FINE BLANKING & TOOL CO., LTD.

2023 Environmental, Social, and Governance Report

Notice to readers

This English version of the sustainability report is a summary translation of the Chinese version. In case of any discrepancies between the English and Chinese texts, the Chinese version shall prevail.

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1.Foreword

1.1 About this Report

This Report is the ninth Sustainability Report (previously referred to as Corporate Social Responsibility Report) issued by the Company. The previous report was released in August 2023. We plan to issue this Report annually, following the framework and content based on the GRI Standards of the Global Reporting Initiative (GRI：2021). The Report is voluntarily prepared and published to transparently disclose the value and performance created by the Company. Through the issuance of this Report, we aim to provide stakeholders with an understanding of Fine Blanking & Tool's efforts and achievements in promoting sustainable development, additionally, serving as an essential tool for future communication with stakeholders and internal management.

Principles and Standards for Compilation of this Report

This report is prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards) and follows the reporting principles by referring to:

- Sustainability Accounting Standards Board (SASB: 2018-10) disclosure indicators for the automotive parts industry (Auto Parts)
- Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD)

Category	Sustainability	Financial	Environmental	Occupational Health and Safety
Standards Followed	**★GRI Standards ★AA1000ASv3：2020 Accountability Principles ★SASB Sustainability Accounting Standards**	**★IFRS recognized and issued by the Financial Supervisory Commission ★Regulations Governing the Preparation of Financial Reports by Securities Issuers**	**★ISO14001：2015 Environmental Management System ★ISO14064-1：2018 GHG inventory ★ISO14051：2011 Material Flow Cost Accounting ★ISO50001：2018 Energy Management System ★TCFD：2021 Task Force on Climate-related Financial Disclosures**	**★ISO45001：2018 CNS45001 Occupational health and safety management system**
Audit Institutions	**Taiwan Office, British Standards Institution (BSI)**	**Full-Go**	**Taiwan Office, British Standards Institution (BSI)**	**Taiwan Office, British Standards Institution (BSI)**

Report Compilation and Quality Control Process

The company compiles and edits this report through the following organization and procedures:

A task force is formed, consisting of implementation committee members and key representatives from various departments, including the President's Office, Business Department, Management Department, Quality Assurance Department, Technical Research Department, and Manufacturing Department. The Secretariat is responsible for overall planning and issues official requests for each department's committee members and key personnel to contribute to their respective sections.

The Secretariat then consolidates and integrates the information through communication and coordination. Once the initial draft is completed, it undergoes an internal document management review process before being submitted to the Chairperson of the Sustainability Committee and the Chairperson of the Board for final approval and publication.

Reporting Period

The data and content in this report pertain to the year 2023 (from January 1, 2023, to December 31, 2023). The Report is expected to be issued in August 2024 and will be made public on the Company's website.

Scope of Report

This report follows the principles of consolidated financial statements in setting organizational boundaries, and sources financial data are the consolidated financial statements that have been audited by a certified public accountant and have been released to the public. Environmental and occupational health and safety management systems undergo regular internal audits and annual external audits based on ISO 14001 and ISO 45001, respectively. The energy management system ISO 50001 also receives regular verification and certification. Greenhouse gas inventory and material flow cost accounting data have been verified externally by a third party in accordance with ISO 14064-1, ISO 14051 and the TCFD respectively. For other operating and management performance results related to governance, economy, environment, society, labor and human rights, with the exception of system validation, intellectual property protection, personnel structure, and employee development, include the subsidiaries in China and Vietnam. The remaining operating and management results are based on the Taiwan region and exclude the subsidiaries in China and Vietnam, and the disclosed data are based on the results of the Company's own surveys and investigations. The data subject to statutory testing have been measured or certified by impartial organizations, and are presented in the usual numerical descriptions, and the information contained therein are exact figures. The data citations and reporting boundaries for the 2023 Sustainability Report are the same as in 2022.

External Assurance of the Report

To enhance the credibility of this Report, we sought external verification through the decision of senior management. The external assurance was carried out by BSI Taiwan Branch of the British Standards Institution, an independent third-party auditing organization, in compliance with the requirements of **AA1000AS v3**, the GRI Standards, and the SASB Sustainability Accounting Standards. The assurance statement can be found in the External Independent Assurance Statement (Appendix 8).

Contact Information

The Management Department is responsible for managing the Sustainability Report of Fine Blanking & Tool. If you have any questions or suggestions regarding this Report, please feel free to contact us using the following details:

Fine Blanking & Tool Co., Ltd.
Management Department: Manager Liu
Address:No. 3, Gongba Road, Chuansing Industrial Park, Shengang Township, Changhua County
Tel: 04-7990118 ext. 120
Email: adm20@fineblanking.com.tw
Company Website:
http://www.fineblanking.com.tw

Environmental, Social, and Governance Report Inquiry and Download URL:

Market Observation Post System ▶ https://mops.twse.com.tw/mops/web/index

Environmental, Social, and Governance Report Download URL ▶ https://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=31

Publication Date: August, 2024

If any stakeholders discover any suspected violations of ethics, integrity, environmental protection, or occupational health and safety, they can report it through the following channels:

External Complaint Unit: Wu Pei-Jung,Department of Auditing
Address: No. 3, Gongba Road, Chuansing Industrial Park, Shengang Township, Changhua County
External Complaint Phone: 04-7990118 ext. 105
External Complaint Email:
gmo12@fineblanking.com.tw
Internal Complaint Phone: 04-7990118 ext. 120
Internal Complaint Email:
adm20@fineblanking.com.tw

1.2 About Fine Blanking & Tool Co., Ltd. (FBT)

1.2.1 Company Introduction

Rooted in Taiwan, Globally Positioned

The Company's operational headquarters are located in Taiwan, equipped with advanced technology and research and development capabilities. We have also established operations and sales points in Vietnam, serving as a hub for Southeast Asia, where we actively nurture manufacturing and research and development talents to enhance our advanced blanking technology. With the experience gained from 36 years of production and marketing, we demonstrate our drive and actively expand into overseas markets, positioning ourselves globally.

Currently, we have established production bases in Vietnam and China. Through resource integration and sharing from the operational headquarters, we strive to enhance efficiency and expand our overseas business, ensuring steady growth for the Group.
The distribution of 2023 sales revenue by region and overseas operating branches showed no significant changes compared to 2022, as indicated in the chart.

Company Name
- Fine Blanking & Tool Co., Ltd.

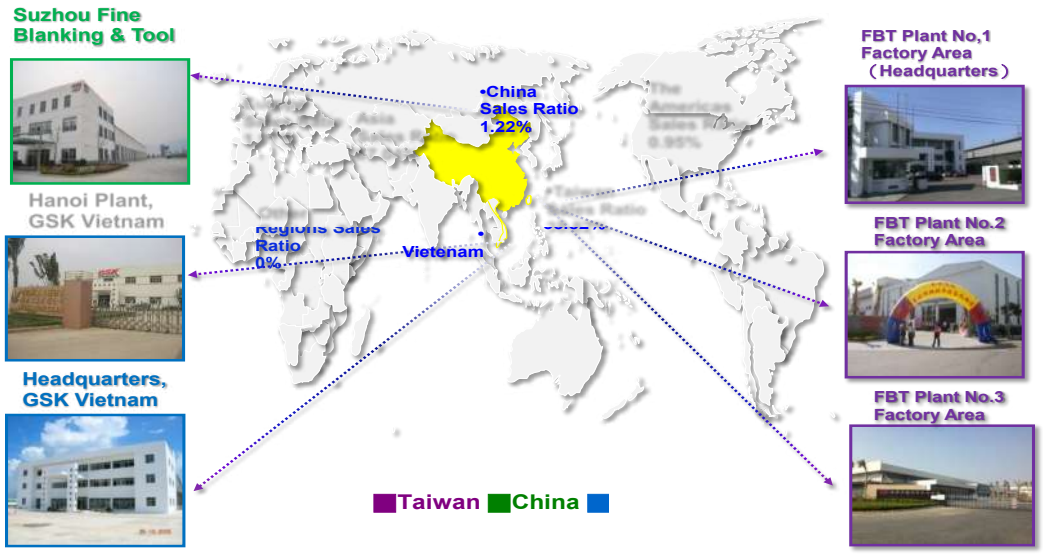
Date Established
- March 17, 1988

Capital
- NT$756,617,400

Operational Headquarters
- No. 3, Gongba Road, Chuansing Industrial Park, Shengang Township, Changhua

Operational Branches
- Facility No.2: No. 18-1, Gongdong 1st Road, Chuansing Industrial Park, Shengang Township, Changhua County.
- Facility No.3: No. 60, Xinggong Road, Chuansing Industrial Park, Shengang Township, Changhua County.
- Suzhou Fine Blanking & Tool: No. 46, Hongxi Road, Suzhou National Hi-Tech District, Jiangsu Province, China.
- Headquarters, GSK Vietnam: ROAD 5,Song May Industrial Zone, Trang Bom District, DongNai Province, Vietnam.
- Hanoi Plant, GSK Vietnam: Lot 6, PhuNghia Industrial Zone, Chuong My Dist, Ha Noi City, VIETNAM.

Employee Size (End of Year)
- 1,036 (373 in Taiwan)



SASB Industry Category – Automotive Components Industry Standard - Disclosed Factory Area.

