Procurement Rate of Renewable Materials
- Local Procurement

Design

- Design of High-Efficiency, Energy-Saving Products to Reduce Product Energy Consumption
- Extend Product Life to Reduce Total Waste Volume
- Parts Reduction to Lower Material Usage
- Incorporate Recyclable Materials into Development Considerations to Reduce Carbon Emissions and Resource Waste
- Easy Disassembly to Improve the Recycling Rate of Discarded Products

Manufacturing

- ISO 14001 Environmental Management System
- Pollution Prevention and Reduction
- Chemical Control
- Green Subcontractor Management
- Implementation of Energy Resource Management
- Waste Disposal
- Accurate Greenhouse Gas Inventory

Transportation and Distribution

- Product Lightweighting to Improve Transportation Efficiency
- De-plasticization and Reduction of Packaging Materials
- Reduce Packaging Volume to Improve Pallet Efficiency, Save Material Consumption and Labor Costs
- Green Transportation

Customer Use

- Compliance with International Energy-Saving Standards
- Product Guaranteed to Be Free of Hazardous Substances
- Ergonomic Design and Safe to Use

Waste Recycling

- Compliance with WEEE Requirements
- Easy Disassembly and Recycling to Increase the Recycling Rate of Discarded Products, Implement Circular Economy and 3R (Reduce/Recycle/Reuse)

3.7 Information Security

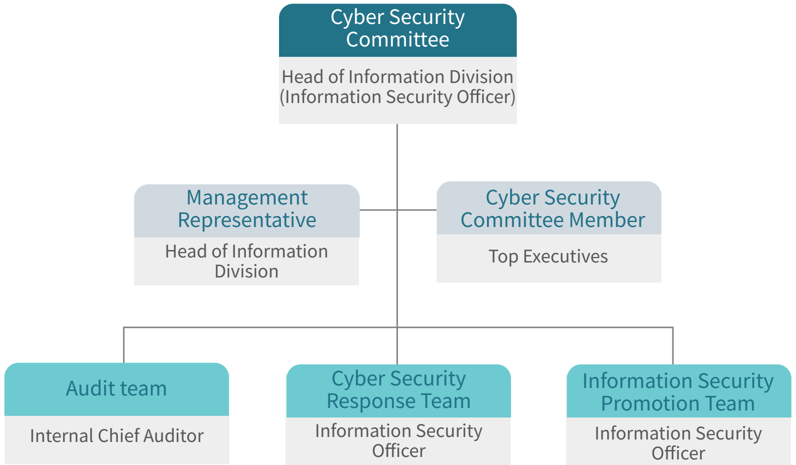
In order to ensure the normal operation of the information security management system, the Company has established the Cyber Security Management Committee to lead the formulation and decision-making of cyber security related policies and decisions, as well as the coordination and promotion of cyber security management and other related matters. The applicability, adequacy and effectiveness of the cyber security policy and objectives are confirmed through management review to ensure that the assigned personnel have complied with, and the purpose of information security control is achieved through continuous improvement. The Director of the Information Department serves as the dedicated supervisor of the Company's Cyber security. She is responsible for supervising the maintenance and promotion of Cyber security, including strategic planning, Cyber security protection, performance management, and administrative support. Cyber security policy review meetings are convened every year to reflect the latest developments in government regulations, technology, and business, and to ensure the Company's ability to operate sustainably. In order to enable the Board of Directors to effectively supervise and control the Company's Cyber security risk management status, the implementation of Cyber security risk management will be reported to the Board of Directors at least once a year. The most recent report to the Board of Directors was on November 11, 2024.

Material Topic: Information Security

Significance and Impact to the Company	To safeguard the interests of customers, the company, employees, and all shareholders, and to maintain the company's competitiveness, Tailyn enforces strict information security management and data protection measures.
Policy or Commitment	1. Rigorous prevention before incidents, immediate response during incidents, and rapid recovery afterward. 2. Tailyn commits to continuous annual improvement to ensure zero major information and cyber security incidents.
Targets	1. Conduct annual vulnerability scans on core systems and remediate all high-risk vulnerabilities 2. Conduct annual social engineering drills for all indirect employees. 3. No external complaints regarding information security incidents. 4. Maintain ISO 27001 certification through continuous verification and improvement to ensure its validity.
Management Measures/ Resource Investment	1. Annual information security training and irregular promotion of cybersecurity awareness 2. Perimeter security protection/network security optimization (XDR) 3. Spam Interception System (SPAM) 4. Endpoint anti-virus and anti-hack (Antivirus / MDR) 5. Implementation of endpoint asset management system 6. NAC (Network Access Control) mechanism to prevent BYOD-related risks.
Responsible Department / Grievance Communication	Tel extension, E-mail of Information Management Department

Cyber Security Committee Organizational Structure

In order to strengthen the Company's information security management and ensure data, system and network security, Tailyn has been established cyber security management unit, including a dedicated Cyber security officer and at least one Cyber security personnel. The dedicated Cyber security officer acts as the convener of the team to organize the Cyber security team. The team includes an audit team, a Cyber security emergency response team, and a Cyber security promotion team. They are responsible for coordinating, planning, executing, and analyzing Cyber security incidents. In addition, the Company obtained ISO 27001 certification in May 2024 to further strengthen its capability to respond to information security incidents and to safeguard the assets of both the Company and its customers.



Cyber security policy

In order to maintain the normal operation of information assets and network security, and prevent the information from being improperly accessed, leaked, tampered, stolen, or damaged, the Company reviews and evaluates its Cyber security regulations and procedures annually to ensure their appropriateness and effectiveness. Establish a safe and reliable information-based operating environment to ensure the security of the Company's data, systems, equipment and networks to ensure the sustainable operation of the Company. In order to maintain the confidentiality, integrity and availability of the Company's information assets, we hope to achieve the goal of cyber security policy through the implementation of this policy.

Specific management plans and resources invested in IT security management

In order to achieve the Cyber security policy and goal and establish a comprehensive Cyber security protection, the management matters and specific management plans, and the resources invested in the information communication security management are as follows:

- Implementation of ISO 27001 Information Security Management System (ISMS): To ensure that information security management operations align with international standards, the Company has proactively implemented ISO 27001 international certification. Through the PDCA management cycle, continuous improvement is achieved, and regular audits are conducted to maintain the validity of the certification.
- Vulnerability Patching to Enhance Cybersecurity Defense: Annual vulnerability scans are performed on core systems, followed by necessary reinforcements and patches to reduce information security risks. In 2024, scans on external service hosts identified three medium-risk and one low-risk vulnerabilities. The three medium-risk vulnerabilities have been successfully patched.
- Optimization of perimeter security protection: The new-generation firewall provides complete Cyber security protection capabilities (including application control, web page filtering, DNS filtering, and intrusion detection and prevention), which can effectively block network attacks and prevent hacker intrusions. VPN access incorporates Multi-Factor Authentication (2FA) and Zero Trust Network Access (ZTNA) to strengthen identity verification security.
- Spam blocking system (SPAM): It can effectively reduce the risk of various email attacks, such as spam/advertising emails, phishing emails (social engineering), forged attack emails, virus emails, emails with malicious files, etc.
- Network security optimization (XDR): Extended Detection and Response (XDR): An external security analysis and analysis team is commissioned to monitor and analyze large amounts of intelligence at the internal and external network layers 24/7. The analysts provide immediate information on security information to serve as the defense against the Company's internal firewall the Bank's internal and external network security.
- Endpoint anti-virus: Servers and computers are equipped with legitimate anti-virus software to prevent malicious programs and computer virus intrusions, and relevant virus patterns and scanning engines are regularly updated.
- Managed Detection and Response (MDR): By entrusting a foreign security forensic analysis team to analyze all abnormal behaviors of users 24/7, it is possible to prevent Cyber security incidents in advance and strengthen the security of servers and computers.
- Endpoint device management: The asset management system controls endpoint behaviors to eliminate undesirable abnormal behaviors, including client application downloads, web page browsing, file operations, and use of external storage devices.
- NAC (Network Access Control): Enhances access control to the company network and server farm, ensuring that only devices and users that comply with security policies can access the network, thereby reducing internal threats.
- Education and training: The Company's employees regularly conduct Cyber security

education and training, social engineering phishing email tests, and promotion of key Cyber security messages to enhance Cyber security awareness and implement it on each employee.

- Become a TWCERT member: Become a TWCERT member, fully receive industrial Cyber security intelligence, and implement the spirit of industry intelligence sharing and Cyber security defense.

2024 Tailyn Information Security Performance

Performance Evaluation Item	Cyber Security Objective	Outcome
Disruption of data center and service operations due to information security incidents, abnormal events, or other security accidents	Downtime ≤ 1 time/quarter	None occurred
Disruption of critical business systems due to information security incidents, abnormal events, or other security accidents	Downtime ≤ 1 time/quarter	None occurred
Disruption of data center and service operations due to information security incidents, abnormal events, or other security accidents	Downtime ≤ 4 hours	None occurred
Disruption of critical business systems due to information security incidents, abnormal events, or other security accidents	Downtime ≤ 4 hours	None occurred
Management review meetings held	≧ 1time/year	1 times
Vulnerability scan	≧ 1time/year	In 2024, 1 vulnerability scan was conducted for external service hosts; 3 medium-risk and 1 low-risk vulnerabilities were identified and have been remediated.
Information Security Training and Awareness	1. Obtained professional certification (ISO 27001:2022 Lead Auditor Certification) 2. Information Security Training for Indirect Employees	1. 1 designated personnel certified 2. A total of 101 participants; total training hours: 101 hrs
Social Engineering Drill	≧ 1time/year	308 participants completed the 2024 cyber security (social engineering drill).
MDR	Full Deployment on Office Computers	All office computers have been fully deployed with MDR (Managed Detection and Response) endpoint detection and protection, with a total of 355 units installed.
ISO 27001 Information Security Certification	Ongoing validation to ensure certificate effectiveness	Certification obtained in May 2024

Continuous Improvement of Cyber Security

The Company's various regulations and security measures will continue to be evaluated, reviewed, updated, and regularly tested and exercised to ensure their continuity, applicability, and effectiveness. The establishment and modification of relevant regulations and security measures shall comply with and adhere to the information security management mechanisms.

- Reexamine information security policies, procedures, and management regulations.
- Strengthen information system software and hardware.
- Conduct information asset inventory and risk assessment.
- Implement business continuity drills and various information security operations.
- Provide regular education and training, incorporating updates and requirements from relevant laws and regulations.
- Establish and maintain cybersecurity intelligence to adjust or enhance countermeasures as needed.

Conduct internal and external audits and hold management review meetings annually.

3.8 Customer Relations

Material Topic: Customer Relations

Significance and Impact to the Company	Establish strong cooperative relationships with customers, value their needs and feedback, actively seek collaboration opportunities, and strive to secure more orders through high-quality services.
Policy or Commitment	1. Establish a service-oriented operational model and optimize service processes to enhance customer trust and create win-win outcomes. 2. Apply innovative technologies to control and improve product quality, and collaborate with customers to provide products and services tailored to their needs.
Targets	1. Emphasize customer needs and provide quality service to establish a win-win service partnership with customers. 2. Annual customer satisfaction survey score > 80 points. 3. The target number of customer complaints for 2025 is 24 cases (a 4% decrease compared to 2024). 4. No violations regarding customer health and safety requirements for products.
Management Measures/ Resource Investment	1. Customer Service and Complaint Management: (1) Reduce customer inventory and waiting time. (2) Integrate complaint management to improve service efficiency. 2. Technical Support and Continuous Improvement: (1) Resolve material issues to ensure on-time delivery. (2) Assist in test automation, obtain patents, and enhance reliability. (3) Establish a Continuous Improvement Plan (CIP) to enhance efficiency and quality. 3. Production Capacity Expansion and Operational Model Development: (1) Expand equipment and operational models to deepen involvement in the semiconductor equipment industry and promote development in other sectors.
Evaluation Mechanism/ Outcomes	1. Received the Excellent Supplier Award from a semiconductor equipment customer in 2024. 2. The average score of the 2024 customer satisfaction survey was 90 points (met the target for three consecutive years). 3. The number of customer complaints continued to decline in 2024, down 19.3% compared to 2023. 4. No customer complaints or incidents were received in 2024 related to violations of product and service health and safety regulations.
Responsible Department / Grievance Communication	1 Delivery/Price: Sales Department; 2 Quality: Quality Assurance; 3 Others: Company Website

Customer Relationship Management

Tailyn values the importance of customer opinions. Apart from initiating customer visits by the sales, the company website has also set up the stakeholder area to provide customers channels for raising questions, complaints or suggestions. The company upholds the principle of integrity for proper handling of the above and gives replies to protect the customers' rights and interests.

Internally, a dedicated business project team has been established to follow the ISO 9001 quality management system requirements. This includes customer communication, order processing, technical support, complaint handling, and after-sales services. These efforts aim to enhance professional service quality across all areas, earn customer trust, and support long-term profitability. The Company has a quality assurance unit responsible for receiving and handling customer complaints, while assisting business units in handling customer complaints, and protecting customers' rights and interests.

Tailyn's EMS contract manufacturing services are all carried out in accordance with customer design specifications. ODM products developed and designed in-house also comply with applicable regulations and the requirements of relevant application fields, and do not violate any existing management system requirements of Tailyn. Prior to shipment, all products undergo testing such as EU RoHS, REACH, or safety inspections as specified by the customer. In 2024, there were no customer complaints or claims regarding violations of health and safety regulations related to products and services. With respect to product and service information and labeling, EMS product labels include relevant information such as product part numbers and model numbers. ODM product labels are provided according to customer requirements and regulatory provisions. In 2024, there were no violations related to product and service information and labeling. Moreover, as Tailyn's products are of a B2B nature, no marketing communications are conducted for the products; thus, there were no violations of marketing and communication-related regulations.

To objectively gather and listen to customer feedback, Tailyn conducts annual customer satisfaction surveys in accordance with its customer satisfaction survey management mechanism, using questionnaires distributed to existing clients. After the survey is conducted, the company analyzes the satisfaction ratings and customer feedback, which are then communicated to relevant departments and senior executives. By reviewing both positive and negative feedback from the survey results, the company identifies opportunities for improvement. For significant feedback, responses are provided via phone or in-person visits to demonstrate accountability and offer corrective measures, continuously enhancing product and service quality to ensure customer needs are understood and fulfilled.

Tailyn treats customer information as confidential. In addition to contractual confidentiality obligations, relevant employees are required to sign non-disclosure agreements to ensure proper protection of customer privacy. In 2024, there were no incidents involving violations of customer privacy or personal data breaches that resulted in damage to customer rights.

Customer satisfaction over the past three years	2022	2023	2024
Number of cases issued	26	35	45
Number of cased received	12	24	12
Average scores	84	88	90

3.9 Supply Chain Management

Tailyn upholds the vision of growing together with its suppliers and implements supply chain management to ensure reasonable pricing, lead time, and quality of goods. This approach enhances product competitiveness in the market and enables the company to provide customers with prompt and satisfactory services. Based on the principles of fairness and information transparency, when purchasing, colleagues will conduct multiple price enquiries, compare and negotiate, and select suppliers based on objective and fair standards. In addition to requiring all employees to be honest and upright, the Company's legal department has also sent an "Anti-Bribery Statement" to suppliers to ensure smooth grievance channels for suppliers. Tailyn has established "Supplier Management Procedures" and "Procurement Management Procedures" to provide a basis for suppliers' dealings. Requirements such as delivery confirmation, quality requirements, Intellectual property rights, etc., to avoid damage to the goodwill and interests of both parties. For key raw materials such as main ICs and PCBs, Tailyn maintains at least two suppliers or agents. Strategic stockpiling is conducted quarterly. For components assessed as medium to high risk, the company extends system lead time (L/T) and seeks lower-risk substitute materials or alternative suppliers.

