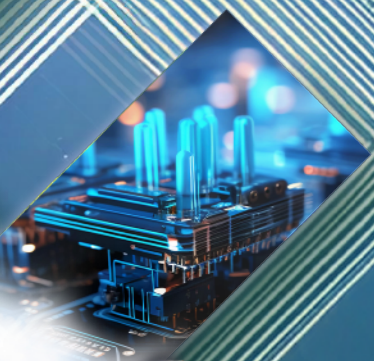




KINPO ELECTRONICS, INC

2023 ESG INSIGHT REPORT



OVERVIEW

SUSTAINABILITY INITIATIVES



Committed in Sep 2022
Targets approved Sep 2024.



Climate Change & Supplier
Engagement Rating:
Management Grade [B-]



Electronic Manufacturing
Services and Contract
Manufacturing



Supporter and adopted
framework since 2022



Responsible Business Alliance
Advancing Sustainability Globally

RBA member



SUSTAINALYTICS
ESG Risk Rating **19.2**
Low Risk

ESG REPORT THIRD PARTY VERIFICATION

ESG is published annually. 2023 Report was verified by Ernst & Young Taiwan with limited assurance as prescribed in the Statement of Assurance Engagements Standards No. 3000.

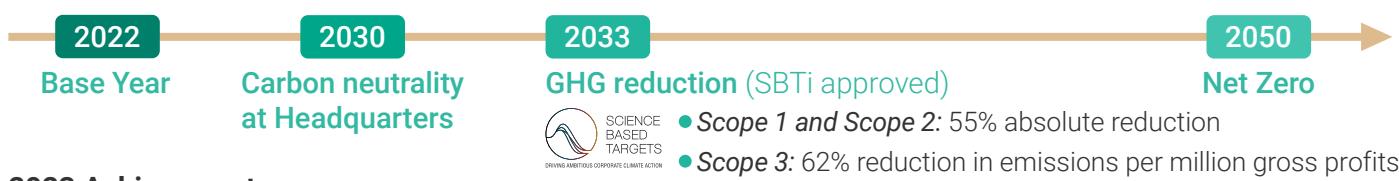
CERTIFICATIONS

Scope	Standard	Taipei/ Taiwan	Changan/ China	Wujing/ China	Yueyang/ China	MAH/ Thailand	PET/ Thailand	LIMA/ Philippines	FPIP/ Philippines	SD/ USA	Reynosa / Mexico	Manaus / Brazil
Quality	ISO 9001 Quality Management Systems	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	TL 9000 Communication Industry Quality Management		✓				✓				✓	
	IATF 16949 Automotive Quality Management System					✓	✓					
	ISO 13485 Medical Devices Quality Management Systems							✓		✓		
	ISO 17025 Laboratory Quality Management System					✓						
	AS 9100 Aerospace Quality Management System									✓		
	ANSI ESD S20.20 Electrostatic Discharge Control Certification					✓	✓				✓	
Environment	IECQ-QC 080000 Hazardous Substance Process Management System	✓	✓	✓			✓	✓				
	ISO 14001 Environmental Management Systems		✓	✓	✓	✓	✓	✓	✓		✓	✓
	ISO 14064 GHG Accounting & Verification	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	ISO 50001 Energy Management Systems	✓	✓	✓	✓	✓	✓	✓	✓			
	OEM GP Environmental Management Systems	✓				✓						
	UL 2799 Zero Waste to Landfill						Note ✓					
Operations	ISO 22301 Business Continuity Management Systems								✓			
Occupational Safety	ISO 45001 Occupational Health and Safety Management Systems	✓	✓	✓	✓	✓	✓	✓	✓			✓
Information	ISO 27001 Information Security Management Systems	✓										

Note: This verification is limited to specific product lines.

ENVIRONMENTAL

GHG REDUCTION TARGET



2023 Achievements

- 100% of plants ISO 14064 certified
- Initiate ISO 14067 carbon footprint project
- Adopt internal carbon pricing
- 12 plants worldwide certified under ISO 50001 EMS

Goals	2024	2025-2027	2028-2030
GHG Management	<ul style="list-style-type: none"> • ISO 14067 certification for products • Develop carbon reduction pathways and strategies • Introduce GHG management information system • Complete Scope 3 GHG inventory for all global sites 	<ul style="list-style-type: none"> • Commit to SBT NET ZERO goals • Propose NET ZERO roadmap • CDP Leadership 	<ul style="list-style-type: none"> • Carbon-neutral at HQ • Hold SBT temperature rise below 1.5°C
Energy	<ul style="list-style-type: none"> • Acquire ISO 50001 EMS for all sites • Host global energy saving and carbon reduction conference for all sites 	<ul style="list-style-type: none"> • Save 30% on electricity at HQ (base year 2022) • Renewable energy goals for sites worldwide 	<ul style="list-style-type: none"> • Save 50% of electricity at HQ (base year 2022) • 100% use of electric company cars at HQ

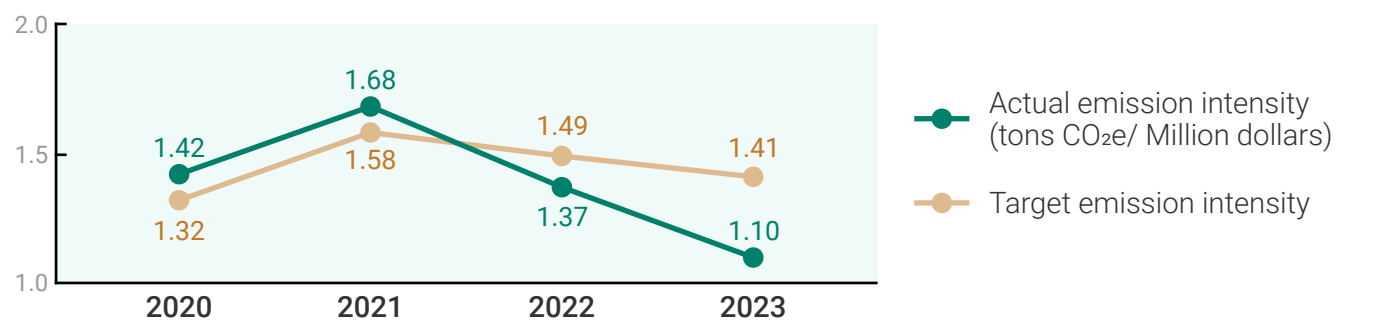
GHG MANAGEMENT

GHG Inventory

GHG Emissions (ton CO ₂ e)	2020	2021	2022	2023
Scope 1	5,596	8,092	7,749	4,871.1354 (3%)
Scope 2	177,026	226,675	232,553	170,247.1656 (97%)
Total (Scope 1+2)	182,622	234,767	240,301	175,118.3010