Taiwan Operational Sites

Factory Area	Facility No.1:	Facility No.2:	Facility No.3:	Total
Factory Building	17,878.99 m²	2,470. m²	12,039.23 m²	32,388.22 m²

Vietnam Operational Sites

Factory Area	GSK VIETNAM CO.,LTD	BRANCH OF HA NOI 1 GSK VIETNAM CO.,LTD	BRANCH OF HA NOI 2 GSK VIETNAM CO.,LTD	Total
Factory Building	7,076. m²	20,415. m²	9,881. m²	37,372. m²

China Operational Sites

Factory Area	Suzhou Fine Blanking & Tool	Total
Factory Building	12,112.34 m²	12,112.34 m²

◎ Company Philosophy, Mission, and Core Values

Company Mission Statement

Company Core Values

Our Mission

To become a trusted, "professional fineblanking" and "precision blanking" service provider, integrating advanced knowledge and technologies.

◎ Company Development

» 1988
- Company founded in Huatan Township

» 1994
- Established the first factory in Chuansing Industrial Park

» 2003
- Listed on the Overthe-Counter Market

» 2004
- Establishment of GSK Vietnam Company set up in Thanh Nien Province, Vietnam

» 2006
- Establishment of Suzhou Fine Blanking & Tool
- Awarded the 7th Industrial Elite Award by the Ministry of Economic Affairs

» 2007
- Acquired Vietnam Yuyang Company
- Invested in Vietnam Yueqing Industrial Company.

» 2008
- Completed Phase 1 construction of Hanoi Plant, GSK Vietnam

» 2009
- Expanded Mold Plant (Plant No.2) completed

» 2010
- Completed Phase 2 construction of Hanoi Plant, GSK Vietnam

» 2012
- Completed Phase 3 construction of Hanoi Plant, GSK Vietnam
- Rewarded the "Happy Workplace Health Award" from the Health Promotion Administration

» 2013
- Completed FBT - Disc Brake Disc Special Plant (Plant No.3)

» 2015
- Ranked within the top 6% to 20% in the (listed) category in the 1st Corporate Governance Evaluation of 2014
- Awarded BSI Environmental Governance Practice Award
- Passed the certification for Self-Accredited Healthy Workplace

» 2016
- Ranked within the top 6% to 20% in the (listed) category in the 2nd Corporate Governance Evaluation of 2015
- Received the Bronze Award in the 9th TCSA Corporate Sustainability Report Award
- Rewarded the Friendly Breastfeeding Room certification from Changhua County, Workplace Category
- Published the first 2015 Corporate Social Responsibility Report, meeting the requirements of AA1000AS:2008 Assurance Standard Type 1 and GRI G4 Core Option

» 2017
- Ranked within the top 6% to 20% in the (listed) category in the 3rd Corporate Governance Evaluation of 2016
- Received the Silver Award in the 10th TCSA in the Electronics and Information Manufacturing category
- Received the Golden Tower Award at the 30th National Solidarity Circles Competition

» 2018
- Ranked within the top 6% to 20% in the (listed) category in the 4th Corporate Governance Evaluation of 2017
- Received the Silver Award in the 11th TCSA in the Electronics and Information Manufacturing category
- Received the Golden Tower Award at the 31st National Solidarity Circles Competition
- Awarded the 2018 BSI Sustainability Practice Award

» 2019
- Ranked within the top 6% to 20% in the (listed) category in the 5th Corporate Governance Evaluation of 2018
- Received the Silver Award in the 12th TCSA in the Electronics and Information Manufacturing category
- Awarded the 2019 BSI Sustainability Practice Award
- Received the Golden Tower Award (1 star) at the 32nd National Solidarity Circles Competition

» 2020
- Ranked within the top 6% to 20% in the (listed) category in the 6th Corporate Governance Evaluation of 2019
- Received the Silver Award in the 13th TCSA in the Traditional Manufacturing category
- Awarded the 2020 BSI Sustainability Resilience Leadership Award
- Received the Golden Tower Award for Continuous Improvement and Selfstrengthening (Efficiency) Category at the 33rd National Solidarity Circles Competition

» 2021
- Ranked within the top 6% to 20% in the (listed) category in the 7th Corporate Governance Evaluation of 2020
- Received the Silver Award in the 14th TCSA in the Traditional Manufacturing category
- Awarded the 2021 BSI Sustainability Resilience Leadership Award
- Received the Silver Tower Award for Autonomous Improvement Category at the 34th National Solidarity Circles Competition

» 2022
- Ranked within the top 6% to 20% in the (listed) category in the 8th Corporate Governance Evaluation of 2021
- Received the Silver Award in the 15th TCSA in the Traditional Manufacturing category » 2004
- Establishment of GSK Vietnam Company set up in Thanh Nien Province, Vietnam » 2007
- Acquired Vietnam Yuyang Company
- Invested in Vietnam Yueqing Industrial Company.
- Ranked within the top 6% to 20% in the (listed) category in the 6th Corporate Governance Evaluation of 2019
- Received the Silver A ward in the 13th TCSA in the Traditional Manufacturing category
- Awarded the 2022 BSI Sustainability Resilience Leadership Award
- Received the Golden Tower Award for Autonomous Improvement (Efficiency) Category at the 35th National Solidarity Circles Competition

» 2023
- Ranked within the top 6% to 20% in the (listed) category in the 9th Corporate Governance Evaluation of 2022.
- Received the Bronze Award in the 16th Taiwan Corporate Sustainability Awards (TCSA) in the Traditional Manufacturing category.
- Awarded the 2023 BSI Sustainability Resilience Leadership Award.
- Received the Golden Tower Award for Autonomous Improvement (Efficiency) Category at the 36th National Solidarity Circles Competition.
- 2023 Outstanding E nterprise Award from the Occupational Safety and Health Administration.

Company Verification and Certificates

1996
- Achieved ISO 9002

1999
- Achieved QS 9000

2001
- Achieved ISO 14001

2003
- Converted to ISO 9000:2000

2004
- Achieved ISO/TS 16949

2005
- Converted to ISO 14001:2004

2009
- Achieved TOSHMS and OHSAS 18001
- Converted to ISO 9001:2008
- Converted to ISO/TS 16949:2009

2014
Plant No.3 passed verification for:
- ISO/TS 16949:2009
- ISO 9001:2008
- OHSAS 18001
- ISO 14001:2004

2015
- Achieved CNS 15506 (Plant No.3)
- Achieved ISO 50001:2011

2016
Achieved
- ISO 14064-1:2006
- AA1000 AS:2008CSR

2017
Achieved
- ISO 14064-1:2006
- AA1000 AS:2008CSR

2018
- Achieved IATF 16949:2016 Verification
- Achieved ISO 14001:2015 Conversion Verification
- Achieved AA1000 AS:2008CSR
- Achieved ISO 14064-1:2006

2019
- Achieved CNS 45001 and ISO 45001:2018 System Conversion Verification
- Achieved ISO 14064-1:2006
- Achieved ISO 50001:2018 Conversion Verification
- Achieved AA1000 AS:2008CSR

2020
- Achieved AA1000AS v3
- Achieved ISO 14064-1:2006
- Achieved ISO 14051:2011

2021
- Achieved ISO 14064-1:2018
- Achieved AA1000AS v3

2022
- Achieved ISO 14064-1:2018
- Achieved TCFD Level 1-5 Excellence Rating for Climaterelated Financial Disclosure
- Achieved AA1000 AS v3

2023
- Achieved ISO 14064-1:2018
- Achieved TCFD Level 1-5 Excellence Rating for Climaterelated Financial Disclosure
- Achieved AA1000 AS v3

Taiwan Operational Sites
FBT Verification Certificates

ISO 9001:2015

IATF 16949:2016

ISO 14001:2015

ISO 45001：2018

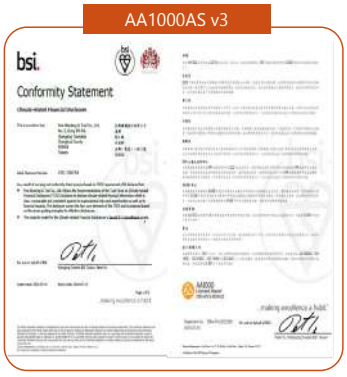
ISO 14064-1:2018

ISO 50001 : 2018

TCFD

CNS 45001:2018

AA1000AS v3



China Operational Sites
Suzhou Fine Blanking & Tool Verification Certificates

IATF 16949:2016

ISO 14001:2015

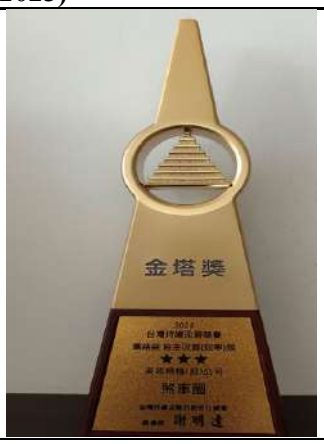
Vietnam Operational Sites

Vietnam Fine Blanking & Tool Verification Certificates Vietnam Fine Blanking & Tool

Vietnam Fine Blanking & Tool Verification Certificates (H1 Facilitate)

Vietnam Fine Blanking &Tool Verification Certificates (H2 Facilitate)

