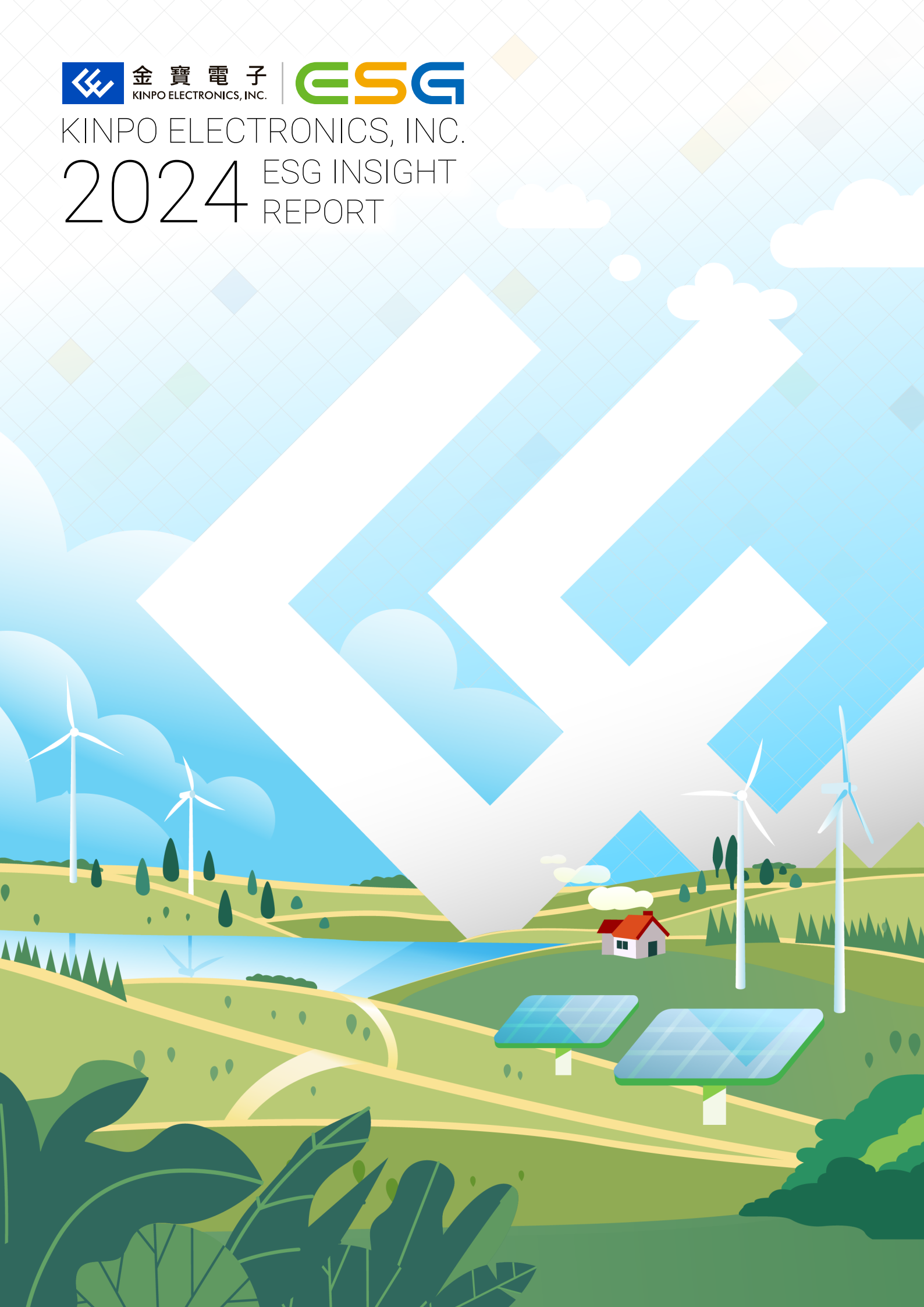# 金寶電子 KINPO ELECTRONICS, INC. | ESG

KINPO ELECTRONICS, INC.
2024 ESG INSIGHT REPORT

OVERVIEW

SUSTAINABILITY INITIATIVES

Scope of 2024 Sustainability Report accounts for approximately 96% of the Company's annual consolidated revenue.

SCIENCE BASED TARGETS

Targets approved Sep 2024

CDP

Climate Change & Supplier Engagement Rating: Management **Level B**

TCFD | TASK FORCE ON CLIMATE–RELATED FINANCIAL DISCLOSURES

Supporter and adopted framework since 2022

SUSTAINALYTICS

ESG Risk Rating **22.8** Medium Risk

KINPO SUSTAINABLE ESG PARTNER ALLIANCE

ESG Partnership Alliance to jointly create a Net-Zero future

TNFD Taskforce on Nature-related Financial Disclosures
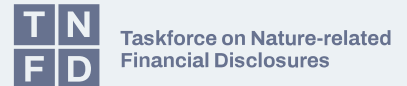
Adopted framework since 2024

ESG REPORT THIRD PARTY VERIFICATION

ESG report is prepared in accordance with GRI Standards while Ernst & Young Taiwan was engaged to perform a limited assurance as prescribed in the Statement of Assurance Engagements Standards No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (which was developed based on the International Standard on Assurance Engagements (ISAE) 3000) published by the Accounting Research and Development Foundation in Taiwan.
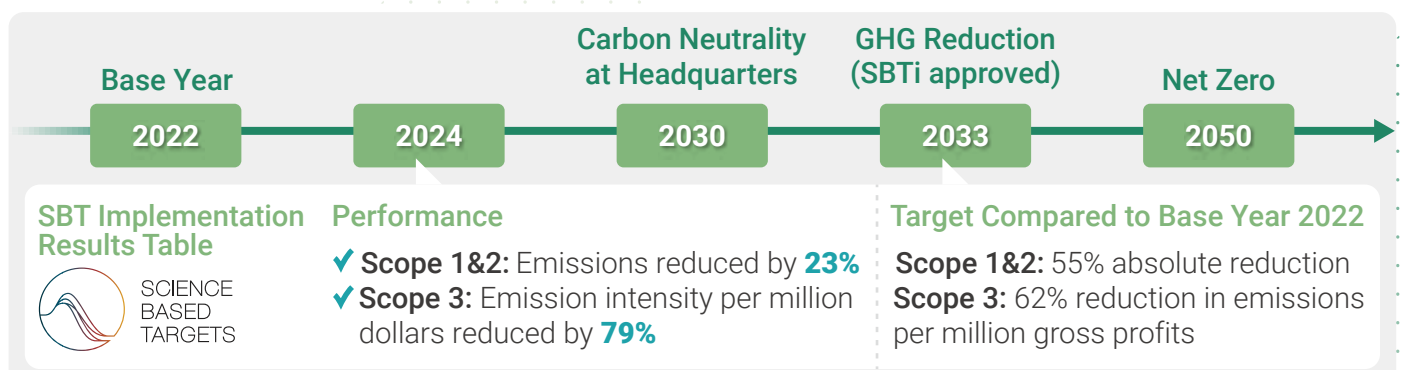
CERTIFICATIONS

Scope	Standard	Taipei/ Taiwan	Changan/ China	Wujing/ China	Yueyang/ China	MAH/ Thailand	PET/ Thailand	LIMA/ Philippines	FPIP/ Philippines	SD/ USA	Reynosa/ Mexico	Manaus/ Brazil
						Validation Status						
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						✓				✓	

Scope	Standard	Validation Status										
		Taipei/Taiwan	Changan/China	Wujing/China	Yueyang/China	MAH/Thailand	PET/Thailand	LIMA/Philippines	FPIP/Philippines	SD/USA	Reynosa/Mexico	Manaus/Brazil
Environment	IECQ QC 080000 Hazardous Substance Process Management System	✔	✔	✔			✔	✔				
	ISO 14001 Environmental Management Systems		✔	✔	✔	✔	✔	✔	✔		✔	✔
	ISO 14064 GHG Accounting & Verification	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
	ISO 14067 Product Carbon Footprint	✔ Note										
	ISO 50001 Energy Management Systems	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
	OEM GP Environmental Management Systems	✔				✔						
	UL 2799 Validation of Landfill Waste Stream Declaration						✔ Note					
	RBA Responsible Business Alliance		✔		✔	✔	✔					
	SONY Green Partner Environmental Certification	✔				✔	✔					
Operations	ISO 22301 Business Continuity Management Systems								✔			
Occupational Safety	ISO 45001 Occupational Health and Safety Management Systems	✔	✔	✔	✔	✔	✔	✔	✔			✔
Information	ISO 27001 Information Security Management Systems	✔				✔						

