

TKK

2024

Environmental Social Governance

ESG Report

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1. About This Report

1.01 Statement from Management

In 2015, the United Nations announced the “2030 Sustainable Development Goals” (SDGs), aiming to make sustainability a common language shared by all humanity. These goals address three major dimensions—economic development, social well-being, and environmental protection—and outline 17 objectives, including poverty eradication, climate change mitigation, gender equality, among others. The SDGs serve as a global roadmap guiding collective efforts toward a sustainable future.



With corporate social responsibility (CSR) and environmental protection becoming global priorities, economic performance is no longer the sole focus for businesses. To fulfill CSR and to promote balanced and sustainable development across economic, social, and environmental dimensions, Taiwan Kong King will continue to evaluate sustainability-

related issues and strengthen its CSR practices through concrete actions, moving steadily toward the goal of sustainable operations.

From the economic perspective, as a professional distributor within the electronics industry, the Company strives to be the strongest support for its customers. In addition to maintaining its existing portfolio of advanced equipment, materials, and key component distribution, the Company actively expands into emerging process technologies in the electronics sector, fostering growth together with customers and suppliers.

In 2024, the Company maintained stable profitability. Consolidated operating revenue for 2024 amounted to NT\$1,344,179 thousand, representing a 25.41% decrease compared to NT\$1,802,085 thousand in 2023. Net income attributable to the owners of the parent was NT\$154,012 thousand, a 47.36% decrease from NT\$292,582 thousand in 2023. Basic earnings per share were NT\$1.06, down 47.52% from NT\$2.02 in the previous year. Looking ahead, the Company will continue to uphold a prudent management approach, control operating costs, and enhance business performance to maintain reasonable profitability.

From the social and environmental perspectives, Taiwan Kong King embraces the mission of giving back to society what it has gained. The Company remains committed to fulfilling its social responsibilities. To contribute to environmental protection, we continue introducing the most advanced green and intelligent equipment, materials, and key technologies for the electronics industry into the Taiwan market, delivering low-energy-consumption and high-value-added products. We also collaborate with suppliers to explore short-chain supply solutions, reducing carbon footprints and environmental impacts. In addition to green procurement, the Company promotes various internal environmental initiatives and establishes energy-saving and carbon-reduction targets. Through internal energy management optimization and external participation in eco-friendly activities, we aim to contribute meaningfully to global climate action.

As a company deeply rooted locally, we place great importance on social contribution and public welfare. Taiwan Kong King has long supported the “Pujen Youth Foundation,” which provides resources for the development of underprivileged youth in rural areas. We also sponsor the “TPCA Environment Foundation (TPCF)” in organizing nationwide green sustainability campus outreach programs to promote sustainability awareness. By creating positive social impact, we continue to embody and reinforce the core values of our Company.

1.02 About the Company



1. Company Profile

Taiwan Kong King Co., Ltd. was established on June 14, 1977, with its headquarters located in Taoyuan City. As a professional distributor of high-tech products, the Company upholds the principle of “Professional Service and Customer Satisfaction” and is committed to providing customers with the most advanced technological resources and production equipment. The Company’s portfolio includes professional agency services for equipment used across the following sectors: printed circuit board (PCB) manufacturing, semiconductor production, solar energy, optical storage media, chemical material processing, and liquid crystal display (LCD) manufacturing, as well as application software associated with these technologies. With a comprehensive product lineup, extensive experience, and strong technical expertise, the Company provides customers with a complete and integrated total-solution service.

Company Name	Taiwan Kong King Co., Ltd. (TKK)
Company Type	OTC-listed company
Founded	1977
Headquarters	Taoyuan City, Taiwan
Industry	Other Electronics
Core Business	Distribution and after-sales service for PCB, semiconductor packaging & electronic assembly equipment; optical communications & solar equipment
Paid-in Capital	NT\$362,888,940
Net Sales (2024)	NT\$1,344,179 thousand
Employees	139

2. Value Chain Overview

The Company's business model focuses on introducing advanced process equipment and application technologies to Taiwan's electronics industry, providing sales services and customer support, as well as engaging in electronic component production, equipment manufacturing, and assembly. Centered on printed circuit board (PCB) technologies, the Company extends its operations both upstream and downstream, forming a comprehensive sales and service system. In addition, the Company has also expanded into semiconductor packaging and testing equipment, electronic assembly industries, optoelectronics, and solar energy-related equipment.

3. Major Products

Main product type	Main products	Functions
Electronic components, equipment and materials	AOI automatic optical inspection machine, AVI automatic visual inspection machine, Exposure machine, Wet film coating (inner layer/anti-welding), Vacuum Laminator 、 Laminator 、 Mylar Peeler, Belt sander, Scrubber machine and other wet process equipment, Ceramic brush, Inductive bonding machine, Hot press, Short/Break tester, High-density test fixture, Solder ball inspection equipment, Short circuit/open circuit test OEM and patent and IC Analysis services, Chemical liquid analysis equipment, Clean & non-oxidation automation oven, Thermal Analyzer / XRF Elements Analyzer, etc.	Printed circuit manufacturing
Semiconductor package and manufacturing equipment, and electronics assembly.	Transfer type hot plate reflow/baking equipment, circulating electroplating liquid analyzer, near-infrared light concentration monitor, wafer surface cleaner, wafer coater, wafer surface contaminant inspection machine, X-Ray inspection equipment, wafer surface organic inspection machine, chip package inspection machine, high-end package die bonding machine, automated wafer transfer arm, high-end package precision printer, high-end package precision ball mounter, Short/Break tester, SMD Chip Counter, dust-free and oxygen-free ovens, Cassette cleaning machine, atomic force microscope, dispensing machine and tape crystal grain rework machine, Wafer Cleaner, BG Tape Laminator, Wafer Mounter, LC Tape Laminator , BG Tape Remover.	Semiconductor package and manufacturing, and electronics assembly.
Assembly equipment, components and materials for optical communications module	Precision placement machine, automatic coupling equipment, photoelectric test equipment, optical lens.	Optical communication industry, high-power laser module, precision optical assembly, extreme sensor

Main product type	Main products	Functions
Solar energy production process	Fully automatic screen printer line.	Solar industry
SMT electronic assembly	Selective soldering furnace, reflow oven, placement machine, fully automatic solder paste printer, automatic optical inspection machine, X-RAY inspection machine, solder paste inspection equipment, Automated IC Programming System.	SMT assembly
Others	Export business for Taiwan's sophisticated equipment products, Electrical testing of the generation of processing.	



1.03 Report Information

1.03.1 Basis of Preparation

This report is prepared with reference to the Global Reporting Initiative (GRI) Standards issued by the Global Reporting Initiative (GRI), as well as the “Guidelines for the Preparation and Submission of Sustainability Reports by OTC Companies.” Relevant cross-reference tables are provided in the Appendix.

1.03.2 Reporting Period and Frequency

The reporting period of this Sustainability Report is consistent with the consolidated financial statements, covering the period from January 1, 2024 to December 31, 2024. To ensure completeness and comparability, certain chapters include information beyond the reporting period, which will be noted accordingly within each section.

The Company will publish its Sustainability Report annually and make it available on the Company’s official website.

Publication date of this report: August 2025.

1.03.3 Reporting Boundary and Scope

The reporting boundary of this Sustainability Report covers Taiwan Kong King Co., Ltd. (hereinafter referred to as "the Company"), including the headquarters in Taoyuan and the branch offices in Hsinchu, Tainan, and Kaohsiung. Subsidiaries included in the consolidated financial statements are not covered in this report.