Achieved 17% reduction in GHG emission intensity in 2023 compared to 2022

GHG Emission Intensity



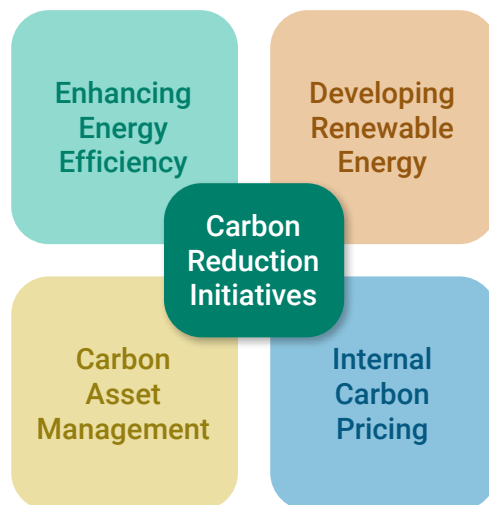
Scope 3

In 2023, Kinpo validated and verified three Scope 3 emission sources with employee commuting, business travel, and operational waste.

Sources of Scope 3 GHG Emissions	Unit: tCO ₂ e
Employee Commuting	34,701.1134
Business Travel	1,502.4082
Operational Waste	228,068.2574
Total	264,271.7790

In 2024, Kinpo will increase the calculation and verification of purchased goods and services, upstream/downstream transportation and distribution, and use of sold products for the Scope 3 emissions. We will gradually increase the Scope 3 emissions inventory categories by international standards.

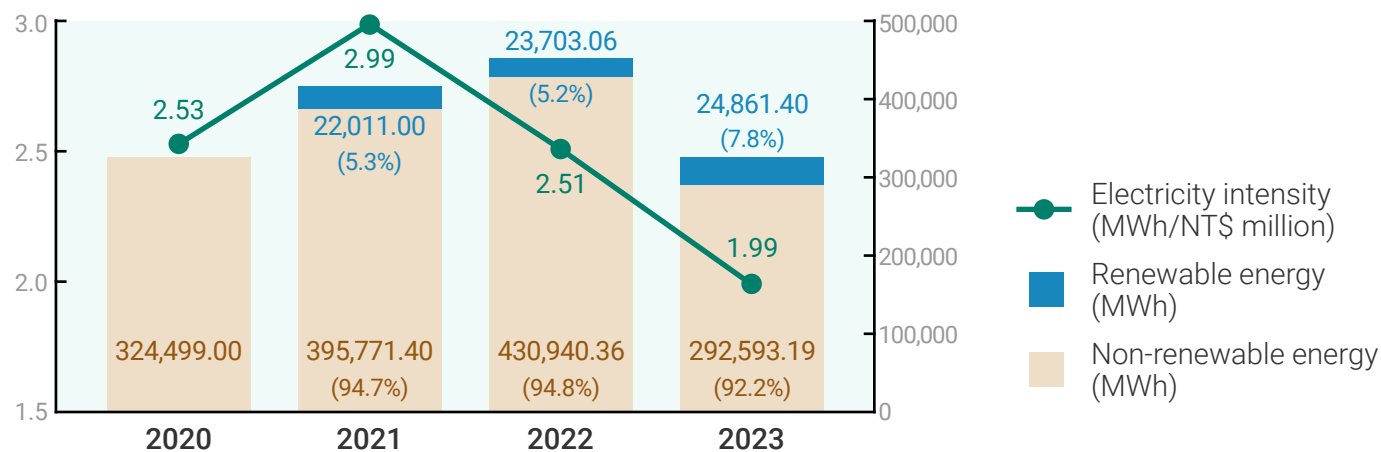
Carbon Reduction Initiatives



ENERGY MANAGEMENT

In 2023, headquarters reduced by 11.6% electricity consumption compared with the past year, surpassing 1% reduction target of Taiwan's regulations.

Kinpo's energy use was predominantly electricity (96.45% of company-wide energy use), with very low usage of natural gas, LPG, motor gasoline and diesel (less than 4%).



Low Carbon Energy Categories	2021	2022	2023
Onsite Renewable Energy	0%	0.6%	3.5%
Power Purchase Agreements	0.4%	0.4%	0.2%
Renewable Energy Certificates	4.8%	4.3%	4.1%
Total	5.3%	5.2%	7.8%

CLIMATE CHANGE MANAGEMENT

Employing the TCFD framework, Kinpo identifies climate-related risks and opportunities. In 2023, we strengthened identified climate risks and opportunities by consulting the classification method from the CDP Climate Change Questionnaire. This approach allows us to present our strategies for addressing risks and opportunities in a more specific and clear manner. For details see 2023 ESG report Chapter 5.1.



CLEAN TECH INNOVATION

Kinpo adopted a new system of Product Lifecycle Management (PLM) in 2022 to mitigate the environmental impact of the manufacturing process and the continued use of sustainable materials. We also consider the final packaging and transportation of the products in the design process to reduce the carbon footprint and impact at the design stage.

In recent years, the Group has committed significant resources to innovation, with a combined sum of NT\$2,116 million injected to R&D in 2023, representing 1.32% of our revenue in 2023, with 4,112 R&D technical staff employed.

GREEN PRODUCT DESIGN

Kinpo is committed to environmental sustainability, advancing eco-friendly practices across product design, manufacturing, packaging, sales, and service, focusing on energy conservation.

2023 Green Product Outcomes

Sustainable Materials Green Packaging Packaging Reuse Green Transport

10 green design projects implementations resulted in a total reduction of 40,779.0 tCO₂e, saving 50,688 kWh of electricity, and reducing material weight by 15,179.5 metric tons.