- This verification is limited to specific product lines.
- The verification status and certification validity period have been disclosed on the official website. Please refer to the link below:
  https://www.kinpo.com.tw/kpo_file/Related_Certification_Information_EN.pdf

ENVIRONMENTAL

GHG REDUCTION TARGET AND ACHIEVEMENT

Base Year		Carbon Neutrality at Headquarters	GHG Reduction (SBTi approved)	Net Zero
2022	**2024**	**2030**	**2033**	**2050**

SBT Implementation Results Table

SCIENCE BASED TARGETS

Performance
✔ **Scope 1&2:** Emissions reduced by **23%**
✔ **Scope 3:** Emission intensity per million dollars reduced by **79%**

Target Compared to Base Year 2022
Scope 1&2: 55% absolute reduction
Scope 3: 62% reduction in emissions per million gross profits

2024 ACHIEVEMENT

100% of Plants Certified
ISO 14064
GHG Inventory
ISO 50001
Energy Management System

Flagship Calculator Model Certified with ISO 14067

Implemented Internal Carbon Pricing

8.5% Renewable Energy Ratio

Expanded Scope 3 GHG Verification Across Global Sites (C1/C5/C6/C7/C11)

Held Global Energy and Resource Management Conferences Across All Sites

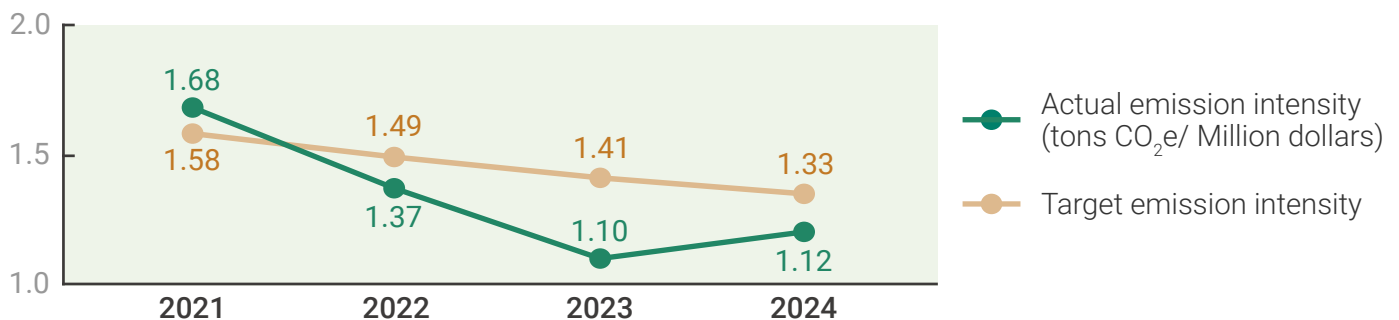**3.89%** Reduction in Electricity Usage at Headquarters YoY

GHG MANAGEMENT

2025 Goals (Short-term)	2026–2028 Goals (Mid-term)	2029–2033 Goals (Long-term)
• Develop carbon reduction roadmap and strategies • Implement a GHG management information system • Plan for carbon neutrality at headquarters by 2033 • Increase internal carbon price to USD 20	• CDP Leadership • Commit to the SBT Net-Zero targets • Propose a Net-Zero roadmap	• Achieve carbon neutrality at headquarters • Meet the SBT 1.5°C temperature rise target

GHG Emissions (ton CO_2e)	2021	2022	2023	2024
Scope 1	8,092	7,749	4,871.1354	4,804.2242
Scope 2	226,675	232,553	170,247.1656	179,762.3075
Total (Scope 1+2)	234,767	240,302	175,118.3010	184,566.5317
Scope 3		497,372	264,271.7790	3,804,743.6826

▪ GHG Emission Intensity (Scope 1 and 2)

Actual emission intensity (tons CO_2e/ Million dollars)

Target emission intensity

	2021	2022	2023	2024
Actual emission intensity	1.68	1.37	1.10	1.12
Target emission intensity	1.58	1.49	1.41	1.33

▪ Scope 3

In 2024, Kinpo completed and verified the Scope 3 GHG inventory for the following categories:

GHG Emission Sources	All Global Sites GHG Emissions (tons CO_2e)
Purchased goods and services	2,051,143.1551
Waste generated in operations	4,560.4046
Business travel	1,067.1603
Employee commuting	32,673.7044
Use of sold products	1,715,299.2582
Total	3,804,743.6826

ENERGY MANAGEMENT

In 2024, the primary energy used by Kinpo Electronics was electricity (accounting for 98.13% of total energy consumption), while the usage of natural gas, liquefied petroleum gas, gasoline, and diesel was minimal (less than 1.9%). Total electricity consumption in 2024 was 343,976.56 MWh, an increase of 11% compared to 2023. Electricity intensity increased by approximately 8% compared to the previous year. We continue to plan for increased investment in renewable energy.

2025 Goals (Short-term)	2026–2028 Goals (Mid-term)	2029–2033 Goals (Long-term)
• Achieve 10% green electricity procurement across the Group • Develop the Group's renewable energy roadmap • Plan for 100% green electricity usage at the Nandong Office	• Achieve 30% electricity savings at headquarters • Set renewable energy targets for global sites	• Achieve 50% electricity savings at headquarters • Ensure 100% of official vehicles at headquarters are electric

■ Electricity Consumption and Intensity of Use
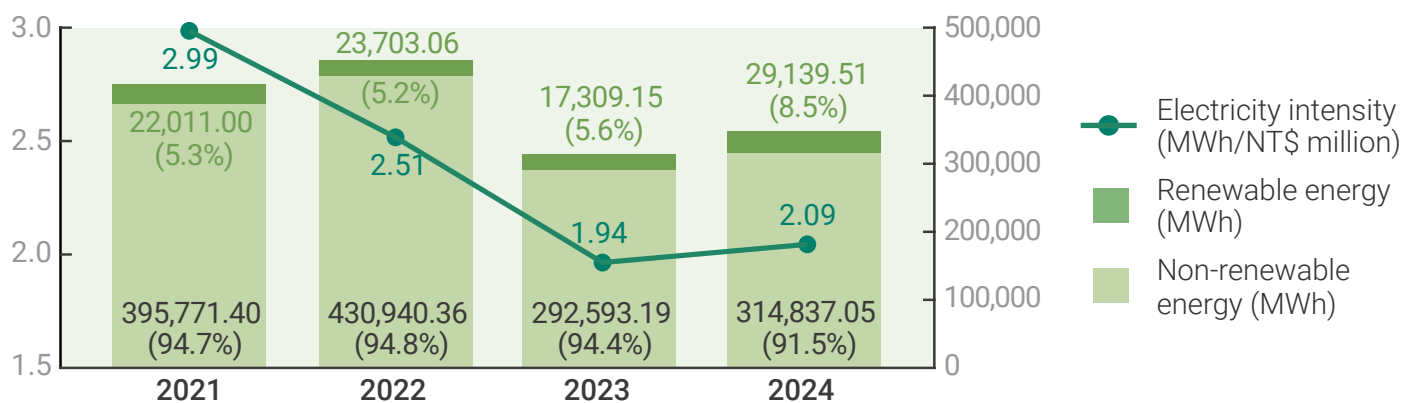
*The 2023 Onsite Renewable Energy data was recorded incorrectly. The renewable electricity consumption and usage ratio for 2023 have been corrected.
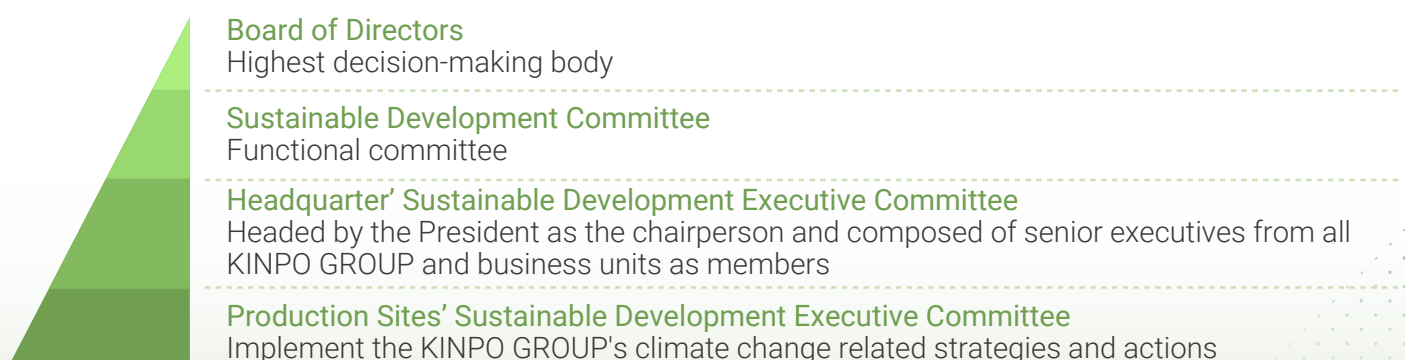
■ Use of Renewable Energy