If the disclosure scope in any chapter differs from the above description, supplementary explanations will be provided within that chapter.

Basis for statistical data included in this report:

Financial Data	Economic value distribution is based on the consolidated financial statements audited by certified public accountants. Unless otherwise specified, all financial figures are presented in New Taiwan Dollars (NTD).
Environmental Data	Greenhouse gas emissions follow the ISO 14064-1:2018 inventory results. Water resource and waste management data are based on reports submitted by each operating location to local authorities.
Other Data	Compiled from internal statistics of each operational site.

1.03.4 Restatement of Information

This report has not undergone independent third-party assurance or verification.

1.03.5 External Assurance

This report has not undergone independent third-party assurance or verification.

1.03.6 Responsibility for Sustainability Reporting

For inquiries regarding the content of this report, please contact:

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2. Sustainability Management



2.01 Sustainability Development Strategy

The Company's primary sustainability strategies are as follows:

Environmental Protection: Focusing on reducing carbon emissions, adopting renewable energy, and advancing circular economy initiatives.

Technological Innovation: Emphasizing technological innovation to achieve sustainable development, including the introduction of green smart equipment, materials, and key technologies, with the commitment to delivering low-energy-consumption and high-value products.

Corporate Governance: Ensuring sound operations, enhancing shareholders' equity, strengthening the establishment of internal audit and internal control systems, and improving financial transparency.

Social Responsibility: Enhancing employee care and social engagement through initiatives related to occupational safety, training and development, and community participation.

Given the increasing global attention on human rights issues, the Company has established an internal system and workplace culture built on respect for human rights, diversity, equality, and inclusion. We are also committed to fostering global talent integration. In addition, the Company works through its foundation to cultivate strong community

relations, care for disadvantaged groups, and promote collective social progress.

Looking ahead, the Company will continue to place sustainable development at the core of its values, advancing green energy and environmental protection measures to address challenges such as climate change. Through innovation and integration, we will continuously improve our products and services to meet customer needs while minimizing negative environmental impacts. At the same time, we remain dedicated to giving back to society by supporting community development and vulnerable groups, contributing to the advancement of social welfare. Through these efforts, we aspire to become a company that brings meaningful benefits to society and the environment, working together with global partners to achieve sustainability goals.

2.02 Sustainability Governance Mechanisms

2.02.1 Governance Structure for Sustainability Development

To realize our ESG vision and mission, Taiwan Kong King Co., Ltd. has established a Corporate Governance Committee. Its primary responsibilities include reviewing corporate governance best practices, relevant regulations, and implementation effectiveness; formulating, supervising, and reviewing corporate social responsibility policies, systems, and management guidelines; establishing and overseeing integrity management policies and preventive measures; setting and monitoring environmental sustainability systems and targets; and formulating and overseeing risk management policies and mechanisms, as well as other matters assigned by the Board of Directors.

The Committee reports execution results to the Board of Directors on a regular basis. The Board evaluates the likelihood of success of these

strategies, monitors their progress, and urges the management team to make adjustments when necessary.

2.02.2 Operational Status

The term of the current Corporate Governance Committee is aligned with that of the Board of Directors. According to the Company’s “Corporate Governance Committee Charter,” the Committee shall convene at least twice a year. In 2024, the Committee held two meetings, achieving an average member attendance rate of 100%.

Key matters communicated to the Board in meetings:

Meeting Date	Matters Communicated	Resolutions
May 9, 2024	Report on Corporate Governance Evaluation Results	Approved by all Committee members.
November 12, 2024	1. Information Security Report 2. Risk Management Report	Approved by all Committee members.

2.03 Board of Directors and Functional Committees

2.03.1 The Role and Achievements of the Board of Directors in Sustainability Governance

2.03.1.1 Role in Sustainability Governance and Oversight

Board Oversight of Sustainability Initiatives

The Company’s Management Division is responsible for driving and implementing sustainability development. The Company has established a Corporate Governance Committee, chaired by the General Manager. Together with senior executives and directors from various professional fields, the Committee reviews the Company’s core operational capabilities and formulates mid- to long-term sustainability development plans.

The Corporate Governance Committee serves as a communication platform that supports vertical integration and cross-departmental coordination. Through each meeting, the Committee identifies sustainability issues that are material to the Company's operations and stakeholders, formulates corresponding strategies and guidelines, allocates departmental budgets related to sustainability, plans and executes annual initiatives, and monitors implementation progress. These efforts ensure that sustainability strategies are fully embedded into daily business operations.

The sustainability execution results and future work plans are reported to the Board of Directors on a quarterly basis. The Board conducts regular quarterly reviews of management reports, evaluates the feasibility of proposed strategies, monitors strategy progress, and urges the management team to make adjustments when necessary.

2.03.1.2 Performance Evaluation for Sustainability Oversight

Board Performance Evaluation

To enhance corporate governance and strengthen the functions of the Board, the Company has established a Board Performance Evaluation Policy. Annual self-evaluations are conducted for the Board of Directors, functional committees (including the Audit Committee, Remuneration Committee, and Corporate Governance Committee), and individual directors. Evaluation criteria include sustainability commitment, professional competencies, understanding of duties, participation in corporate operations, internal controls, and continuing education. In 2024, the overall self-evaluation results for the Board and all functional committees were rated as “Excellent,” and results were submitted to the Board for review. In addition, the Company engages an external independent evaluation institution at least once every three years. The most recent external assessment was completed in 2023 to further enhance Board effectiveness.

2.03.1.3 Continuing Education on Sustainability

The Company provides annual training programs for directors to strengthen their knowledge of corporate governance, economic, environmental, and social issues, thereby enhancing the Board's capability to manage risks. In 2024, the total training hours completed by the Board amounted to 52.5 hours, averaging 5.25 hours per director.

Director Participation in Sustainability-Related Training:

Type of Training	Date	Course / Seminar Title	Hours
Workshop	2024/04/12	Public Enterprise Governance and Corporate Sustainability Workshop	3 hours
Online Course	2024/04/17	Corporate Sustainability and Net-Zero Strategies in the Era of Climate Change	3 hours
Forum	2024/07/03	2024 Cathay Sustainable Finance and Climate Change Summit	6 hours
Online Course	2024/09/26	Promoting Corporate Sustainability through Risk Management	3 hours

2.03.2 Board Composition and Operations

2.03.2.1 Board Members and Diversity

The current term of the Board of Directors spans from June 18, 2024, to June 17, 2027. The Board is composed of 10 directors, including 3 independent directors. Among them, 3 are female directors, representing 30% of the Board.

For detailed information on each board member—such as gender, age, concurrent positions held within the Company or other companies—please refer to page 3 of the Shareholders' Meeting Annual Report.

Board Composition Overview:

Category	Classification	Percentage
Gender	Male	70%
	Female	30%
Age	60 years old and below	50%

Category	Classification	Percentage
	60–70 years old	40%
	71 years old and above	10%

2.03.2.2 Operational Status

The Company, in principle, convenes Board meetings once every quarter. In 2024, a total of seven Board meetings were held, with an average attendance rate of 82.86%.

2.03.2.3 Nomination and Selection

The Company adopts a candidate nomination system for its Board elections. At the Shareholders' Meeting, 10 directors are elected from the list of nominated candidates. Directors serve a three-year term. Nomination and selection criteria include candidate independence, professional background, relevance to the Company's operational development, and consideration of diversity in the Board's composition.