Material Topic: Supply Chain Management	
Significance and Impact to the Company	The supply chain is a critical foundation for Tailyn’s value creation and competitiveness. Effective supply chain management helps the company identify, assess, and control risks, thereby minimizing their impact. As such, supply chain management is a key strategy in Tailyn’s sustainable development. Tailyn places great importance on building an efficient, environmentally friendly, and sustainable supply chain to support the company’s long-term growth.
Policy or Commitment	1. Key suppliers are required to obtain ISO 14001 and ISO 45001 certifications and sign the “Supplier Sustainability Commitment”. 2. Regular audits are conducted to ensure key suppliers are effectively implementing these practices.
Targets	1. Achievement rate of key suppliers obtaining the latest ISO 14001 and ISO 45001 certifications: 100%, and achievement rate of signing the “Supplier Sustainability Commitment Letter”: 100% 2. Completion rate of the annual audit plan for key suppliers/contractors: 100% 3. Key audit items (1) Whether the supplier continues to implement plans or procedures to reduce pollutant emissions and conserve energy and resource use (2) Whether the Company comply with the Labor Standards Act and other relevant laws and regulations to protect the legitimate rights and interests of employees, respect internationally recognized basic labor rights principles, and prohibit child labor under the age of 16 (3) Whether the supplier complies with relevant Ministry of Labor regulations such as the Labor Standards Act and the Occupational Safety and Health Act
Management Measures/ Resource Investment	1. Key suppliers are required to obtain ISO 14001 and ISO 45001 certifications and sign the “Supplier Sustainability Commitment”. 2. When approving new suppliers, their environmental, safety, and health (ESH) management systems and social responsibility practices must be reviewed to assess any adverse environmental or social records. 3. For EHS non-conformities identified during audits, suppliers must immediately correct issues. In cases of serious violations, cooperation will be suspended until compliance is verified. 4. For nonconformities in quality found during audits, if any evaluation item is non-compliant, a Supplier Improvement (Audit) Request Form will be issued to the supplier, and the effectiveness of the corrective actions will be verified.
Evaluation Mechanism/ Outcomes	1. 100% of key suppliers (20 suppliers, accounting for 57% of revenue) have signed the "Supplier Sustainability Commitment”. 2. 100% of all suppliers (approximately 580) have signed the “Non-Use Conflict Minerals Survey”. 3. Establish an annual key supplier audit and review plan. Promote continuous improvement for suppliers with poor performance in the previous year. In 2024, there were zero cases of noncompliance. 4. 100% of suppliers requiring audits/guidance (23 in total) completed corrective actions, verified through supplier audit forms or meeting records.
Responsible Department / Grievance Communication	Procurement Department/General Affairs/Material Department

Green Supply Chain

In order to fulfill our corporate social responsibility and make our living environment sustainable, Tailyn has listed ISO 14001, IECQ, QC080000 and other environmental safety certifications as the focus of the company selection, and "continued implementation of pollution reduction, energy conservation and resource utilization" in the list TL9000 has been certified by Tailyn, and we are committed to all activities in compliance with government laws and regulations.

In the design of green products, consideration is given to recycling and disposal at the end of the life cycle. Therefore, in the selection of parts and components, in order to avoid environmental pollution, suppliers are required to provide products that comply with Tailyn's "Permissible Concentration Table for Restricted Substances in Products" and shall comply with the latest EU RoHS and REACH regulations, in order to eliminate the harm to the environment and human body.

In terms of the green supply chain, we uphold honesty and mutual benefit with our suppliers, and try our best to assist the suppliers to recycle and reuse recyclable peripheral materials such as packaging to achieve garbage reduction. When it comes to green management in the supply chain, Tailyn is willing to work closely with its suppliers for continuous improvement in order to contribute to the sustainable survival of the planet.

Occupational Safety and Human Rights in the Supply Chain

In addition to requiring suppliers to comply with green supply chain standards, Tailyn also incorporates labor health and safety, as well as human rights considerations, into its supplier qualification evaluations, reflecting the Company's people-centered approach. Tailyn has also established a policy and management measures prohibiting the use of conflict minerals. Suppliers are required to ensure that their products do not contain conflict minerals extracted from conflict zones, including the Democratic Republic of the Congo and its neighboring countries in Central Africa. Suppliers must trace the sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), and cobalt (Co) used in their products. All suppliers are required to complete a due diligence survey and conduct investigations in accordance with the OECD Due Diligence Guidance, in order to avoid directly or indirectly funding armed conflict groups.

Supplier Evaluation and Counseling

Tailyn conducts performance evaluation and risk assessment on suppliers according to the "Supplier Management Procedures." The evaluation items cover operations, environmental protection, production control, etc., such as whether they have passed ISO 14001, QC080000, ISO 9001, and whether they have passed fire safety inspections, etc. Auditing and counseling are arranged for those who do not perform well, and orders are reduced. High-risk suppliers are continuously improved and managed every year. If improvements cannot be made, new suppliers are introduced and eliminated.

In 2024, new suppliers were subjected to performance evaluation and risk assessment in accordance with the "Supplier Management Procedures." A total of 98 suppliers were qualified for assessment in terms of operation, environmental protection, and production control. Starting in 2023, new suppliers have been required to comply with the Uyghur Forced Labor Prevention Act (UFLPA). As of December 31, 2024, a total of 40 self-declaration statements have been collected.

A complete ESG-compliant supply chain partnership

In addition to continuously improving and growing together with suppliers in technology, quality, cost, and delivery, Tailyn is also committed to the improvement of environmental protection, labor safety and health, and human rights in order to achieve our expectations of sustainable operations.

To strengthen sustainable supply chain management and risk control, the Company launched its annual ESG (Environmental, Social, and Governance) supplier survey in September 2024, targeting key suppliers from 2023. The purpose of the survey was to assess the status of suppliers' sustainability policies and implementation, ensuring alignment with the Company's overall sustainability goals.

A total of 90 questionnaires were distributed, covering suppliers that accounted for 85% of the Company's procurement value. The survey covered indicators such as environmental management practices, protection of employee rights, occupational health and safety systems, and ethical business conduct. As of the survey deadline (December 31, 2024), 34 completed questionnaires were received, representing 34% of the procurement value from participating suppliers. While there is still room to improve the response rate, the initial results provide a valuable reference for the Company's risk assessment and improvement planning.

The Company remains committed to raising ESG awareness among its suppliers and plans to follow up on the survey results in the second half of 2025. Regular communication and support mechanisms will also be implemented to promote the shared goal of sustainable development across the supply chain. (Note: This survey was conducted solely among raw material suppliers.)

Reducing the Environmental Impact of Raw Material Transportation

With continuous technological advancement and industrial growth, environmental degradation has become an increasingly critical concern, prompting greater global attention to sustainability. At the 2023 United Nations Climate Change Conference (COP28), member states agreed on the need to transition away from fossil fuels. In line with this global direction, Tailyn considers not only delivery schedules, timeliness, and transportation costs when selecting suppliers, but also aims to reduce the potential environmental impact caused by long-distance transportation of raw materials. The Company also takes into account suppliers' energy consumption and greenhouse gas emissions.

While localization is a key factor in supplier selection, Tailyn also assesses the risks associated with sourcing concentration in a single region. To manage environmental impact, logistics are optimized to ensure full truckloads or container loads wherever possible. Additionally, maritime shipping is prioritized over air transport, as ships emit significantly less CO_2 than aircraft, thereby minimizing carbon emissions from transportation.

Local Procurement Status

Year / Items	2022	2023	2024
Percentage of Local Suppliers (%)	15%	17%	23%
Percentage of Local Procurement by Value (%)	21%	18%	18%

Note 1: Local procurement is determined based on the location of each operating site.
Note 2: Purchases of imported raw materials through Taiwanese distributors are not considered local procurement.

Supplier Evaluation

Quality Management Audit Content and Results	2022	2023	2024
Number of suppliers	528	535	536
Class A Supplier	460	469	470
Class B Supplier	48	42	46
Class C Supplier	20	24	20
Percentage of Grade A suppliers to the total number of suppliers for the year	87%	88%	88%

Note: From 2021 to 2024, no companies were suspended from transactions due to failure to meet company requirements.

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4 CHAPTER Responsible Governance

Tailyn is committed to complying with environmental, health, safety, and green product regulations. Internally, we encourage our employees to design energy-efficient, high-performance green products that benefit society, promote the use of eco-friendly packaging materials, and engage in resource recycling to reduce resource consumption. Employee feedback on environmental sustainability and workplace health is also valued as a foundation for the Company's long-term sustainable development. As of 2024, Tailyn has obtained certifications for international management systems including TL 9000, ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), IATF 16949 (Automotive Quality Management System), QC 080000 (Hazardous Substance Process Management System), and ISO 27001 (Information Security Management System). The Company continues to maintain effective system operations and is dedicated to energy conservation, carbon reduction, water conservation, and waste recycling activities to protect the environment and preserve global resources.

4.1 Raw Material Management

Tailyn uses renewable materials such as wooden pallets and cardboard boxes in the production and packaging of its main products. Non-renewable materials include PCBs and solder bars, while solder bars are also categorized as recyclable and reusable materials. The Company records the annual usage (by weight) of both renewable and non-renewable materials with the aim of gradually increasing the use of renewable materials and reducing the use of non-renewable materials. The recovery percentage of recyclable solder bars used in the production process is also tracked annually.

Unit: metric tons	Total weight of renewable materials		Total weight of non-renewable materials	
	Wooden pallets	Cardboard boxes	PCB	Solder bars
2022	23.5	17.0	39.2	3.7
2023	25.5	18.7	35.1	3.6
2024	24.36	16.64	39.6	3.6

Unit: metric tons	Total Weight of Recycled Materials Used	Total Weight of Solder Materials Used (including Solder Paste)	Percentage of Recycled Materials Used
2022	1.916	3.7	52%
2023	2.216	3.6	62%
2024	1.555	3.6	43%

4.2 Energy Resource Management and Carbon Reduction

Earth's energy resources are limited, and to prevent improper waste, Tailyn places great importance on energy resource management. The Company's primary energy source is purchased electricity, with a minimal amount of non-renewable energy (diesel) used for backup generators. As a large electricity consumer with a contracted capacity exceeding 800 kW, the Company is required to achieve an annual energy-saving rate of at least 1%. In compliance with regulations, an energy management organization has been established to develop, implement, audit, and review relevant energy management tasks. Tailyn has set an annual energy-saving target of over 1%, and from 2016 to 2024, the Company has achieved an average annual saving rate exceeding the 1% target.

Tailyn's Energy Management Measures

Constant promotion of energy saving measures and improvements to energy utilization rate of equipment:

1. Indoor temperature is set above 26 °C as the standard for air conditioning use. In the evening, air conditioning is turned off in phases based on areas used for overtime work, generally between 18:00 and 20:00.
2. Offices, meeting rooms, and dormitories are equipped with individual air conditioning units. Employees are encouraged to turn them off when leaving. Regular inspections are conducted by designated personnel, dorm supervisors, or security staff. Separate electricity meters are installed for the dormitories to control the electricity usage.
3. Regular washing and cleaning of the filter of the air conditioning. Yearly maintenance of the air conditioning equipment to sustain it in its best state to reduce energy exhaustion.
4. The power of the water dispenser is controlled using a timer, which sets it in the sleep mode during weekends and holidays to reduce energy exhaustion.
5. The motion sensor lights are installed along the walkways in the public areas of the factory while sequential lighting control is used for parking lots and for garden landscaping.

6. A series of campaigns are driven to encourage the habit of switching off lights when making exits and during noon time, and to concentrate in the office area during overtime to reduce the use of lighting.
7. Gradually replace T8 lighting with energy-saving LED lights.
8. Gradually replace air conditioners used for over 10 years with inverter Grade-1 energy efficiency separate type units.
9. Gradually replace air blowers used for 10 years with ice water air blowers.
10. Gradually replace high-voltage power supply equipment (LBS) used for over 20 years.
11. Replace tap water supply pumps with IE3 low-noise whirlpool pumps.
12. Replace shared employee microwave ovens with energy-efficient microcomputer-controlled models certified by the Ministry of Economic Affairs.

Material Topic: Energy Conservation and Carbon Reduction

Significance to the Company	In the face of the increasingly severe global climate change and global warming, Tailyn deeply recognizes the precious and non-renewable nature of the Earth's energy resources. Every additional unit of electricity consumed leads to an increase in carbon emissions. Therefore, it is essential to conserve energy in order to achieve carbon reduction goals. Therefore, Tailyn continuously reviews the energy consumption and carbon footprint of its business activities, formulates corporate energy-saving and carbon-reduction strategies, and implements various related measures to minimize the company's impact on the natural environment. In doing so, we fulfill our corporate responsibility to preserve a sustainable environment.
Policy/Commitment	1. Comply with all relevant environmental regulations. 2. Continue investing in equipment optimization to reduce power loss. 3. Continue promoting energy-saving initiatives by monitoring and adjusting equipment to improve energy efficiency. 4. Evaluate the adoption of green energy (e.g., solar power) to increase the use of renewable energy. 5. Include certifications (such as ISO 14001 and ISO 14064-1) as key criteria in vendor selection, and incorporate "ongoing efforts to reduce pollution emissions and conserve energy resources" into audit items. 6. For green products, efforts are currently focused on lightweight packaging, plastic reduction, and minimizing packaging materials to enhance transportation efficiency and reduce carbon emissions and resource waste. Future in-house product development will also aim to design high-efficiency, energy-saving products that reduce energy consumption, with consideration given to using recyclable materials. 7. Implement energy and resource management and conduct greenhouse gas inventories during production. 8. Increase local procurement to reduce transportation-related carbon emissions.
Short-Term Goals KPI	1. Annual average energy-saving rate >1%; base year is 2021. 2. Continue to implement various energy-saving improvement projects by enforcing electricity-saving measures, improving energy efficiency, and promoting energy conservation in office areas and public facilities. 3. Starting in 2023, the Company initiated the planning of an ISO 14064-1 certification program, progressively conducting GHG emissions inventories across its facilities to better understand emission profiles and trends, and to enable early response measures. In 2024, the Company completed the 2023 GHG inventory report and obtained an external assurance statement. In 2025, the Company will complete the 2024 GHG inventory and obtain the corresponding assurance statement.
Mid-Term and Long-Term Goals KPI	1. Continue to maintain an average annual electricity saving rate of over 1%. 2. Establish self-generated renewable energy systems (e.g., solar power), capable of producing 266 kW of electricity. 3. Utilize the results of annual ISO 14064-1 greenhouse gas inventories to assess risks and carbon reduction measures related to Scope 1, Scope 2, and Scope 3 emissions. 4. Continuously optimize high- and low-voltage power supply equipment and integrate improvements on the load side within the plant.

Material Topic: Energy Conservation and Carbon Reduction

Resources and Actions Invested in 2024	1. Replace air blowers used for 10 years with ice water air blowers. 2. Gradually replace T8 lighting with LED lights. 3. Gradually replace air conditioners used for over 10 years with inverter Grade-1 energy efficiency separate type units. 4. Gradually replace high-voltage power supply equipment (LBS) used for over 20 years. 5. Replaced the central chiller and introduced a 225RT dual-compressor magnetic bearing variable frequency unit. 6. In 2024, a total of 11 dedicated internal verifiers were assigned for the ISO 14064-1 greenhouse gas inventory. 7. Replace tap water supply pumps with IE3 low-noise whirlpool pumps. 8. Replace shared employee microwave ovens with energy-efficient microcomputer-controlled models certified by the Ministry of Economic Affairs.
2024 Performance Results	1. In 2024, the energy-saving rate reached 1.64%, achieving the annual target of over 1% electricity savings. 2. The replacement of the central chiller with a 225RT dual-compressor magnetic bearing variable frequency unit resulted in energy savings exceeding 10%, meeting the chiller energy efficiency improvement target.
Performance Evaluation Mechanism	Internal/External Audit
Contact information/ Grievance Mechanism	General Affairs, Facility Affairs

Energy management

Energy Consumption

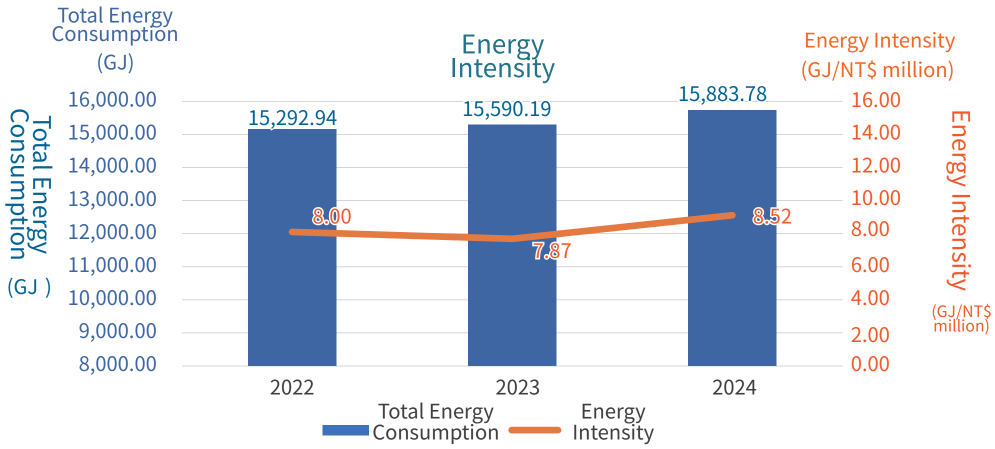
Energy Consumption (Unit: GJ)				
Year	Purchased Electricity	Diesel	Fuel for Company Vehicles	Total Energy Consumption
2022	15,153.84	8.17	130.93	15,292.94
2023	15,445.44	3.82	140.93 (Note 2)	15,590.19 (Note 2)
2024	15,711.84	10.59	161.35	15,883.78

Note 1) 1 kilowatt-hour of electricity equals 3.6 megajoules; 1 GJ equals 10^9 joules; the calorific value of diesel is 8,400 Kcal per liter, and 1 Kcal equals 4,186 joules.

Note 2) 2023 carbon emission data restated. The emissions data disclosed in the 2023 Sustainability Report were based on internal calculations as of May 2024. However, actual carbon dioxide equivalent emissions were later adjusted following third-party verification completed in October 2024. The figures for company vehicle fuel consumption and total energy consumption disclosed in the 2023 report were 135.29 / 15,584.55 respectively. This restatement does not affect the conclusions of the report.