Low Carbon Energy Sources	2021	2022	2023	2024
Onsite Renewable Energy	0%	0.60%	1.20%	0.04%
Power Purchased Agreements	0.40%	0.40%	0.20%	2.89%
Renewable Energy Certificates	4.80%	4.30%	4.20%	5.54%
Total	5.30%	5.20%	5.60%	8.50%

CLIMATE CHANGE MANAGEMENT

Since 2021, Kinpo has adopted the TCFD recommendations and officially became a TCFD Supporter in 2022. By the end of 2023, the scope of TCFD application was expanded to include the Thailand site, and in early 2024, the identification of climate-related risks and opportunities at the Thailand site was completed.

Climate Governance Structure

Board of Directors
Highest decision-making body

Sustainable Development Committee
Functional committee

Headquarter' Sustainable Development Executive Committee
Headed by the President as the chairperson and composed of senior executives from all KINPO GROUP and business units as members

Production Sites' Sustainable Development Executive Committee
Implement the KINPO GROUP's climate change related strategies and actions

RESTRICTED SUSBSTANCE MANGEMENT

Green Product Management System (GPM)

The GPM system was developed to meet internal needs and allows suppliers to submit declarations of hazardous substances and testing reports directly through the platform. This accelerates component compliance reviews and enables a more efficient and systematic approach to managing green supply chain risks.

Product Lifecycle Management System (PLM)

By adopting the PLM system, we can keep tabs on the quality and timeline of the entire product lifecycle, integrate existing management mechanisms and information systems, and establish a platform for product information.

IECQ QC 080000 Hazardous Substance Process Management System

Kinpo has introduced the IECQ QC 080000 Hazardous Substance Process Management System. Green product design is integrated during the R&D phase, establishing process controls to reduce the use of hazardous substances.

CLEAN TECH INNOVATION

■ R&D

In recent years, the Group has invested significant resources to build innovative capabilities. In 2024, total R&D expenditure reached NT$1,627 million, accounting for 0.99% of total revenue. Kinpo employed 3,674 R&D technical personnel.

■ Green Product Design

We incorporate customer requirements for green design and green manufacturing into the product design and production phases to minimize environmental impact.

Green Product Design Performance	2022	2023	2024
Total Carbon Reduction (tCO$_2$e)	36,549	40,779	74,586
Total Material Savings (metric tons)	8,895	15,180	27,794

■ 2024 Green Product Design Achievements

Sustainable Materials   Green Packaging   Reusable Packaging   Green Transportation

WASTE MANAGEMENT

Kinpo established the Energy and Resource Management Policy in 2025, outlining principles for waste management, promoting zero waste to landfill (ZWTL) standards, and entrusting qualified waste disposal companies. In 2024, the Thailand site has already obtained UL 2799 Gold-level certification in specific product line.

Target: waste intensity shall not exceed 0.11 tons/NT$ million (base year 2024)

Measures for waste management as follow:

Classifying hazardous and non-hazardous waste according to international standards.

Regularly reviewing and disclosing the total amount and disposal flow.

Introducing circular design and resource reuse mechanisms.

Setting recycling and reuse targets.

Waste (Unit: Tons)	2022	2023	2024
Domestic Waste	2,224.42	973.58	1,027.82
General Industrial Waste	12,978.47	8,579.36	16,710.78
Hazardous Waste	3,872.31	2,247.88	632.30
Total	19,075.04	11,800.81	18,370.90
Waste Intensity (tonnes per million NT$)	0.11	0.07	0.11

■ Electronic Waste Management

Kinpo follows EU Directive on Waste Electrical and Electronic Equipment (WEEE), gradually transitioning from the traditional Original Equipment Manufacturer (OEM) model to Joint Design Manufacturer (JDM) and Original Design Manufacturer (ODM) partnerships with customers. To implement green design, we are learning how to develop products that can be easily dismantled, allowing hazardous components to be quickly and safely removed and reused.

2024 E-Waste Management (Unit: Tons)			% of Total Waste
Recovery & Recycling	Recycling	26.20	7.10%
	Other Recovery Operations	1,274.97	
	Prepare for Reuse	3.37	
	Total	1,304.54	
Direct Disposal	Incineration (with Energy Recovery)	16.00	1.65%
	Incineration (without Energy Recovery)	5.02	
	Landfilling	--	
	Other Disposal	281.70	
	Total	302.72	
E-waste Total		1,607.26	8.75%

WATER CONSUMPTION

Kinpo Electronics' manufacturing processes primarily involve assembly, with relatively low water demand. Water is mainly used for domestic purposes and certain plant operations. To reduce water consumption, the Group will establish the Energy and Resource Management Policy in 2025, outlining management principles for water conservation and implementing water-saving actions.

Water (Unit: Million Liters)	2022	2023	2024
Water Withdrawal	2,094.08	1,387.64	1,630.56
Water Discharge	1,748.80	1,282.42	1,530.41
Water Consumption	346.16	105.21	100.15

BIODIVERSITY

In 2024, the Board of Directors officially approved the Biodiversity Policy, which serves as a guideline and shared consensus for implementation.

We have joined the list of TNFD (Taskforce on Nature-related Financial Disclosures) Adopters and announced to disclose the projects based on the LEAP methodology in 2025. Following the LEAP approach Kinpo analyzed its resource allocation and biodiversity strategies, selecting the Mahachai plant in Thailand and the CCBR/CCBS plants in Brazil as pilot sites. Expansion will gradually extend to global operational sites and upstream and downstream segments of the value chain.

In March 2024, the KINPO GROUP Suppliers' Code of Conduct was revised to include biodiversity requirements, aiming to reduce dependency on and impact to critical natural capital in collaboration with suppliers.

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 Child Labor
- No Harassment
- Respect for Privacy
- Prohibit Forced Labor
- Non-discrimination
- Prohibit Human Trafficking
- Fair Compensation and Benefits
- Freedom of Association and Collective Bargaining
- Diverse and Inclusive Working Environment
- Healthy, Safe and Friendly Workplace
- Maintain the Physical and Mental Health
- Maintain Open Channels of Communication
- Weekly Working Hours Shall not Exceed 60hrs
- Provide Reasonable Compensation and Benefits

In 2024, there were no incidents of child labor, forced labor, labor disputes, gender inequality, discrimination, or sexual harassment.

■ Human Rights Due Diligence Management Report

Kinpo conducted human rights due diligence investigation and <u>the report</u> was published in 2025.