2.03.2.4 Conflict of Interest Avoidance

The Company's Chairperson does not serve concurrently as a member of the senior management team. The Company's "Rules of Procedure for Board Meetings" and the organizational charters of functional committees all include conflict-of-interest provisions. If a director, their spouse, or relatives within the second degree of kinship, or a company in which the director has a controlling relationship, has a material interest in a proposal, the director shall explain the nature of the conflict at the Board meeting. If the interest may be detrimental to the Company, the director shall refrain from participating in the discussion and voting, and may not represent another director in exercising voting rights.

For additional information regarding conflicts of interest—such as other board positions held by directors or management members, or controlling

shareholders—please refer to pages 3 and 46 of the Company’s 2024 Shareholders’ Meeting Annual Report.

2.03.2.5 Remuneration Policy

Board Remuneration Structure and Determination Process

Director remuneration is handled in accordance with the Company’s “Remuneration Committee Charter.” After review by the Remuneration Committee, proposals are submitted to the Board of Directors for resolution. Director remuneration includes variable compensation and business execution expenses. In accordance with the Charter, the Remuneration Committee references industry standards and evaluates each director’s performance as the basis for individual remuneration adjustments.

The remuneration system for senior management is proposed by the Remuneration Committee and approved by the Board of Directors. In addition to fixed salary and retirement benefits, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is consistent with that of other employees. For details regarding senior management remuneration and remuneration ranges in 2024, please refer to page 15 of the Company’s 2024 Annual Report.

Resignation and Retirement Policy for Directors and Senior Management

The notice period for resignation of directors and senior management complies with local government regulations. The number of notice days and severance payment calculations are consistent with those for other employees. Aside from legally required severance pay, no additional monetary or in-kind benefits are provided to departing directors or senior management.

Remuneration Ratios

Employee compensation consists primarily of the following components: base salary (including regular salary, meal allowance, and special allowances), year-end bonuses, and performance bonuses. Salaries are based on job responsibilities and are determined with reference to market conditions, the Company's financial status, and organizational structure, while ensuring gender equality. At equivalent job levels and seniority, the base salary ratio between female and male employees is 1:1.

In 2024, the ratio of the annual total compensation of the Company's highest-paid individual to the median annual total compensation of all employees (excluding the highest-paid individual) was 740%. Because Company revenue in 2024 decreased compared with 2023, resulting in lower total remuneration, the annual total compensation increase ratio is not disclosed.

Notes:

1. Formula for total compensation ratio: (Annual total compensation of the highest-paid individual) ÷ (Median annual total compensation of all employees excluding that individual)
2. Formula for total compensation increase ratio: (Percentage increase in annual total compensation of the highest-paid individual) ÷ (Percentage increase in median annual total compensation of all other employees)

In 2024, the average annual salary for full-time employees not in managerial positions was NT\$1,032 thousand, with a median salary of NT\$985 thousand. In 2023, the average annual salary for the same group was NT\$1,134 thousand, with a median salary of NT\$1,041 thousand, demonstrating the Company's commitment to fairness and competitiveness in compensation practices.

2.03.3 Structure and Operations of Functional Committees

1. Remuneration Committee

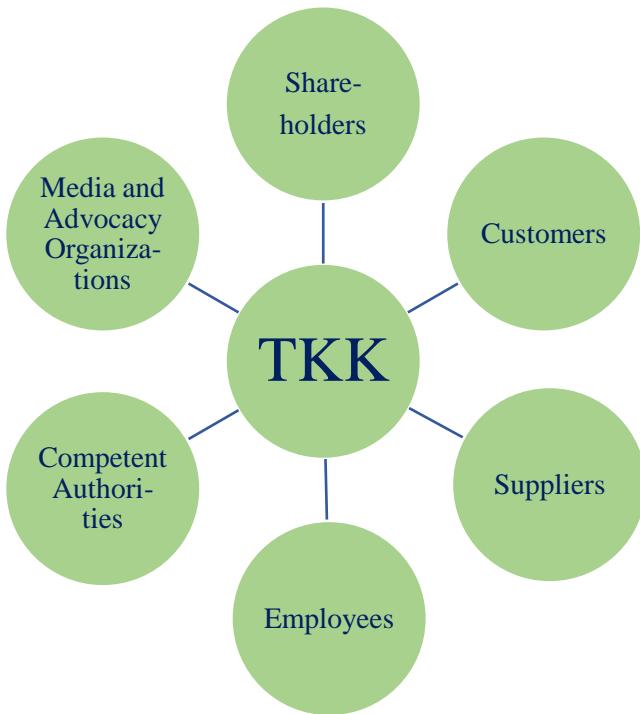
The Company's Remuneration Committee consists of three members, all of whom are independent directors (gender ratio 3:0). The term for the current Committee is from June 18, 2024, to June 17, 2027. The Committee convenes at least twice per year, and in 2024, it held two meetings with an overall attendance rate of 100%. For detailed information on individual members and Committee operations, please refer to page 31 of the Shareholders' Meeting Annual Report.

2. Audit Committee

The Company's Audit Committee consists of three members, all of whom are independent directors (gender ratio 3:0). The term for the current Committee is from June 18, 2024, to June 17, 2027. The Committee convenes at least once every quarter, and in 2024, it held seven meetings with a 100% attendance rate. For detailed information on individual members and Committee operations, please refer to page 20 of the Shareholders' Meeting Annual Report.

3. Stakeholders and Material Topics

3.01 Stakeholder Engagement



Based on the GRI Standards and the AA1000 Stakeholder Engagement Standards (AA1000 SES), the Company adopts a five-dimensional assessment approach—responsibility, influence, tension, diverse perspectives, and dependency. Through evaluating different stakeholder groups and their level of impact on the Company, TKK identifies the key material issues that require prioritized disclosure and response in this report. Other issues that are relevant but have relatively lower stakeholder concern or impact are briefly addressed within the text or presented through other sustainability indicators. The Company defines six major stakeholder groups: shareholders, customers, suppliers, employees, competent authorities, media, and advocacy organizations.

To understand and respond to stakeholders' concerns, the Company provides multiple communication channels and actively engages with stakeholders. These channels allow stakeholders to raise opinions at any time, enabling the Company to understand their sustainability-related concerns and provide appropriate responses.

Communication Mechanisms and Key Concerns of Each Stakeholder Group:

Stakeholder	Relationship Description	Communication Channels	Communication Frequency	Key Concerns	Responsible Department	Communication Outcomes
Shareholders	Providers of capital	Shareholders' meeting, Investor Relations section on the Company website	Quarterly	Financial performance, corporate governance, sustainable development	Administration Division	Held the annual shareholders' meeting
Customers	Users of products / services	Customer satisfaction surveys, regular visits	Monthly	Product quality, service experience	Customer Service Department	Completed the 2024 customer satisfaction survey
Suppliers	Supply chain partners	Supplier conferences, supplier evaluations	Monthly	Cooperation terms, supply chain management	Procurement Department	Suppliers signed the "Social Responsibility and Code of Conduct Compliance Statement," achieving a 100% signing rate among key suppliers
Employees	Key assets of company operations	Employee meetings, internal emails, electronic bulletin boards	Quarterly	Occupational health and safety, compensation and benefits, talent development	Human Resources Department	Provided 2,176 hours of employee training; zero major occupational accidents
Competent Authorities	Regulatory compliance	Required filings, regulatory briefings	As required	Compliance requirements, regulatory updates	Audit Office	All disclosures and filings for 2024 were completed on schedule
Media and Advocacy Organizations	Social responsibility	Annual donation activities and irregular charity sales	Annually	Community engagement	Administration Division	(1) Donations made to TPCA Environment Foundation; (2) Donations made to The Children Charity Association

3.02 Process for Determining Material Topics

In accordance with GRI 3: Material Topics 2021, the Company further evaluates the significance of material topics by assessing their economic, environmental, and human rights impacts. The assessment process is outlined as follows:

1. Understanding the Organizational Context

The Company considers key operational elements, essential resources, business continuity needs, and each stage of the supply chain and value chain. Through this analysis, the Company identifies seven sustainability topics, covering five governance aspects, one social aspect, and one environmental aspect.