◎ Awards Received by the Company in 2023

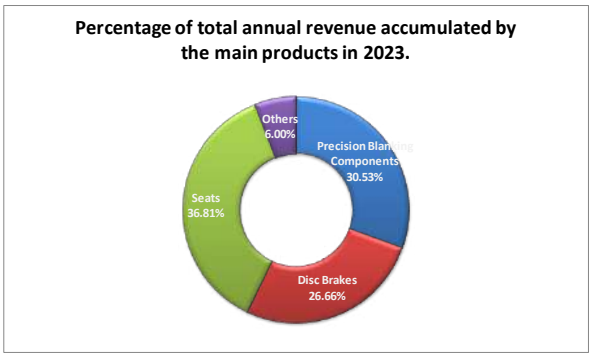
Received the Bronze Award in the 16th TCSA in the Traditional Manufacturing category (2023)	**Received the BSI Sustainable Resilience Leadership Award (2023)**
	
Participated in Continuous Improvement Activities (Uniting Group Self-improvement, Efficiency Category) in the 36th National Solidarity Circles Competition, received the Golden Tower Award (2023)	**Received the First Prize for the Changhua County 2023 Excellent Vendor for Exceeding Employment Quota of Persons with Disabilities**

2023 Core Enterprise Award from the Occupational Safety and Health Administration's 'Zhixing Precision Machinery Safety and Health Family.	**2023 Outstanding Enterprise Award from the Occupational Safety and Health Administration.**

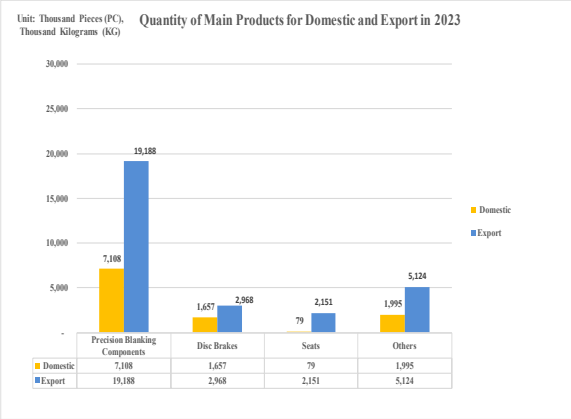
2023 Silver Award for Happy Enterprise from 1111 Job Bank.

1.2.2 Main Business Activities and Products

The main businesses operated by the Company and its affiliated enterprises include the manufacturing, processing, trading, import and export of automotive, motorcycle, special automotive products, fine blanking parts, and car seats. Regarding the manufacturing and trading of equipment, tooling, and molds for the above products, as well as import and export business, there were no significant changes in the Company's business in 2023 compared to 2022.



Note: Others include adjusters, gear components, raw materials, steel plates, materials, and prototypes



Description: "Others" includes Car Seat Recliner Mechanism, Gear Parts, Raw Materials, Steel Plates, Materials, Prototypes.

Taiwan Operational Sites

Product Category	Total Production (kPCS、kSets、kKG)	Total Production Weight(ton)
Precision Blanking Components	11,795	5,527.50
Disk Brakes	1,937	3,230.09
Others	1,819	567.79
Total	15,551	9,325.38

Vietnam Operational Sites

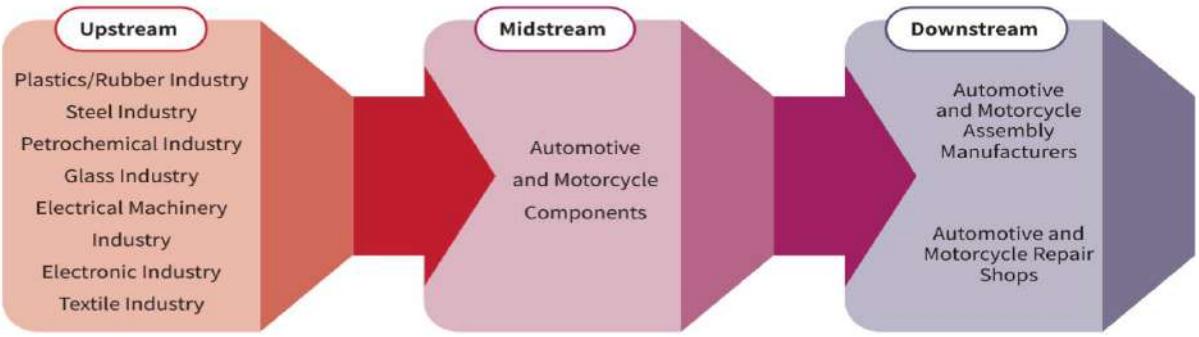
Product Category	Total Production (kPCS、kSets、kKG)	Total Production Weight(ton)
Seats 2w	2,175	4,567.59
Seats 4w	42	718.90
Disk Brakes	2,888	1,890.71
Precision Blanking Components	2,736	323.16
Others	4,231	55.61
Total	12,072	7,555.97

China Operational Sites

Product Category	Total Production (kPCS、kSets、kKG)	Total Production Weight(ton)
Include adjusters	198	95.76
Precision Blanking Components	10,966	568.67
Gear components	250	25.08
Others	128	17.32
Total	11,542	706.83

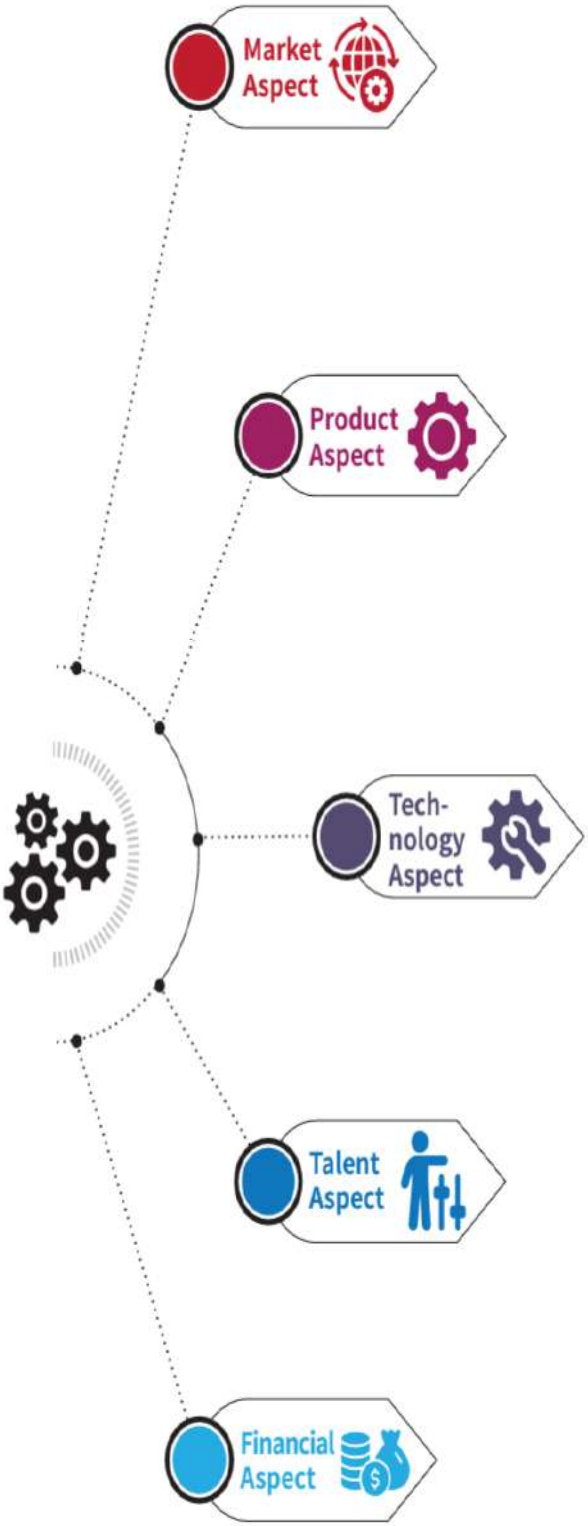
Our main products are automotive and motorcycle OEM stamping components. To better serve our customers, we continuously improve and enhance our precision blanking technology to meet customer requirements in both cost and quality. We also collaborate with major global automotive manufacturers' supply chains to pursue manufacturing excellence and highly competitive pricing, ensuring that each product can have optimal competitiveness in the market.

- **Automotive and Motorcycle Components Industry Upstream, Midstream, and Downstream Relations Diagram**



Our main product categories are automotive, motorcycle, bicycle, and other parts:

We dedicate efforts to five main aspects, including market, product, technology, talent, and finance, to ensure the Company's sustainable development through different strategies.



- Expand the automotive parts market in Europe, and North America, China, and Southeast Asia, actively seek new customer models, and increase revenue.
- For motorcycle, special vehicle (such as beach cars and golf carts), and bicycle components, expand local stamping components and seat markets in China and Vietnam, and develop the Southeast Asian market through the Vietnam subsidiary. Continuously expand markets in Europe and North America through the Taiwan operational site, aiming for niche and leisure-oriented industry development, developing high-value-added products and components.