A Human Rights Risk Identification Questionnaire was designed and distributed to employees of the Taiwan headquarters, employees at overseas sites, and key suppliers. Results charted on the Human Rights Risk Matrix below.
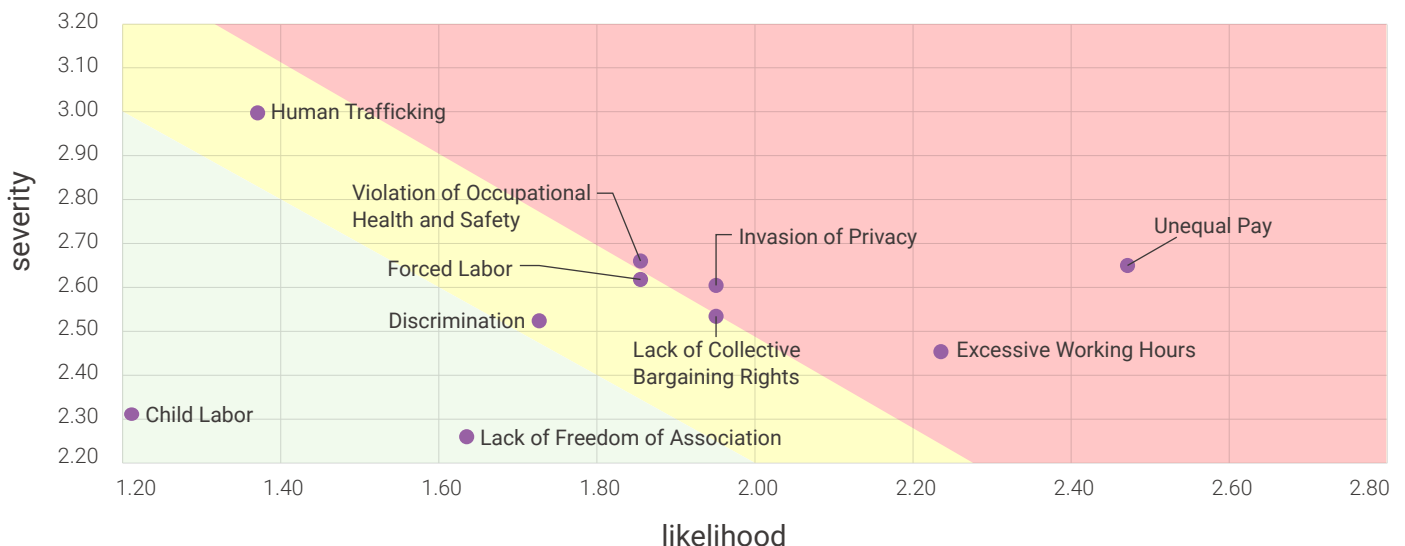
FREEDOM OF ASSOCIATION

Kinpo supports freedom of association and recognizes the right to collective bargaining.
In 2024, Kinpo did not suffer any losses due to labor disputes.

EMPLOYEE WELFARE COMMITTEE

Kinpo and most of its plants have a well-established Employee Welfare Committee, which met 4 times in the Taiwan Headquarters in 2024. Additionally, the Brazil and Mexico plants have labor unions.

Item	Taiwan	China	Philippines	Thailand	Brazil	Mexico
Total Number of Participants	34	34	54	48	44	5
Ratio of Labor: Management Representatives	5.0:5.0	6.8:3.2	7.4:2.6	6.9:3.1	5.0:5.0	6.0:4.0

EMPLOYEE STRUCTURE

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Permanent Workers (non-fixed term)	26,467	21,982	21,331	17,919	23,571	18,590
Temporary Workers (fixed-term contract)	286	328	95	78	176	198
Workers without Guaranteed Hours	2,593	2,435	1,888	1,362	1,706	1,117
Subtotal	29,346 (54%)	24,745 (46%)	23,314 (55%)	19,359 (45%)	25,453 (56%)	19,905 (44%)
Total	54,091		42,673		45,358	
Workers from Employment Agency	19		277		217	
Total (incl. Employment Agency)	54,110		42,950		45,575	

TURNOVER RATE

In 2023, influenced by a global economic downturn, workforce adjustments led to greater fluctuations in hiring and resignation numbers. In 2024, as the economy began to stabilize, the number of new hires and resignations gradually became more balanced.
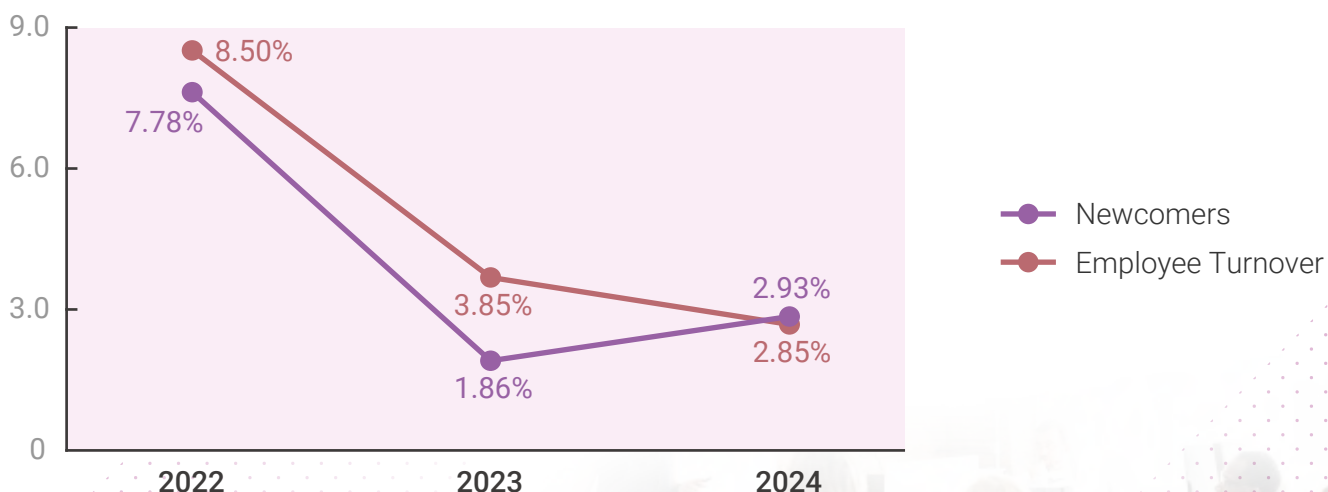
EMPLOYEE COMMUNICATION CHANNELS

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, and has set up an employee mailbox as a way for employees to voice their problems and receive suggestions.

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.

Communication Channels

✉ **Physical Mailbox:** Physical mailboxes in each plant

💬 **Online Complaints:** Available on company's intranet site

@ **E-mail:** CEO_Andrew@kinpogroup.com

> **No losses due to labor disputes in 2024**

EMPLOYEE SATISFACTION

In 2024, the Human Resource Department conducted a satisfaction survey on all colleagues at headquarters. The average satisfaction score was 8 out of 10.

EMPLOYEE BENEFITS

Kinpo provides better than statutory benefits, including flexible working hours, work from home, childbirth incentive, tuition subsidy for children of long-term overseas assignees, breast-feeding/lactation facilities or benefits, paid maternity leave, paid parental leave for the primary caregiver, retirement system, annual health checkups and follow-up, employee clubs and follow-up and others. For details see Employee Support Programs in ESG Report.

PAY EQUALITY

Kinpo guarantee equal pay for equal work and equal pay for equal value.

Group-wide gender diversity targets for 2025: women in management roles should comprise more than 30%.

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

	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
Eligible for Unpaid Parental Leave (A)	67	133	63	101	46	62
Applied for Unpaid Parental Leave (B)	14	6	10	3	14	2
Unpaid Leave Application Rate (B/A)	20.90%	4.51%	15.87%	2.97%	30.43%	3.23%
Retention Rate 1yr after reinstatement (E)/ previous year (D)	85.71%	0%	80%	50%	112.5%	0%

*Retention rates refer to employees who were reinstated in the previous year and are still employed 1 year later. Some employees may be reinstated across different years, so the rate may sometimes exceed 100%.

ESOP

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

PERFORMANCE APPRAISALS

Kinpo revised its Employee Performance Appraisal Management Regulations in November 2024 to include ESG and Enterprise Risk Management (ERM) indicators in the performance evaluation framework. This ensures that **compensation is linked to sustainability performance** to drive and implement sustainable development.

Evaluations are conducted **semiannually** using a multi-dimensional assessment framework, assessing work output, professional knowledge and skills, innovation ability, and teamwork.