BIODIVERSITY

In 2023, Kinpo began to address biodiversity concerns and plans to develop a Biodiversity Policy in 2024 for presentation to the Board of Directors. We will also adopt the Taskforce on Nature-related Financial Disclosures (TNFD) framework for risk identification and disclosure of our actions related to nature.

WATER CONSUMPTION

Water (million liters)	2021	2022	2023
Water Withdrawal	4,119.62	2,094.96	1,387.64
Water Discharge	-	1,748.80	1,282.42
Water Consumption	-	346.16	105.21

WASTE MANAGEMENT

Waste (tonnes)	2021	2022	2023
Domestic Waste	10,373.18	2,224.42	973.58
General Industrial Waste	15,674.12	12,978.47	8,579.36
Hazardous Waste	2,223.19	3,872.31	2,247.88
Total	19,790.12	19,075.04	11,800.81

SOCIAL

HUMAN RIGHTS

Kinpo abides by local employment laws and regulations in all countries and regions where we operate. We support the spirit and fundamental principles of human rights protection revealed in international human rights conventions, including The Universal Declaration of Human Rights (UDHR), The United Nations Guiding Principles on Business and Human Rights (UNGPs), The UN Global Compact (UNGC) and The International Labor Convention (ILO). We also align our actions with the Responsible Business Alliance (RBA) Code of Conduct to uphold the human rights of all workers, including regular, contract and temporary employees, and interns.



-  Prohibit Discrimination
-  Prohibit Child Labor
-  Prohibit Human Trafficking
-  Prohibit Forced Labor
-  Freedom of Association and Collective Bargaining
-  Provide Reasonable Compensation and Benefits
-  No Harassment
-  Diverse and Inclusive Workplace
-  Weekly Working Hours Shall not Exceed 60hrs

FREEDOM OF ASSOCIATION

Ensure Freedom of Association and Collective Bargaining: Employees may freely associate according to local laws where the Company operates, choosing to join or not join unions or employee organizations.

Kinpo respects employees' rights to collective bargaining, ensuring they can communicate with employers or management about working conditions without fear of retaliation, threats, or harassment.

EMPLOYEE WELFARE COMMITTEE

Brazil and Mexico plants have labor unions.

Table below discloses employee welfare committee for each plant, except for Malaysia and US plants where labor organization has not been set up.

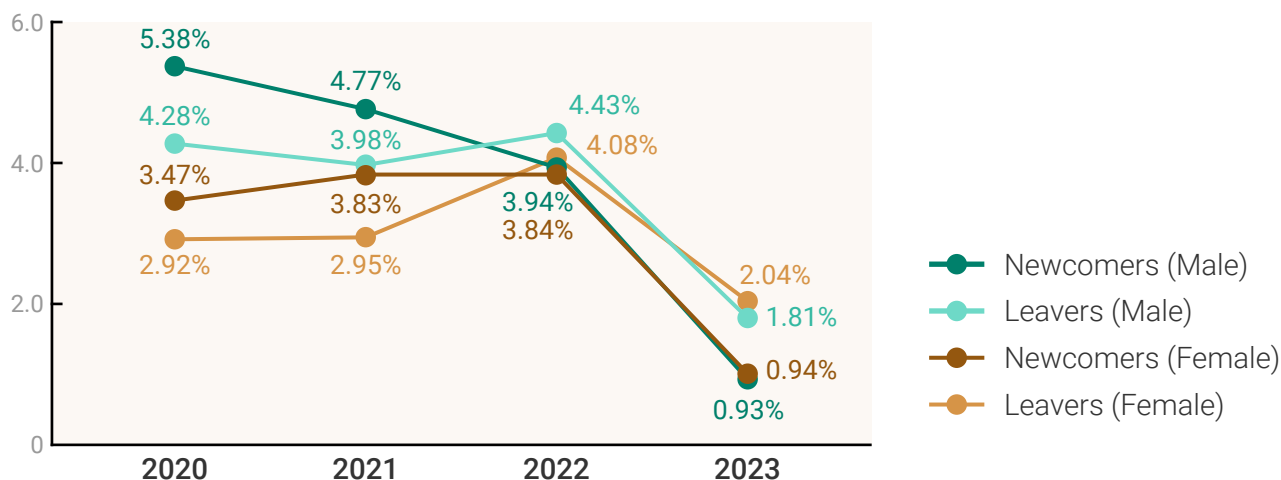
Item	Taiwan	China	Philippines	Thailand	Brazil	Mexico
Total Number of Participants	24	29	47	29	6	9
Number of Labor Representatives	12	20	38	18	4	5
Number of Management Representatives	12	9	9	11	2	4
Ratio of Labor to Management	5.0 : 5.0	6.9 : 3.1	8.1 : 1.9	6.2 : 3.8	6.7 : 3.3	5.6 : 4.4

EMPLOYEE STRUCTURE

Staff by level and gender	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Senior (Level 1) Manager	13	99	14	103	27	120
Mid-level Manager	132	484	145	451	133	325
Junior Manager	458	889	466	846	417	737
Specialists	2,979	3,896	3,112	3,975	2,457	2,930
Direct Staff	25,750	20,601	25,609	19,370	20,208	15,247
Subtotal	29,332	25,969	29,346	24,745	23,314	19,359
Total	55,301		54,091		42,673	

TURNOVER RATE

Due to the economic downturn in 2023, Kinpo adjusted its workforce according to operational needs, resulting in a decrease in both new hires and departures across various plants, as shown in the table comparing new hire and turnover rates over five years.



EMPLOYEE COMMUNICATION CHANNELS

Kinpo provides a wide range of channels for reporting and filing complaints to prevent unlawful, unethical and other violations of government regulations and corporate rules.

- Physical Mailbox:** Physical mailboxes in each plant
- Online Complaints:** Available on company's intranet site
- E-mail:** CEO_Andrew@kinpogroup.com

Alternatively, employees can lodge a complaint or report to their BU head, local auditing officer, human resources officer, legal officer, local report box, or suggestion box, and the relevant officer will respond and handle the matter appropriately.

No losses due to labor disputes in 2023

EMPLOYEE SATISFACTION

Employee satisfaction with the administration and general affairs management department at headquarters reached 9 out of 10, while new employees' average satisfaction scored 4.5 out of 5.