Energy Intensity

Year	Revenue (NT$ million)	Total Energy Consumption (GJ)	Energy Intensity (GJ/NT$ million)
2022	1,912.27	15,292.94	8.00
2023	1,980.73	15,590.19	7.87
2024	1,864.1	15,883.78	8.52



Note 1: Energy Intensity = Total Energy Consumption (GJ) / Revenue (NT$ million)

Note 2: 2023 carbon emission data restated. The emissions data disclosed in the 2023 Sustainability Report were based on internal calculations as of May 2024. However, actual carbon dioxide equivalent emissions were later adjusted following third-party verification completed in October 2024. The 2023 Sustainability Report listed the total energy consumption and energy intensity figures as 15,584.55 GJ and 7.87 GJ/NT$ million, respectively. This restatement does not affect the conclusions of the report.

2022~ 2024 Annual Average Electricity Saving Rate

2021~ 2023 Annual Average Electricity Saving Rate			
Year	Annual electricity savings (kWh)	Annual electricity consumption (kWh)	Annual average electricity saving rates (%)
2022	29,470.25	4,209,400	1.73
2023	69,412.79	4,290,400	1.71
2024	44,767.52	4,364,400	1.64

Tailyn's Energy Efficiency Performance Over the Past Three Years

Year	Energy conservation measures	Electricity Savings (kWh/year)	Energy Savings (GJ)	Emission Reduction from Electricity Savings (tons CO2e)
2022	Replacement of T-BAR lamps for 40W LED in production area of building A, total 190 units.	27,462	98.86	13.594
	Replaced 14 T8 fixtures with LED lights in Building A Fixture Room & Air Compressor Room	7,971	28.70	3.946
	Replaced 11 old blowers in the production testing area of Building A	2,007	7.23	0.993
	Traditional microwave ovens in the employee pantry in Building B are replaced by inverter microwave ovens *2 units	2,044	7.36	1.012
2022 Total		39,484	142.14	19.545
2023	Replacement of old blowers for production lines * 14 units	4,088	14.72	2.019
	The 4-foot (two-pipe) T8 lamps in the public computer room area of Building B are replaced by 49 LED lamps	501	1.80	0.247
	Replace air conditioners used for over 10 years with inverter Grade-1 energy efficiency separate type units.	8,760	31.54	4.327
	Replacement of LBS in high-voltage power supply equipment	56,064	201.83	27.696
2023 Total		69,413	249.89	34.290
2024	Replacement of over 10 years old air blowers with ice water type air blowers, total 6 units.	1,095	3.94	0.542
	Replacement of tap water supply pumps with IE3 low-noise whirlpool pumps, 1 unit.	2,687.33	9.67	1.330
	Replacing 7 air conditioners in office areas and employee dormitory for more than 10 years with inverter-grade 1 energy efficiency separate type air conditioners.	31,766.83	114.36	15.725
	Replacement of 4-foot (two-pipe) T8 lamps with 16 LED lamps in dormitory area of Building C.	186.88	0.67	0.093
	Replacement of T-BAR lamps for 35W LED energy-saving panel lights in production area of building A, total 95 units.	9,015.5	32.46	4.463
	Replacement of microwave ovens complying with the energy efficiency requirements set by the Ministry of Economic Affairs, total 3 units	15.98	0.06	0.008
2024 Total		44,768	161.16	21.220

Note: Energy-saving equipment is calculated by estimating energy consumption converted into electricity savings.

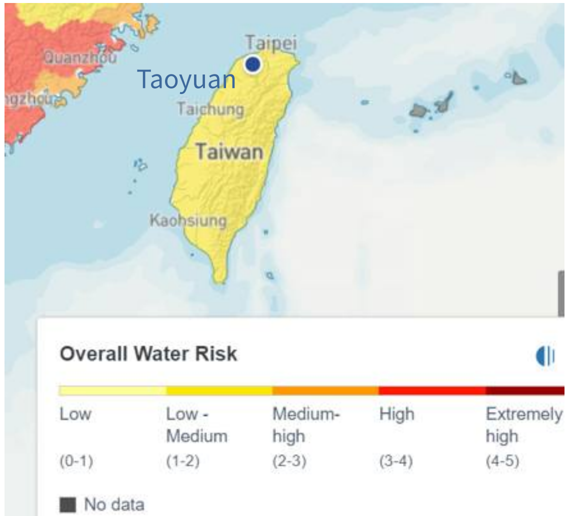
Reducing Energy Demand of Products and Services

Currently, all of Tailyn's EMS and ODM products are custom-made according to customer specifications. At present, the Company is focusing on lightweight packaging, de-plasticization, packaging reduction, or maintaining original incoming packaging materials to enhance transportation efficiency and reduce carbon emissions and resource waste. In the future, for self-developed products, the Company will continue to pursue the design of high-efficiency and energy-saving products to reduce energy consumption and will consider incorporating recyclable materials into the selection of development materials.

Water Resource Management

Extreme weather has brought severe impacts, and the alternation of floods and droughts has become more and more frequent. This has made everyone realize that in the face of future climate change, we must promote the substantial adjustment plans, in order to establish a water-saving and water-recycling society, and ensure the balance of water supply and demand. The Company is located in Taoyuan, Taiwan, which is not classified as a water-stressed area. Therefore, it does not pose significant environmental impacts on water resources or the ecosystems of water sources.

Tailyn's water supply comes entirely from a third party (Danan Water Purification Plant) and is classified as fresh water (≤ 1,000 mg/L total dissolved solids). The facility generates only domestic wastewater, with no effluent from industrial processes. Water usage is limited to employee and cafeteria needs. The Company promotes water conservation and reuse and continues to enhance the efficiency of water-use equipment. The facility maintains a potable water storage capacity of approximately 582 metric tons and conducts regular inspections to ensure a safety reserve equivalent to 5 to 7 days of usage.



Annual Water Consumption (Unit: million liters (ML))	
Year	Total water withdrawal
2022	32.792
2023	34.993
2024	34.392

Water Resource Management Measures of Tailyn

Promote water conservation measures, implement recycling and reuse, and improve the efficiency of water-use equipment:

1. Sitting toilets are installed with a two-stage water-saving flushing device, and the tap water outflow of the handwashing basin is adjusted to a reduction by half of the original outflow.
2. There is a rainwater collection system installed at Building C with a storage volume of 10 tonnes, which is reused for watering the flower pots and grasses and for cleaning the environment.
3. The oil water separator is installed for the water discharge of the kitchen which meets the water discharge standard.
4. Replacement of old pipe lines with new ones periodically.
5. The filter material in the water dispenser is replaced on a regular basis and the water quality is tested to ensure water drinking safety.
6. The equipment also undergoes regular maintenance, disinfection and cleaning of the water tank to enhance the utilization efficiency of the water utilization equipment.
7. The Company announces the information on water and energy conservation and the importance of resource preservation from time to time. In addition, the Company provides training for new employees and in-house staff to educate them on proper water and electricity usage practices.

4.3 Waste Management

Tailyn operates in the telecommunications network industry, primarily focusing on the assembly of electronic products. In the course of our overall operations and manufacturing processes, the types of waste generated include general industrial waste and hazardous industrial waste. General waste includes domestic waste, mixed plastic waste, and waste wood. Hazardous industrial waste consists of discarded electronic components, waste printed circuit boards and their dust, empty chemical plastic containers, and waste solvents. Other waste includes recyclable materials such as waste paper, scrap iron and aluminum cans, waste plastics, used fluorescent tubes, waste wires, solder dross, and board edge trimmings. All waste generated within the plant is first centrally collected, sorted, and recorded by weight. Based on each waste category, it is then entrusted to qualified third-party removal, treatment, and recycling organizations for transportation and resource recovery.

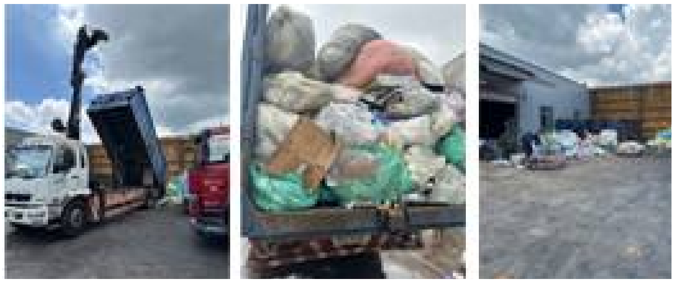
Before cooperating with third-party removal, treatment, and recycling vendors, Tailyn verifies their qualifications through the Environmental Protection Administration's Resource Circulation Administration's “Waste Disposal Management Information System – Permit Information Inquiry” and the “Resource Recycling Management System – Permit Holder Inquiry.” The company ensures that vendors have obtained valid permits issued by local authorities, possess the appropriate clearance qualifications, and that their permits are still valid. Contracts for waste removal or treatment are signed only after reviewing the actual permits. Tailyn also fulfills its responsibility for monitoring and managing the waste disposal process. Within the factory premises, the company conducts irregular inspections of waste storage or temporary storage areas to ensure proper environmental and operational conditions. During the transportation process, audits are occasionally carried out to verify the actual disposal status. This includes confirming that the license plate number of the contractor's vehicle matches the one listed on the online three-copy manifest system. After the waste leaves the premises, its transportation route is tracked via the Environmental Protection Administration's “Real-Time Monitoring Platform” to monitor the vehicle’s GPS trajectory. Upon completion of the waste removal, the contractor is required to submit the three-copy manifest and GPS tracking of the delivery to the treatment facility on the same day. These measures ensure that the waste disposal process complies with relevant regulations and contractual obligations, contributing to environmental protection.

General Industrial Waste Removal Audit Records:

1 Conducted waste removal operations on-site at the Tailyn plant.

2 During in-plant operations, safety helmets were worn at all times.

3 Completed removal from in-plant storage and transported out of the plant.



4 Unloaded at the removal facility with classification completed..

5 Unloaded at the treatment facility with waste removal completed.

Hazardous Industrial Waste Removal Audit Records:

1 Conducted waste removal operations on-site at the Tailyn plant.

2 Delivered to the removal facility for transport to the treatment site and weighing.

3 Unloaded at the treatment facility for classification and shredding.

After completion of removal, filed the three-part manifest online and uploaded same-day transport-to-treatment facility GPS tracking records.

事業廢棄物即時監控平台

聯單編號	H460470011300030
事業機構	台林電通股份有限公司
處理機構	萬順顧問開發有限公司
開始時間	2024/11/29 10:30:00
結束時間	2024/11/29 12:00:00
車號	KEK-0669

2024 Waste Management Performance

- General industrial waste generation decreased by 4.08 metric tons (6%) compared to the previous year.
- Hazardous industrial waste generation decreased by 2.88 metric tons (48%) compared to the previous year.
- Resource recycling increased by 19.45 metric tons (40%) compared to the previous year.

Tailyn Waste Management Measures

1. Promote electronic forms and procedures to lower paper usage.
2. Use of eco-friendly utensils in the employee cafeteria, employees are to bring their own mugs, while porcelain cups are used for all guests and in meeting rooms.
3. Continuous promotion of waste sorting and recycling, with new employees required to undergo mandatory training from time to time to ensure effective implementation.
4. Regular inspection of the storage place to ensure environmental safety and sanitation.
5. Irregular audit to check whether the waste sorting is complete or if there have been situations of intentional disposal.
6. When shipping products to customers, reduce the amount of product packaging materials and ship in the original packaging as much as possible (i.e. completely reusing the original packaging), and do not use additional packaging materials, including cartons, shock-proof materials and parts box, etc.
7. Old storage cabinets will be replaced and the location of waste storage will be adjusted to reduce personnel handling and improve efficiency.
8. Waste solvents are stored in a separate space that is locked and managed by designated personnel. Fire-fighting alarms and explosion-proof facilities are installed to ensure the safety of storage sites and use.

Total Annual Waste Weight of Tailyn

Category	Waste Item	Annual Total Weight of Waste (tons)			Disposal Mode	Handling Off-site/ On-site
		2022	2023	2024		
Hazardous industrial waste (Note 1)	Waste electronic components, waste printed circuit boards, and PCB powder.	3.6	4.11	3.12	Physical	Off-site
	Chemicals: Plastic barrels, waste solvents	1.95	1.89	0	Physical	Off-site
General industrial waste	General waste, mixed waste plastics	76.61	64.02	52.83	Incineration	Off-site
	Waste wood	11.41	3.02	10.13	Reuse	Off-site
Resource recycling (Note 2)	Waste paper, waste iron and aluminum cans, waste plastics, waste fluorescent tubes, waste wires and cables, waste solder dross, waste board edges	42.36	62.66	43.21	Recycling	Off-site
Total Weight		135.93	135.70	109.29	-	

Note 1: Hazardous industrial waste emissions decreased by 2.88 tons (48% ⬇) compared with the previous year. In 2024, scrapped products, including electronic waste such as discarded electronic components, circuit board waste, and printed circuit boards from components, totaled 3.12 tons, accounting for 3.0% of all waste.
Note 2: In 2024, waste recycling accounted for 40% of total waste.

Tailyn Annual Total Weight of Waste

4.4 Greenhouse Gas Emissions

Carbon dioxide is the primary cause of global warming and climate change. Its ability to trap the Earth's thermal radiation results in a greenhouse-like effect on the planet. In recent years, the massive emissions of carbon dioxide by humans have prevented heat from escaping the Earth's surface, causing the annual average temperature to gradually rise. This, in turn, has led to environmental issues such as glacier melting, sea level rise, and the destruction of natural ecosystems.

According to the United Nations Intergovernmental Panel on Climate Change (IPCC) report, the increase in global temperature must be kept within 1.5° C. Once the temperature exceeds 1.5° C, severe consequences will follow. As electricity is the primary source of energy for Tailyn, reducing carbon dioxide emissions and conserving energy are critical tasks. In 2023, Tailyn began planning for the ISO 14064-1 certification guidance program, progressively conducting greenhouse gas inventories for the plant to understand emissions levels and trends, and to prepare in advance. The Company has completed the inventory reports and verification for 2023 and 2024. Going forward, we will continue to use the annual ISO 14064-1 greenhouse gas inventory results to assess risks and carbon reduction measures related to Scope 1, Scope 2, and Scope 3 emissions. In addition to carbon dioxide, Tailyn's manufacturing processes do not emit ozone-depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other significant environmental pollutants.

【Scope 1】 Direct Greenhouse Gas Emissions

For emission sources owned or controlled by the Company, the main sources of direct greenhouse gas emissions are refrigerant leakage and diesel consumption.

【Scope 2】 Energy Indirect Greenhouse Gas Emissions

The Company' s main sources of indirect emissions are indirect greenhouse gas emissions generated from purchased electricity, including electricity used for equipment, offices, dormitories, and public areas.

【Scope 3】 Other Indirect Greenhouse Gas Emissions

Other indirect emissions refer to greenhouse gas emissions generated from sources not owned or controlled by Tailyn. As activities from such emission sources cannot be controlled, only certain sources are identified and quantified, including:

- Upstream raw material transportation and distribution.
- Emissions generated from business travel or employee travel.
- Procurement of energy products.
- Waste disposal and transportation.

Category	Emission Source
1	Emergency generators, gasoline/diesel company vehicles, CO_2 fire extinguishers, air-conditioning equipment, water dispensers, vehicle refrigerants, refrigerators, constant temperature and humidity machines, dehumidifiers, septic tanks, etc.
2	Purchased electricity from Taipower.
3	Greenhouse gas emissions from upstream transportation, greenhouse gas emissions from employee business travel, etc.
4	Greenhouse gas emissions from the procurement of goods and services, and greenhouse gas emissions from final waste disposal and transportation, etc.

Emissions Statistics – Analysis by Emission Source Type

Emission Source Type		Scope 1 Direct Emissions	Scope 2 Energy Indirect Emissions	Scope 3 Other Indirect Emissions	Total Emissions
2023 (Note 4)	Total Emissions (metric tons CO2e/ year)	198.7393	2,126.4971	510.3844	2,835.6208
	Percentage by Gas Type (%)	7.01%	74.99%	18.00%	100%
2024	Total Emissions (metric tons CO2e/ year)	158.3766	2,076.0429	540.7131	2,775.1330
	Percentage by Gas Type (%)	5.71%	74.81%	19.48%	100%

Note 1: Based on the 2023 electricity emission factor of 0.494 kg CO2e and the 2024 electricity emission factor of 0.474 kg CO2e announced by the Bureau of Energy, Ministry of Economic Affairs.
Note 2: National Greenhouse Gas Registry Platform Announcement – Greenhouse Gas Emission Factor Management Table, Version 6.0.4.
Note 3: Uses GWP values published in the IPCC Sixth Assessment Report (2021).
Note 4: 2023 carbon emission data restated. The emissions data disclosed in the 2023 Sustainability Report were based on internal calculations as of May 2024. However, actual carbon dioxide equivalent emissions were later adjusted following third-party verification completed in October 2024. This restatement does not affect the conclusions of the report.
The data presented in the 2023 report table, from left to right and top to bottom, are as follows:
192.6438/2119.4576/1819.9022/4132.0036
4.66%/51.29%/44.05%/100%。
Note 5: The Company's 2024 and 2023 greenhouse gas inventory data have been verified by a third party, TUV NORD.