To motivate senior executives to prioritize performance and achieve long-term sustainability goals, the Company's evaluation indicators span financial, strategic, managerial, and sustainability categories.
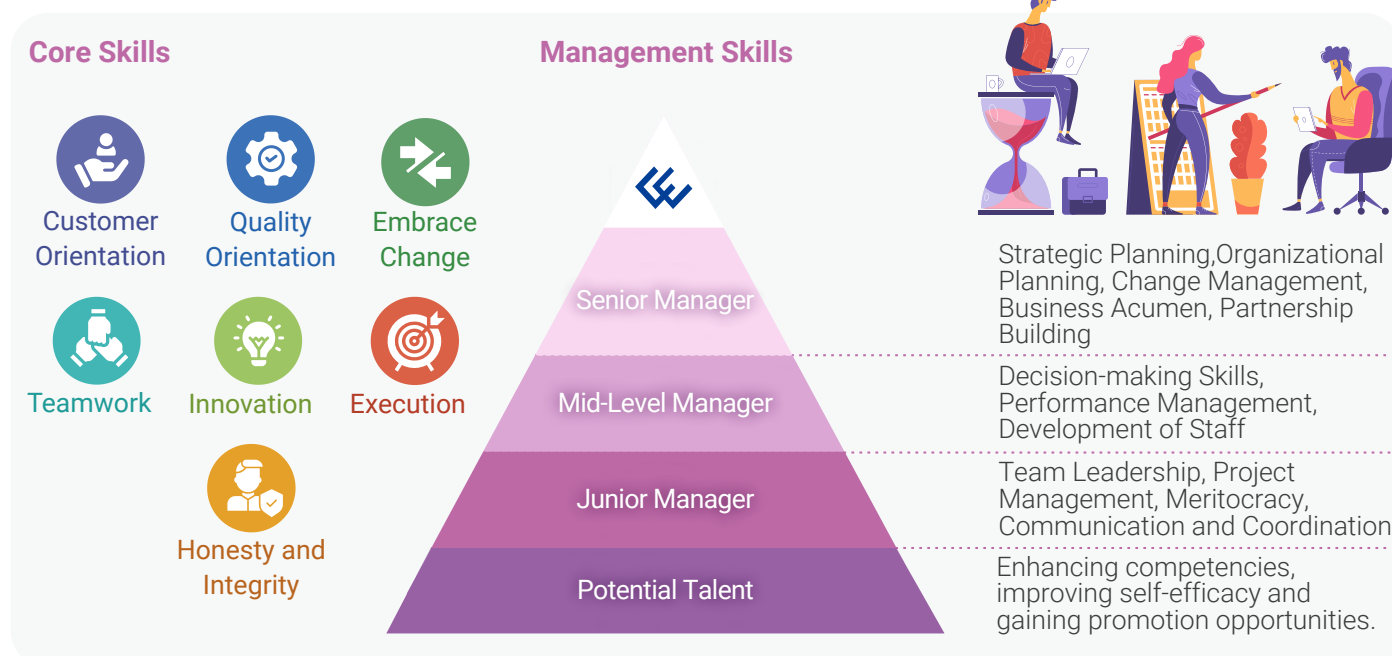
TALENT RECRUITMENT AND RETENTION GOALS

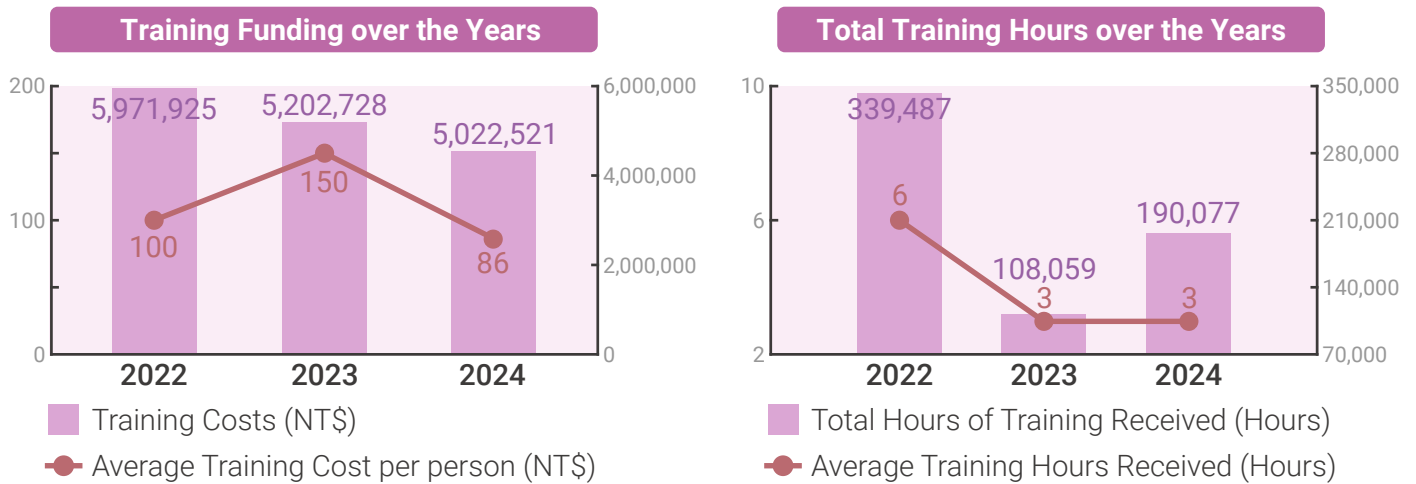| Short Term	Mid-Long Term
• Create an equal and harmonious workplace. • Employee retention > 70%. • Implement employee care and provide various benefit packages.	• Set up a better performance appraisal system to motivate staff by awarding them more competitive rewards. • Comply with the relevant labor 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.

TALENT PIPELINE

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 the planned enhancement of related managerial and professional competencies, the Company passed its first Talent Quality-management System (TTQS) evaluation in 2023.

Core Skills

- Customer Orientation
- Quality Orientation
- Embrace Change
- Teamwork
- Innovation
- Execution
- Honesty and Integrity

Management Skills

- Senior Manager — Strategic Planning, Organizational Planning, Change Management, Business Acumen, Partnership Building
- Mid-Level Manager — Decision-making Skills, Performance Management, Development of Staff
- Junior Manager — Team Leadership, Project Management, Meritocracy, Communication and Coordination
- Potential Talent — Enhancing competencies, improving self-efficacy and gaining promotion opportunities.

EDUCATION AND TRAINING

Training Funding over the Years

Training Costs (NT$):
- 2022: 5,971,925
- 2023: 5,202,728
- 2024: 5,022,521

Average Training Cost per person (NT$):
- 2022: 100
- 2023: 150
- 2024: 86

■ Training Costs (NT$)
━●━ Average Training Cost per person (NT$)

Total Training Hours over the Years

Total Hours of Training Received (Hours):
- 2022: 339,487
- 2023: 108,059
- 2024: 190,077

Average Training Hours Received (Hours):
- 2022: 6
- 2023: 3
- 2024: 3

■ Total Hours of Training Received (Hours)
━●━ Average Training Hours Received (Hours)

OCCUPATIONAL HEALTH AND SAFETY

Kinpo has built an occupational safety and health management system in accordance with ISO 45001:2018. OHS Implementation Team was formed at headquarters as per ISO 45001 guidelines. All BU heads convene OSH meeting on a quarterly basis and minutes are posted on company's intranet. In 2024, the OSH Committee met 4 times.

We conduct ISO 45001 **internal** and **external audits** every year.

All global operational sites adopted the ISO 45001 Occupational Health and Safety Management Systems, with all plants certified except those in Mexico and the United States.

■ OHS Education

Kinpo educates the 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.

■ Occupational Injury

The Company's Accident Investigation and Occupational Injury Handling Procedures analyze the source of hazards and keep them in check to prevent them from occurring and mitigate the risk of injury to personnel, loss of property and increased costs. For near-miss events that do not result in casualties, property loss or process interruptions, but do cause alarm, we encourage our staff to react promptly while immediately developing preventive measures to pre-empt accidents.

Occupational Injury Data	2022	2023	2024
Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) [1]	0.18	0.33	0.25
Serious Occupational Injury Rate [2]	0.02	0.03	0.02
Lost Workday Rate (LWD) [3]	1.31	1.24	0.82

1. Starting from 2024, QBit began independently reporting its occupational injury statistics. Therefore, data from 2024 onward no longer includes QBit.
2. Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) = ((number of recordable occupational injuries + number of lost time injuries) x 200,000) / hours worked in a year.
3. Serious occupational injury rate = (number of serious occupational injuries) x 200,000/hours worked in a year.
4. Lost Workday Rate (LWD) = (number of workdays lost x 200,000)/hours worked in a year.

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.