2. Identifying Impacts and Assessing Significance

Based on the sustainability topic list identified in the previous step, the Company evaluates both actual and potential positive and negative impacts of each topic:

- (1) Actual or potential positive impacts arise when the Company has implemented relevant management policies and achieved good or notable performance, contributing positively to economic, environmental, or social sustainability.
- (2) Actual or potential negative impacts may occur when the Company has not implemented or has insufficiently implemented management measures for a given sustainability topic, resulting in adverse effects on external economic, environmental, or social conditions.

3. Prioritizing Impacts

The Company distributes a sustainability impact assessment questionnaire to senior management. The questionnaire evaluates the likelihood and magnitude of actual and potential positive and negative impacts on business operations and risk exposure. Average scores (Note) are calculated and ranked to effectively determine the relative importance of each sustainability topic to the Company.

(Note)

- Average likelihood score = total likelihood score from all valid questionnaires / number of valid questionnaires
- Average impact score = total impact magnitude score from all valid questionnaires / number of valid questionnaires

4. Determining Material Topics

Following the analytical procedure, the Company integrates the assessed significance of sustainability impacts with stakeholder concerns and identifies seven material topics:

- Governance: Ethical Governance, Business Performance, Risk Management, Information Security Management, Supply Chain Management
- Environment: Climate Change Strategy
- Society: Talent Development and Training

The Company develops corresponding policies and objectives for each material topic and formulates action plans to support their implementation.

3.03 List of Material Topics

Based on the consolidated results of the impact assessment questionnaire, sustainability topics with an average likelihood score and average impact score above 3.5 are defined as material topics. In addition, for negative impacts, any topic with an impact score above 3.5 is defined as material, even if the likelihood score is low. Following the overall ranking, four sustainability topics were identified as material topics: Ethical Governance, Business Performance, Risk Management, and Information Security Management.

3.04 Management of Material Topics

In accordance with the impact characteristics of each material topic, the Company establishes corresponding policies and management actions. Dedicated departments are responsible for tracking the effectiveness of policy implementation and strategic execution. The management measures for each topic are outlined below:

1. Governance with Integrity: Compliance with laws and regulations is the most fundamental requirement, and “Integrity and Professionalism” is the core philosophy of the Company’s operations, supporting shared prosperity with society. The Company regularly conducts integrity-related training and awareness programs during management meetings and labor-management meetings, and such information is also published on the electronic bulletin board for all employees. To ensure directors, managers, and employees understand integrity and ethical standards, the Company requires the signing of an “Integrity Management Declaration,” which includes commitments such as compliance with laws and regulations, prohibition of bribery, customer commitment, and confidentiality obligations.
2. Business Performance: The Company aims to maintain sound financial performance, reduce operational risks, increase revenue and market share, and achieve annual business objectives. Financial information is regularly disclosed to ensure transparency and maintain effective communication with stakeholders, demonstrating the Company’s business results and sustainability potential. Going forward, the Company will continue to adopt stable financial strategies while expanding its diversified customer base and product portfolio to enhance overall competitiveness and shareholder value.
3. Risk Management: In line with the goal of sustainable corporate operations, the Company has established a risk management mechanism to integrate and address potential risks that may affect

operations and profitability, including but not limited to financial, environmental, information security, operational, and climate-related risks. The Company has formulated the “Risk Management Policy and Procedures,” approved by the Board of Directors, serving as the highest guiding principle for risk management. Each department evaluates risks related to its responsibilities and reports them to the Risk Management Team. The Team reports its operation at least once a year to the Corporate Governance Committee and the Board of Directors.

4. Information Security Management: The Company identifies information security risks and conducts training related to information security policies to enhance overall cybersecurity capabilities and strengthen organizational resilience toward information security incidents and threats. The Company has established the “Information Security Management Regulations” as the basis for implementing all security measures. An information security supervisor and one dedicated information security personnel have been appointed, and they report their operational status to the Corporate Governance Committee and the Board of Directors at least once a year. Going forward, the Company will continue to promote employee information security awareness, strengthen training programs, and conduct regular security risk assessments.

4. Governance



4.01 Economic Performance

1. Operating Performance

In 2024, the Company's total revenue was NT\$1,344,179 thousand, representing a 25.41% decrease compared to 2023. The net income after tax for the year was NT\$154,012 thousand, with earnings per share (EPS) of NT\$1.06. For additional details and analysis of financial performance, please refer to the Company's consolidated financial statements.

2. Financial Assistance Received from the Government

The Company did not receive any government financial assistance in 2024.

4.02 Integrity Management

4.02.1 Integrity Philosophy, Policies, and Code of Conduct

1. Integrity Management Philosophy

The Company has established the “Code of Integrity Management” and the “Procedures for Handling Material Inside Information and Prevention of Insider Trading” to prevent conflicts of interest, eliminate improper

personal gains, and ensure fair transactions. The Company is committed to providing a safe and healthy work environment and equal opportunities, and to maintaining fair, lawful, and long-term relationships with customers and suppliers, thereby achieving mutually beneficial partnerships. The “Code of Integrity Management” and the “Procedures for Handling Material Inside Information and Prevention of Insider Trading” are implemented upon approval by the Board of Directors.

To ensure that employees, suppliers, and other stakeholders understand the Company’s integrity management policies, the Company has implemented a series of measures and management mechanisms. These include requiring relevant stakeholders to sign declarations, promoting the integrity management code through electronic bulletin boards, communication meetings, and educational training sessions, as well as reviewing and selecting suppliers that meet the Company’s integrity management standards.

2. Independent Communication Channels

The Company has established independent communication channels, including a dedicated hotline, website, and email address. Employees, suppliers, and other stakeholders may anonymously report suspected violations of integrity management through these channels. They may also use the channels to raise questions regarding the Company’s integrity management policies. Upon receiving a report or inquiry, the responsible unit must handle the case in accordance with standard procedures and regularly provide updates to the complainant or inquirer. For whistleblowing cases, an investigation must be conducted based on the reported content and relevant evidence. If the reported matter involves directors or managerial officers, it must be submitted to the independent directors for review.

Standards of Integrity Management for Stakeholders:

Identity	Timing	Required Documents	Signing Rate
New Employees	Upon onboarding	Declaration of Integrity Management	100%
Current Employees	During employment	Declaration of Integrity Management	100%
Governance Units and Management Level	Upon assuming office	Declaration of Integrity Management / Declaration of No Violation of Integrity Principles / Directors' Declaration	100%
New and Existing Suppliers	Upon contract signing	Commitment to Compliance with Corporate Social Responsibility and Code of Conduct	100%

Commitment to the Integrity Management Policy:

Policy / Regulation	Reference	Approving Authority	Executing Unit	Announcement Link
Code of Integrity Management	“Corporate Integrity Management Best Practice Principles for TWSE/TPEX Listed Companies”	Board of Directors	Management Division	https://mopsov.twse.com.tw/mops/web/t100sb04_1

4.03 Risk Management

4.03.1 Risk Management Mechanism

The Company adopts a preventive approach to risk management. In addition to establishing a rigorous internal control system in accordance with regulatory requirements, the Internal Audit Department conducts regular and ad-hoc audits to ensure that implementation complies with relevant regulations. Furthermore, the Company has established various functional committees and risk task forces responsible for executing different aspects of risk control.