Historical Greenhouse Gas Emissions			
Year	Greenhouse Gas Emissions (metric tons CO2e)	Revenue (NT$ million)	Greenhouse Gas Emission Intensity
2023 (Note 2)	2,835.6208	1,980.73	1.4316
2024	2,775.1330	1,864.10	1.4887

Note 1: Greenhouse Gas Emission Intensity = Greenhouse Gas Emissions (metric tons CO2e) / Revenue (NT$ million)
Note 2: 2023 carbon emission data restated. The emissions data disclosed in the 2023 Sustainability Report were based on internal calculations as of May 2024. However, actual carbon dioxide equivalent emissions were later adjusted following third-party verification completed in October 2024. This restatement does not affect the conclusions of the report.
The data presented in the 2023 report table, from left to right, are as follows: 4132.0036/1980.73/2.0861

5 CHAPTER Inclusive Society

Tailyn values employees’ labor rights, creating a happy and safe workplace environment, providing colleagues with friendly and equal job opportunities, implementing gender equality and workplace diversity policies, and fostering a culture of mutual respect. The Company offers market-competitive compensation and employee benefits to motivate employees and steadily move toward corporate and social sustainability goals. In addition, regular evaluations are conducted, performance bonuses are awarded, and profit-sharing outcomes are shared with employees. To ensure that employees possess the required competencies to meet quality standards, satisfy customer requirements, and enhance corporate competitiveness, the employee training management procedures define training programs by level, by function, as well as common courses and self-development training to improve workplace competitiveness. The Employee Welfare Committee is responsible for planning and managing employee welfare to enhance quality of life and promote physical and mental well-being, including subsidies for club activities, employee travel, and more.

The Company complies with the Labor Standards Act, the Employment Service Act, and the Act of Gender Equality in Employment to uphold labor and human rights principles and protect employees’ legal rights. A “Work Rules” document is in place, outlining employee grievance mechanisms and communication channels. In addition, employee suggestion boxes are available to ensure that grievances are handled appropriately. Tailyn has obtained ISO 45001 Occupational Health and Safety Management System certification, providing employees with a clean, safe, and hygienic working environment. Regular health examinations and special health checks for operations with specific health hazards are conducted. Various workplace safety and health training programs are implemented, and an on-site physician regularly visits the Company to provide employee health consultation services. Employees are also covered by group insurance.

5.1 Workforce Structure

The Company is committed to providing employees with a dignified and safe working environment, and to ensuring diversity in employment as well as fairness in compensation and promotion opportunities. In the current year, no employees have experienced discrimination, harassment, or unequal treatment on the basis of race, gender, religion, age, political affiliation, or any other status protected by applicable laws and regulations.

5.1.1 Human Rights Policy

Tailyn respects and supports the labor standards set forth in the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization Conventions, and is committed to ensuring that every individual, both within and outside the Company, is treated equally and with dignity. At the same time, Tailyn Technology complies with the commitments made in the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct". It is also committed to ensuring that its business and supply chain operations are free of slavery or human trafficking. Set up a dedicated hotline and email box for whistle-blowing to prevent illegal or unethical incidents in the process of business operations. In 2024, the Company formulated its Human Rights Policy Statement, which is implemented in daily work across eight key aspects: “Diversity, Inclusion, and Equal Opportunity”, “Prohibition of All Forms of Illegal and Forced Labor”, “Promotion of Labor-Management Harmony”, “Personal Data Protection and Information Security”, “Healthy and Safe Workplace”, “Freedom of Assembly and Association”, “Service and Product Responsibilities”, and “Complaint Channels”.

Agenda	Human Rights Policy	Various specific management plans promoted
Diversity, Inclusion, and Equal Opportunity	• Recruitment, employment, promotion, rewards and various benefits shall not discriminate based on race, language, blood type, religion, political party, nationality, gender, age, marital status, appearance, facial features, or other discrimination factors remuneration. • In addition to the special restrictions of the position, we promise not to hire employees with physical and mental disabilities without discrimination due to the above factors.	• Formulate the "Employee Appointment Regulations" to implement the equality commitment, and review the working environment and regulations from time to time in accordance with government regulations and changes in the social environment.
Prohibition of child labor	• Complies with local minimum age restrictions and does not hire child labor.	• During the recruitment process, an employee's actual age will be verified. No employee under the age of 16 shall be interviewed.
Prohibition of forced labor and anti-bribery, slavery, human trafficking and other illegal or unethical practices	• Regulate reasonable working hours, respect employees' wishes, and prohibit forced labor.	• Any form of forced labor, including involuntary labor such as human trafficking, coercion, and slavery, is prohibited. The work contracts signed with employees are formulated in accordance with local laws and regulations, and employees have the right to freely terminate the labor contract. • Formulated the "Ethical Corporate Management Best Practice Principles", the "Code of Ethical Conduct" and the "Employee Rules" to prevent unethical behavior, and established the "Regulations on the Whistle-blowing System" and public reporting channels.
Promoting labor-management harmony	• Protect employee rights, promote labor-management harmony, improve labor-management relations, and create a friendly workplace	• Provide diverse and unobstructed labor-management communication channels, and hold regular labor-management meetings in accordance with the law to discuss employee rights and welfare-related matters
Protection of personal data	• To safeguard and protect the rights and interests of personal data	• The Company strictly complies with personal data protection laws and regulations to ensure that the collection, processing and use of personal data comply with laws and regulations
Healthy and Safe Workplace	• Comply with occupational safety and health regulations, construct a safe and healthy work environment, jointly reduce workplace safety and health risks, promote employees' physical and mental health, and achieve work-life balance	• Establish an occupational safety and health management organization and hire professional doctors and nursing staff to reduce the risk of occupational hazards, protect the physical and mental health of employees, and improve the quality of work and life. • The Company regularly conducts safety, health, and fire safety related education and training, and takes necessary precautions to prevent occupational disasters and reduce the risk factors of the working environment. • Care for the physical and mental health of employees. In addition to regularly providing employees with free health examinations, the Company also provides venues or sponsorships to encourage employees to participate in health activities. Employees organize their own clubs to bond among colleagues through club activities.

To ensure that new employees have a well-prepared and safe working environment, on their first day of reporting, they are provided with a "General Employee Safety and Health Education and Training" instructional video, with a training participation rate of 100%.

All existing employees take safety and health training course once every three years, with a company-wide "General Safety and Health" three-hour online training course. The most recent training was fully completed in 2023.

2024 "New Employee" General Safety and Health Training			
Number of New Employees	Number of Participants	Training Participation Rate	Total Training Hours
52	52	100%	156hr

In 2024, relevant human rights training courses were provided, incorporating human rights topics into both new employee orientation and existing employee training programs. The courses covered the Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Trade Secrets, anti-slavery and prohibition of human trafficking, workplace violations, sexual harassment and amendments to the three gender equality laws, insider trading, and more. The importance of human rights is also promoted periodically to foster correct human rights awareness.

5.1.2 Employee Statistics

With the expansion of business operations, the Company has actively adjusted its manpower allocation and recruitment strategies. The number of employees increased from 400 in 2021 to 411 in 2024 to meet the evolving market demands. For three consecutive years, the ratio of male to female employees has remained stable without significant changes, with approximately 43% male and 57% female employees. The age distribution of employees shows that 71% are young to middle-aged individuals between the ages of 30 and 50. In terms of educational background, the majority of employees hold bachelor's or master's degrees. For three consecutive years, approximately 73% of both direct and indirect employees have held either a bachelor's or master's degree. Tailyn also actively attracts outstanding local talent. Over the past three years, the proportion of senior executives hired locally has remained at 100%. As for the gender distribution in managerial positions, in 2024, female managers accounted for 26%. Compared to 2023, this represents a significant decrease, mainly due to a redefinition of the criteria for female managers. In 2024, the standard was revised to include only those at or above the entry-level managerial position.

Total Number of Employees

Statistics/Year		2022		2023		2024	
Total Number of Employees (Note 1)		439		444		411	
Type of Employment (Note 2)		Non-permanent	Permanent	Non-permanent	Permanent	Non-permanent	Permanent
Gender	Male	179	4	183	5	174	6
	Female	204	52	203	53	185	46
Region	Taiwan	383	56	386	58	359	52

Note 1: The total number of employees for the year is based on the number of employees as of December 31, 2024.

Note 2: Types of employment are classified into non-permanent and permanent. (This includes foreign workers, short-term, seasonal, or project-based employment.) Part-time employees are not included (those whose weekly working hours do not meet the legal full-time threshold, such as student workers or hourly staff. Also included are temporary replacements hired to cover employees on maternity or parental leave until they return to work).

Statistics on Non-Employee Workers

Statistics/Year		2022			2023			2024		
Total Number of Non-Employee Workers		9			9			9		
Type of Employment		Outsourced Cleaning Services	Catering Services	Security Personnel	Outsourced Cleaning Services	Catering Services	Security Personnel	Outsourced Cleaning Services	Catering Services	Security Personnel
Gender	Male	1	1	3	1	1	3	1	1	2
	Female	2	2	0	2	2	0	2	2	1
Region	Taiwan	3	3	3	3	3	3	3	3	3

Employee Diversity Statistics

Diversity Statistics/Year				2022		2023		2024	
				Number of persons	Percentage	Number of persons	Percentage	Number of persons	Percentage
Employees	Direct	Gender	Male	52	11.85%	43	9.68%	42	10.22%
			Female	132	30.07%	129	29.05%	113	27.49%
		Age	Below 30 years old	32	7.29%	27	6.08%	17	4.14%
			30 to 50 years old	139	31.66%	133	29.95%	126	30.66%
			50 years old and above	13	2.96%	12	2.70%	12	2.92%
		Education	Graduate school	0	0.00%	0	0.00%	0	0.00%
			College	85	19.36%	81	18.24%	73	17.76%
			Other	99	22.55%	91	20.50%	82	19.95%
	Indirect	Gender	Male	131	29.84%	145	32.66%	138	33.58%
			Female	124	28.25%	127	28.60%	118	28.71%
		Age	Below 30 years old	41	9.34%	41	9.23%	39	9.49%
			30 to 50 years old	162	36.90%	181	40.77%	166	40.39%
			50 years old and above	52	11.85%	50	11.26%	51	12.41%
		Education	Graduate school	60	13.67%	59	13.29%	59	14.36%
			College	166	37.81%	179	40.32%	167	40.63%
			Other	29	6.61%	34	7.66%	30	7.30%
Total Number of Employees				439		444		411	

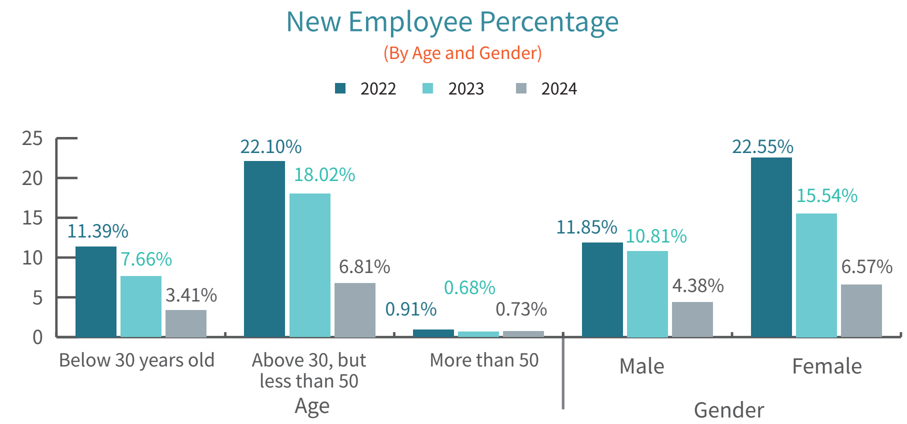
Note: Part-time employees are not included (those whose weekly working hours do not meet the legal full-time threshold, such as student workers or hourly staff.

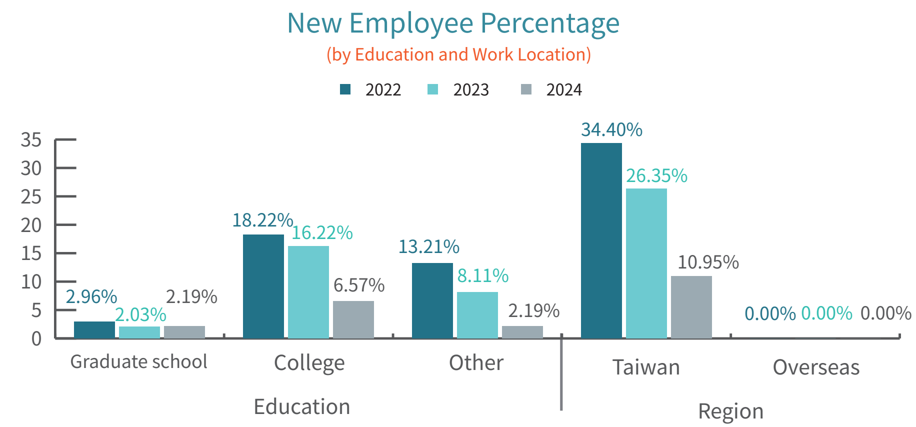
Employee Turnover Statistics

To support new hires, the Company assigns mentors to provide assistance with job responsibilities and skill development, helping them integrate and adapt more quickly to the new environment. After one month of employment, the Company organizes a “production line tour” for new hires to help them gain a better understanding of the production process and the company’s products, deepening their familiarity with operations. Through effective management and planning, coupled with performance evaluations and promotion channels, the Company offers competitive compensation and benefits to retain top talent, while phasing out unsuitable employees to manage turnover.

New Employee Statistics		2022		2023		2024	
		Number of persons	Percentage	Number of persons	Percentage	Number of persons	Percentage
Age	Below 30 years old	50	11.39%	34	7.66%	14	3.41%
	30 to 50 years old	97	22.10%	80	18.02%	28	6.81%
	50 years old and above	4	0.91%	3	0.68%	3	0.73%
Gender	Male	52	11.85%	48	10.81%	18	4.38%
	Female	99	22.55%	69	15.54%	27	6.57%
Education	Graduate school	13	2.96%	9	2.03%	9	2.19%
	College	80	18.22%	72	16.22%	27	6.57%
	Other	58	13.21%	36	8.11%	9	2.19%
Region	Taiwan	151	34.40%	117	26.35%	45	10.95%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Total Number of New Employees (persons)		151		117		45	

Note: Part-time employees are not included (those whose weekly working hours do not meet the legal full-time threshold, such as student workers or hourly staff.

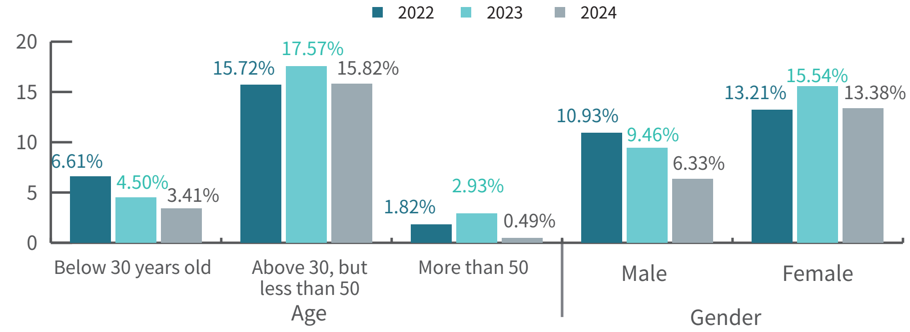




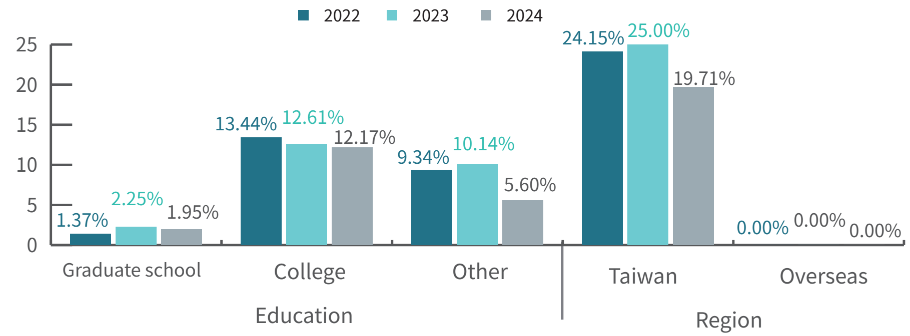
Resigned Employee Statistics		2022		2023		2024	
		Number of persons	Percentage	Number of persons	Percentage	Number of persons	Percentage
Age	Below 30 years old	29	6.61%	20	4.50%	14	3.41%
	30 to 50 years old	69	15.72%	78	17.57%	65	15.82%
	50 years old and above	8	1.82%	13	2.93%	2	0.49%
Gender	Male	48	10.93%	42	9.46%	26	6.33%
	Female	58	13.21%	69	15.54%	55	13.38%
Education	Graduate school	6	1.37%	10	2.25%	8	1.95%
	College	59	13.44%	56	12.61%	50	12.17%
	Other	41	9.34%	45	10.14%	23	5.60%
Region	Taiwan	106	24.15%	111	25.00%	81	19.71%
	Overseas	0	0.00%	0	0.00%	0	0.00%
Total Number of Resigned Employees (persons)		106		111		81	

Note: Part-time employees are not included (those whose weekly working hours do not meet the legal full-time threshold, such as student workers or hourly staff.