■ Responsible Minerals Investigation Process

Kinpo developed and implemented the Responsible Minerals Investigation (RMI) system in May 2023. Conflict mineral reports and mineral source analyses are integrated and automated pre-screening and reminder functions help accelerate the due diligence process. The platform is also used to disseminate important RBA updates to suppliers.
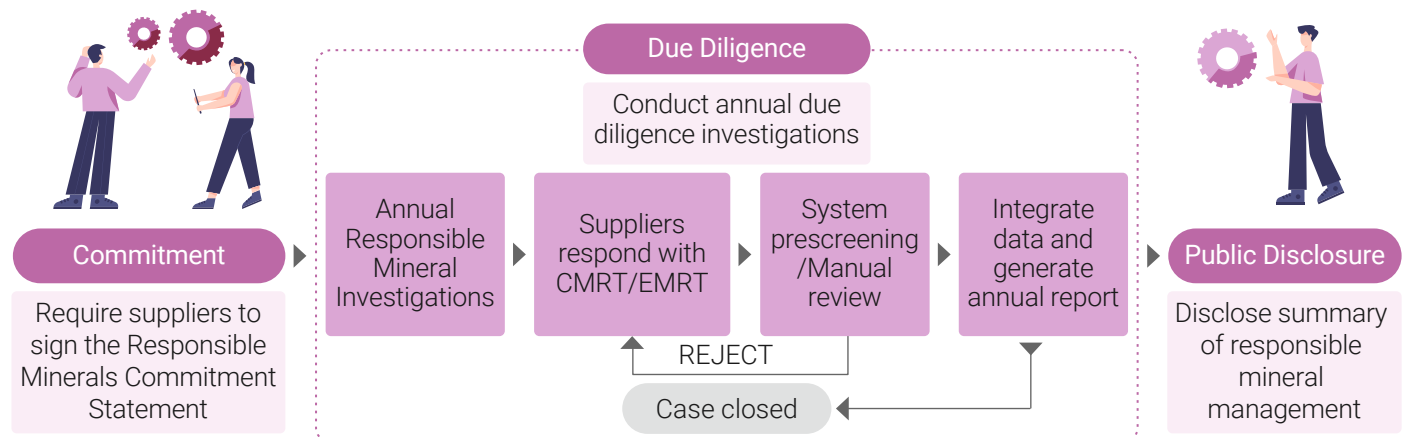
金寶集團
KINPO GROUP

Responsible Minerals Investigation Management Procedure (Rev. 06)

Responsible Minerals Investigation Management Procedure

Article 1 Purpose

To ensure that the raw materials procured by our company do not originate from mining areas in Conflict-Affected and High-Risk Areas (CAHRAs) and to manage responsible minerals sourcing due diligence, this policy has been formulated for compliance purposes.

> **In 2024, Kinpo conducted due diligence on 1,811 suppliers and identified 617 smelters. No violations of the Responsible Mineral Commitment in 2024.**

Commitment
Require suppliers to sign the Responsible Minerals Commitment Statement

→ **Annual Responsible Mineral Investigations**

→ **Due Diligence**
Conduct annual due diligence investigations

→ **Suppliers respond with CMRT/EMRT**

→ **System prescreening /Manual review**

→ **Integrate data and generate annual report**

REJECT → Case closed

Public Disclosure
Disclose summary of responsible mineral management

CUSTOMER MANAGEMENT

Kinpo will continue to monitor the ESG issues that customers care about, regularly conduct customer concern surveys, and publicly disclose survey results and corresponding response measures.

Furthermore, the Company will continue to track customer expectations regarding Scope 3 carbon neutrality and, in line with SBTi requirements, will disclose the carbon emissions associated with material and product usage along with reduction measures annually.

■ **Customer Focus Topics in 2024**

Very High Concern	Sustainable Supply Chain, Ethical Management, Product Responsibility, Quality Control
High Concern	Occupational Safety and Health, Climate Strategy, Information Security, Innovation Management, Biodiversity, Waste Management, Energy Management

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. For sustainable supply chain targets and performance, see Kinpo 2024 Sustainability Report.

SUPPLIERS' CODE OF CONDUCT

Kinpo established its Suppliers' Code of Conduct based on the RBA Code of Conduct and was updated in 2024. The revised Code covers 5 key areas: Labor, Health and Safety, Environment, Ethics, and Management Systems, and now includes Biodiversity as a foundational element for supplier compliance.

Labor

- Prohibit Forced Labor
- Prohibit Discrimination
- Prohibit Child Labor
- Freedom of Association and Collective Bargaining
- Working Hours Shall Not Exceed 60hrs/Week
- Wages and Benefits – comply with applicable Laws, minimum wages

Suppliers' Code Of Conduct

We have incorporated the Suppliers' Code of Conduct, Responsible Mineral Commitment Statement, and Environmental Protection Guarantee as mandatory annexes to our procurement contracts and require all suppliers to sign them to ensure that the supply chain aligns with our sustainability standards.

In 2023, Kinpo established the Sustainable Procurement Task Force, comprising 8 seed members from the procurement teams of each business division. The task force holds regular meetings to discuss the implementation of the sustainable supply chain program and clarify the role procurement plays in international decarbonization initiatives.
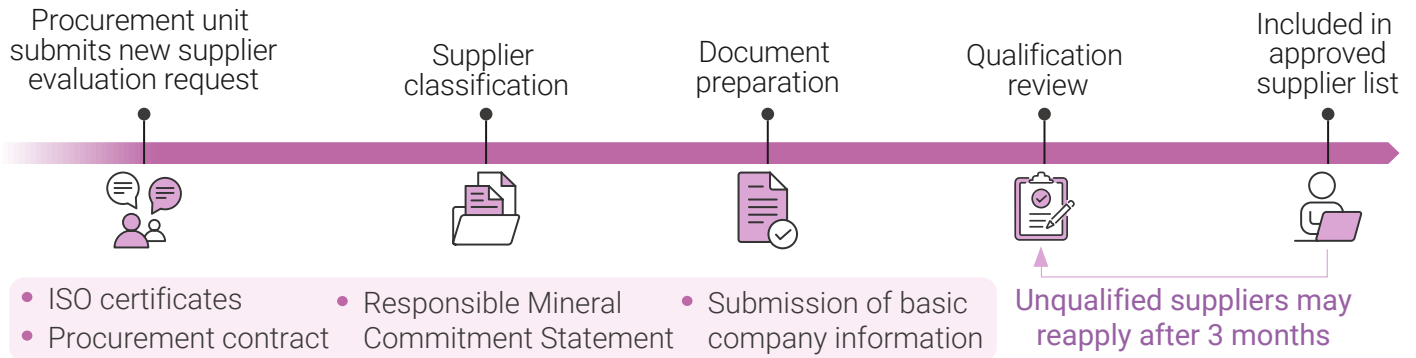
SUPPLIER SCREENING PRINCIPLES

Kinpo selects significant suppliers based on their transaction amount as a percentage of total procurement and sustainability risk assessments. Proactive evaluation items include suppliers' environmental, social, governance (ESG) practices, and business relevance. RBA members and affiliated companies are excluded from the significant supplier list after the screening process. The significant supplier selection over the past 3 years is as follows:

- In 2022, suppliers accounting for the top 70% of transaction value in 2021 were selected.
- In 2023, suppliers accounting for the top 75% of transaction value in 2022 were selected.
- In 2024, suppliers accounting for the top 80% of transaction value in 2023 were selected.

■ New Supplier Evaluation Process

Procurement unit submits new supplier evaluation request → Supplier classification → Document preparation → Qualification review → Included in approved supplier list

- ISO certificates
- Procurement contract
- Responsible Mineral Commitment Statement
- Submission of basic company information

Unqualified suppliers may reapply after 3 months

SUPPLIER CAPABILITY BUILDING

On July 10, 2024, KINPO GROUP joined hands with 30 suppliers to launch the Kinpo Sustainable ESG Partnership Alliance. Following the alliance's establishment, Kinpo organized an ISO 14064-1 GHG Inventory Workshop on September 2, gathering 43 suppliers to participate. Through a series of workshops, Kinpo aims to share its carbon management expertise with supplier partners, enabling them to proactively prepare for future challenges and establish a strong foundation for sustainable business growth.