EMPLOYEE BENEFITS

Kinpo provides better than statutory benefits, including flexible working hours, employee remuneration/bonus, maternity allowance/bonus, language learning bonus, staff transport and meals, year-end bonus, lunar new year and birthday bonus, annual health check, night shift allowance, full attendance bonus and others. To see of details of benefit items see ESG report "Employee Care" section, page 84.

PAY EQUALITY

Kinpo implements equal pay for men and female and provides equal promotion opportunities, and successfully maintains over 30% of females in management positions.

CARE FOR FEMALE EMPLOYEES

Kinpo is concerned with the issue of female employees, emphasizing diversity and inclusion, echoing gender equality, and enhancing the welfare and rights of women in the workplace through various means.

- A breastfeeding room and unlimited breastfeeding leave during working hours are available for female employees.
- We provide maternity leave, pregnancy check-up leave, paternity leave and leave without pay for childcare as required by law.

To welcome newborns, Kinpo's various plants adjusted job duties for pregnant employees. In Thailand, a designated area for meals and rest was set up to ensure pregnant employees could work comfortably and take adequate breaks. Additionally, plants in Thailand, Mexico, and Brazil prepared maternity packages or newborn supplies for pregnant employees and their newborns, exceeding regulatory welfare standards.

UNPAID PARENT LEAVE AT HEADQUARTERS

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Eligible for Unpaid Parental Leave (A)	80	143	67	133	63	101
Applied for Unpaid Parental Leave (B)	7	3	14	6	10	3
Unpaid Leave Application Rate (B/A)	8.75%	2.1%	20.90%	4.51%	15.87%	2.97%
Reinstatement Rate Upon Expiry of Unpaid Leave	53.85%	100%	71.43%	40%	100%	33.33%
Retention Rate 1yr after reinstatement	100%	0%	85.71%	0%	80%	50%

ESOP

At headquarters employee stock option benefits are provided based on individual performance.

PERFORMANCE APPRAISALS

Performance appraisal is based on the "Staff Performance Management Regulations" and is conducted half-yearly.

Kinpo's Performance Appraisal Process (Excluding Newcomers)



TALENT RECRUITMENT AND RETENTION GOALS

Short Term	Mid-long term
<ul style="list-style-type: none"> ● Create an equitable and harmonious work environment ● Employee retention > 70% ● Implement employee care and provide various benefit package 	<ul style="list-style-type: none"> ● Set up a better performance appraisal system to motivate staff by awarding them more competitive rewards. ● Comply with the relevant labor laws and international human rights conventions in each of the Group's operating locations to remain free from human rights violations and discrimination. ● Take care of the physical and mental health of our employees and design a more flexible benefit package based on their needs ● Construct diverse, inclusive and friendly work environment that attracts quality talent from more nationalities

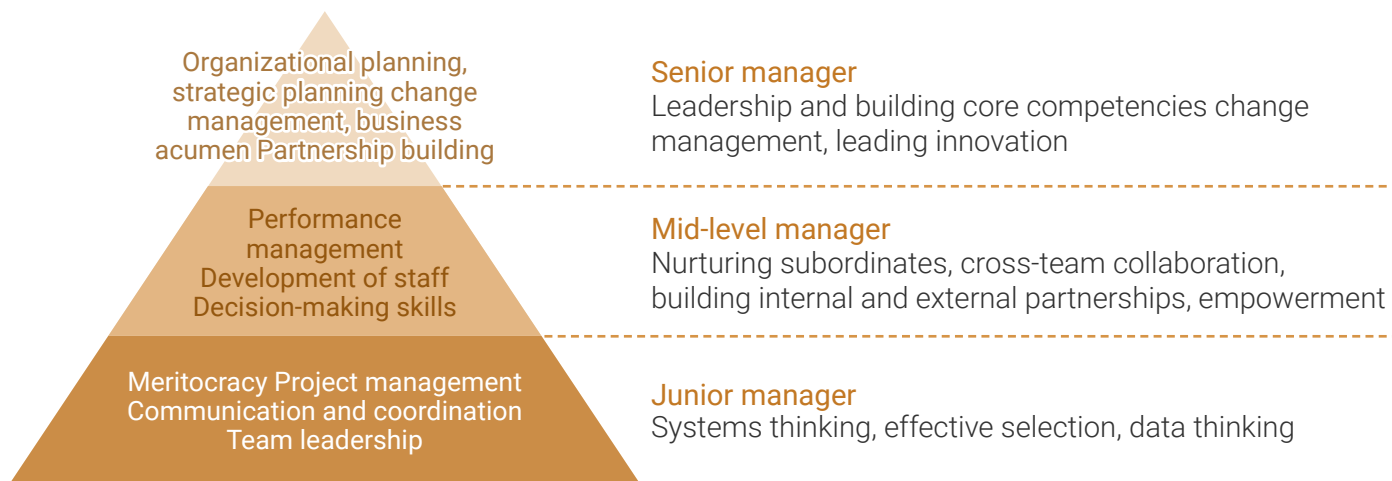
TALENT PIPELINE

Kinpo offers diversified programs and resources to help employees realize their self-worth by providing a conducive learning environment that focuses on practical employee needs.

Each year, the Company conducts a training needs survey to guide next year's training direction, ensuring alignment with job requirements.

Mandatory educational training courses and credits are incorporated into promotion criteria across job levels, aiming to strengthen employees' professional knowledge, skills, and learning motivation, thus boosting job performance and fostering continuous growth.