- Automotive components mainly include safety belt parts, pipes, precision blanking compound parts, and car seats.
- Motorcycle components mainly include brake discs, gears, brake levers, and motorcycle seats.
- Special vehicle components (such as beach cars and golf carts) mainly include steering mechanism assemblies, pedal assemblies, and secondary clutch assemblies.
- Bicycle components include brake discs.

- Established a joint laboratory with China Steel Corporation and integrated relevant resources from the Group to develop new materials, optimize material usage, and improve processes.
- Automate production process equipment, increase production speed, and conduct in-depth innovation in precision blanking mold technology and material technology to achieve specialized product precision.
- Develop mold and tooling product packages products to provides customers with wider portfolio choices at lower costs and gradually develop product and process patent applications to increase the Company' s competitive advantage.

- Technical Talent Cultivation: Cultivate talents in development and technical capabilities through SE standards, ME process technology, and development quality assurance systems.
- Management Talent Development: Enhance management capabilities and shorten learning and growth time through project management methods.

- Maintain a sound financial position and strengthen the Company's research and development capabilities in new products and technologies.
- Pursue a balance between shareholder equity and sustainable growth for the Company.

1.3.Sustainable Development Performance

Relevant Issues on Sustainable Implementation Policies	Key Factors	Performance Outcome Indicators	2021 Results	2022 Results	2023 Results	Future Continuous Action Plan
Sustainable Development	Continue to pursue profit and growth	● Shareholder rate of return on equity of at least 10% or higher ● Operating profit margin of at least 12% or higher	● Shareholder rate of return on equity 10.06% Operating profit margin 12.07%	● Shareholder rate of return on equity 11.44% ● Operating profit margin 11.99%	● Shareholder rate of return on equity 9.84% ● Operating profit margin 11.65% (Note 1)	● Continued investment in mold and product development to achieve future growth momentum. ● Emphasize strengthening intellectual property through patent applications, encourage "innovation," and hold "patents." In 2023, 6 utility model patents were approved in Taiwan and China, continuously creating competitive advantages. Continued promotion of activities such as TPS, TPM, to optimize production lines and improve efficiency to maintain profitability. ● Continuously enhance actions for customer service and product service to increase customer satisfaction and order procurement rate.
Customer Service	Continuously improve customer service actions	● Customer satisfaction rate average of 75% or higher	● Customer satisfaction rate average of 82.86% or higher	● Customer satisfaction rate average of 79.69% or higher	● Customer satisfaction rate average of 85.31% or higher	● New product development and market actions: ● Keep abreast and cooperate with existing customers' development directions and regulatory requirements and pay attention to the schedule and subsequent market demand for new customer developments to increase sales opportunities for new product lines. ● Establish AI systems and customer technical exchange to save mold costs and shorten development schedules. ● Adjust production line demands to meet customer scheduling changes, provide CP products to save costs and assembly time. ● Feedback on product development progress, rapid order response, customer complaint feedback, and customer visit plans to provide the best service to customers and cement customer satisfaction and loyalty. ● Based on the results of satisfaction surveys, formulate improvement plans to increase customer satisfaction.
Supply chain management	Enhance localized manufacturing and reduce supply risk	● Local supplier procurement amount of 85% or higher ● Supplier on-site evaluation average score of 80 points or above	● Domestic supplier procurement of 87.0% ● Supplier on-site evaluation average score of 87.7 points	● Domestic supplier procurement of 87.60% ● Supplier on-site evaluation average score of 90.2 points	● Domestic supplier procurement of 92.28% ● Supplier on-site evaluation average score of 90.9 points	● Continuously diversify single supply risks and increase local procurement rates. ● Implement supplier guidance and evaluation plans to improve supplier delivery time and quality to reduce delivery risks to manufacturing schedules.
Compliance with laws and regulations	Continuously improve employees' awareness and compliance with regulations, and work with customers and suppliers to maintain proper compliance with regulations.	● Customers and suppliers work together to maintain good regulatory compliance, achieving 100%. ● Prevent occurrence of non-compliance	● 100% achievement rate for annual training on safety and health, personal information, and energy ● None	● 100% achievement rate for annual training on safety and health, personal information, and energy ● ● None	● 100% achievement rate for annual training on safety and health, personal information, and energy ● ● None	● Monthly regulatory audits by regulatory personnel to verify compliance with regulations related to environmental safety, finance, industry, personal data, and labor, to confirm compliance with laws and regulations, make immediate improvements to operations, and establish a risk warning mechanism. ● Continued implementation of regulatory education and training.

Relevant Issues on Sustainable Implementation Policies	Key Factors	Performance Outcome Indicators	2021 Results	2022 Results	2023 Results	Future Continuous Action Plan
Energy saving and waste reduction	Reduce energy intensity, increase process water recycling rate, reduce waste volume	● Reduce energy intensity by more than 1% per year ● Increase the recycling rate of process water by at least 0.5% per year ● Reduce the amount of industrial waste by more than 3% per year	● Energy intensity of 39.23 increased by 7.1% ● Process water recycling increased by 9.81% per year ● Amount of industrial waste reduced by more than 17.63% per year (Note 2)	● Energy intensity of 37.12 decreased by 5.38% ● Process water recycling increased by 11.92% per year ● Amount of industrial waste increased by more than 2.13% per year (Note 2)	● Energy intensity of 34.82 decreased by 6.19% ● Process water recycling increased by 15.35% per year ● Amount of industrial waste increased by more than 17.3% per year	● Continue to promote ISO 14001 environmental management system and ISO 50001 energy management system. ● Strictly comply with regulatory requirements and prioritize the purchase of energy-efficient products. ● Continue to promote process optimization to provide recycled water volume. ● Continue to promote waste reduction at the source and waste reuse. ● Raise awareness of energy conservation and waste reduction among all employees.
Reduce greenhouse gas emissions (Scope 1 + Scope 2)	Reduction of greenhouse gas emission intensity	● Reduction of greenhouse gas emission intensity of at least 1%	● 4.64 (Base year)	● Greenhouse gas emission intensity of 4.43 increased by 4.53% per year	● Greenhouse gas emission intensity of 4.00 increased by 13.79% per year	Continuously promote energy-saving and carbon-reduction measures through ISO 50001 energy improvement projects.
Strengthen labor relations and employee identification	Maintain smooth communication channels and strengthen employee identification	● Achievement rate of internal customer satisfaction over 95% [(1-Net Departure)*Adoption of service employee achievement rate] ● Zero labor disputes	● Achievement rate of internal customer satisfaction 97.81% per year ● Loss due to labor disputes 0	● Achievement rate of internal customer satisfaction 97.87% per year ● Loss due to labor disputes 0	● Achievement rate of internal customer satisfaction 98.38% per year ● Loss due to labor disputes 0	● Continuously strengthen employee identification with the core value of "Inclusive Growth" ● Maintain smooth communication channels with employees
Create a safe and healthy environment	Provide employees with a safe and healthy environment through management systems	● 0 cases of serious occupational safety incidents ● Disabling frequency rate less than 5 and severity rate less than 10	● No serious occupational safety incidents ● Disabling frequency rate 0 and severity rate 0	● No serious occupational safety incidents ● Disabling frequency rate 0 and severity rate 0	● No serious occupational safety incidents ● Disabling frequency rate 0 and severity rate 0	● Continue to promote ISO 14001 and ISO 45001 environmental and occupational health and safety management systems and continuously improve the establishment of a safe and healthy environment through environmental health and safety management programs.
Enhance employee health management and promotion	Continuous promotion of health management and promotion activities	Achievement rate of health management tracking for health promotion activities over 97% per year	Achievement rate of health management tracking for health promotion activities over 98.4% per year	Achievement rate of health management tracking for health promotion activities over 98.1% per year	Achievement rate of health management tracking for health promotion activities over 98.6% per year	● Continue to promote employee self-health management activities on a monthly basis ● Continue to launch employee health promotion activities on a quarterly basis
Active participation in social care	Active participation in community activities	Number of participated community activities	Participated in community activities 16 times	Participated in community activities 16 times	Participated in community activities 25 times	● Continue to participate in various social/community activities

Note: 1.The achievement of the operating profit margin and the shareholder rate of return on equity in 2022:
Since 2020, the global economy has been impacted by the COVID-19 pandemic, leading to a decline in overall revenue in 2020, and the operating profit margin and shareholder rate of return on equity were not achieved.
In 2023, due to the impact of global inflation and high interest rates on the economy, terminal demand remained weak, leading to a decline in orders compared to 2022. As a result, consolidated net revenue in 2023 decreased by 8.95% year-on-year, causing the operating net profit margin to fall short of the target.

2.In 2023, the increase in industrial waste was due to the ramp-up of new electroplating (galvanized wire) production, which shifted from outsourcing to in-house processing, resulting in an increase in electroplating sludge.