> ✔ **2024 Target Achieved**
> **75 Suppliers participated in sustainability capacity-building workshops covering 12% significant suppliers**

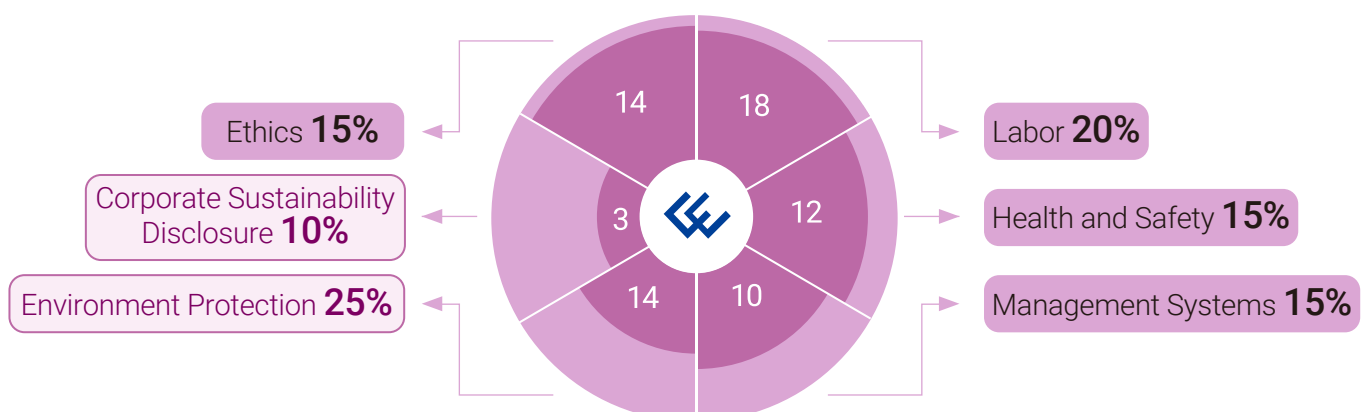## SUPPLY CHAIN SUSTAINABILITY RISK MANAGEMENT

Each year, Kinpo issues the Sustainability Assessment Questionnaire (SAQ) to suppliers. Assessment results are classified into three risk levels (low, medium and high); Medium risk suppliers are notified and given suggestions for improvement based on their risk areas; High risk suppliers are managed according to the High-Risk Supplier Improvement Plan.

In 2024, Kinpo distributed the SAQ to Tier-1 significant suppliers representing over 80% of total procurement spend (excluding RBA members and affiliated companies). A total of 104 suppliers were reviewed, with a 100% SAQ response rate.

■ 2024 Supplier Sustainability Risk Assessment Outcomes

According to the SAQ responses, the 2 highest-potential risk areas were Environmental Protection and Corporate Sustainability Disclosure. Specific issues included suppliers lacking credible GHG inventory data and failing to disclose what actions they have taken to reduce energy consumption and GHG emissions.

In 2025, we plan to hold a GHG inventory workshop to build supplier capabilities in carbon accounting. Through practical training and experience-sharing, we will guide suppliers on setting carbon reduction targets, making renewable energy commitments, conducting regular energy usage reviews, and adopting effective carbon performance evaluation and disclosure methods, ultimately strengthening supplier information transparency.

Ethics **15%** — 14

Corporate Sustainability Disclosure **10%** — 3

Environment Protection **25%** — 14

18 — Labor **20%**

12 — Health and Safety **15%**

10 — Management Systems **15%**

■ Audits and Request for Improvement for High-Risk Suppliers

In 2024, a total of 2 high-risk suppliers were identified through the assessment process. These suppliers were placed on the sustainability improvement list. Based on their risk issues, we conducted onsite or online audits to understand their current sustainability status and implementation challenges.
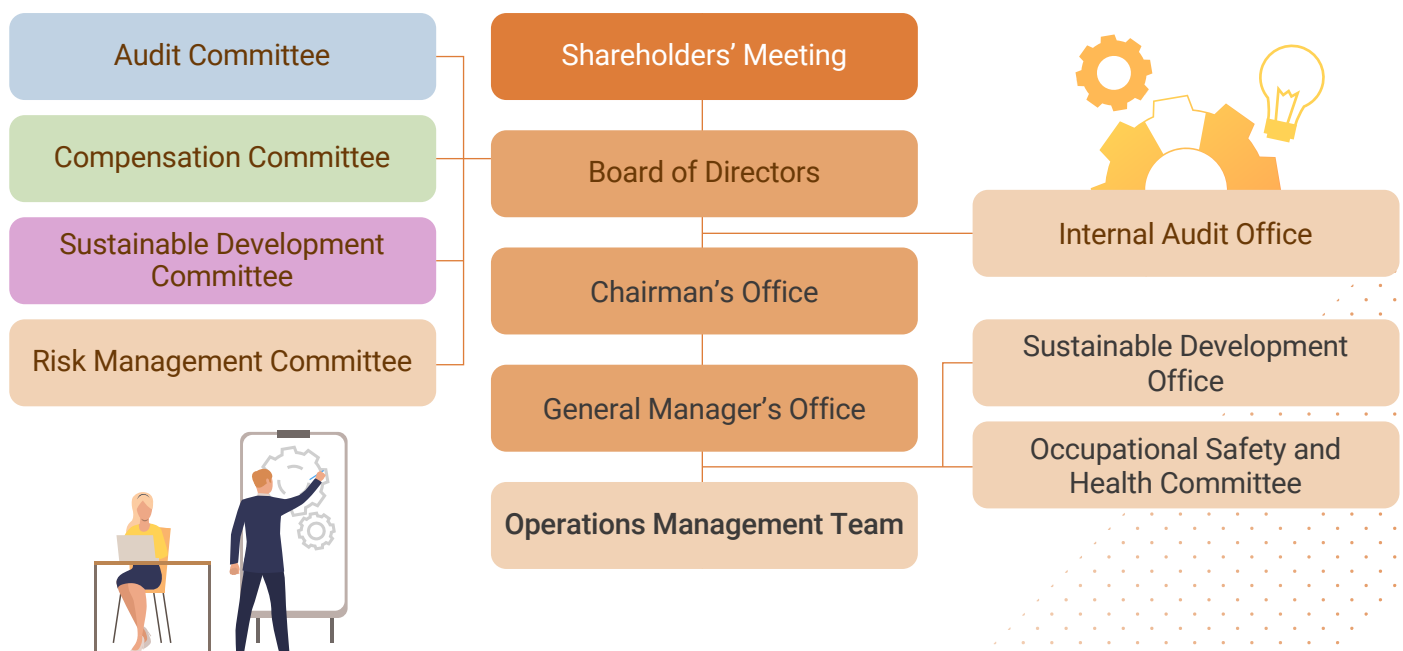
Suppliers found to be non-compliant with KINPO GROUP Suppliers' Code of Conduct were issued an improvement notice and required to respond with corrective actions within 1 month. All high risk suppliers reviewed in this cycle responded within the deadline.

Kinpo will continue to monitor the progress of corrective actions for high-risk suppliers. Starting in 2025, supplier sustainability performance will gradually be incorporated into our existing supplier reward and penalty system. Measures may include, but are not limited to: commendations, probation or suspension, client reporting, and replacement.

	2024
Number of suppliers assessed via desk assessments/ on-site assessments	86 suppliers
% of significant suppliers assessed	87.76% ✔ target 80%
High-risk suppliers identified	2
High-risk suppliers listed for improvement plan [Note] (a)	50% (1 supplier)
Suppliers with terminated contracts	0
Number of suppliers participated in improvement plan (b)	1 ✔ target 100% (a/b)
% of high-risk suppliers participated in improvement plan	100%

Note: 1 supplier out of the 2 identified as high-risk participated in the improvement plan. Procurement Department has a list of high-risk suppliers who are unwilling to participate in the improvement plan and recommend that such suppliers be replaced.

GOVERNANCE

- Audit Committee
- Compensation Committee
- Sustainable Development Committee
- Risk Management Committee

- Shareholders' Meeting
- Board of Directors
- Chairman's Office
- General Manager's Office
- Operations Management Team

- Internal Audit Office
- Sustainable Development Office
- Occupational Safety and Health Committee

BOARD OF DIRECTORS

■ 20th Board of Directors (June 3, 2025 to June 2, 2028) newly elected in 2025

⬆ Female directorship to **27.3%** | ⬆ Independent Directorship to **36.4%**

Kinpo aims to increase female board representation to over one-third and will actively identify qualified female candidates through professional networks, industry associations, and external recommendations to strengthen corporate governance and promote board diversity.