Resigned Employee Percentage
(By Age and Gender)



Resigned Employee Percentage
(by Education and Work Location)

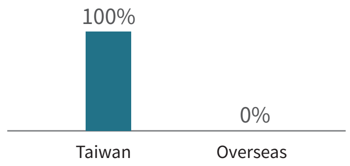


Ratio of Senior Executives Hired from the Local Community

Key Operational Location	Total Number of Senior Executives	Number of Senior Executives Hired Locally	Percentage
Taiwan	15	15	100%
Overseas	0	0	0%

Note: Definition of senior executives refers to managerial personnel at division level and above as disclosed in the annual report.

Ratio of Senior Executives Hired from the Local Community for the Reportint Year



Parental Leave Statistics

Parental Leave/Year	Gender	Statistics		
		2022	2023	2024
Number of employees eligible for parental leave	Male	6	4	6
	Female	15	17	14
Number of employees applied for parental leave	Male	0	0	0
	Female	5	4	6
Number of employees scheduled to reinstate after parental leave (A)	Male	0	0	0
	Female	5	4	6
Number of employees who actually reinstated after the end of parental leave (including early returns)	Male	0	0	0
	Female	2	4	1
Reinstatement rate (B/A)	Male	-	-	0
	Female	40%	100%	17%
Number of employees who reinstated from parental leave in the previous year and remained employed for 12 months (C)	Male	0	0	0
	Female	0	1	0
Retention rate (C / previous year's B)	Male	-	-	0
	Female	-	50.00%	0.00%

Note:Reinstatement rate = (Total number of employees who actually returned to work during the year / Total number of employees scheduled to return during the year) * 100%; Retention rate = (Number of employees still employed 12 months after reinstatement / Number of employees who actually returned in the previous year) * 100%
Total number of employees scheduled to reinstate = Number of employees whose parental leave was expected to end during the year.
One employee did not reinstate after the end of parental leave due to personal reasons.

Gender Equality and Workplace Diversity

Tailyn Technologies is committed to providing employees with a dignified and safe working environment, and to implement the diversity of employment, fairness in remuneration and promotion opportunities, and to ensure that employees are not protected by applicable laws and regulations based on race, gender, religious belief, age, political affiliation, and others harassment, discrimination, or unequal treatment in any other situation. The Company places great emphasis on the rights and benefits of employees and shares profit earnings with them to maintain a healthy working environment. This includes comprehensive care for the well-being of all employee groups: (1) Employing colleagues with disabilities and arranging suitable job duties and environmental facilities; (2) Implementing dedicated programs for Filipino employees in areas such as recruitment, retention, cultural integration, and health and safety; (3) Creating a gender-inclusive and friendly workplace where all employees can work comfortably.

We attach great importance to the diversity of its employees and follows the fixed employment regulations of the Act for the People with Disabilities Rights Protection Act, (5 required by law, 6 were actually hired; according to the regulations, for every person with severe physical and mental disabilities that is hired, the calculation is counted as two people). We also respected the cultures and customs of the 52 foreign nationals we hired, and we never committed any violation against work or human rights. Achieving equal pay and promotion opportunities for both men and women, with female managers accounting for more than 25% of all managerial positions, to promote inclusive and sustainable economic growth. In 2024, the average proportion of female employees was 56.69%, and the average proportion of female managers was 26%.

Employee Ethnic Composition

Category	Number of persons	Percentage of Total Employees
R.O.C.	359	87.35%
Foreign nationality	52	12.65%

Female Diversity Indicators

Category	2024
Female employees as % of total employees	56.69%
Female employees as % of all managerial positions	26.00%

Other Diversity Indicators

Category	Percentage of Full-Time Employees
Persons with Disabilities	1.57%

5.2 Talent Development

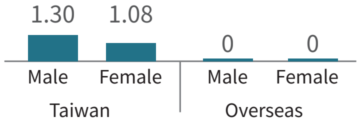
5.2.1 Salaries and Benefits

Material Topic: Salaries and Benefits	
Significance and Impact to the Company	A sound compensation and benefits system plays a key role in attracting and retaining top talent, enhancing corporate image, strengthening employee cohesion, and promoting harmonious labor relations.
Policy or Commitment	The Company is committed to offering reasonable and market competitive salaries, integrated with business performance. A diversified and competitive remuneration system including year end bonuses, employee compensation, and operational performance bonuses embodies the principle of profit sharing with employees to attract, retain, and motivate talent. In addition, the Company's Articles of Incorporation stipulate that, in the event of annual profits (after offsetting accumulated losses, if any), no less than 5% of pre-tax net income shall be allocated to employee compensation. According to Article 28 of the Company's Articles of Incorporation, if there is a profit in the year, 5% - 10% of the profit shall be appropriated as employee remuneration.
Targets	1. Short-term: Annual bonuses and promotion/salary adjustment plans based on individual performance. 2. Mid- and long-term: (1) Continue to enhance the market competitiveness of compensation levels. (2) Optimize relevant systems and measures to provide long-term development opportunities for talent.
Management Measures / Resource Investment	1. Recruitment and Employment: In accordance with the annual manpower planning objectives, the Company effectively allocates and utilizes human resources to meet the staffing needs of each department. 2. Salaries and Benefits: In 2024, the Company continued to issue "Restricted Employee Shares" and regularly reviewed compensation policies with reference to market salary benchmarks. Salary adjustments are made based on individual performance to offer competitive compensation and benefits, thereby attracting and retaining talent. 3. Training and Development: To enhance employee capabilities and support personal growth, the Company provides both internal and external training programs aligned with corporate development goals. 4. Employee Benefits: An Employee Welfare Committee is established with monthly welfare fund allocations to implement various benefit measures. These include allowances for marriage and bereavement, holiday bonuses, year-end raffle events, and travel subsidies. In addition, the ongoing annual benefits include group insurance and health checkups. 5. A Remuneration Committee is established to oversee fair and reasonable compensation policies and to ensure that business performance is appropriately reflected in employee remuneration. The average and median salaries of full-time non-managerial employees, as well as the changes in these two figures compared to the previous year, can be found on the Market Observation Post System at: https://mopsov.twse.com.tw/mops/web/t100sb15.
Evaluation Mechanism	1. The Company has received 4.8 scores for Corporate Governance Evaluation. 2. Policies are in place to ensure that business performance outcomes are appropriately reflected in employee compensation. 3. In addition, the "Regulations for Issuance of Year-end Bonuses" have been established. Bonuses are allocated based on the Company's annual operating performance, financial status and individual work performance to reward employees for their efforts at work; it is also based on the "Regulations for Employee Salary Classification" The basis for employees' remuneration, and the Company's remuneration policy is regularly reviewed with reference to the market salary level to ensure competitiveness and motivation. 4. At present, the Company launched employee stock ownership trust plan in 2022, and approved a restricted employee stock issuance plan in 2023. Restricted employee shares were subsequently issued in 2024 and 2025 to retain outstanding talent, motivate employees, and enhances the cohesion to jointly create the company's interests. 5. In 2024, there were zero employee complaints filed with local authorities and no internal complaints or grievances received. 6. No major deficiencies were identified through internal or customer audits.
Responsible Department/ Grievance Communication	The Company has established the "Regulations for Whistleblower System Management". Anyone who identifies conduct in violation of the ethical code of conduct may report it directly to the Head of the Human Resources Department, the Head of the Audit Department, or submit a report via email to HR@tailyn.com.tw.

Ratio of Standard Entry-Level Employee Salary to Local Minimum Wage by Gender

Type of Entry-Level Employee	Gender	Ratio of Standard Salary to Local Minimum Wage
Taiwan	Male	1.30
	Female	1.08
Overseas	Male	0
	Female	0

Ratio of Standard Entry-Level Employee Salary to Local Minimum Wage for the Reporting Year



The wage levels of operational staff vary depending on the complexity of their job functions and technical requirements. In the Company, a higher proportion of males occupy roles that involve greater technical complexity, which contributes to a higher overall average salary for male employees. All nine non-employee workers receive wages above the local minimum wage.

For positions such as R&D engineers and mid-to-senior-level management, the overall compensation levels are generally higher. The proportion of male employees in these roles is greater than that of female employees within the Company. The ratio of base salary to total compensation is higher for male employees primarily because a greater proportion of higher-ranking positions are held by men. The primary reason for higher compensation among indirect employees compared to direct employees is that a greater proportion of indirect employees hold higher-level positions. Tailyn regularly participates in salary surveys and adjusts its compensation structure as needed, taking into account industry competitiveness and changes in the consumer price index. In all aspects of employment, including hiring, compensation, promotion, and resource allocation, the Company adheres to a merit-based principle, evaluating individuals based on their capabilities and contributions to ensure equal rights and opportunities for all employees.

Tailyn determines employee compensation based on its “Employee Compensation Grading Guidelines” and regularly reviews its remuneration policy by referencing market salary benchmarks to ensure both competitiveness and incentive alignment. The Company offers compensation packages that exceed local legal requirements and are competitive in the market. To ensure that employee performance is appropriately reflected in individual compensation, all employees undergo annual performance evaluations. The results of these evaluations are considered for career advancement, enabling employees with technical expertise to grow into specialists in their fields, while those with managerial skills and leadership potential are promoted to management roles, providing broad career development opportunities. In general, Tailyn determines employee compensation based on academic background, job responsibilities, and relevant professional experience, with no differences based on gender, race, or age. As employees accumulate tenure at the Company and deepen their industry knowledge and experience, the Company allocates 5% to 10% of its profits as employee remuneration. The Company also participates in annual market compensation surveys and adjusts salaries based on market trends, economic conditions, and individual performance to maintain overall salary competitiveness. In 2024, the Company’s average salary adjustment rate was 1.5%.

Ratio of Female to Male Basic Salary and Remuneration

Ratio of Basic Salary and Remuneration			2022		2023		2024	
Key Operational Location	Type of Employee	Item	Male	Female	Male	Female	Male	Female
Taiwan	Direct	Basic Salary	1.23	1	1.23	1	1.20	1
		Compensation	1.22	1	1.22	1	1.11	1
	Indirect	Basic Salary	1.39	1	1.41	1	1.42	1
		Compensation	1.65	1	1.62	1	1.64	1

Implementation Status of Employee Performance Evaluation

2024 Performance Evaluation Statistics			
Category	Number of Employees Evaluated	Total Number of Employees in the Category	Percentage
Male employees	180	180	100.0%
Female employees	228	228	100.0%
Direct employees	155	155	100.0%
Indirect employees	253	253	100.0%

Note: The number of employees refers to those employed as of December 31 of the year; “Number of employees evaluated” excludes those on unpaid leave and those who had submitted resignation applications during the appraisal period.

Employee Welfare Measures and the Implementation Status

To enhance work efficiency and promote employee well-being, the Company provides various incentive programs, comprehensive welfare measures, and a comfortable working environment. Additionally, a range of welfare activities are held periodically to help relieve workplace stress and foster positive interaction among colleagues. The Company has established the Employee Welfare Committee. In recent years, the Company has allocated more than NT$4 million to employees' welfare in order to plan and provide various high-quality benefits for employees, such as employee travel subsidies, subsidies for lifestyle and cultural courses, as well as birthday gifts. In addition, the Company also provides employees with benefits such as free health checkup, wedding allowance, childbirth allowance, children's education allowance, and funeral allowance.

No.	Item	Explanation	Notes
I	Employee dormitory	Free dormitory, bedding, Wi-Fi access, air conditioning, television, fridge, and fire-fighting equipment.	Independent air conditioner Social lounge, showers and restrooms
II	Physical Fitness Center	Provides fitness equipment, billiard, table tennis, aerobics classroom, and audiovisual equipment.	Air conditioner
III	Employee cafeteria	The Company provides free lunch and dinner.	Air conditioner
IV	Parking spaces	The Company provides free automobile and scooter parking spaces	
V	Travel, hiking and end-of-year party activities	The Employee Welfare Committee organizes annual domestic and overseas trips, hiking events, and year-end parties.	
VI	Yearly festival bonuses	The Company distributes cash gifts during May 1st labor day, dragon boat festival and mid-autumn festival.	
VII	Subsidies for employee wedding, funerals, and other celebrations.	The Company provides subsidies in accordance with the Internal Management Regulations on [Wedding, Funerals, Festivals and Welfare Subsidies Payment Regulation].	
VIII	Subsidies for education of the children of the employees	The Company provides subsidies in accordance with the Internal Management Regulations on [Wedding, Funerals, Festivals and Welfare Subsidies Payment Regulation].	
IX	Consolation money for hospitalization	The Company provides subsidies in accordance with the Internal Management Regulations on [Wedding, Funerals, Festivals and Welfare Subsidies Payment Regulation].	
X	Health checkups	Organize the general health checkup and special health checkup according to the laws and regulations.	
XI	Birthday cash gifts	The Welfare Committee distributes cash gifts in the birthday month of the employee.	
XII	Labor, national health and group insurances	The Company's employee will be entitled to the labor insurance, national health insurance and free group insurance starting from the onboard date.	

Other Employee Benefits

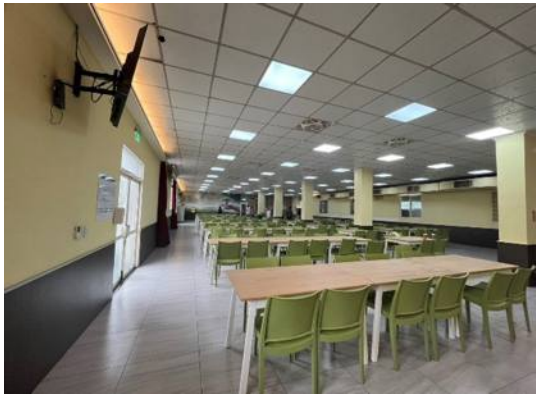
Remuneration to Employees	1. According to Article 28 of the Company's Articles of Incorporation, if there is a profit in the year, 5% - 10% of the profit shall be appropriated as employee remuneration. 2. The "Regulations for Issuance of Year-end Bonuses" stipulates that bonuses are paid based on the Company's annual operating performance, financial status and individual work performance to reward employees' efforts at work; 3. The employee stock ownership trust plan was launched in 2022, and the issuance of new restricted employee shares in 2023 and 2024 were passed to strive for retention of outstanding talents. At the same time, it also motivates employees and enhances the cohesion to jointly create the company's interests.
Employee Welfare Fund and Labor Pension	The Company has appointed the Employee Welfare Committee and distributes the employee welfare funds and pension in accordance with the laws. It is in compliance to the Labor Standards Act and on related labor rights ensuring the employee rights and interests.
Employee Club Activities	The Company also provides venues or sponsorships to encourage employees to participate in health activities. Employees organize their own clubs to bond among colleagues through club activities.    
Leave and Attendance	Under the leave policy, employees are entitled to two fixed days off per week. In addition, those who have completed one year of service are granted seven days of special leave. Employees with less than one year of service may use up to three days of special leave in advance; however, if they resign within the year and their length of service is less than six months, the number of days taken in advance will be deducted accordingly. Employees may also apply for leave without pay in the event of childcare, serious injury or illness, or major accident requiring a longer period of time to meet their personal and family care needs.
Insurance and Health	1. The Company's employee will be entitled to the labor insurance, national health insurance and free group insurance (including life and accident insurances) starting from the onboard date. 2. Free Health Checkups: The Company conducts a general health checkup once every three years and special physical checkup every year in accordance with the law. The annual health checkup for senior executives is superior to the law. 3. A on-site physician regularly visits the workplace to provide employees with health consultations. For individuals identified with cardiovascular risk greater than 10% (due to workload) or abnormalities in special health examinations, the on-site physician and nurse provide follow-up and personalized health guidance.
Employee Travel Subsidy	Tailyn provides an annual travel subsidy to help employees relieve work-related stress and foster positive interactions among colleagues and their families.

Upholding its commitment to a safe and friendly work environment, Tailyn established an employee rest container cabin in April 2023, equipped with a coffee vending machine to allow employees to unwind and decompress during breaks. In addition to providing dormitories and an employee cafeteria, a designated “cooking area for foreign workers” is also available. The cafeteria's food preparation and dining environment were recognized in 2023 with a Food Safety Volunteer Award by the Department of Health.

In 2024, Tailyn replaced cafeteria tables and adjusted seating arrangements to foster closer interaction and a livelier atmosphere. In the same year, the men’s and women’s restrooms on the first and second floors of Building A’s production area were fully renovated to offer a more comfortable and well-lit environment, enhancing overall convenience and comfort.

Employee Retirement Benefits

1. Pension contribution plan
   (1) The Company and its domestic subsidiaries have established the employee retirement pension regulations according to the Labor Standards Act, and deposit a monthly pension fund of 2% of salaries and wages to a dedicated account in the Bank of Taiwan in the name of the Supervisory Committee of the Labor Retirement Reserve. Before the end of each year, the Company estimates the balance in the dedicated account of the Labor Retirement Reserve. If the balance is not sufficient to pay the pension benefits to employees eligible for retirement in the following year, the Company will make a lump-sum appropriation for the difference by the end of March of the following year.
   (2) The "Labor Pension Act" came into effect on July 1, 2005. In accordance with the Act, the Company and its domestic subsidiaries have appropriated 6% of the employees' monthly salaries as labor pension reserve to the Bureau of Labor Insurance and individual pension accounts.
2. Continued Employment Support: Tailyn values the experience and expertise of its retired employees and offers re-employment opportunities to those with relevant experience to ensure the continuity of knowledge and skills within the organization.