Sustainable Development Implementation Policies and United Nations Sustainable Development Goals (SDGs)

Mission Statement	Core Values	Guidelines for Sustainable Implementation	SDGs
Talent Development Teamwork Spirit Customer Satisfaction Social Contribution	▪Customer Satisfaction	We commit to maintaining good regulatory compliance and enhancing customer satisfaction when serving customers and managing the supply chain.	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH
	▪Service Integrity	We pursue profitability and growth while emphasizing corporate governance and ethical operation. We identify and manage various risks and opportunities to facilitate sustainable development.	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	▪Proactive Accountability	We continuously promote energy saving, waste reduction, and greenhouse gas reduction. We advocate for environmental protection management as responsible global citizens and actively engage in social care activities.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	▪Professional Innovation	We are dedicated to optimizing product processes and developing new products/ technologies to provide better services to customers. During initial development assessments, we consider environmental and occupational safety evaluations to minimize harm to the environment and workers.	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	▪Inclusive Growth	We strengthen labor-management relations and employee identification, plan employee training and competency development, enhance employee health management and promotion, and create a safe and healthy environment.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH

Implementation of SDGs

Goal	SDG Detailed Goals	FBT Performance Summary
	3.4 Promote Mental Health	1. In 2023, a total of 338 consultations were provided by doctors, physical therapists, and counselors for health-related services.
		2. There were zero cases of occupational diseases in 2023.
	3.8 Ensure Good Health and Well-being	1. In 2023, a total of 3,040 participants measured their weight, blood pressure, and waist circumference in monthly self-health management activities.
		2. In 2023, a total of 1,048 participants with a participation rate of 92.9% attended various health promotion events organized by the company quarterly, such as the "FBT Fun Darts Competition."
		3. Through the health information system, we set up autonomous management authorization for health self-management, health checkups and consultations, and provide monthly health promotion messages to strengthen employees' health awareness.
	3.9 Reduce Hazardous Emissions to Reduce Possible Diseases and Deaths	1. In 2023, direct greenhouse gas emissions + indirect greenhouse gas emissions from energy category 2 decreased by 26.68% compared to 2021.
		2. The Company had no ozone depleting substances (ODS) and sulfur oxide emissions. Regular outsourced testing and reporting of nitrogen oxides, volatile organic compounds, particulate matter, and air pollutants (hexavalent chromium) comply with emission standards.
		3. There were zero cases of occupational injuries in 2023, with a Frequency-Severity Indicator (FSI) of 0.
	4.3 Promote Gender Equality in Capacity Building	In 2023, a total of 18,060.5 hours of training were provided in Taiwan and overseas subsidiaries.The average training hours per person at Taiwan operational sites:36.6 hours for males and 38.58 hours for females.
	5.1 Eliminate Discrimination Against Women	The Company's salary standards are the same for men and women, and the ratio of standard wages to basic wages for entry-level employees is 1:1.
	5.2 Eliminate Exploitation of Women	In 2023, the confirmation rate of environmental and social standards screening for 37 new suppliers was 100%. The key points of the signed declaration include requirements for freedom of employment and labor rights, and the prohibition of violence and exploitation.
	6.3 & 6.4 Water	Total water intake: 129.854 million liters, wastewater discharge: 140.966 million liters, water consumption in 2023: -11.112 million liters, with a recovery rate of 15.35%.
	7.3 Improve Energy Efficiency	In 2023, a total of 8 energy-saving projects were completed, saving 2,454,041 million megajoules of energy and reducing 337.43 tons of CO_2e emissions. The energy cost savings amounted to NT$ 3.75million, and the average annual electricity savings rate from 2015 to 2023 was 2.24 %.

Goal	SDG Detailed Goals	FBT Performance Summary
	8.1 Sustainable Economic Growth	1. In 2023, the combined after-tax net profit decreased by 10.90%, with a 14.98% decrease in net profit attributable to the company's owners.
		2. The average employee benefit expenses at Taiwan operational sites decreased by 6.88% in 2023 compared to 2022.
	8.5 Provide Decent Work Opportunities	100% of senior management positions at Taiwan and China operational sites were filled by local residents. In Vietnam, 87.2% of the managerial positions were filled by local residents.
	8.8 Promote a Safe Working Environment	1. In Taiwan operations, 72 sessions of occupational safety training were conducted, with 1,218 participants.
		2. No major occupational accidents occurred at Taiwan operational sites.
	9.4 Innovation and Research & Development	In 2023, Taiwan and Mainland China operations obtained 6 patents and certifications, bringing the total number of patents acquired since 2012 to 68.
	12.4 Reduction of Waste Management	1. In 2020, the company obtained BSI certification ISO14051:2011 Environmental Management - Material Flow Cost Accounting, which continued to operate the material utilization design project.
		2. The waste recycling rate at Taiwan operational sites reached 93.74% in 2023.
	12.6 Sustainability Report	1. Since 2015, the Company has been publishing CSR or sustainability reports and has established a dedicated Corporate Social Responsibility page on the official website to disclose non-financial information.
		2. Since 2015, direct and indirect greenhouse gas emissions have been inventoried, and from 2020 onwards, estimates of other indirect emissions have been added, all verified by third-party verification agencies.
	16.1 Reduce All Forms of Violence and Death Rates	1. No occupational accidents occurred in 2023 (excluding commuting accidents) and no occupational injuries or illnesses.
		2. The target for safety observation and near-miss accident investigations in 2023 was 60 cases, and the actual number was 73 cases.
	16.3 Promote Compliance with National and International Laws and Regulations	1. In 2023, there were no fines for non-compliance with laws and regulations concerning the provision and use of products and services.
		2. In 2023, there were no violations of regulations regarding the health and safety impacts of products and services during their life cycle, as required by sales markets and customer requirements.
		3. In 2023, there were no environmental leaks or other violations of environmental laws and regulations, and no fines or sanctions were imposed beyond the fines received.

2. Sustainable Business

2.1 Corporate Sustainability Vision and Development Policies

Fine Blanking & Tool is a part of the global automotive supply chain, and our highest goal is to "Provide the Best Service and Flourish Worldwide." We are committed to conducting all our business activities with integrity and a sustainable management approach. We establish positive interactions with stakeholders, including employees, shareholders, customers/clients, suppliers/contractors, government agencies, and the group, to jointly create and share sustainable value for the future.

Company Mission Statement

Company Core Values

Implementation Guidelines for Sustainable Development

In terms of corporate governance, in addition to focusing on sustainable development, profitability, and growth, we are committed to optimizing product processes and developing new products/technologies to enhance customer satisfaction. We also work together with the supply chain to maintain compliance with regulations and environmental protection. In terms of environmental sustainability, we continue to promote energy conservation, waste reduction, and greenhouse gas reduction, fulfilling our global citizenship responsibility in environmental protection. For social care, we strengthen labor-management relations and employee engagement, provide employee training and development opportunities, enhance employee health management, create a safe and healthy environment, and actively participate in social welfare activities.

Fine Blanking & Tool Co., Ltd.

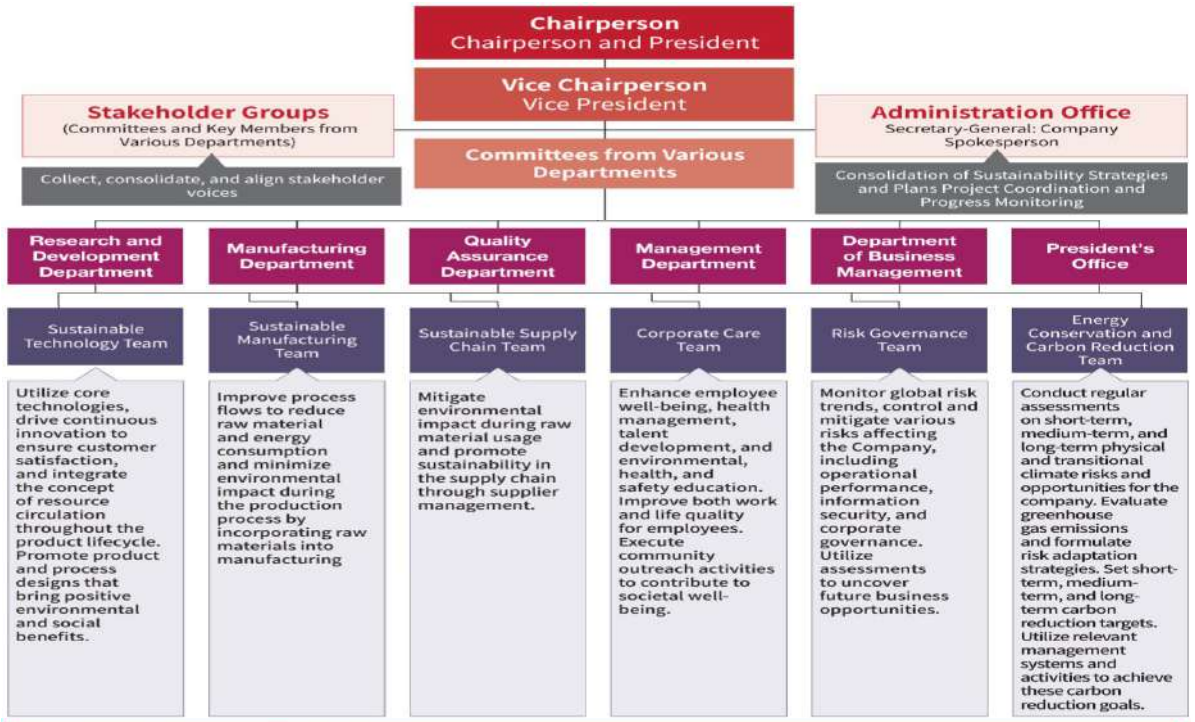
Chairman Wu, Chung-Yi

2.2 Sustainability Committee

Sustainability Committee

For a long time, the Company has been actively promoting corporate governance, sustainable environment development, and social welfare. To enhance the efficiency of sustainable development efforts, the "Corporate Social Responsibility Committee (CSR Committee)" was established in 2015. On November 11, 2015, the Board of Directors authorized the appointment of Mr. Wu Zong-ming, a director and President of the Company, as the chairperson of the implementing organization. The committee was tasked with establishing a sustainable management system in line with the GRI Standards. On December 21, 2021, the Board of Directors approved the revision of the "Corporate Social Responsibility Committee" to the "Sustainability Committee" as shown in the organizational chart below. The Company aims to enhance sustainable development management by appointing (through the Board of Directors) the Management Department (Administration Office) to be responsible for managing the economic, environmental, and social impacts of the organization. This includes promoting sustainable development policies, systems, relevant management guidelines, and specific action plans. The committee reports on the implementation results to the Board of Directors five months after the end of each year.