The Company's "Risk Management Policies and Procedures," approved by the Board of Directors, clearly define the responsible units for each risk factor. All departments follow the risk management procedures, which include monitoring risk trends, risk identification, risk assessment,

risk response, and risk monitoring and reporting. Through these processes, the Company ensures comprehensive understanding of the risk landscape and the adoption of appropriate mitigation measures to effectively manage related risks.

4.03.2 Regulatory Compliance

The Company did not incur any violations of corporate governance, environmental, or social-related laws and regulations in 2024.

4.04 Participation in Industry Associations and Organizations

The Company leverages its experience in the high-technology industry to actively participate in activities organized by the Taiwan Printed Circuit Association (TPCA). In addition to joining industry associations, the Company is also committed to public welfare initiatives. Each year, the Company sponsors the TPCA Environment Foundation to support its Green Sustainability Campus Tour program. Furthermore, the Company's General Manager serves as an Executive Director of the TPCA Environment Foundation.

Participation in Associations:

Association / Organization	Membership Status
Taiwan Printed Circuit Association (TPCA)	General Member
Taoyuan Industrial Association	General Member
TPCA Environment Foundation	General Manager serving as Executive Director

Green Sustainability and Educational Care:

Category	Description	Donation (2023 / 2024)	Impact
Green Sustainability & Environmental Education	Participation in the TPCA Environment Foundation's "ECO Campus Sharing Program"	NT\$60,000 / NT\$60,000	2023: Held 743 sessions (including modular courses and Matsu special sessions), focusing on strengthening elementary and junior high students' awareness of energy conservation, carbon reduction, and environmental protection, helping them apply sustainability concepts in daily life and influence their families and communities. 2024: Conducted 498 ECO Campus Sharing sessions and 30 GOGOGREEN modular courses, reaching 84 rural schools and benefiting over 22,000 teachers and students. Through lively and engaging content, the program effectively instilled environmental values in younger generations and cultivated future green citizens.
Green Sustainability & Environmental Education	TPCA Environment Foundation "University Environmental Sustainability Competition & Lectures"	NT\$20,000 / NT\$20,000	2023: Hosted 8 circular economy lectures and 2 international master lectures, attracting nearly 1,000 students and faculty. Received 18,367 submissions from 56 countries worldwide. 2024: Held 8 on-campus circular economy lectures to enhance students' understanding of sustainable design, and 2 international master lectures to broaden global perspectives. Organized a global design competition, receiving 19,667 submissions from 64 countries. Awarded 3 Environmental Sustainability Awards and 6 Regional Specialty Awards, encouraging environmentally conscious and innovative young designers.
Youth Care & Education	TPCA Environment Foundation – Taiwan Black Bear Golf Promotion Association "Little Black Bear Program"	NT\$34,300	The Taiwan Black Bear Golf Promotion Association aims to develop Indigenous professional athletes and coaches. The training base in Beidou Township, Changhua County currently supports 5 Indigenous students, offering golf training, character development, farming, and English courses to enhance their academic

Category	Description	Donation (2023 / 2024)	Impact
			advancement opportunities.
Youth Care & Education	Puren Foundation “Youth Mentoring Program”	NT\$117,080 / NT\$142,266	2023: Supported the War Drum Club of Luzhou Junior High School in New Taipei City through the “Big Hand for Little Hand” Youth Mentoring Program. 2024: Supported the track and field team of Dongli Junior High School in rural Hualien, providing resources for underprivileged youth.

Summary of Community Engagement and Resource Contributions:

Year	Summary	Resources Contributed
2019	Puren Foundation – Rural School Guidance Program	Donation NT\$160,390
2019	TPCA Environment Foundation – Sponsorship of Fuxing District Community Rice Donation Program	Supplies
2019	TPCA Environment Foundation – ECO Campus Sharing Tour Program	Donation NT\$40,000
2020	Puren Foundation – Rural School Guidance Program (Dagang Junior High School)	Donation NT\$183,120
2020	TPCA Environment Foundation – ECO Campus Sharing Tour Program	Donation NT\$40,000
2020	Donation of conference room tables and chairs to Bade Dayong Elementary School, Taoyuan City	One batch of conference tables and chairs
2020	Industry–Academia Collaboration – Donation of PLC controllers, motors, wiring materials, and related equipment to Lunghwa University of Science and Technology	Donation of multiple sets of training components

Year	Summary	Resources Contributed
2020	Second-hand charity sale fundraising	Donation NT\$14,975
2020	Lunar New Year meal sponsorship event	Donation NT\$32,400
2020	Employee children internship program	Provided winter and summer internship opportunities
2021	Puren Foundation – Rural School Guidance Program (Dagang Junior High School)	Donation NT\$200,660
2021	TPCA Environment Foundation	Donation NT\$100,000
2022	Puren Foundation – Rural School Guidance Program (Luzhou Junior High School)	Donation NT\$136,500
2022	TPCA Environment Foundation	Donation NT\$100,000
2023	Company-organized blood donation event	Blood donation
2023	TPCA Environment Foundation	Donation NT\$100,000
2023	Puren Foundation – Rural School Guidance Program (Luzhou Junior High School)	Donation NT\$117,080
2023	Industry–Academia Collaboration – Donation of industrial chiller to Ming Chi University of Technology	Donation of equipment for teaching and research
2024	TPCA Environment Foundation	Donation NT\$114,300
2024	Puren Foundation – Rural School Guidance Program (Dongli Junior High School, Hualien – Track and Field Team)	Donation NT\$142,266



Rural School Guidance
Program - Dagang Junior
High School



Used Items Fundraising Event



Blood Donation Event



Certificate of
Appreciation from
Dayong Elementary
School for donating
tables and chairs

4.05 Supplier Management

Taiwan Kong King procures a wide range of raw materials and components, including key equipment circuit boards, motor control components, electromechanical and mechanical parts, flying probe fixtures, and precision ceramic brushes. These materials form the essential foundation for the Company's smooth operations and stable product quality.

As of 2024, the Company has a total of 1,496 qualified suppliers with transaction records across its operating sites, including 50 key suppliers.

Supplier management is regarded as one of the Company's core measures in promoting sustainable operations. All partnering suppliers are required to comply with the Supplier Management Procedures and sign the Commitment to Compliance with Corporate Social Responsibility and Code of Conduct to ensure that the supply chain aligns with the Company's core values of ethics, environmental protection, and workplace safety.

Based on procurement needs, the Purchasing Department is responsible for coordinating the evaluation of new suppliers. Depending on the material category, evaluations may include document reviews or on-site visits. In addition to Purchasing Department personnel, the evaluation team includes service engineers from the Customer Service Division, sales representatives from the PCB and Electronics Divisions, and other relevant departments. Together, the team assesses suppliers' material quality and delivery performance. Moving forward, the evaluation scope will continue to expand to cover operational aspects—such as quality management, R&D capabilities, and manufacturing efficiency—along with sustainability indicators including energy usage, carbon footprint management, greenhouse gas reduction, occupational health and safety, and social engagement.