5.2.2 Talent Cultivation

A robust human resources foundation is essential for sustainable operations. Tailyn adopts diverse recruitment channels, including job banks, campus recruitment, employee referrals, and the Alternative Military Service Program for R&D, to bring in new talent. To attract and retain outstanding professionals, the company offers market-competitive compensation packages, differentiated employee benefits, and a friendly work environment, striving to build a happy workplace that balances work and life.

Material Topics: Talent Development

Significance and Impact to the Company	The Company's sustainable growth and long-term success rely on employees' ability to demonstrate professional and managerial capabilities. Through tiered training and development programs, Tailyn continuously enhances the competencies of its staff and managers, positioning itself as a global leader in technology and operations in the network communication industry.	
Policy or Commitment	The Company has established dedicated units and teams responsible for providing appropriate training and learning resources tailored to employees and managers at all levels and across different job functions, supporting both professional development and career growth.	
Management Measures / Resource Investment	1. Functional training coverage for new employees: 100% 2. Average training hours per employee: 14.1 hours 3. In 2024, Tailyn conducted training programs such as "AI Applications," "Intergenerational Leadership and Communication," and "Building a High-Cohesion Diamond Team," reaching 204 participants and totaling 949 training hours. These initiatives aimed to enhance organizational collaboration, improve communication and cooperation across generations, and cultivate strategic thinking and team cohesion. 4. To enhance user experience and accessibility, Tailyn adopted the Business Weekly Co-Learning Circle program and e-learning general education courses. 5. In 2024, the total cost of education and training was NT$1,260,000.	
Targets	Short-term 1. Functional training coverage for new employees: 100% 2. Review development roadmaps for supervisors to cultivate leadership capable of meeting future challenges. 3. Promote digital learning to eliminate limitations of location, time, and cost.	Mid- and long-term 1. Functional training coverage for new employees: 100% 2. Increase the average training hours for employees in each category year by year. 3. Enhance managerial competency requirements to cultivate leaders capable of meeting future challenges. 4. Provide employees with individual competency and professional training programs to support their career development. 5. Continue to promote digital learning to overcome the limitations of location, time, and cost in learning.
Evaluation Mechanism	1. Achieved annual average training hours per employee 2. Technical and professional exams/certifications are 23 in total	
Responsible Department	Human Resources Department	
Grievance Communication Mechanism	Report to the Human Resources Department via email (HR@tailyn.com.tw).	

Implementation Status of Education and Training

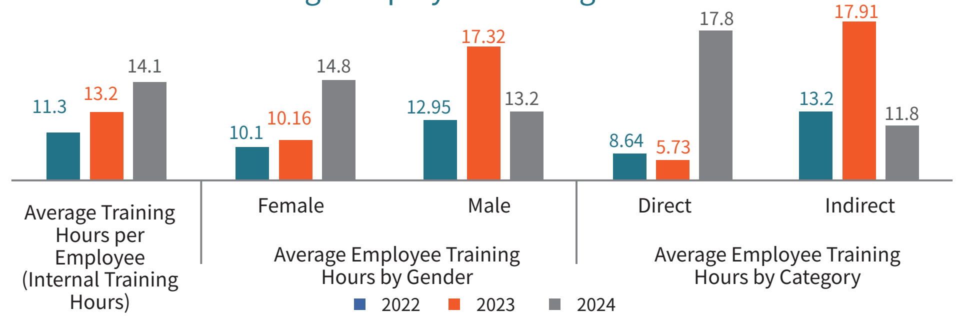
1. To ensure that employees possess the required competencies to meet quality standards, satisfy customer requirements, and enhance corporate competitiveness, the Company specially established the employee educational training management procedures regulating every position level, function, joint course training and self development training. Summary of the regulations as below:
   (1) Training by position level: Including new employees, contract workers and proxy work staffs training. Training for general staff and entry-level, mid-level and senior managers.
   (2) Training by function: Provide new hires the basic concept of the company and their job duties, including the job function of every department, product introduction and management rules.
   (3) General Training Courses: Quality management training is provided to related personnel engaged in quality-related work to raise their quality awareness and techniques, motivating them for constant improvement in work performance and quality. Health, safety and fire prevention training is provided to introduce the company's environment and safety, labor safety and appropriate protection equipment, protection facilities and awareness in harm to the environment in order to protect the employees' employment security.
   (4) Advanced quality training: The quality management department shall consider the needs of the quality techniques of the personnel and provide suitable internal or external training on statistical technique, manufacturing capability, statistical sampling, information collection and analysis, problem identification, problem analysis and correction and prevention measures.
   (5) Self development training: Include computer and internet operating training, language training, internal lecturer training.
   (6) Offer special training for personnel who comes into contact with the customers.
2. Each of the departmental manager and Human Resources Department of the Company makes yearly arrangements for the annual training plans based on the company's objective policies, employee performance interviews, work rules and job rotations. When the need for external training arise for the work or for the employee due to the job duty, the departmental manager shall appoint related employee/s to participate in the training. After the training completion, the participating employee shall fill out a feedback questionnaire based on the nature of the course, prepare a learning experience report and presentation, and the outcome evaluation. These are methods to track the training effects.
3. In 2024, the Human Resources Department and various departments of the Company organized a total of 214 internal and external professional training sessions, with a total of 3,485 participants. The total training expenditure amounted to NT$1.226 million.

Average Training Hours per Employee:

Statistics/Year		2022	2023	2024
Average training hours per employee (internal training hours)		11.30	13.20	14.1
Average Employee Training Hours by Gender	Female	10.10	10.16	14.8
	Male	12.95	17.32	13.2
Average Employee Training Hours by Category	Direct	8.64	5.73	17.8
	Indirect	13.20	17.91	11.8

Note 1: The total number of employees for the year is based on the number of employees as of December 31. Average training hours per employee: total training hours of all employees for the year ÷ total number of employees for the year.
Note 2: Average training hours per female employee: total training hours of all female employees for the year ÷ total number of female employees for the year.
Note 3: Average training hours per employee by category: total training hours of employees in the category for the year ÷ total number of employees in the category for the year.

Average Employee Training Hours



Enhancing Employee Competency Training Programs

Tailyn Technologies places great emphasis on developing employees' leadership and communication skills. In 2024, the Company hosted a training course titled "Unlocking the Code to Cross-Generational Leadership," which focused on analyzing the differences between older and younger generations in the workplace. The course aimed to enhance leadership and communication skills, promote effective communication strategies, improve internal interactions, and foster innovative thinking within the organization. In addition, Tailyn conducted courses such as "AI Applications Training" and "Building a Cohesive and High-Performing Team," with a total of 204 participants and 949 cumulative training hours. These programs focused on enhancing employees' systems thinking, innovation capabilities, and the practical application of strategic thinking, thereby optimizing work performance and decision-making abilities.

5.2.3 Labor-Management Communication

Effective communication between labor and management fosters cooperation, enables employees to understand the company's business plans, operational overview, and market conditions, and allows the management team to stay informed about employees' working conditions. This helps build a friendly workplace centered on employee needs. Tailyn strictly complies with applicable laws and regulations. Internal human resources and administrative practices conform to the local labor laws at each operational site. Labor-management meetings are held quarterly to gather employee feedback on working conditions and the work environment. These regular dialogues promote the exchange of information and expression of opinions, helping to maintain a positive labor-management relationship. While the company has not established a labor union or signed a collective agreement, it conducts legally mandated labor-management meetings and has multiple communication channels in place. These channels enable two-way communication, allowing employees to fully express their opinions and enabling the company to respond appropriately. Employee suggestions are translated into actionable policies. In recent years, Tailyn has maintained harmonious labor relations, with no labor disputes or associated losses.

(Note: As of 2024, the Company has not experienced any mass layoffs. In the event of such, the company will comply with the Act for Worker Protection of Mass Redundancy, including a 60-day advance notice to affected employees.)

5.3 Occupational Safety and Health

To provide a healthy working environment and ensure the safety of all workers, the company has established a comprehensive Occupational Safety and Health Management System in accordance with the scale and nature of its operations. Following the Occupational Safety and Health Act and related technical guidelines, we have formulated management plans, regulations, and an Environmental Health and Safety Manual. We have also set up a dedicated safety and health organization to identify, assess, and control workplace hazards, proactively managing potential risks. Building harmonious employee relations and creating a safe and secure workplace is a key mission of the company. In line with our corporate social responsibility, Tailyn implements systematic environmental, health, and safety management requirements to protect the health and safety of our employees.

5.3.1 Employee Participation, Consultation, and Communication

Occupational Safety and Health Committee (hereinafter referred to as the OSH Committee) meetings are held quarterly. The committee is composed of 12 members, including 4 labor representatives, accounting for approximately 33% of the total. The committee is responsible for the formulation, planning, promotion, and supervision of occupational safety and health matters within the facility. Discussion topics include workplace environment monitoring, audits, safety and health education and training, hazard prevention, health promotion, and contractor management. Identified issues are addressed through ongoing improvement measures. In addition, to encourage employee engagement in occupational safety and health activities and to address safety-related complaints, we have established a suggestion box managed by our safety personnel. In 2024, no occupational safety and health-related complaints were received. We also conduct annual management review meetings to timely evaluate the effectiveness, applicability, and continual improvement of our Environmental, Health, and Safety (EHS) Management System.

Occupational health and safety training

1. Joint course training:
   Health, safety and fire prevention training is provided to introduce the company's environment and safety, labor safety and appropriate protection equipment, protection facilities and awareness in harm to the environment in order to protect the employees' employment security.
   The newly recruited employees or in-service employees have to undergo the arrangements for health and safety educational training courses based on actual needs before any changes to the work with number of training hours for more than three hours. For employees engaged in manufacturing, storage or the use of harmful objects or hazardous substances, the number of training hours shall increase by another three hours. The contents of the abovementioned courses include the following:
   (1) Overview of the occupational health and safety related regulations
   (2) Labor health and safety concept and health and safety work rules
   (3) Automatic inspection before, during, and after the operation
   (4) Standard Operating Procedures
   (5) Handling response for emergency events
   (6) Fire fighting and emergency knowledge and practice drills
   (7) Other health and safety knowledge relating to labor process
   Arrangements are made for courses with higher relation to the employees' job context.
2. All levels of managerial personnel have six hours more of training when onboard or before transfer. The course contents include:
   (1) Health and safety management and execution
   (2) Automatic inspection
   (3) Improvements to work methods
   (4) Safety Process Standard
3. Occupational Health and Safety Training for New and Existing Employees
   The training courses cover hazardous chemicals, operation of machinery and equipment, electrical safety and respiratory protection, as well as legally required certifications (such as occupational safety and health personnel, first aid personnel, forklift operators, dedicated waste management personnel, organic solvent operation supervisors, etc.). Safety training is also provided for personnel involved in the implementation of new equipment or technologies, along with emergency response and fire safety training. In 2024, a total of three emergency response drills were conducted. In addition, the facility is equipped with AED devices, and first aid training is arranged to provide employees with disaster prevention concepts and appropriate response measures in emergencies, aiming to safeguard life and property.

For external training, the Company allocates a training budget, while internal training courses are delivered free of charge by in-house instructors. These include, for example, the three-hour occupational safety and health training held every three years, hazardous chemical handling guidance, and electrostatic discharge protection. All training is delivered in the local language or the native language of non-local employees. Post-training assessments are administered to evaluate the effectiveness of the instruction.

Implementation status of 2024 occupational health and safety training

Internal training		
Name of license	No. of attendance	Retraining hours (hrs)
Response to fire drills	151	604hr
Training for new recruits	52	156hr

External training		
Name of license	No. of attendance	Retraining hours (hrs)
Occupational safety and health personnel	1	6hr
Radiation safety operator	10	30hr
Stacker operator	9	72hr
Emergency personnel	3	9hr
Grade B waste treatment professional and technical personnel	1	72hr


Team Drill


Fire Safety Training


CPR Exercise


Emergency Response Drill


Fire Extinguishing Training

5.3.2 Occupational Safety and Health Management System

Tailyn complies with local regulatory requirements and actively promotes the safety and health of its workers. The Company obtained ISO 45001 Occupational Health and Safety Management System certification in 2020 and undergoes third-party verification annually. The management system applies to all 420 employees within the plant premises (calculated based on the annual average number of workers reported in occupational injury declarations). On-site workers from contracted service providers are governed by the exceptions stipulated in outsourcing agreements. For details on the activities and scope of the Occupational Health and Safety Management System, please refer to the system certificate as well as Chapter 2 of this report, “Company Overview”. Non-employee workers primarily include outsourced cleaning service personnel, catering staff, and security personnel.

5.3.3 Hazard Identification, Risk Assessment, and Accident Investigation

The Company identifies, registers, and evaluates potential hazards associated with materials, machinery and equipment, and operational practices involved in various activities, facilities, and processes. These hazards may include physical, chemical, biological, and ergonomic risks. Unacceptable occupational safety and health (OSH) risks are controlled to ensure compliance with OSH regulations and to minimize impacts on employee health and safety. According to the 2024 hazard identification results, there were no high-risk items classified as Class 1 or medium-high-risk items classified as Class 2, and no serious occupational injuries were reported.

Risk Classification Table

Risk Classification	Risk Level	Countermeasures
CLASS 1	High risk	Immediately review existing protective measures or propose improvement plans, or strengthen response capabilities
CLASS 2	Medium-high risk	Give priority to further evaluation before deciding whether to implement improvements
CLASS 3	Medium risk	Temporarily acceptable, but consider taking improvement measures
CLASS 4	Low risk	Temporarily acceptable, but should be monitored with the current method
CLASS 5	Acceptable risk	Acceptable

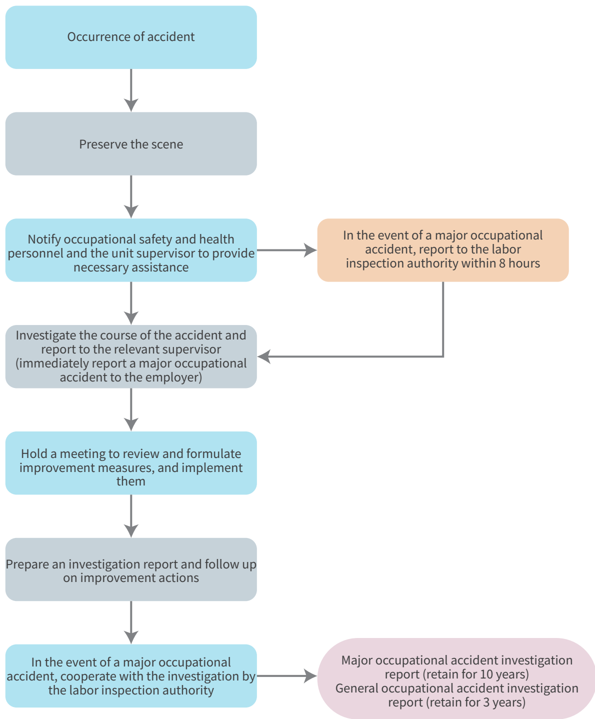
Accident Investigation

The "Accident Investigation and Handling Flowchart" applies to all plant personnel and contractors. Accident investigations are conducted jointly with labor representatives to identify root causes and implement appropriate corrective and preventive measures. Investigation reports are submitted to the Area Occupational Safety and Health Committee. When necessary, horizontal deployment of the investigation results is carried out to serve as a reference for improvement across all sites, in order to prevent recurrence. The scope of notification and investigation is limited to in-plant accidents and in-plant traffic incidents; off-site accidents are included only for notification and statistical purposes.

Accident Investigation and Handling Flowchart

Accident Investigation and Handling System
(in accordance with the Occupational Safety and Health Act)

Accident Investigation and Handling Process



Implementation and Results of Occupational Safety and Health Management Plan

Environmental Safety Targets	Performance Indicator	2024 Implementation Results Description
Building B Structural Reinforcement and Expansion	In consideration of long-term operational planning and based on structural safety assessments, the plan is to carry out vertical expansion of Building B. Approved by the Board of Directors, the construction period is scheduled for Q2 2025 to Q4 2026.	1. Continued discussions with the architect to finalize planning and design revisions. 2. Conducted preliminary proposal submissions and evaluations from construction companies for the expansion project. 3. Clarification and confirmation of the alley and 12-meter planned road completed. 4. Building permit application approved on 2024/12/31, with the permit obtained on 2025/2/21. In the process of contractor selection and public tender. 5. Office staff relocation plan during the expansion is under evaluation and planning.
ISO 14064-1 System Introduction	According to the competent authority's "Sustainability Development for Listed and OTC Companies" regulations on greenhouse gas inventory disclosure, Tailyn falls under Phase 3: inventory completion by 2026 and verification completion by 2028.	1. Established a promotion team and defined the scope of responsibilities for each member. 2. Conducted relevant training courses. 3. From August to September 2024, carried out internal audits and improvements; completed the inventory list and report in October 2024. 4. Underwent third-party verification in October 2024. 5. Obtained the assurance statement in January 2025.