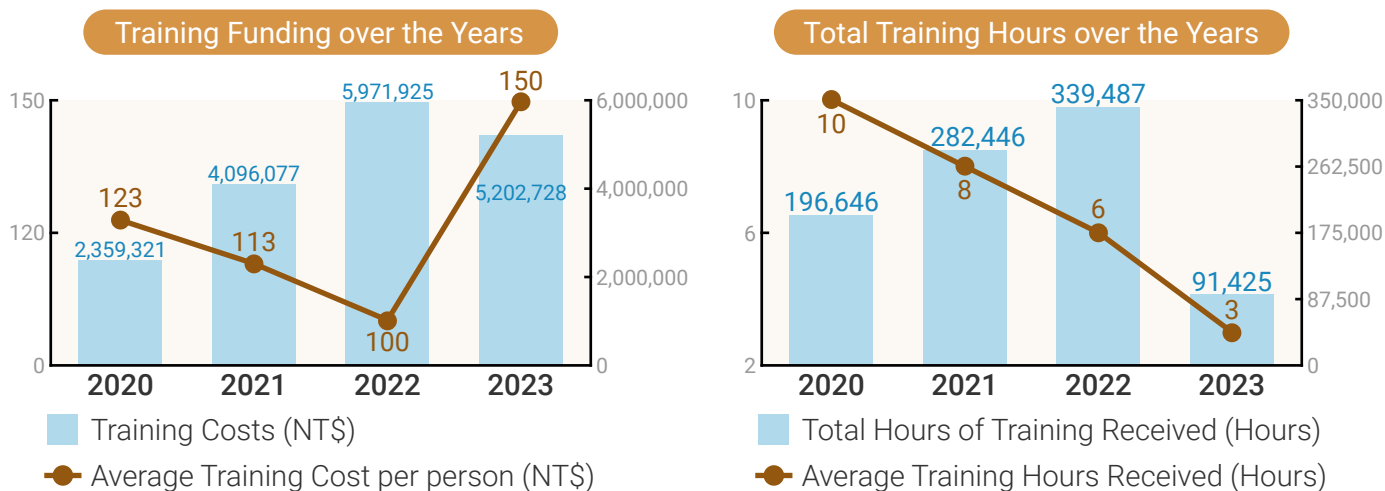
In addition to systematically increasing management and professional capabilities, Kinpo has continued to strengthen post-training effectiveness tracking and feedback in 2023, fostering ongoing innovation, improvement, and knowledge sharing, culminating in the initial accreditation under the Talent Quality-Management System (TTQS).



Potential talent: Enhancing competencies, improving self-efficacy and gaining promotion opportunities

EDUCATION AND TRAINING

The total education and training house, including orientation for new employees, decreased in 2023 due to reduction in new employees.



OCCUPATIONAL HEALTH AND SAFETY

Kinpo has built an occupational safety and health management system in accordance with ISO 5001:2018 and produced an occupational safety and health manual and related procedures to systematize the relevant management mechanisms and operational processes.

Except plants in Mexico and the United States, all global operational plants are ISO 45001 certified. We conduct ISO 45001 internal and external audits every year and remedy any deficiencies detected in the audits.

OHS Management

Since 2022, Kinpo has formed an internal OHS Implementation Team at its headquarters as per ISO 45001 guidelines. All BU heads convene OSH meeting on a quarterly basis and minutes are posted on company's intranet.

OHS Education

Kinpo educates our staff through workplace safety promotion campaigns and internal training, expert lecturers, through our intranet site, e-mails and bulletin boards. In addition, we have set up a comprehensive emergency response procedure and notification mechanism to protect the health and safety of our employees.

Workplace Injury	Unit	2019	2020	2021	2022	2023
Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR)		0.28	0.37	0.22	0.18	0.33
Serious Occupational Injury Rate		0.04	0.04	0.02	0.02	0.03
Days Away/Restricted or Job Transfer Rate (DART)	%	2.34	2.51	1.78	1.24	0.17
Near Miss Frequency Rate (NMFR)		0.02	0	0.01	0	0.03
Lost Workday Rate (LWD)		1.74	4.04	2.91	1.31	1.24

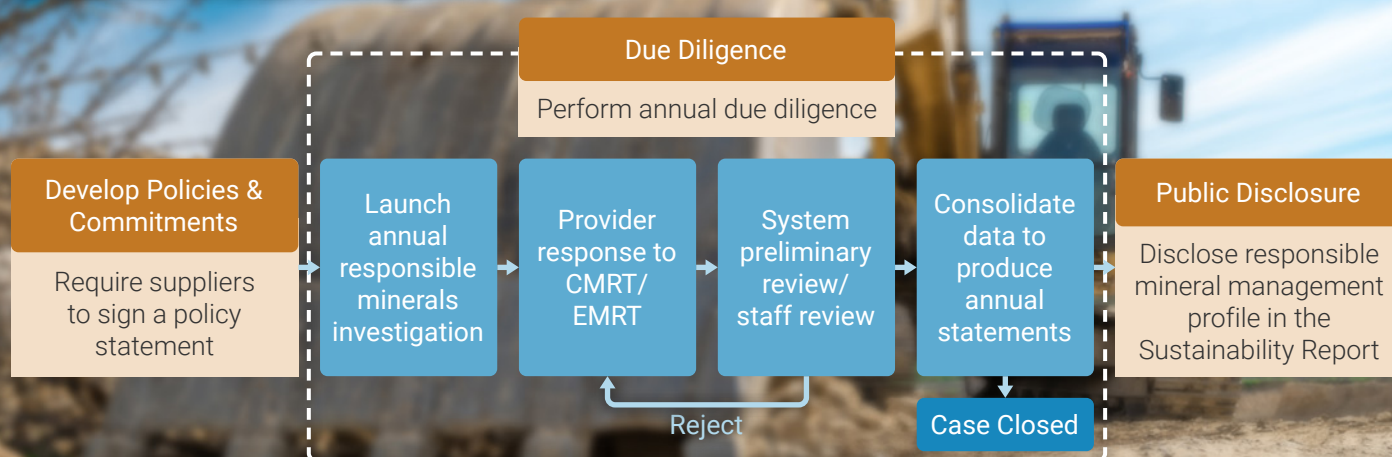
The new plant in Yueyang, China commenced operation and staff were not familiar with the operation of the production line, resulting in a higher injury rate. With continuous education and training and process improvement, the injury rate has been brought down.

RESPONSIBLE MINERALS POLICY

Kinpo follows the RBA's guidelines on "Responsible Mineral Sourcing," and establishes policies and conducts due diligence on the sources and supply chains of tantalum, tin, tungsten, gold, and cobalt used in its products and components. In line with the OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," Kinpo transparently discloses the use of conflict minerals in its products and components. The Company requires suppliers to utilize the Conflict Minerals Reporting Template (CMRT) to reveal information about smelters and minerals in the supply chain, fulfilling its corporate and social responsibilities.

In 2023, we achieved a 100% completion rate of due diligence and all of our new suppliers subscribed to the Responsible Minerals Policy Statement.