From 2020 to 2024, a total of 295 new suppliers were evaluated through supplier basic information and application forms submitted by procurement or relevant personnel. After review by departmental supervisors and approval by senior management, these suppliers passed the evaluation and were added to the qualified supplier list. In 2024 alone, 44 suppliers passed the evaluation, accounting for 2.94% of all qualified suppliers. From 2020 to 2024, 141 suppliers completed the signing of the Commitment to Compliance with Corporate Social Responsibility and Code of Conduct, including 18 suppliers in 2024.

5. Social Aspects



5.01 Human Capital Development

5.01.1 Human Rights Policy and Commitment

1. Human Rights Commitment

The Company recognizes and supports internationally accepted human rights standards and principles, including the Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. In compliance with all applicable local laws and regulations, the Company has established its own Human Rights Policy to safeguard the fundamental rights of employees and stakeholders.

2. Scope of Application

The Company's human rights commitment applies to all employees of the Company and its subsidiaries. Within reasonable and practicable scope, it also extends to customers, suppliers, contractors, and the local communities surrounding our operating sites. The Company regularly identifies operational locations with high risks of forced labor, child labor, and potential infringement of Indigenous peoples' rights. These risks are primarily concentrated in manufacturing sites and upstream raw material suppliers, particularly in countries where labor law enforcement is relatively weak. Through irregular audits, the Company ensures that no

forced labor or child labor occurs within manufacturing sites or upstream suppliers. Additionally, community and Indigenous representatives are invited to quarterly roundtable meetings to understand potential risks to Indigenous rights and take corresponding action to ensure adequate protection.

In 2024, no incidents of forced labor, child labor, or infringement of Indigenous peoples' rights were identified in the Company's manufacturing sites or supply chain.

3. Education and Training

To strengthen human rights awareness among employees, the Company conducts human rights-related training courses annually to reduce the likelihood of human rights incidents. In 2024, a total of 66 participants attended the courses, accumulating 286 training hours.

4. Communication Channels, Mitigation, and Remediation Measures

To ensure comprehensive implementation of the Company's human rights commitments, a series of regulations and programs have been established, including "Work Rules", "Occupational Safety and Health Organization and Management Regulations", "Labor-Management Meeting Regulations", "Club Formation and Subsidy Management Guidelines", "Personal Data Protection Management Guidelines", "Maternal Health Protection Program Management Guidelines", "Sexual Harassment Prevention Measures and Disciplinary Guidelines", "Human Factors Hazard Prevention Program", "Abnormal Workload-Induced Illness Prevention Program", "Prevention Measures for Unlawful Infringement During Duty Execution". These mechanisms clearly define grievance procedures and handling processes, and provide corresponding mitigation and remediation measures for potential human rights issues employees may encounter. In 2024, no human rights violation incidents occurred.

Description of the Human Rights Policy:

Human Rights Policy	Key Initiatives
Conducting Labor-Management Meetings	The Company held a total of four labor-management meetings in 2024.
Human Rights–Related Education and Training	In 2024, employees participated in human rights–related training courses (including human rights practices, occupational safety and health education, health management, and mental wellness programs), totaling 66 participants and 286 training hours.
Providing a Safe and Healthy Working Environment	Details are provided on pages 80–82 of the Annual Report and the Company’s official website.
Supporting Employees’ Physical and Mental Well-Being and Work–Life Balance	The Company has established guidelines for employee club formation and subsidy management to encourage the development of hobbies and activities beneficial to physical and mental health.
• Prohibiting Forced Labor and Complying with Local Labor Regulations	The Company strictly enforces leave policies and encourages employees to maintain a healthy balance between work and personal life.

5.01.2 Workforce Composition

5.01.2.1 Employee Structure

1. Employee Composition

As of the end of 2024, the Company had a total of 139 employees, with 68% male and 32% female. Female managers accounted for 7% of all management-level positions. There were no significant changes in the Company’s workforce over the past two years.

Employee Structure as of the End of 2024 (Unit: Persons)

2024	Full-Time Employees	Part-Time Employees	Permanent Employees	Temporary Employees	Total Employees
Male	95	0	95	0	95
Female	44	0	44	0	44
Total	139	0	139	0	139

Permanent Employees: Employees under an indefinite-term employment contract.

Temporary Employees: Employees under a fixed-term employment contract.

Full-Time Employees: Employees whose weekly working hours meet the definition of full-time employment under local labor regulations.

Part-Time Employees: Employees whose weekly working hours fall below the local full-time threshold.

Employees Without Guaranteed Hours: Employees with irregular or non-fixed weekly working hours, such as on-call workers.

The Company does not employ workers without guaranteed hours.

The total number of employees refers to the Taiwan region.

5.01.2.2 Non-Employee Workers

The Company does not engage workers through dispatch agencies or contractors. There were no significant changes in the number of non-employee workers over the past two years.

5.01.3 Collective Bargaining Agreements

The Company does not have a labor union established under the Labor Union Act and therefore has not entered into any collective bargaining agreements. However, quarterly labor-management meetings are held on a regular basis, and all resolutions made in these meetings apply to all employees.

5.01.4 Friendly Workplace

1. Total Compensation

(1) Starting Salary Standards

Taiwan Kong King provides competitive compensation within the industry. Employee remuneration is based on job performance and is not influenced by gender. For employees in equivalent positions, the salary ratio between male and female employees is approximately 1:1.

(2) Salary Adjustment Rate

Annual salary adjustments are based on the Company's operational performance and reference to the consumer price index.

(3) Other Bonuses

- Year-End Bonus: Calculated based on the Company's annual performance and profitability.
- Performance Bonus: Distributed based on departmental performance and profit contribution.
- Long-Service Bonus: Allocated from Company profit as part of a talent retention program.
- Improvement Proposal Bonus, Supplier Achievement Bonus, and Project Bonus.

2. Work–Life Balance

Taiwan Kong King strives to support work–life balance for all employees. By enhancing work efficiency and overall performance, the Company hopes every employee can enjoy a healthy and comfortable family life. Under the leadership and example set by supervisors, all employees are encouraged to complete their tasks efficiently within the shortest feasible time, reduce overtime, and increase days off, enabling more quality time with their families.

- (1) Work hours arranged in accordance with the Labor Standards Act.
- (2) Employee Welfare Committee activities, including domestic and overseas employee trips.
- (3) Department gatherings

- (4) Compensatory leave system: Allowing employees to convert overtime hours into compensatory days off based on individual needs.
- (5) Club membership access (“Uni-President Health World”): Enabling employees to enjoy recreation, lodging, and leisure activities with family or colleagues.

3. Implementation of the Gender Equality in Employment Act, Employment Service Act, and Leave Regulations for Workers

- (1) Menstrual leave for female employees.
- (2) Paternity leave for male employees.
- (3) Family care leave.
- (4) Parental leave without pay.
- (5) Established “Sexual Harassment Prevention Measures and Disciplinary Guidelines”.
- (6) No gender or age restrictions in the recruitment process.

4. Employment of Persons with Disabilities and Indigenous Peoples

The Company hires persons with disabilities and Indigenous employees in accordance with regulatory requirements.

5. Workplace Diversity and Equality

The Company upholds equal pay for equal work and ensures equal promotion opportunities for all genders. It is committed to fostering inclusive and sustainable economic growth, ensuring that employees are not subjected to discrimination, harassment, or unequal treatment based on gender, ethnicity, age, religion, or political preference.

In 2024, female employees accounted for 32% of the workforce, while women in mid- to senior-level management roles accounted for 7%.

6. Workplace Design and Comfort

- (1) Spacious and clean office environment, with regular disinfection, cleaning, and floor waxing.
- (2) Indoor lighting maintained at 500 lux (standard level: 300 lux).
- (3) Green and eco-friendly office space.