5.3.4 Occupational Injury Statistics and Analysis

Based on the statistical analysis of occupational injuries and diseases among employees, the data from 2022 to 2024 indicate that there were no cases of occupational fatalities or occupational diseases (including recordable occupational diseases) during this period. This achievement reflects the company's success in reaching its goal of zero occupational injuries. Additionally, no near-miss incidents occurred in 2024.

Statistics/Year		2022	2023	2024
Total Working Hours (Note 1)		827,536	892,224	823,008
Occupational Injury Fatalities (Note 1)	Number of persons	0	0	0
	Percentage	0	0	0
Serious Occupational Injuries (Note 2)	Number of persons	0	0	0
	Percentage	0	0	0
Recordable Occupational Injuries (Note 3)	No. of Attendance	1	3	0
	Percentage	1.21	3.36	0
Occupational Diseases	No. of Attendance	0	0	0
	Percentage	0	0	0
Recordable Occupational Diseases (Note 3)	No. of Attendance	0	0	0
	Percentage	0	0	0

Note 1: The rate is calculated using the formula (number of cases / total working hours) × 1,000,000.
Note 2: Severe occupational injury refers to any work-related injury resulting in death, or that prevents or significantly hinders the worker from returning to their pre-injury health condition within six months. However, the statistical data should exclude fatalities.
Note 3: Recordable occupational injuries or diseases include any of the following: death, days away from work, restricted work, job transfer, medical treatment beyond first aid, loss of consciousness, or any significant injury or illness diagnosed by a physician or licensed health care professional, even if it does not result in the previously mentioned consequences. The statistical data should include fatalities. Please specify whether minor injuries (treated on-site with first aid) are included or excluded.
Note 4: Occupational injury statistics do not include traffic accident injuries.

Type/Year		2022	2023	2024	Hazards and Improvement Description
Type of Occupational Injury	Falling Objects	-	1	0	Hazard communication and safety training provided
	Crush Injury	1	1	0	Evaluate safety protection measures (implement improvement plan)
	Collision Injury	-	1	0	Employee education, training and advocacy

5.3.5 Emergency Response

From 2022 to 2024, a total of 21 emergency response drills were conducted.

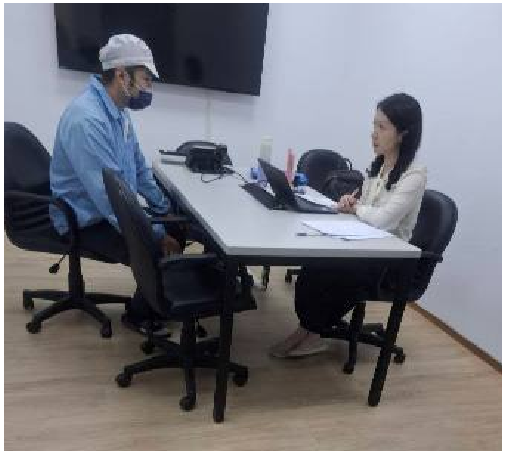
Incident Item	Impact on Customers	Duration	Drill Frequency	Responsible Unit	2022	2023	2024
Water Suspension/Restriction	No process water required; no impact on production	0.5hr	Once every two years	Facility Affairs	V		V
Power Outage	Delivery delay	0.5~2 days	Once a year	Facility Affairs	V	V	V
Critical Equipment Failure	Delivery delay	48hr	Once every two years	Manufacturing/ Engineering	V		V
Infrastructure Damage	Delivery delay	0.5~5 days	Once a year	General Affairs/ Facility Affairs	V	V	V
Supplier Supply Interruption	Delivery delay, quality impact	Case by case (coordinate with customers)	Once every two years	Procurement	V		V
Shortage of Production Manpower	Delivery delay, quality impact	7 days	Once every two years	HR	V		V
Building Contamination	Delivery delay	0.5~30 days	Once every two years	General Affairs	V		V
Notifiable Infectious Disease	Delivery delay	3~7 days	Once every two years	General Affairs	V		V
Cyber Attack	If OEM customer products require internet connection for testing, production schedule will be affected	30 minutes	Once a year	Information Technology	V	V	V

Note: The above emergency response drills do not include mandatory fire drills required by law. Fire drills include evacuation, shelter, and guidance, and a total of two sessions are held each year.

5.3.6 Occupational Health Services and Health Promotion

1. In accordance with legal requirements, the Company employs occupational health personnel and contracts with an on-site physician who visits the facility once a month to provide services such as health examinations and education, hygiene guidance, physical and mental health protection, health promotion initiatives, as well as prevention, consultation, first aid, and emergency response for work-related injuries and illnesses.
2. General health examinations for employees are conducted every three years, with the most recent session held in 2022 and a total of 377 participants.
   Annual health checkups are provided for managerial staff, with 14 participants in 2024.
   Special health examinations for employees involved in hazardous operations such as exposure to lead and ionizing radiation are conducted annually. In 2024, 99 employees participated, achieving a 100 percent completion rate.

Item	Number of employee received the exam	Completion Rate
General Health Examination (once every 3 years, most recent in 2022)	337 people	100%
Cancer Screening (oral cancer, colorectal cancer, Pap smear, HIV screening, lung cancer screening referral)	82 people	100%
Health checkup for senior executives (once a year)	14 people	100%
Special physical examination (once a year)	99 people	100%


On-Site Physician Services


Cancer Screening Services


Cancer Screening Services


Special Examination

Health Promotion

1. Through health examination reports, health risk assessments are provided. Employees identified with cardiovascular high-risk factors (>10%) due to work-related stress, and those with abnormal results in special health examinations, are followed up by the on-site physician and nurse, who provide health guidance and evaluate workload-related risks to prevent cerebrovascular and cardiovascular diseases.
2. Ongoing support is provided for workplace maternal protection, prevention of ergonomic hazards, workplace environmental inspections, hazard assessments, and development of response plans and preventive measures for statutory infectious diseases.
3. The Company provides employees with various protective measures, health education campaigns, an on-site medical room, AED devices, and nursing rooms.
4. Employee physical and mental health (including overwork, ergonomic risks, and maternal health) is assessed through questionnaires. Relevant resources are provided as needed, and awareness materials from the Occupational Safety and Health Administration are distributed when necessary.
5. A labor health service plan has been established, with regular health education information posted via posters. Tailored health information and promotion services are provided to high-risk groups.
6. The Company has established employee clubs such as jogging, badminton, and cycling clubs, as well as a fitness center, to offer diverse exercise options. In addition, it organizes weight loss programs and engages in public welfare activities such as beach cleanups and blood donation drives.

On-Site Physician Service Hours	36 hours
Number of Factory Inspections by On-Site Physician	2 times
Number of Health Education Services	158 times

Prevention and Mitigation of Occupational Safety and Health Impacts

Item	Content	Number of People Assessed the Risk	Number of High-Risk Cases	High-Risk Handling
Ergonomic Hazard Prevention Management	Care for employees with musculoskeletal pain: • on-site personnel are scheduled annually, and all employees every three years, to complete the Musculoskeletal Symptom Survey. Through the questionnaire, assess discomfort and arrange interviews with an occupational physician for those at potential risk. • Health promotion measures include the use of protective gear and employee muscle endurance training.	125 people	0	No action required
Prevention Management of Diseases Induced by Abnormal Workload	On-site personnel are scheduled annually, and all employees every three years, to complete the Overwork Scale to identify and classify abnormal workload risk levels.	99 people	1	Overtime is not recommended
Workplace Unlawful Infringement Prevention Management	• Set up both online and physical mailboxes, and provide anonymous communication channels. • Implement whistleblowing and complaint mechanisms, and workplace unlawful infringement management.	No new potential risks identified; existing risk factors already have relevant control and protection measures in place.	0	No action required
Maternity Health Management for Female Employees	Identify workplace environmental hazards; explain hazard identification results through interviews; confirm job content and conduct risk assessments; provide prenatal and postnatal health education.	A total of 7 employees received maternity health protection assessments, all deemed fit for their current positions.	0	No action required

2024 Public Welfare Blood Donation Event

2024 Public Welfare Weight Loss Event

Contractor On-site Management

To enhance safety awareness and ensure the implementation of safety measures for both factory personnel and contractors, Tailyn requires all construction personnel to undergo occupational safety and health training before entering the facility. This training ensures that workers understand and comply with relevant safety regulations. During construction, weekly inspections and random checks are conducted, and contractors are evaluated regularly to ensure safe operations and prevent occupational accidents, striving to create a zero-accident work environment.

To further strengthen on-site safety management, Tailyn has established safety and health guidelines for contractors. Contractors are required to comply with occupational safety and health laws and site entry regulations. Only after completing the necessary safety training, passing an assessment, and signing a hazard notification form may contractors begin work within the facility.

5.4 Social Engagement

Tailyn is committed to caring for society and is active in returning to society and local communities joining hands with its employees eager to participate in social welfare and surrounding communities' activities blending in the development and harmony of the communities. We campaign for environmental education and environmental protection management. Externally, we drive for environmental protection and natural ecological conservation, build a community that is healthy, and engage in environmental protection and cultural inheritance. The Tailyn company and its employees uphold the spirit of social corporate responsibility.

Hosting Events for Rosyclouds Foundation

To give back to the society and help the disadvantaged groups, the Company's founder, Honorary Chairman Che-Hung Chen established the Rosyclouds Foundation in 2003 to give back to the society and help the disadvantaged groups. In 2024, the Company donated NT$350,000 to the Rosyclouds Educational Foundation. A total of 34,827 participants benefited from the Foundation's 2024 activities. The details of each activity are as follows:

Music education for rural schools

1. The rural music education was carried out in Minhe Junior High School, Sinapalan Elementary School, Tannan Elementary School in Nantou County with 75 persons benefitted from it. The results from the school competition are as follows:

Minhe Junior High School	Hina Baran Elementary School	Tannan Elementary School
• National Competition of Folk Song for Teachers and Students-Supreme in Indigenous Language Series • National Competition of Folk Song for Teachers and Students-Supreme in Southeast Asian Language Series • Gold Award at the 8th Singapore International Choral Festival 2024	• National Competition of Folk Song for Teachers and Students - Excellent in Indigenous Languages • Silver Award at the 8th Singapore International Choral Festival in 2024 • Distinction Award at the Nantou County Folk Song Competition for Teachers and Students (Elementary School Choir Group) — representing Nantou County in the national competition in 2024	• National Competition of Folk Song for Teachers and Students-Supreme in Southeast Asian Language Series • Distinction Award in the Nantou County Folk Song Competition for Teachers and Students – Indigenous Languages Category (Elementary School Group) in 2024 • Nantou County Competition of Folk Song for Teachers and Students - Supreme in Southeast Asian Language Series in 2024

2. The Music Scholarship Program of Mingho Junior High School-Juann Choir has benefited 29 persons.
3. The 8th Singapore International Choral Festival Competition has benefited 28,000 persons.

Services for senior citizens

1. The long term accompanying courses in music for the senior citizens are set up in 11 organizations where 4,297 persons have benefited from it.
2. Music relief courses are set up in 8 organizations where 460 persons have benefited from it.
3. Charity music concerts were held at 10 organizations with 900 persons benefited from it.
4. A total of 1 music activity leadership certificate courses and empowerment seminars for the elderly benefited 20 people.
5. Elderly music accompanying leading the workshops at 9 organizations with 741 persons benefited from it.

Donation to the Reindeer Children’s Foundation

Through concrete action, the Company supports the Foundation in caring for orphaned and disadvantaged children and youth, helping them to achieve stable growth and integrate into society. In recent years, the Company has donated NT$300,000 annually, participating in projects included the ”Land Purchase Project for Reindeer Children's Home” in 2020 and 2021, and the “Sponsorship Program” from 2022 to 2024. The Company supports driving community development by channeling resources or participating in community development and related activities of charity groups.


財團法人桃園市藍迪基金會
財團法人桃園市藍迪基金會附設桃園市私立藍迪兒童之家

感謝狀

感謝　台林電通股份有限公司

因為有您的關心與支持，讓我們感到溫暖，我們會把它妥善的運用並收藏在內心深處，將來我們會交給您一張最好的人生成績單，回報您給予我們的期許。

藍迪基金會&兒童之家
董事長李雪櫻暨全體孩子

中華民國 113 年 09 月 04 日

Green Energy Charity

We help disadvantaged groups in society to share the benefits of sustainable green energy, energy saving and carbon reduction, and enhance the knowledge of disadvantaged groups, thereby improving the problems of climate change and energy inequality, bringing renewable energy to those in need and fostering a more inclusive, sustainable society. Contributed NT$750,000 to the “Solar for Good” program under the Taiwan Green Energy Public Welfare Development Association (2022–2024).

“Travel Without Plastic” Ecological Interpretation and Beach Cleanup Activity

Led by Chairman Lin of Tailyn, a total of 84 employees and members of the public took part in the initiative, promoting the concept of “Protecting the Marine Environment Together”. We hope that through concrete actions, we can implement relevant actions and help the public understand the impact of garbage and pollutants on the general public. Impacts on the marine environment and ecology; gain an in-depth understanding of the impacts of marine pollution and plastic litter on the environment and biodiversity; and thereby encourage the public to reduce the use of single-use plastics and recycle resources properly to ensure the sustainable development of our marine environment.

In Support of Low-Carbon Transportation – Donation of YouBike Stations to Give Back to the Local Community

Tailyn not only promotes employee health and encourages regular exercise habits but also actively works to reduce its ecological carbon footprint as part of its ESG sustainability commitment. In support of Taoyuan City Government's low-carbon city initiative, Tailyn collaborated with the city government and YouBike to launch a donation program, contributing 32 parking posts, 8 YouBike 2.0 bicycles, and 8 YouBike 2.0E electric bicycles. This Plan was officially launched on December 23, 2024, serving not only the commuting and lifestyle needs of employees but also giving back to the local community by offering more eco-friendly short-distance public transportation options.

TAILYN
台林電通股份有限公司
TAILYN TECHNOLOGIES, INC.

Appendices

A.1 GRI Content Index

Statement of Use	Tailyn Communication Co., Ltd. has reported the information for the period from January 1 to December 31, 2024, with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The Company belongs to the telecommunications network industry, for which no GRI Sector Standards are currently available.
Note	An asterisk (*) before a topic indicates a material topic.

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
GRI 2: General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational Details	2.1 Company Profile	31	
	2-2	Entities Included in the Organization's Sustainability Reporting	About This Report	5	
	2-3	Reporting Period, Frequency, and Contact Point	About This Report	5	
	2-4	Restatement of Information	About This Report	5	
	2-5	External Guarantee/Assurance	About This Report	NA	No external assurance conducted this year
Activities and Workers	2-6	Activities, Value Chain, and Other Business Relationships	2.1 Company Profile	31	
	2-7	Employees	5.1 Workforce Structure	94	
	2-8	Workers Who Are Not Employees	5.1 Workforce Structure	94	
Governance	2-9	Governance Structure and Composition	1.1 Sustainability Development Strategy / Sustainability Development Committee Organization Chart 2.2 Business Philosophy and Governance Structure 3.1 Governance Practices	8 34 44	
	2-10	Nomination and Selection of the Highest Governance Body	3.1 Governance Practices	44	
	2-11	Chair of the Highest Governance Body	3.1 Governance Practices	44	
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	3.1 Governance Practices 3.2 Risk Management	44 58	
	2-13	Responsibility for Managing Impacts	3.1 Governance Practices 3.2 Risk Management	44 58	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	1.1 Sustainable Development Strategy	8	
	2-15	Conflicts of Interest	3.1 Governance Practices	44	

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
Governance	2-16	Communicating Critical Concerns	3.1 Governance Practices	44	
	2-17	Collective Knowledge of the Highest Governance Body	3.1 Governance Practices	44	
	2-18	Evaluation of the Performance of the Highest Governance Body	3.1 Governance Practices	44	
	2-19	Remuneration Policies	3.1 Governance Practices	44	
	2-20	Process to Determine Remuneration	3.1 Governance Practices	44	
Strategy, Policies, and Practices	2-22	Statement on Sustainable Development Strategy	Message from the Chairman	3	
	2-23	Policy Commitment	1.1 Sustainable Development Strategy	8	
	2-24	Embedding Policy Commitments	1.1 Sustainable Development Strategy	8	
	2-25	Processes to Remedy Negative Impacts	3.1 Governance Practices 3.2 Risk Management	44 58	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	3.1 Governance Practices	44	
	2-27	Compliance with Laws and Regulations	3.4 Regulatory Compliance	65	
	2-28	Membership of Associations	2.4 Corporate Honors and External Organizational Participation	38	
Stakeholder Engagement	2-29	Approach to Stakeholder Engagement	1.3 Stakeholder Communication Channels and Key Topics of Concern	10	
	2-30	Collective Bargaining Agreements	5.2.3 Labor-Management Communication	110	
GRI 3 Material Topics 2021					
*Material Topics	3-1	Process to Determine Material Topics	1.4 Identification of Material Topics	13	
	3-2	List of Material Topics	1.4 Identification of Material Topics	13	
*Operational Performance					
GRI 3 Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed by Organization	3.5 Operational Performance	66	
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	3.3 Climate-related Financial Disclosures	66	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.2.1 Salaries and Benefits	103	
	201-4	Financial Assistance Received from the Government	3.5 Operational Performance	66	