Responsible Minerals Investigation Process



Kinpo developed and implemented the Responsible Minerals Investigation (RMI) system in May 2023. Kinpo consolidates conflict mineral reports and mineral source analysis. The system's automated initial review and follow-up functions expedite the due diligence process, while disseminating important RBA updates to suppliers. Kinpo's RMI system uses standardized report templates (CMRT, EMRT) for annual or customer-specific responsible mineral investigations, auditing whether product materials contain tantalum, tin, tungsten, gold, cobalt, or mica. This comprehensive e-management of supply chain conflict risks reduces redundant manual tasks and ensures minerals and metals come from legitimate sources.

HAZARDOUS SUBSTANCE

Kinpo introduced the IECQ QC 080000 Hazardous Substances Process Management System to ensure that all processes from design to production abide by quality and hazardous substances regulations.

CUSTOMER MANAGEMENT

Responding to international trends, Kinpo tracks whether our customers participate in international initiatives. In 2023, Kinpo administered its first customer sustainability survey. From the returned questionnaires, 29% of customers participate in the Carbon Disclosure Project (CDP), with 3 customers achieving Leadership grade(A). Additionally, 22% of customers have joined the Science-Based Targets initiative (SBTi), 7% are part of RE100, and 22% have committed to carbon neutrality.

Identified issues of higher concern were:

Very high concern	Sustainable supply chain, quality control, OHS, ethical management, climate strategy
High concern	Information security, energy management, innovation management, product liability, waste management, diversity and inclusion

SUPPLY CHAIN MANAGEMENT

Kinpo continues its sustainable supply chain initiative, overseen by the Board of Directors, and communicates its commitment to sustainability through the annual supplier conference.

Goals

2024	2025	2026
Enhance Sustainable Risk Management Capabilities		
<ul style="list-style-type: none"> ● Achieve 100% completion rate for sustainable risk assessments of critical suppliers. ● Achieve a 100% response rate for effective corrective actions from high-risk critical suppliers. ● Achieve 100% completion rate for assessments of new suppliers. 	<ul style="list-style-type: none"> ● Achieve 100% completion rate. ● Achieve 100% effectiveness in corrective actions. ● Achieve 100% completion rate for assessments. 	
Promote a Low-Carbon Supply Chain		
<ul style="list-style-type: none"> ● Topic: Promotion of Suppliers' Code of Conduct and GHG Management. ● Promote local procurement to achieve annual carbon reduction targets. ● Form a sustainable ESG partner alliance. 	<ul style="list-style-type: none"> ● Topic: Biodiversity. ● Set upstream transportation carbon reduction targets. ● Urge alliance members to establish credible GHG emission data. 	<ul style="list-style-type: none"> ● Topic: Talent-related disclosure requirements. ● Promote local procurement to achieve annual carbon reduction targets. ● Urge alliance members to achieve carbon reduction targets.

SUPPLIERS' CODE OF CONDUCT

Kinpo, as a member of the RBA, bases its Suppliers' Code of Conduct on the RBA Code of Conduct and the Company's sustainability requirements. It requires supplier commit to respect the human rights of workers, and to treat them with dignity.



Prohibit Forced Labor



Prohibit Discrimination



Prohibit Child Labor



Freedom of Association and Collective Bargaining



Wages and Benefits Apply with Applicable Laws



Weekly Working Hours Shall not Exceed 60hrs



Suppliers' Code of Conduct

In 2023, Kinpo established a Sustainable Procurement Working Group comprising 29 procurement representatives from diverse divisions. The working group force convenes regularly to discuss and drive the implementation of the sustainable supply chain program, highlighting its role in international carbon reduction initiatives.

SUPPLIER SCREENING CRITERIA

Kinpo uses the proportion of transaction amounts to total procurement expenditures as the basis for screening critical suppliers, excluding RBA members and affiliated companies. Over the past 2 years, the screening of critical suppliers has been as follows:

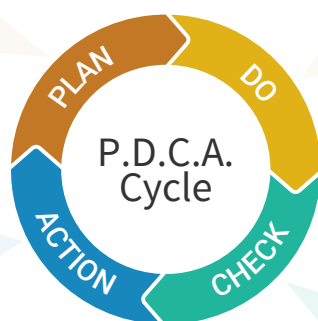
- In 2022, suppliers representing the top 70% of transaction amounts in 2021 were screened.
- In 2023, suppliers representing the top 75% of transaction amounts in 2022 were screened.

In 2024, the Company will introduce a new sustainability risk assessment for suppliers, proactively evaluating their relevance in environmental, social, governance, and business aspects.

SUPPLY CHAIN MANAGEMENT PROCESS

- Sustainable Supply Chain Management Strategy
- Suppliers' Code of Conduct in accordance with the RBA Code of Conduct

- Create educational materials based on our own experience to share with our supplier partners.



- Supplier Risk Assessment for critical suppliers^{Note} whose purchase amount constitutes over 75% of our total procurement spend.
- Identify high-risk suppliers and issues of particular concern.
- Level A (low risk): ≥81 points
Level B (medium risk): 61-80 points
Level C (high risk): <60 points

Note: Critical suppliers exclude agents, RBA members, affiliates, etc.