Sustainability Committee Organizational Chart



Sustainability Committee Operating Procedures

- An annual meeting is held once a year, and the relevant departments of each task force explain the implementation status of the sustainable development promotion and stakeholder consultation and communication (additional meetings may be held as needed).
- The preparation of the annual sustainability report for the previous year is completed each year.
- Regular reviews of performance in economic, environmental, and social aspects are conducted, and the results of sustainable development are reported to the Board of Directors within five months after the end of each year.
- The fulfillment of sustainable development is disclosed in the annual report.

◎ : Lead
○ : Support
□ : Related

Department	Sustainability Projects		
	Economic	Environmental	Social
President's Office	◎	□	□
Department of Business Management	◎	□	○
Management Department	◎	◎	◎
Quality Assurance Department	○	□	◎
Research and Development Department	○	◎	◎
Manufacturing Department	○	○	○

Message from the Chairperson of the Sustainability Committee

Fine Blanking & Tool's ongoing commitment is to providing high-quality services in the global automotive supply chain with professional fine blanking technology. In addition to expanding markets and product development to improve operational performance, we actively promote corporate governance, sustainable environment development, and social welfare in our daily operations. To make the implementation of sustainable development work more efficient, the "Corporate Social Responsibility Committee" was established in 2015. Following the Global Reporting Initiative's (GRI) fourth-generation guidelines (G4), our first Corporate Social Responsibility Report was issued in August 2016 and received the Bronze Award in the 9th Taiwan Corporate Sustainability Awards (TCSA). From 2017 to 2022, we continued to issue the annual Corporate Social Responsibility Reports and received the Silver Award in the 10th to 12th Taiwan Corporate Sustainability Awards (TCSA) in the Electronics and Information Manufacturing category, as well as in the 13th to 15th TCSA in the Traditional Manufacturing category. In the 16th TCSA, we were honored with the Bronze Award in the Corporate Sustainability Report category for Traditional Manufacturing. The Board of Directors approved the amendment of the "Corporate Social Responsibility Committee" to "Sustainability Committee" on 2021/12/21 for the purpose of sound management of the Company's sustainable development.

In 2021, to strengthen the relationship between social responsibility and business philosophy in our daily operations, we identified stakeholders through internal discussions within the Sustainability Committee. We surveyed stakeholders' concerns about issues through a questionnaire on the Company's website. The Sustainability Committee then conducted a survey on the degree of impact based on the electronic questionnaire and conducted internal discussions to identify the major issues of concern to the stakeholders to stakeholders and disclosed the implementation results for the past year in this Report.

Regarding corporate governance, in 2023, we continued to promote internal advocacy for sustainable development, aiming to further advance the direction of corporate governance. Our company's corporate governance evaluation ranked in the top 6% to 20% of over-the-counter companies from the first to the ninth evaluations, and in the 10th evaluation, it ranked in the 21% to 35% range of over-the-counter companies.

Economically, we share business achievements with shareholders and employees. In 2023, the Company's earnings per share were NT$2.40, and the return on equity was 9.84%. Cash dividends of NT$1.6 per share were distributed, accounting for 66.67% of the year's earnings. In terms of profit-sharing with employees, total employee benefits was NT$408,038,000, a decrease of 6.88% compared to 2022.

Regarding the environmental aspect, we adhere to environmental safety policies and relevant management systems, including supervising implementation, complying with regulations, preventing pollution, managing risks, performance management, continuous improvement, energy conservation, and controlling harmful substances in products. Pollution prevention and control in various environmental aspects all meet legal requirements. Through various environmental safety and health programs, we have achieved continuous progress. The

greenhouse gas emission intensity of Scope 1 and Scope 2 in 2023 decreased by 13.79% compared to 2021 (baseline year), while the emission intensity of Scope 3 decreased by 25.87%. Energy consumption in 2023 decreased by 22.76% compared to 2022, and energy intensity decreased by 6.19%. Resource recycling amounted to 2,205.712 metric tons. Water intensity in 2023 decreased by 13.04% compared to 2022, and waste intensity remained the same as in 2022.

Regarding the social aspect, we actively participate in various community public welfare activities and provide good employment opportunities. Since 2015, we have promoted sustainability advocacy activities among suppliers in addition to the existing supplier management. In 2023, 37 new suppliers signed the Supplier Corporate Social Responsibility Statement, with a recovery rate of 100% (37 suppliers). For employees, in addition to providing various employee benefits, we encourage workforce diversity, provide friendly workplace childcare, offer regular performance assessments and career training plans for employees, and promote open communication and employee participation in activities to promote labor-management harmony. We also continue to promote employee health management, health promotion, and safety management to create a healthy, happy, and safe workplace. In 2023, we continued to promote the health information system to create another smart interactive platform for employees, providing e-health information and e-health self-management login.

Looking forward to a Sustainable Future: The Company will integrate business philosophy and core values into corporate sustainability, covering the economic, social, and environmental dimensions. We will continue to operate under the guidance of corporate governance and the Sustainability Committee, following the GRI Standards, supplemented by various management systems such as environmental, occupational health and safety, quality, personal information, energy, and greenhouse gas inventory. We will also implement the Toyota Production System (TPS) and Total Productive Maintenance (TPM) improvement activities to effectively mitigate or eliminate risks. With practical actions, we will continue to support global sustainability initiatives and aim for shareholder satisfaction, happy customers, efficient processes, employee recognition of core values, and contributions to society.

Chairperson of the Sustainability Committee

Chairperson and President Wu, Chung-Ming

2.3 Stakeholders and Material Issues

The Company is committed to managing with care and listening to the voices of stakeholders. We establish transparent and effective communication channels to accept diverse opinions from all parties. Through identifying and communicating with stakeholders, we gain valuable insights, understand their needs and expectations, and use this information as references for company decisions. We also aim to create and share maximum benefits with stakeholders across various dimensions of our business activities. The identification of stakeholders and relevant issues is conducted as follows:

1. Stakeholder Identification

◆ To pursue sustainable business operations, we continuously listen to the voices of stakeholders. Individuals or groups that may have a significant impact on our operations are considered stakeholders. The Stakeholder Task Force (comprised of the implementation committee members from various departments and key members) uses the AA1000SES Stakeholder Engagement Standard's five principles of reliability, accountability, impact, diverse perspectives, and responsiveness to identify key stakeholders, including employees, customers, suppliers/contractors, shareholders, the group, and government agencies.

2. Collecting Sustainability Issues

◆ To enable information disclosure to be more focused, we identified 29 sustainability issues (11 economic, 9 environmental, and 9 social issues) based on benchmarking with domestic and overseas industry-leading companies' issues of concern and the Sustainability Accounting Standards Board's (SASB) automotive components industry standards. We integrated insights with reference to the industry, the 15 members of the stakeholder group and the external consultants' communication and interaction. to conduct a detailed and standardized internal assessment for reporting purposes, considering factors such as the economic, environmental, and social impacts, the likelihood of occurrence, and risks related to human rights violations.

3. Investigating the Topics of Concern

◆ To understand stakeholders' level of concern about sustainability issues, we conducted a survey through an online questionnaire to investigate the major impacts of the topics of concern on the Company's sustainable operations. In 2023, we collected 154valid responses.

4. Analyzing Operational Impact

◆ We measured the operational impact of each sustainability issue based on seven factors, including access to funds/capital, revenue growth, cost reduction, brand trust enhancement, reputation risk reduction, increased employee morale, and social impact, in consideration of the economic, environmental and social impacts. The Stakeholder and Department Heads Task Force, consisting of 27 members, filled out questionnaires to evaluate the impact of each issue on our operations. We received a total of 27 completed questionnaires.

5. Identification of Material Topics

◆ Through questionnaire analysis, we conducted matrix analysis of stakeholders' concern scores of each topic and the impact scores of the Stakeholder Task Force on sustainability. After discussions between the Stakeholder Task Force and external consultants, we identified seven material issues for submission to the Chairperson of the Sustainability Committee for approval in 2023 Effective management policies were formulated for each major issue.

6. Regular Review

◆ For the identified material topics and related reporting sections, we established management policies and goals and disclosed relevant information in our Sustainability Report. We carry out reviews annually to determine if adjustments to the material topics are necessary.