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
*Information Security					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Loss of Customer Data	3.4 Regulatory Compliance 3.7 Information Security	65 74	
*Customer Relationship					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services	3.6.3 Green Products and Product Responsibility 3.8 Customer Relations	72 77	
*Energy Conservation and Carbon Reduction					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	4.2 Energy Resource Management and Carbon Reduction	83	
	302-3	Energy Intensity	4.2 Energy Resource Management and Carbon Reduction	83	
	302-4	Reduction of Energy Consumption	4.2 Energy Resource Management and Carbon Reduction	83	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	4.4 Greenhouse Gas Emissions	92	
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.4 Greenhouse Gas Emissions	92	
	305-3	Other Indirect (Scope 3) GHG Emissions	4.4 Greenhouse Gas Emissions	92	
	305-4	GHG Emissions Intensity	4.4 Greenhouse Gas Emissions	92	
	305-6	Emissions of Ozone-depleting Substances (ODS)	4.4 Greenhouse Gas Emissions	92	
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	4.4 Greenhouse Gas Emissions	92	
*Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	3.9 Supply Chain Management	79	
GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers That Were Screened Using Environmental Criteria	3.9 Supply Chain Management	79	
GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers That Were Screened Using Social Criteria	3.9 Supply Chain Management	79	

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
*Compensation and Benefits					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 202: Market Presence 2016	202-1	Ratio of Standard Entry-Level Employee Salary to Local Minimum Wage by Gender	5.2.1 Salaries and Benefits	103	
	202-2	Proportion of Senior Management Hired from the Local Community	5.1.2 Employee Statistics	97	
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	5.1.2 Employee Statistics	97	
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	5.2.1 Salaries and Benefits	103	
	401-3	Parental Leave	5.1.2 Employee Statistics	97	
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of Female to Male Basic Salary and Remuneration	5.2.1 Salaries and Benefits	103	
*Talent Development					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Identification of Material Topics	13	
GRI 404: Training and Education 2016	404-1	Average Hours of Training per Year per Employee	5.2.2 Talent Development	108	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	5.2.2 Talent Development	108	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	5.2.1 Salaries and Benefits	103	
Economic					
Market Presence					
GRI 202: Market Presence 2016	202-1	Ratio of Standard Entry-Level Employee Salary to Local Minimum Wage by Gender	5.2.1 Salaries and Benefits	103	
	202-2	Proportion of Senior Management Hired from the Local Community	5.1.2 Employee Statistics	97	
Social engagement					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure Investments and Services Supported	5.4 Social Engagement	120	
Anti-Corruption					
GRI 205: Anti-Corruption 2016	205-3	Confirmed Incidents of Corruption and Actions Taken	3.1.5 Business Ethics	56	
Anti-Competitive Behavior					

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	3.1.5 Business Ethics	56	
Environment					
Waste Management					
GRI 306: Waste 2020 – Management Approach	306-1	Waste Generation and Significant Waste-Related Impacts	4.3 Waste Management	89	
	306-2	Management of Significant Waste-Related Impacts	4.3 Waste Management	89	
GRI 306: Waste 2020	306-3	Waste Generated	4.3 Waste Management	89	
	306-4	Waste Diverted from Disposal	4.3 Waste Management	89	
	306-5	Waste Directed to Disposal	4.3 Waste Management	89	
Social					
Labor/Management Relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	5.2.3 Labor-Management Communication	110	
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018 – Management Approach	403-1	Occupational Health and Safety Management System	5.3 Occupational Health and Safety	111	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.3 Occupational Health and Safety	111	
	403-3	Occupational Health Services	5.3 Occupational Health and Safety	111	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	5.3 Occupational Health and Safety	111	
	403-5	Worker Training on Occupational Health and Safety	5.3 Occupational Health and Safety	111	
	403-6	Promotion of Worker Health	5.3 Occupational Health and Safety	111	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business	5.3 Occupational Health and Safety	111	
GRI 403: Occupational Health and Safety 2018	403-8	Workers Covered by an Occupational Health and Safety Management System	5.3 Occupational Health and Safety	111	
	403-9	Work-Related Injuries	5.3 Occupational Health and Safety	111	
	403-10	Occupational Diseases	5.3 Occupational Health and Safety	111	

Topic	Disclosure Item	Description	Section	Page No.	Omission/Remarks
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3.1.1 Board of Directors 5.1.2 Employee Statistics	44 97	
Non-Discrimination					
GRI 406: Non-Discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	5.1.1 Human Rights Policy	95	
Child Labor					
GRI 408: Child Labor 2016	408-1	Operations and Suppliers Considered to Have Significant Risk for Incidents of Child Labor	5.1.1 Human Rights Policy 3.9 Supply Chain Management	95 79	
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and Suppliers Considered to Have Significant Risk for Incidents of Forced or Compulsory Labor	5.1.1 Human Rights Policy 3.9 Supply Chain Management	95 79	

A.2 SASB Index – Telecommunications Sector

Disclosure Topic	Metric Code	Accounting Metric	Type	Unit of Measure	2024 Disclosure
Water Resource Management	TC-ES-140a.1	(1) Total water withdrawn; (2) Total water consumed; percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand m^3/Percentage (%)	(1) Total water withdrawn: 34,392 m^3; (2) Total water consumed: No scientific data available; Percentage in water-stressed areas: 0%
Waste Management	TC-ES-150a.1	(1) Amount of hazardous waste generated; (2) Percentage recycled	Quantitative	Metric tons/ Percentage (%)	(1) Hazardous waste generated: 3.12 metric tons; (2) Percentage recycled: 40%
Labor Practices	TC-ES-310a.1	(1) Number of work stoppages; (2) Total idle days	Quantitative	Number/Days	No work stoppages or strikes in 2024; Number of work stoppages: 0; Total idle days: 0
Work Environment/ Health/Safety	TC-ES-320a.1	For full-time employees and contract employees: Total recordable incident rate (TRIR) and near miss frequency rate (NMFR)	Quantitative	Rate	TRIR – Employees: 3.36; Contractors: 0; NMFR: 0
	TC-ES-320a.2	1. Percentage of manufacturing facilities 2. and Tier 1 supplier facilities audited to the RBA VAP, and percentage considered high risk	Quantitative	Percentage (%)	Company is evaluating the feasibility of RBA audits for suppliers
	TC-ES-320a.3	1. Rate of priority non-conformance and other non-conformance identified in RBA VAP audits for own facilities and Tier 1 supplier facilities; 2. percentage where corrective action has been implemented	Quantitative	Rate	Company is evaluating the feasibility of RBA audits for suppliers
Product Lifecycle Management	TC-ES-410a.1	1. Total weight of end-of-life products and e-waste collected, 2. percentage recycled (%)	Quantitative	Metric tons/ Percentage (%)	No end-of-life products collected in 2024. E-waste (discarded electronic components, circuit board waste, and printed circuit boards from components): 3.12 metric tons, 3.0% of total waste.
Materials Sourcing	TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	n/a	See Ch. 3.9 Supply Chain Management
Activity Metrics	TC-ES-000.A	Number of manufacturing facilities	Quantitative	Number	1 site
	TC-ES-000.B	Area of manufacturing facilities (including owned and outsourced facilities)	Quantitative	Square metres (m^2)	Land area: 23,194.07 m^2; Building area: 15,660.95 m^2
	TC-ES-000.C	Number of employees	Quantitative	Number	411 people

A.3 TCFD Recommendations Mapping Table

Aspect	TCFD Recommended Disclosure	Corresponding Section
Governance	Board oversight of climate-related risks and opportunities	3.3 Climate-related Financial Disclosures
	Management's role in assessing and managing climate-related risks and opportunities	3.3 Climate-related Financial Disclosures
Strategy	Climate-related risks and opportunities identified over the short, medium, and long term	3.3 Climate-related Financial Disclosures
	Description of the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	3.3 Climate-related Financial Disclosures
	Resilience of the organization's strategy, taking into consideration different climate-related scenarios	3.3 Climate-related Financial Disclosures
Risk management	Processes for identifying and assessing climate-related risks	3.3 Climate-related Financial Disclosures
	Processes for managing climate-related risks	3.3 Climate-related Financial Disclosures
	How processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	3.3 Climate-related Financial Disclosures
Metrics and Targets	Metrics used to assess climate-related risks and opportunities in line with the organization's strategy and risk management process	3.3 Climate-related Financial Disclosures
	Scope 1, Scope 2, and, if applicable, Scope 3 greenhouse gas emissions and related risks	3.3 Climate-related Financial Disclosures
	Targets used to manage climate-related risks and opportunities, and performance against targets	3.3 Climate-related Financial Disclosures

A.4 TPEx-Listed Company Sustainability Disclosure Indicators – Telecommunications & Network Sector

No.	Indicator	Type of Indicator	Annual Disclosure	Unit
I	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Total energy consumption: 154,584.55 GJ Percentage of purchased electricity: 100% Renewable energy usage rate: 0%	GJ, %
II	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 34,392 m^3 Total water consumption: No scientific statistical data currently available	m^3
III	Weight of hazardous waste generated and recycling percentage	Quantitative	Hazardous industrial waste generated: 3.12 metric tons Recycling percentage: 40%	metric tons (t), %
IV	Description of occupational injury categories, number of cases, and rate	Quantitative	The Company places high importance on workplace safety and employee health, continuously implementing occupational safety and health management and preventive measures. During the reporting year, there were no occupational injury incidents in the plant. Number of occupational injuries: 0 Occupational injury rate: 0%	Percentage (%), quantity
V	Disclosure on product life cycle management, including the weight of scrapped products and electronic waste and the recycling percentage (Note 1)	Quantitative	No end-of-life products collected in 2024. E-waste (discarded electronic components, circuit board waste, and printed circuit boards from components): 3.12 metric tons, 3.0% of total waste.	metric tons (t), %
VI	Description of risk management related to the use of critical materials	Qualitative	See Ch. 3.9 Supply Chain Management	Not applicable
VII	Total monetary losses as a result of legal proceedings related to anti-competitive behavior regulations	Quantitative	No monetary losses incurred from legal proceedings related to anti-competitive behavior regulations	reporting currency
VIII	Production volume of major products by product category	Quantitative	Telecommunications and network products: 178,236 units Computer and peripheral equipment: 217,952 units Other electronic products: 367,134 units	Varies by product type (cables, sets, units)

Note 1: Includes offcuts sold or processed through other recycling methods; relevant explanations should be provided.

A.5 Climate-Related Information of TWSE/TPEx Listed Company

<table>
<tr><th>Item</th><th colspan="3">Company Response</th></tr>
<tr><td>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</td><td colspan="3">1. Climate risk and opportunity governance (combined with annual sustainability risk management topics) is reported to the Board of Directors annually, and the Board supervises implementation performance.
2. The Chairman of the Board serves as the Chair of the Sustainability Development Committee; the committee members are responsible for identifying, assessing, and managing relevant risks.</td></tr>
<tr><td rowspan="3">2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).

3. Describe the financial impact of extreme weather events and transformative actions.</td><td>Item</td><td>Financial Impact on the Company</td><td>Response Measures</td></tr>
<tr><td>Transition Risk – Changes in Customer Behavior</td><td>Although the industrial network communication market has demonstrated steady growth due to stable demand, in the long term, shifts in consumer preferences may lead to reduced demand for certain products and services.</td><td>1. Enhance the competitiveness of assembly operations and establish technical support to assist in strengthening assembly capabilities, thereby securing more new projects.
2. Continue investing in R&D by expanding the development team to increase design and development capacity. Additionally, expand assembly and cleanroom facilities to accommodate more product lines and project volume. In 2023, R&D expenses accounted for 4.58% of net operating revenue.
3. In response to increasing demand from international brand clients, the Company has increased R&D investment to strengthen design capabilities and accelerate the launch of new products.
4. The Company has completed its 2024 greenhouse gas inventory and passed verification under ISO 14064-1:2018. A third-party assurance statement has been obtained, establishing a baseline year and a GHG management system, laying the foundation for long-term low-carbon transition.</td></tr>
<tr><td>Transition Risk – Rising Raw Material Costs</td><td>Climate change has led to raw material shortages and increased demand for low-environmental-impact materials. In addition, the gradual implementation of carbon tariffs in various countries is raising operational costs, with a moderate level of financial impact.</td><td>1. Continuously monitor carbon tariff regulations in various countries.
2. Identify competitive low-carbon suppliers through ESG evaluations of the supply chain.
3. Implement management systems to address the risk; no additional investment cost is required.</td></tr>
<tr><td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td colspan="3">In accordance with the Company’s risk management policy, the following measures are implemented:
1. Members of the Sustainability Committee assess ESG risks and simultaneously evaluate climate-related risks.
2. The Sustainability Committee discusses and determines material ESG and climate-related risks during committee meetings, with final approval by the Chairman.
3. Based on the approved ESG and climate-related risks, corresponding strategic objectives are established.
4. The implementation status of ESG and climate-related risk management will be reported to the Board of Directors annually.</td></tr>
</table>

<table>
<tr><th>Item</th><th>Company Response</th></tr>
<tr><td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td><td>The Company has not yet adopted scenario analysis.</td></tr>
<tr><td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td><td>
<table>
<tr><th>Item</th><th>Response Measures & Targets</th></tr>
<tr><td>Transition Risk – Changes in Customer Behavior</td><td>1. Enhance the competitiveness of assembly operations and establish technical support to assist in strengthening assembly capabilities, thereby securing more new projects.
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3. Implement management systems to address the risk; no additional investment cost is required.</td></tr>
</table>
</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</td><td>Internal carbon pricing has not yet been implemented.</td></tr>
<tr><td>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</td><td>
<table>
<tr><th>Reduction Targets</th><th>Strategic Actions</th></tr>
<tr><td>Compared to the base year 2023:
1. 1. By 2030, achieve a 6% reduction in Scope 1 and Scope 2 GHG emissions.
2. 1. By 2040, achieve a 16% reduction in Scope 1 and Scope 2 GHG emissions.</td><td>1. Through green procurement, the Company purchases infrastructure and equipment bearing environmental labels and is replacing all refrigeration and air conditioning systems with Level 1 energy efficiency models.
2. Implement energy conservation projects for facility equipment.
3. Install solar power systems for on-site consumption.</td></tr>
</table>
</td></tr>
<tr><td>9. GHG inventory, assurance, targets, strategies, and action plans (details provided in 1-1 and 1-2.)</td><td>See the table below</td></tr>
</table>

1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), data coverage of greenhouse gases and assurance status in the most recent 2 fiscal years.

Category	2024		2023*		Assurance Institution and Assurance Status (Verification Certificate)
Scope 1	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	In 2024, the Company conducted greenhouse gas (GHG) inventories for the years 2023 and 2024 in accordance with the ISO 14064-1 standard. The organizational boundary was defined to include the Company's main site at No. 10, Rong'an Road, Luzhu District, Taoyuan City, and the leased external warehouse at No. 99-1, Section 1, Nankan Road, Luzhu District, Taoyuan City. The inventories were also conducted with reference to the GHG Protocol of the World Business Council for Sustainable Development (WBCSD). For assurance, the Company commissioned TÜV NORD Taiwan Ltd., an independent third party, to conduct verification of Scopes 1, 2, and 3 in accordance with ISO 14064-1:2018 and ISO 14064-3:2019. Scopes 1 and 2 were verified at a reasonable assurance level. Scope 3 was verified at a limited assurance level. The GHG inventory information for both 2023 and 2024 has been successfully verified.
Parent Company	158.3766	0.0849	198.7393	0.1003	
Scope 2	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	
Parent Company	2,076.0429	1.1136	2,126.4971	1.0735	
Scope 3	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e/NT$ million)	
Parent Company	540.7131	0.2900	510.3844	0.2576	

Note: The revenue for 2024 was NT$1,864.1 million; for 2023, it was NT$1,980.73 million.

Note: The 2023 greenhouse gas emission figures have been revised. The emissions data disclosed in the 2023 Sustainability Report were based on internal calculations as of May 2024. However, actual carbon dioxide equivalent emissions were later adjusted following third-party verification completed in October 2024. The total emissions for each scope disclosed in the 2023 report were: 192.6438 / 2,199.4576 / 1,819.9022 metric tons CO2e; and the corresponding emission intensities were: 0.0973 / 1.07 / 0.9188 metric tons CO2e per NT$ million. This restatement does not affect the conclusions of the report.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Describe the base year and data for greenhouse gas (GHG) reduction, reduction targets, strategies, specific action plans, and the progress towards achieving these targets.

Reduction Targets	Strategic Actions	Implementation Schedule
Compared to the base year 2023: 1. 1. By 2030, achieve a 6% reduction in Scope 1 and Scope 2 GHG emissions. 2. 1. By 2040, achieve a 16% reduction in Scope 1 and Scope 2 GHG emissions.	1. Through green procurement, the Company purchases infrastructure and equipment bearing environmental labels and is replacing all refrigeration and air conditioning systems with Level 1 energy efficiency models. 2. Implement energy conservation projects for facility equipment. 3. Install solar power systems for on-site consumption.	2023~2030 years. 2031~2040 years.
Taking 2023 as the base year, the Company's combined Scope 1 and Scope 2 greenhouse gas emissions in 2024 decreased by 3.9% compared to 2023 (calculation formula: [(158.3766 + 2076.0429) - (198.7393 + 2126.4971)] / (198.7393 + 2126.4971) = -3.9%).		

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