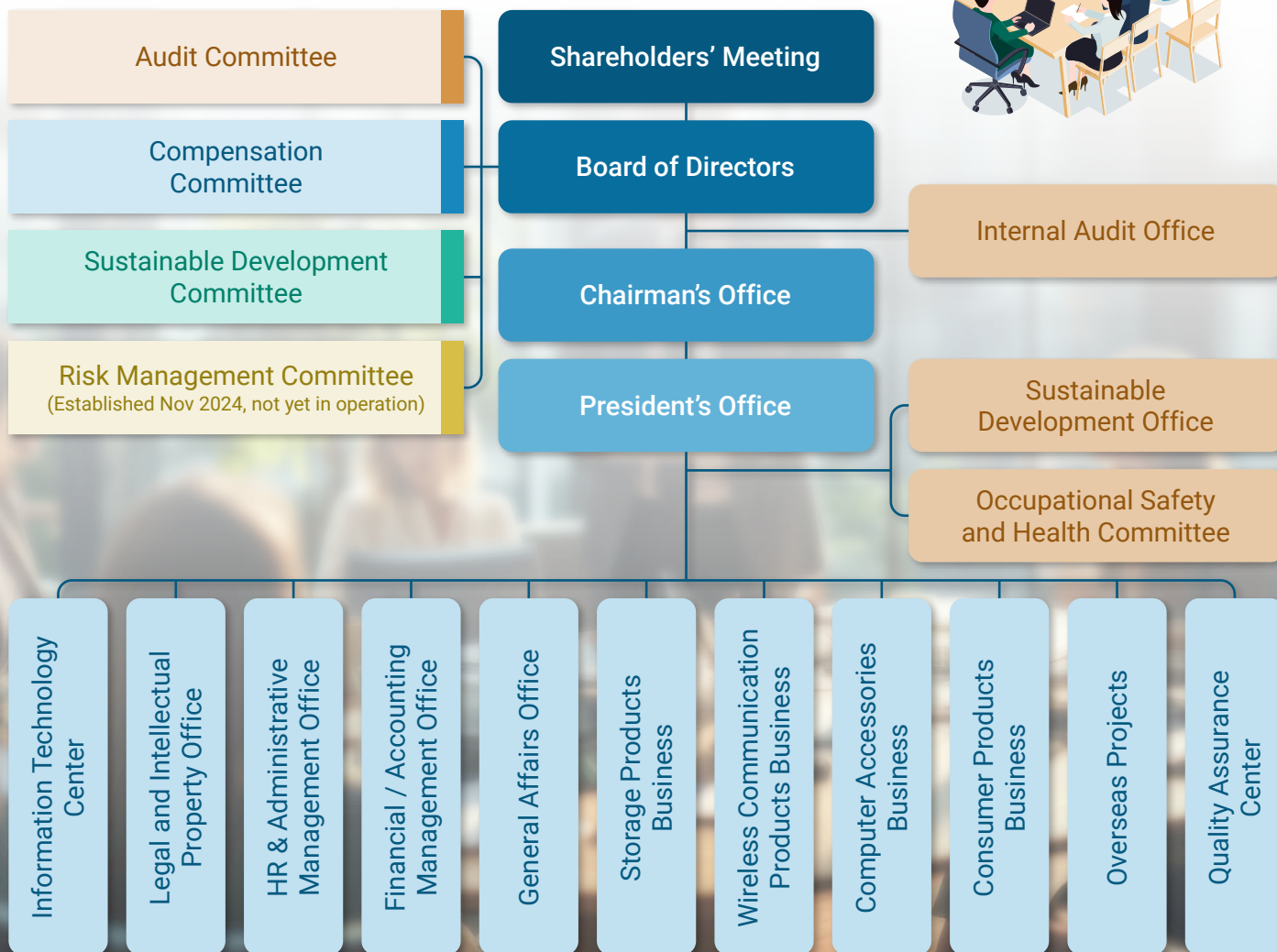
- Audits and request for improvement for high-risk suppliers
- Issue Corrective Action Request within one week of audit
- Supplier to rectify deficiencies and provide supporting evidence within 1 month.
- Follow up until the case is closed.
- For suppliers unable to improve within the stipulated time, Kinpo reports them to the procurement unit, recommending replacement.

2023

- 7 high-risk suppliers identified, with 48 noncompliance reports. These included 3 labor rights issues, 1 health and safety issue, 15 environmental protection issues, 12 ethics issues, and 17 management system issues.
- For non-conforming issues, we confirm that the suppliers have taken appropriate corrective action plans, all of which have been implemented in relevant units, and follow up on the completion of plans, with a plan closure rate of 100%.

GOVERNANCE

As of Nov 13, 2024



BOARD OF DIRECTORS

Goals

- Gradually increase the number of directors of different genders.
- The directors who also serve as managerial officer do not exceed 1/3 of the total board seats.

This is the 19th term of the Board of Directors, which runs from June 27, 2022 to June 26, 2025. The board held 7 meetings in 2023.

The board has 11 seats, currently comprised of 10 members, including 3 independent directors. 2024/8/19 Institutional Director Tai-Yen Industrial Co., Ltd was dismissed due to transfer of more than half of the shares held at the time of election. Board consists of 2 female directors, accounting for 18.2%. In 2023, the in-person attendance rate of directors exceeded 89%.



Title	Name	Gender	Functional Committees				2023 Board Attendance Rate (%)
			Audit Committee	Compensation Committee	Sustainable Development Committee	Risk Management Committee ^{Note3}	
Number of Meetings in 2023			7	3	2	-	7
Chairman [KINPO GROUP CEO]	<i>Ho Bao Investment Co., Ltd.</i> Hsu, Sheng-Hsiung	M				●	100%
Director [Kinpo President]	<i>Panpal Technology Corp</i> Chen, Wei-Chang	M			C 100%	●	100%
Director	Ko, Charng- Chyi	M					100%
Director	Ho, Mei-Yueh	F					71%
Director	Hsu, Chieh-Cheng	M					100%
Director	<i>Ruey Shinn Co.,Ltd.</i> Chen, Hsin-Tso	M					86%
Director	Chiu, Ping-Ho	M					71%
Independent Director	Hsieh, Fa-Dah	M	C 100%	C 100%	M 100%	●	100%
Independent Director	Huang, Chih-Peng	M	M 86% ^{Note1}	M 67% ^{Note1}	M 100%	●	100%
Independent Director	Wu, Chung-Fern	F	M 100%	M 100%	M 100%	●	100%
Director (dismissed 2024/8/19)	<i>Tai-Yen Industrial Co., Ltd.</i> ^{Note2} Hung, Yung- Chen	M					57%

Note1: 100% including proxy attendance.

Note2: 2024/8/19 Institutional Director Tai-Yen Industrial Co., Ltd was dismissed due to transfer of more than half of the shares held at the time of election.

Note3: The Board of Directors approved the establishment of Risk Management Committee on 2024/11/13.

External Board Performance Evaluation

Evaluation Period: Jan 1, 2022 to Oct 31, 2023

Evaluation Institution: Taipei Foundation of Finance

Evaluation Outcome: see 2023 ESG report page 26



Improvement Suggestions

To integrate their responsibilities with annual Key Performance Indicators (KPIs).

Company Responses

The ESG responsibilities of the managerial officers need to be integrated with the annual KPI evaluations. Remuneration for the Company's Board of Directors and top management is not currently linked to sustainable performance. We will refer to the international initiatives and standards, use the principles of quantification, measurability, and relevance to plan appropriate programs and bring them to the Compensation Committee for discussion.