- (4) Each employee is provided with 14 square meters of personal space.
- (5) Offer comfortable chairs with ergonomic design.
- (6) Extensive replacement of lighting with energy-saving T5 and LED fixtures.

7. Promotion of Workplace Health

- (1) Establishment of on-site occupational health services and implementation of workplace health protection programs, including the Maternal Health Protection Program, Human Factors Hazard Prevention Program, Abnormal Workload-Induced Illness Prevention Program, and Prevention of Unlawful Infringement During Duty Execution.
- (2) Subsidies for regular employee health examinations.
- (3) Compliance with government policy to maintain a smoke-free office environment.
- (4) Guidelines for forming and subsidizing employee clubs to encourage healthy recreational activities.
- (5) Formation of a company golf team to promote physical fitness and wellness.
- (6) Availability of blood pressure monitoring equipment.
- (7) Occasional activities organized to help employees alleviate stress.

8. Accessible Workplace Facilities and Measures

- (1) Barrier-free access: Offices, warehouse entrances, and hallways are free of thresholds, with wide and level walkways to facilitate access for individuals with mobility challenges.
- (2) Service bell installation: A “service bell” is installed at the main office entrance to allow individuals in need to request assistance from the reception desk.

9. Senior-Friendly Workplace Environment

- (1) Warm and quiet reading room equipped with magazines.

- (2) “Sunlight Lounge Area” providing space for social interaction, sunlight exposure, stretching, and light exercise.
- (3) Blood pressure monitoring room equipped with a blood pressure monitor, thermometer, and a basic first-aid kit.





5.01.5 Employee Benefits & Care

1. Childcare and Support

- (1) The Company has established the Employee Children Internship Management Guidelines, offering internship opportunities for employees' children during winter and summer breaks. This helps them understand workplace ethics and develop a strong sense of responsibility and diligence.
- (2) The Company proactively assists employees in applying for scholarships from relevant organizations, such as the Taoyuan Industrial Association.
- (3) Provisions for childcare support are included in the Company's Work Rules."

2. Employment Opportunities

- (1) The Company provides job opportunities for employees' family members and children.

3. Year-End Bonuses and Profit Sharing

- (1) Performance Bonus: Issued based on the performance of each profit center, with additional allocations for Dragon Boat Festival and Mid-Autumn Festival bonuses for the following year.
- (2) Year-End Bonus: Distributed annually based on the Company's operating performance.
- (3) Long-Term Service Contract: Provided to retain critical talent whose training or development requires significant investment.
- (4) Long-Service Bonus: Awarded to high-performing employees as an incentive for retention.

4. Employee Retirement System

- (1) 1. The Company has established retirement management regulations, under which employees may apply for retirement upon meeting any of the following conditions:
 - At least 15 years of service and age 55 or above

- At least 25 years of service
- At least 10 years of service and age 60 or above

(2) Retirement contribution arrangements are clearly defined in the regulations and are summarized as follows:

- Old Pension System: In accordance with government regulations, the Company allocates 2%–15% of total monthly salaries to the retirement reserve fund.
- New Pension System: Implemented on July 1, 2005, under which employers contribute 6% of employees' insured wage levels to individual pension accounts managed by the Bureau of Labor Insurance.

(3) To encourage long-term service and professional development, the Company makes monthly pension contributions in compliance with the Labor Pension Act. Employees who meet the service requirements under the Labor Standards Act may apply for retirement benefits. Additionally, the Company convenes the Labor Pension Supervisory Committee quarterly to oversee the retirement reserve fund.

5. Other Employee Welfare Measures

- (1) An Employee Welfare Committee is established to allocate statutory welfare funds and organize various employee activities.
- (2) Recognition awards to long-serving employees with continuous service of 10, 20, 30, or 40 years, receiving commemorative awards and overseas travel incentives.
- (3) Regular employee health examinations, group insurance, and travel accident insurance.
- (4) Employee dormitories are provided.
- (5) A professional training classroom is provided for employee learning and development.
- (6) An employee recreation room is available for club activities and leisure sports.
- (7) Lactation rooms are provided for breastfeeding employees.
- (8) Allowance provisions for ceremonial and life events.

- (9) Subsidies for personal vehicle use and communication devices.
- (10) Transportation allowance for managers' vehicle expenses.

5.01.6 Talent Development and Retention

1. Employee Career Advancement and Implementation

- (1) Semi-annual performance evaluations are conducted.
- (2) The Company has established comprehensive career advancement pathways to cultivate and promote employees to key positions. Promotion channels include:
 - Rank Promotion: Employees who meet the qualification criteria are promoted annually.
 - Grade Promotion: Annual departmental recommendations for grade advancements, including technical, managerial, and administrative tracks.
 - Job Rotation: Employees may be reassigned to different roles to enhance work experience and meet business needs.
- (3) Cross-border promotions are offered by assigning outstanding talents from headquarters to overseas subsidiaries for advancement.
- (4) Assignment System: In line with organizational development needs, the Company appoints key talents to serve as senior executives in affiliated overseas companies.
- (5) Delegation System: Suitable subordinates are selected as delegation targets, with responsibilities assigned progressively according to their competency and willingness.
- (6) Guidance Mechanism: Improvement plans are established for employees who are not performing adequately, ensuring team efficiency and fostering positive development and potential.

2. Diversified Training Programs

(1) On-the-Job Training

-Learning Outcome Assessments: Four stages of assessments are conducted. Employees who pass the evaluations are formally appointed.

-KSA Management: Departments arrange competency-based training courses (knowledge, skills, and attitude) or external training based on job requirements.

-Overseas Training: To strengthen professional skills, employees are sent abroad for training on new product models when necessary.

(2) New Employee Training

-A mentor system is established to guide new employees in acquiring job skills and adapting to the workplace, enabling them to integrate into the Company culture quickly.

-Meal gathering allowances are provided for new employees to help build team relationships and foster early integration into the TKK family.

-Knowledge Management: “Work Instructions” are provided as training materials for learning new skills.

(3) Training by Organizational Level

Training programs are designed to meet the needs of the Company and its affiliates, including succession planning courses, critical thinking and innovation courses, subordinate development training, leadership and motivation programs, and work planning and execution training.

(4) Tuition Subsidies

-Subsidies for external professional skills training

-Japanese language tuition reimbursement program

-Subsidies and incentives for obtaining professional certifications

-Full reimbursement for overseas training expenses

6. Environmental Aspects



6.01 Climate Change

1. Climate Oversight and Governance Structure

The Company adopts the framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and assess climate-related risks.

2. Climate Strategy

The climate-related risks and opportunities identified by the Company, as well as the potential impacts of these risks or transition actions on the Company's business, strategy, and financial performance, are summarized as follows:

The Board of Directors serves as the highest governance body overseeing the Company's climate-related risk management.

By implementing the TCFD climate risk assessment framework, the Company will establish management measures for risk response and emergency preparedness in relation to potential impacts arising from climate change.

3. Identification, Assessment, and Management of Climate-related Risks

In the future, the Company will integrate the efforts of the Environmental Safety, Facility Management, Procurement, and other relevant departments to conduct comprehensive risk assessments and implement mitigation and adaptation actions.

4. Scenario Analysis

Given that rising electricity prices may increase operating costs, the Company plans to implement energy-saving measures to reduce carbon emissions and lower operating expenses.