■ Member C Convener

The 20th Board of Directors	Name	Gender	Audit	Compensation	Sustainability Development	Risk Management
Chairman	Hsu, Chieh-Li (Chief Strategy Officer)	M			■	■
Director	Ho Bao Investment Co., Ltd.					
	Hsu, Sheng-Hsiung (Group President)	M				
Director	Panpal Technology Corp.					
	Chen, Wei-Chang (President)	M			C	■
Director	Taiwan Venture Capital Co., Ltd.					
	Ko, Charng-Chyi	M				
Director	Ruey Shinn Co., Ltd.					
	Chen, Hsin-Tso	M				
Director	Ho, Mei-Yueh	F				
Director	Hsu, Chieh-Cheng	M				
Independent Director	Hsieh, Fa-Dah	M	C	C	■	C
Independent Director	Wu, Chung-Fern	F	■	■	■	■
Independent Director	Chiu, Tai-Shan	M	■	■	■	■
Independent Director	Hu, Gin-Ing	F	■	■	■	■

■ **19th term of the Board of Directors (June 27, 2022 to June 26, 2025), held 5 meetings in 2024.**

■ Member C Convener

The 19th Board of Directors	Name	Gender	Functional Committees				2024 Board Attendance Rate (%)
			Audit	Compensation	Sustainability Development	Risk Management	
Chairman	Ho Bao Investment Co., Ltd.						
	Hsu, Sheng-Hsiung (Group President)	M				■	100%
Director	Taiwan Venture Capital Co., Ltd.						
	Ko, Charng-Chyi	M					100%
Director	Ho, Mei-Yueh	F					100%
Director	Panpal Technology Corp.						
	Chen, Wei-Chang (President)	M			C	■	100%
Director	Chiu, Ping-Ho	M					80%
Director	Ruey Shinn Co., Ltd.						
	Chen, Hsin-Tso	M					80%
Director	Hsu, Chieh-Cheng	M					100%
Independent Director	Hsieh, Fa-Dah	M	C	C	■	C	80%
Independent Director	Huang, Chih-Peng	M	■	■	■	■	100%
Independent Director	Wu, Chung-Fern	F	■	■	■	■	100%
Director (dismissed 2024/8/19)	Tai-Yen Industrial Co., Ltd.						
	Hung, Yung-Chen	M					100%

*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.
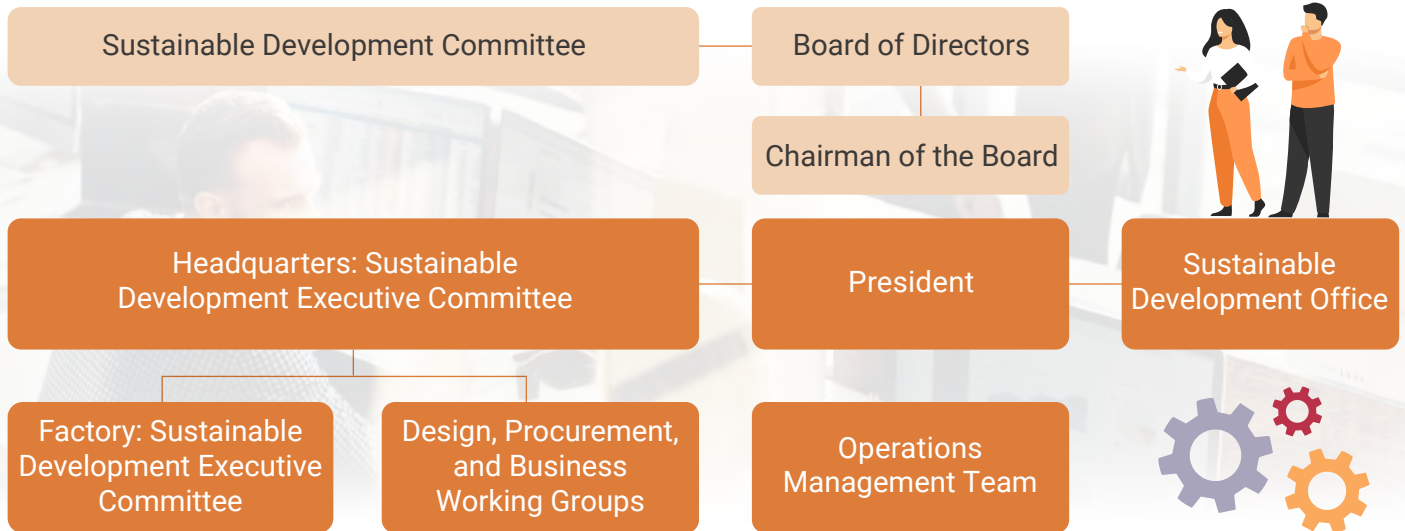
■ **Functional Committees**

Committee	2024 Meetings	Attendance
Audit Committee	5	100%
Compensation Committee	3	100%
Sustainability Development Committee	2	100%
Risk Management Committee	1	100%

Sustainable Development Committee

In September 2023, the Sustainable Development Committee was upgraded to a functional committee, and the operational-level Sustainability Committee was renamed the "Sustainable Development Executive Committee".

Risk Management Committee

In November 2024, the Risk Management Committee was upgraded to a functional committee, and the minutes of the Risk Management Committee was submitted to the Board of Directors on March 12, 2025.

Risk Management Committee Charter and Risk Management Policy and Procedures were adopted on 13 November 2024.

Kinpo Electronics Risk Management Policy and Procedurest

Board of Directors	• Highest governance body • Approves risk policies
Risk Management Committee	• Oversees risk management mechanism • Reviews risk management implementation
Risk Management Task Force	• Supports risk management initiatives • Develops standards for risk rating scales
Operating Units	• Identify and analysis risks • Assess and respond risks

ETHICAL MANAGEMENT AND ANTI-CORRUPTION

■ Ethical Management Practices and Actions in 2024

Board of Directors	• All directors have signed the "Ethical Management Statement". • Established a conflict of interest policy. • Directors and managers purchased liability insurance in 2024, with coverage amounting to US$30 million.
Management/ Employees	• Required all employees to sign the "Confidentiality and Ethical Statement." • All managers have signed the "Ethical Management Statement." • In 2024, 1,103 employees participated in the "Striving for Excellence with Integrity and Honesty" training program, totaling 1,103 hours. • In 2024, 1,114 employees participated in the "Confidentiality and Ethical Obligations" training program, totaling 557 hours.
Customers	• Kinpo is committed to adhering to customer codes of conduct or the Responsible Business Alliance (RBA) Code of Conduct. • When signing contracts with customers, both parties explicitly agree on anti-corruption and anti-bribery commitments within the contract. • Kinpo requires internal employees to sign Confidentiality and Ethical Statement to protect customer interests.
Suppliers, Contractors, and other Business Partners	• Kinpo requires them to comply with both the RBA Code of Conduct and the KINPO GROUP Suppliers' Code of Conduct, or to comply with the customer's code of conduct.

Anti-Corruption Policy
Kinpo has formulated multilingual versions for employees in different regions worldwide.

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

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

Whistleblowing System and Protection

Kinpo Whistleblower Mailbox: response@kinpo.com.tw

Kinpo Electronics has established a dedicated whistleblower mailbox and formulated the Procedure for Handling and Treatment of Complaints, which specify detailed reporting channels, handling procedures, and reward and penalty measures. The whistleblower mailbox is jointly monitored by the CEO and the head of Internal Audit. The CEO is responsible for assigning and managing cases, while the Internal Audit Office conducts investigations. All reported cases are assigned to a dedicated team for investigation and handled confidentially. Personnel with a conflict of interest related to the case are required to recuse themselves and are prohibited from participating in the investigation.

Investigators must maintain confidentiality regarding the whistleblower's identity, protect the whistleblower's rights, and ensure that involved individuals are not subjected to unfair treatment or retaliation.

As of 2024, there were no corruption incidents or suspected cases of improper benefit acceptance reported through formal channels.

Information Security Management

In 2024, successfully passed the BSI external audit for re-certification of ISO 27001 information security certification, elevating information security management system to international standard.

The Information Security Committee is chaired by the President or an appointed supervisor, who serves as Chief Information Security Officer (CISO). The committee holds at least 1 management review meeting annually, with ad-hoc meetings convened as needed. The 2024 information security execution results will be presented to the Board of Directors on March 12, 2025.

In 2024, Kinpo experienced no cyberattacks or information security incidents that adversely impacted business operations, nor was the Company involved in any related legal cases or regulatory investigations.