Improvement Suggestions

The performance assessment of the chief internal audit officer can appropriately invite the Independent Director or Audit Committee for opinions or participation in the assessment.

Company Responses

The Audit Committee members will be asked to express their opinions on the evaluation results of the chief internal audit officer.

Improvement Suggestions

Sustainable Development Office could be responsible for interpreting external ESG sustainability governance knowledge, regulations, and trends, to help integrate into the company's ESG sustainability governance.

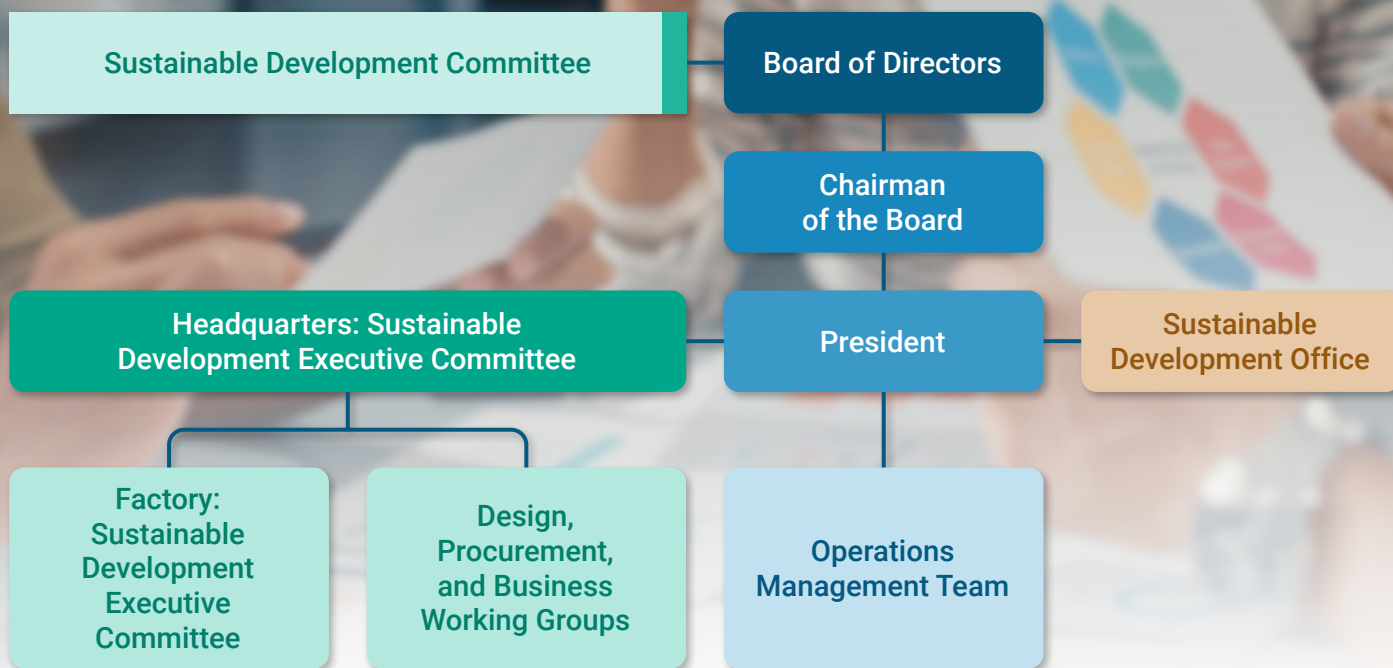
Company Responses

The Sustainable Development Department will follow through.

Sustainable Development Committee

Kinpo established the "Sustainable Development Practice Rules" and set up a cross-unit, operational level Sustainable Development Committee in August 2021, whose members are senior executives of the Company. The operational level of the Committee was promoted to the Board level in 2023 to enhance sustainable development governance. The term is from September 7, 2023 to June 26, 2025.

Sustainability Management Organization Chart



Risk Management Committee

The Board of Directors approved to establish Risk Management Committee on Nov 13, 2024.

ETHICAL MANAGEMENT AND ANTI-CORRUPTION



Prohibit giving and accepting bribes

No offering or accepting unreasonable gifts, entertainment or other improper benefit



No providing illegal political donations

All business partners subscribe to "Anti-Bribery Agreement"



Prohibit improper charitable donations or sponsorships

Our cooperating suppliers forbid offering bribes to employees or their relatives/friends



Anti-Corruption Policy

Kinpo has formulated multilingual versions for employees in different regions worldwide.



Code of Integrity Management

To implement the corporate culture of integrity management, sound development, and smooth business operations.



Code of Ethical Conduct

Expected legal norms and ethical obligations and behaviors of employees, business partners, and suppliers.



WHISTLEBLOWING SYSTEM AND PROTECTION

 Kinpo Whistleblower Mailbox: response@kinpo.com.tw

The whistleblowing mailbox is managed by the President and the Audit Manager, with the President responsible for assigning and overseeing cases, and the Internal Audit Office tasked with probing related cases. Dedicated personnel are assigned to form investigation teams for whistleblowing cases, launching investigations and handling them under conditions that protect and ensure confidentiality.

Investigators are obligated to maintain the confidentiality of the whistleblower's identity, whether they are employees or business partners, protecting their rights and ensuring they are not subjected to undue treatment or retaliation. Anonymous with sufficient details and evidence are accepted.

INFORMATION SECURITY MANAGEMENT

Kinpo obtained ISO 27001 information security certification in 2021, ensuring the confidentiality, integrity, and availability of corporate information and the reliability of information equipment (including computer hardware, software, peripherals) and network systems. Annual information security goals are set until 2026.

In 2023, we experienced no cyberattacks or incidents that significantly compromised business operations and were not involved in any related legal cases or regulatory investigations. The 2023 information security execution results will be presented to the Board of Directors on March 11, 2024.

TAX POLICY

Kinpo's Financial/Accounting Management Office is the tax administration unit. Tax policies are instituted by the Office, while our business locations observe the tax regulations of their respective countries or regions, and regularly discuss with external specialist tax consultants and keep track of amendments to local tax laws in order to devise strategies accordingly.

Kinpo's operational sites adhere to local tax laws, and tax information in financial reports is disclosed according to relevant standards and guidelines to ensure transparency.