5. Metrics and Targets

Based on the key short-, medium-, and long-term strategies related to climate-related risks and opportunities, the Company has established climate-related metrics—including greenhouse gas emissions, energy resource consumption, and water resource usage—to track management performance. Moving forward, the Company will develop climate change response strategies centered on low-carbon transition, and set corresponding climate-related strategies and targets.

6.02 Greenhouse Gas (GHG) Management

6.02.1 Strategies, Methods, and Targets for GHG Management

The Company is committed to the effective management and reduction of greenhouse gas emissions and has established concrete strategies and targets. In 2024, the Company conducted its first carbon inventory and designated the results of this year as the baseline for future carbon-reduction efforts.

As the Company operates primarily as an equipment distributor, electricity consumption represents its major source of greenhouse gas emissions. Therefore, implementing energy-saving measures is

considered the most effective reduction approach. The Company will continue to plan and implement emission-reduction initiatives across its facilities and offices to achieve GHG reduction goals. The key carbon-reduction measures are as follows:

- (1) Regular tracking and management of electricity and water usage data.
- (2) Extensive replacement of T5 fluorescent tubes and installation of LED lighting fixtures.
- (3) Upgrading office lighting equipment and water dispensers to 220V to reduce current and improve efficiency.
- (4) Prioritizing the purchase of energy-efficient appliances certified with energy-saving labels.
- (5) Replacing old air-conditioning units and performing regular cleaning and maintenance to enhance performance.
- (6) Installing automatic motion-sensor switches for main entrance lighting.
- (7) Using extension cords equipped with master switches and turning them off after working hours to reduce standby power consumption.
- (8) Promoting electronic form approvals, reusing printed paper, and digitizing documents and archives to reduce paper consumption.
- (9) Replacing vehicles aged over 10 years or with mileage exceeding 250,000 km to reduce carbon emissions and air pollution.

The Company will continue to compile annual GHG emissions data and develop carbon-reduction policies based on changes in emission levels, with a target of achieving a 5% reduction in total emissions within five years.

6.02.2 Greenhouse Gas Emissions

The Company follows the ISO 14064-1:2018 standard and applies the operational control approach to define organizational boundaries. The baseline year is set as 2024 for calculating and verifying greenhouse gas emissions. In alignment with the objectives of the “Sustainability

Development Roadmap for TWSE/TPEx-Listed Companies” initiated in 2024, the Company has accelerated its GHG inventory efforts.

In accordance with ISO 14064-1:2018, the Company’s 2024 GHG emissions are as follows:

- Scope 1: 123.2975 tCO₂e
- Scope 2: 307.0628 tCO₂e

In 2023, the Company conducted a preliminary self-initiated inventory covering only the registered factory site. The 2023 emissions results were:

- Scope 1: 16.541 tCO₂e
- Scope 2: 231.054 tCO₂e

Greenhouse Gas Emissions Analysis Table:

Greenhouse Gas Emissions	2024	2023
Scope 1 (tCO ₂ e)	123.2975	16.541
Scope 2 (tCO ₂ e)	307.0628	231.054
Total Emissions	430.3603	247.5950

Note 1: Scope 1 and Scope 2 data coverage: Parent company only (excluding subsidiaries).

Note 2: Emissions are compiled using the operational control approach.

Note 3: Included GHG types: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Note 4: Emission factors are based on the latest “Greenhouse Gas Emission Factors” announced by the Ministry of Environment, Taiwan. GWP values are based on IPCC published data.

6.03 Water Resource Management

6.03.1 Water Resource Management and Reduction Targets

The Company is an equipment distributor, and its water usage is primarily sourced from the Taiwan Water Corporation for employee daily

needs. The Company does not generate industrial wastewater and therefore has no significant environmental impact in this regard.

The Company conducts annual tracking and management of water consumption. The inventory boundary covers the parent company only (excluding subsidiaries). The water-related carbon emissions totaled 0.00039 metric tons in 2024 and 0.00029 metric tons in 2023, both considered immaterial.

The Company has set a target to reduce total water consumption by 5% within five years. Water-saving measures include replacing water-consuming facilities, such as installing water-saving toilets, faucets, and upgrading cooling tower components (e.g., honeycomb fillers).

6.03.2 Water Usage

The Company conducts annual tracking and management of water consumption. The inventory boundary covers the parent company only (excluding subsidiaries). The water-related carbon emissions totaled 0.00039 metric tons in 2024 and 0.00029 metric tons in 2023, which are considered immaterial.

6.04 Waste Management

6.04.1 Waste Management and Reduction Targets

The Company, as an equipment distributor, conducts annual inventory and quantification of waste generation. The inventory boundary covers the parent company only (excluding subsidiaries). General office waste is centrally managed by the building management committee. According to the data provided by the committee, general waste totaled 3,289 kg in 2024 and 1,896 kg in 2023, both of which are considered immaterial.

The Company's waste removal and treatment measures include:

1. Complying with government environmental regulations by entrusting licensed entities to remove and treat industrial waste in accordance with legal requirements.
2. Identifying the types, quantities, and treatment scope of industrial waste requiring removal and disposal.
3. Contracting professional waste removal and treatment service providers that are duly licensed by government authorities and arranging periodic removal and treatment in accordance with contractual terms.

6.04.2 Waste Generation

In 2024, the Company generated a total of 3.2892 metric tons of waste within the scope of the parent company. This included 0 metric tons of hazardous industrial waste and 3.2892 metric tons of non-hazardous industrial waste. The Company primarily uses incineration and landfill for waste treatment.

7. Appendices

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405-2	Ratio of basic salary and remuneration of women to men	Friendly Workplace	41	
GRI 406 Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Friendly Workplace	41	
GRI 408 Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights Policy and Commitments	37	
GRI 409 Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights Policy and Commitments	37	
GRI 414 : Supplier Social Assessment 2016				

No.	Disclosure	Corresponding Chapter	Page	Notes
414-1	New suppliers that were screened using social criteria	Supplier Management	35	

GRI Content Index Table – Notes:

Statement of Use	Taiwan Kong King Co., Ltd. has reported the information for the period from January 1 to December 31, 2024 in accordance with the GRI Standards.
GRI Used	GRI 1 : Foundation 2021

7.02 Appendix II – Climate-related Information

No.	Content	Corresponding Chapter	Page
1	Description of the Board's and management's oversight and governance regarding climate-related risks and opportunities.	6.01 Climate Change	50
2	Explanation of how identified climate-related risks and opportunities impact the company's business, strategy, and financial planning (short-, medium-, and long-term).	6.01 Climate Change	50
3	Description of the financial impacts of extreme weather events and transition actions.	6.01 Climate Change	50
4	Explanation of how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	6.01 Climate Change	50
5	If scenario analysis is used to assess resilience against climate-related risks, disclose the scenarios, parameters, assumptions, analytical factors, and major financial impacts.	6.01 Climate Change	50
6	If transition plans for managing climate-related risks exist, disclose the plan content, as well as the indicators and targets used to identify and manage physical and transition risks.	6.01 Climate Change	50
7	If internal carbon pricing is used as a planning tool, disclose the basis for determining the carbon price.	Not Applicable	
8	If climate-related targets are established, disclose the covered activities, GHG emission scopes, planning timeline, and annual progress; If carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, disclose the source and amount of offsets or the number of RECs purchased.	Not Applicable	
9-1-1	Greenhouse gas inventory information for the most recent two years.	6.02.2 GHG Emissions	53
9-1-2	Assurance information for the greenhouse gas inventory for the most recent two years.	Not Applicable	
9-2	Greenhouse gas reduction targets, strategies, and specific action plans.	6.02.1 GHG Management Strategies, Methods, and Targets	51