2.3.1.Stakeholder Communication Channels and Frequency

Apart from interacting with stakeholders through various departmental operations, FBT values stakeholders' opinions and actively responds to their concerns through appropriate communication channels, and establishes guidelines for the prevention and control of unlawful interference in the execution of duties, including an external communication mailbox (adm20@fineblanking.com.tw) as the main communication channel between the company and akeholders.

Stakeholder Employees

Importance to the Company	Communication Channels	Communication Frequency
Employees are the most important partners for the sustainable development of the Company. They are the crucial key to building core competitiveness and the foundation for achieving sustainable operations. We are committed to creating a diverse, equitable, and healthy work environment, aiming for mutual growth with employees and the coexistence of their development with the company's sustainability.	Employee Welfare Committee Meeting	Irregular basis
	Company Announcements	Irregular basis
	Suggestion Improvement System	Irregular basis
	Labor-Management Meeting	Quarterly
	Employee Mailbox	Ongoing
	Occupational Safety and Health Committee	Quarterly
	Employee Psychological Counseling and Guidance	Monthly

Sustainability Issues	Resolution Results	Response Chapter
1.Employee Benefits and Compensation	1.The company communicates with employees on company policies and directions through various channels. and is always open to employee feedback. Adjustments to strategies or proposals for improvement are made as appropriate. 2.Management training, health and safety training, and fire drills are conducted regularly.	5.3 Remuneration and Benefits
2.Workplace Safety and Health Management		5.5 Occupational Health and Safety
3.Talent Cultivation and Development		5.2 Talent development
4.Operational and Financial Performance (Profitability)		4.5 Operational and Financial Performance
5.Talent Recruitment and Retention		5.1 Talent Recruitment and Retention
6.Operational Continuity and Management		3.Integrity governance 4.5 Operational and Financial Performance

Stakeholder **Customers/Clients**

Importance to the Company	Communication Channels	Communication Frequency
Customers are important business partners of the Company. We listen to their needs, place customer requirements at the core, provide professional services, keep pace with industry trends, assist customers in seizing market opportunities, achieve their goals, and grow together. We collaborate with customers to move towards a low-carbon and sustainable future.	Business Meetings	Irregular basis
	Customer Visits	Irregular basis
	Customer Satisfaction Surveys	Annually
	Customer Complaint Management System	Irregular basis
	Product Liability Insurance Coverage	Annually

Sustainability Issues	Resolution Results	Response Chapter
1.Customer Relations Management	1.Continuously strengthen customer service, maintain close contact with customers, protect customer privacy, and be ready for customer audits at any time. 2.Enhance partnership through mutual visits and meetings, creating a win-win situation.	4.1 Customer Service Management
2.Operational and Financial Performance (Profitability)		3.5 Operational and Financial Performance
3.Technology and Innovation R&D		4.2 Technology and Innovation R&D 4.4 Product Quality Control
4.Procurement Policies and Supplier Management		4.3 Supplier Sustainability Management
5.Environmental Protection Management System		6.4 Environmental Management Policy
6.Climate Change and Energy-Saving and Carbon Reduction		6.1 Climate change 6.2 Greenhouse Gas Management 6.3 Energy Management 6.4 Environmental Management Policy
7.Workplace Safety and Health Management		5.5 Occupational Health and Safety
8.Product Labeling and Product Health and Safety		4.4 Product Quality Control

Stakeholder **Suppliers/Contractors**

Importance to the Company	Communication Channels	Communication Frequency
Suppliers are our sustainable business and growth partners. We aspire to establish enduring partnerships with our suppliers, working together to fulfill corporate social responsibility.	Supplier Meetings	Irregular basis
	Contractor Education and Training	Irregular basis
	Supplier Audits	Annually
	Supplier Evaluation	Monthly
	Supplier Questionnaire Survey	Annually

Sustainability Issues	Resolution Results	Response Chapter
1.Procurement Policies and Supplier Management	1.Conduct regular supplier audits and engage in communication with suppliers on an annual basis to proactively address supplier concerns. 2.Continuously encourage suppliers to reduce environmental impact and uphold corporate social responsibility.	4.3 Supplier Sustainability Management
2.Operational and Financial Performance (Profitability)		4.5 Operational and Financial Performance
3.Environmental Protection Management System		6.4 Environmental Management
4.Workplace Safety and Health Management		5.5 Occupational Health and Safety
5.Customer Relations Management		4.1 Customer Service Management

Stakeholder **Shareholders**

Importance to the Company	Communication Channels	Communication Frequency
The long-term support of shareholders is the driving force behind the Company's steady growth. Shareholders should have access to significant company information, uphold integrity and sustainable operation, ensure transparent disclosure of information, and safeguard shareholders' rights.	Convene Shareholders' General Meeting	Annually
	Publicly Release Financial Reports	Quarterly
	Publicly Release Consolidated Revenue	Monthly
	Spokesperson and Investor Relations Department	Irregular basis
	Market Observation Post System	Regular and irregular basis
	Company Website	Irregular basis

Sustainability Issues	Resolution Results	Response Chapter
1.Operational and Financial Performance (Profitability)	1.The company engages investors regularly or as needed to convey its business performance status and prospects. 2.Annual reports, quarterly financial statements, quarterly reports, and monthly revenues are uploaded to the corporate website periodically. 3.A summary of comments gathered from investors and external parties are submitted to the Board of Directors and the executive management to provide a basis for improvement of corporate governance practices and business operations.	4.5 Operational and Financial Performance
2.Technology and Innovation R&D		4.2 Technology and Innovation R&D 4.4 Product Quality Control
3.Operational Continuity and Management		3.Integrity governance

Stakeholder **Group**

Importance to the Company	Communication Channels	Communication Frequency
The Company maintains a positive interaction with the Group, enhancing its marketing and financial performance through the integration of group resources. Both entities are committed to sharing sustainable value with stakeholders in the future.	Convene Annual General Meeting	Annually
	Convene Board of Directors Meeting	Quarterly
	Market Observation Post System	Regular and irregular basis
	Company Website	Irregular basis
	Group Activities	Annually/Quarterly
	Financial and Related Information	Monthly
	Business Review Meetings	Monthly

Sustainability Issues	Resolution Results	Response Chapter
1.Operational and Financial Performance (Profitability)	1.Communicate through regular and irregular meetings, emails, and phone calls to understand the Company's operational status and future developments. 2.Leverage group resource integration to assist in business expansion and enhance management capabilities, thereby improving financial performance.	4.5 Operational and Financial Performance
2.Technology and Innovation R&D		4.2 Technology and Innovation R&D 4.4 Product Quality Control
3.Workplace Safety and Health Management		5.5 Occupational Health and Safety
4.Employee Benefits and Compensation		5.3 Remuneration and Benefits
5.Operational Continuity and Management		3.Integrity governance 4.5 Operational and Financial Performance
6.Climate Change and Energy-Saving and Carbon Reduction		6.1 Climate change 6.2 Greenhouse Gas Management 6.3 Energy Management 6.4 Environmental Management Policy

Stakeholder **Government Agencies**

Importance to the Company	Communication Channels	Communication Frequency
The Company adheres to relevant regulations set by government agencies and actively cooperates with policy implementation. Transparent two-way communication is maintained to establish trust, support, and collaboration with the government.	Correspondence and Email Communication	Irregular basis
	Participation in Promotional and Public Hearings by Competent Authorities	Irregular basis
	Issuance of Directives	Irregular basis
	Energy Consumption Management	Annually
	Water Resource Recycling and Reutilization	Irregular basis
	Market Observation Post System	Regular and irregular basis
	Environmental Regulation Audits and Legal Reporting	Regular

Sustainability Issues	Resolution Results	Response Chapter
1.Environmental Protection Management System	1.The Company works with government agencies regularly and as needed in implementing and coordinating programs. The company also learns details of policies and regulations and assists in promoting them. 2.Exceed compliance with regulations and fully support government policies.	6.4 Environmental Management Policy
2.Workplace Safety and Health Management		5.5 Occupational Health and Safety
3.Employee Benefits and Compensation		5.3 Remuneration and Benefits
4.Climate Change and Energy-Saving and Carbon Reduction		6.1 Climate change 6.2 Greenhouse Gas Management 6.3 Energy Management 6.4 Environmental Management Policy
5.Greenhouse Gas Emissions Management		6.2 Greenhouse Gas Management
6.Information Security Management		3.3 Risk Management

2.3.2.Analysis and Management of Material Issues

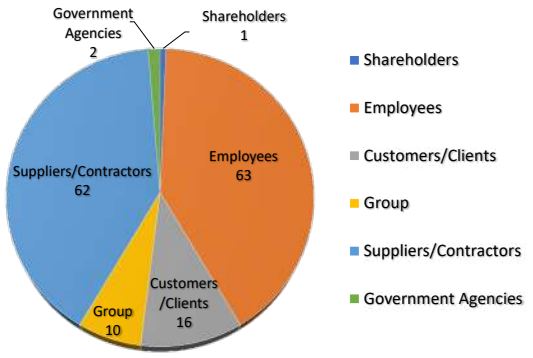
We collected 29 sustainability issues through the Stakeholder Task Force and external consultants. The sustainability issues are as follows:

Code	Economic Considerations	Code	Environmental Considerations	Code	Social Considerations
1	Corporate Governance	1	Environmental Protection Management System	1	Workplace Safety and Health Management
2	Operational and Financial Performance	2	Climate Change and Energy-Saving and Carbon Reduction	2	Labor Relations
3	Intellectual Property Right Protection	3	Green Product	3	Talent Cultivation and Development
4	Risk Management	4	Greenhouse Gas Emissions Management	4	Human Rights Concerns and Protection
5	Code of Ethics and Ethical Behavior	5	Circular Economy	5	Employee Benefits and Compensation
6	Ethical Management and Regulatory Compliance	6	Water Management	6	Community Engagement and Social Contribution
7	Technology and Innovation R&D	7	Waste Management	7	Product Labeling and Product Health and Safety
8	Customer Relations Management	8	Chemical (Hazardous Substances) Management	8	Talent Recruitment and Retention
9	Information Security Management	9	Peripheral Noise Management	9	Customer Personal Data Protection
10	Procurement Policies and Supplier Management				
11	Operational Continuity Management				

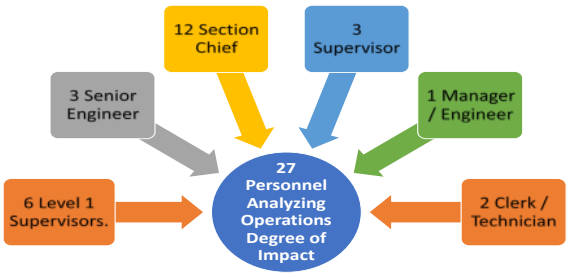
We received a 154completed stakeholder concern questionnaires.

◎The number of questionnaires receivedfrom the various stakeholders:

We received a 154 completed stakeholder concern questionnaires.

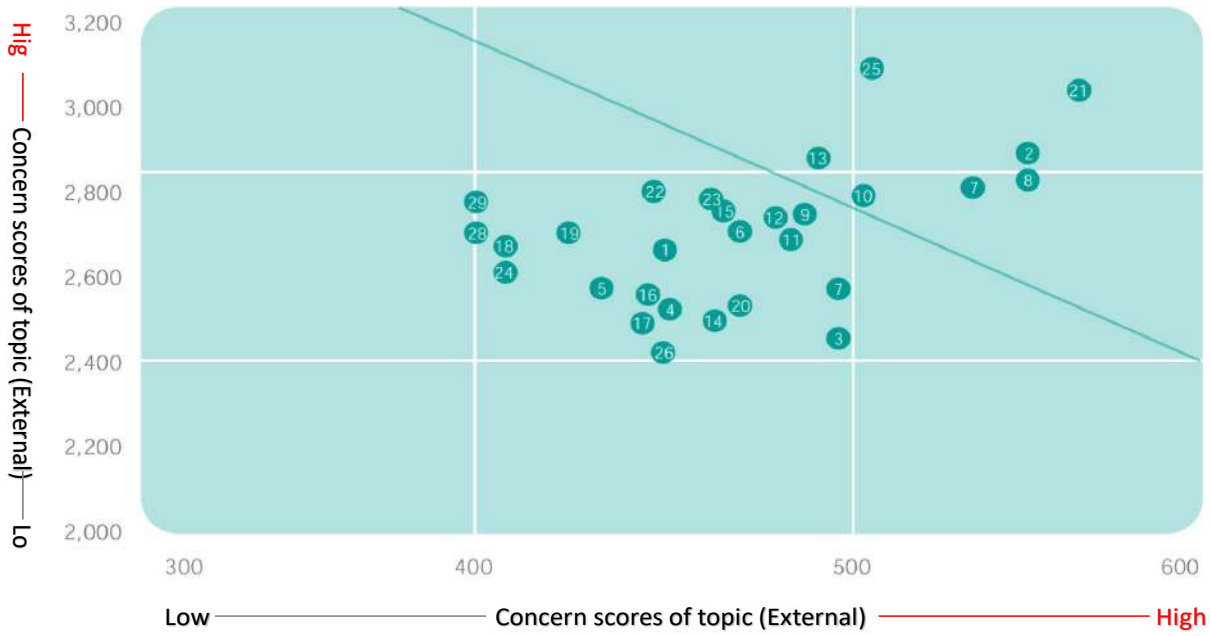


We measured the operational impact of each sustainability issue based on seven factors, including access to funds/capital, revenue growth, cost reduction, brand trust enhancement, reputation risk reduction, increased employee morale, and social impact, in consideration of the economic, environmental and social impacts. Then conducted questionnaire surveys at various levels of the Stakeholder Task Force:



Identification of Material Issues

Through the questionnaire analysis, the concern scores for each topic and the impact scores of management on sustainable operations were analyzed in a materiality matrix. The results showed that seven issues of concern fell within the scope of material issues, which were selected by the Stakeholder Task Force after deliberation. Additionally, the economic aspect of "ethical business practices and compliance with regulations" and the social aspect of "labor-management relations" were considered secondary issues of concern. Due to the difficulty in collecting data, these issues were adjusted to "information security management" and "product labeling and product health and safety" after discussion by the Stakeholder Task Force. The distribution chart of the materiality analysis of the issues of concern is shown in the figure below.



Code	Economic Considerations	Note	Code	Environmental Considerations	Note	Code	Social Considerations	Note
1	Corporate Governance		12	Environmental Protection Management System	▲	21	Workplace Safety and Health Management	★
2	Operational and Financial Performance	★	13	Climate Change and Energy-Saving and Carbon Reduction	★	22	Labor Relations	
3	Intellectual Property Right Protection		14	Green Product		23	Talent Cultivation and Development	▲
4	Risk Management		15	Greenhouse Gas Emissions Managemen	▲	24	Human Rights Concerns and Protection	
5	Code of Ethics and Ethical Behavior		16	Circular Economy		25	Employee Benefits and Compensation	★
6	Ethical Management and Regulatory Compliance		17	Water Management		26	Community Engagement and Social Contribution	
7	Technology and Innovation R&D	★	18	Waste Management		27	Product Labeling and Product Health and Safety	▲
8	Customer Relations Management	★	19	Chemical (Hazardous Substances) Management		28	Talent Recruitment and Retention	
9	Information Security Management	▲	20	Peripheral Noise Management		29	Customer Personal Data Protection	
10	Procurement Policies and Supplier Management	★						
11	Operational Continuity Management	▲						

Note: ★ Major issues - 7 items. ▲ Minor issues - 6 items.

● Regular Review

Based on the seven material issues identified, which correspond to the seven specific material topics in the GRI Standards, we used stakeholders as the boundary for disclosure of sustainability information on material issues, and carried out collection and disclosure of sustainability information in accordance with the reporting requirements and management policies and objectives for each topic. Other sustainability issues evaluated by the Company's Sustainability Committee as worthy of attention will also be disclosed to the public at the same time.

● Changes in Material Issues

In 2023, we assessed the material issue areas with reference to the GRI's sustainability issues, in addition to the disclosures required by SASB standards for the industries in which we operate. Furthermore, in response to customer evaluations that require additional sustainable management of suppliers, we have included "Procurement Policies and Supplier Management" to enhance the sustainable management of suppliers.

▪Changes to Material Issues in 2023

Material Topics in 2022	Material Topics in 2023	Change Overview
Workplace Safety and Health Management	Workplace Safety and Health Management	No Change
Employee Benefits and Compensation	Employee Benefits and Compensation	No Change
Customer Relations Management	Customer Relations Management	No Change
Procurement Policies and Supplier Management	Procurement Policies and Supplier Management	No Change
Procurement Policies and Supplier Management	Procurement Policies and Supplier Management	No Change
Procurement Policies and Supplier Management	Procurement Policies and Supplier Management	No Change
Climate Change and EnergySaving and Carbon Reduction	Climate Change and EnergySaving and Carbon Reduction	No Change

● Material Issues and Boundaries

Based on the results of the questionnaire survey, the Stakeholder Task Force identified and agreed on seven key issues, namely, operational and financial performance, technology and innovation, customer relationship management, procurement policy and supplier management, climate change and carbon reduction, workplace safety and health management, and employee benefits and compensation. The following table is a comparison of the GRI Standards and Stakeholder Concerns Boundary Table, and the related information and management policies are disclosed in the relevant sections of this Report:

Core Values	Material Issues	GRI Standards Specific Material Topics / Custom Material Topics	Boundaries			Value Chain	Disclosure on Management Approach Section
			Internal				
			Taiwan	Suzhou	Vietnam		
Service Integrity	Operational and Financial Performance	GRI 201: Economic Performance 2016	●	●	●	Shareholders (indirect impact), Customers/Clients (business conduct impact), Suppliers/Contractors (business conduct impact), Group (indirect impact)	4.5 Operational and Financial Performance
Professional Innovation	Technology and Innovation R&D	Custom Material Topics	●	●	●	Customers/Clients (business conduct impact), Shareholders (indirect impact), Group (indirect impact)	4.2 Technology and Innovation R&D 4.4 Product Quality Control
Customer Satisfaction	Customer Relations Management	Custom Material Topics	●	●	●	Customers/Clients (business conduct impact)	4.1 Customer Service Manageent
	Procurement Policies and Supplier Management	GRI 204: Procurement Practice 2016	●	◎	◎	Customers/Clients (business conduct impact), Suppliers/Contractors (business conduct impact)	4.3 Supplier Sustainability Management
Proactive Accountability	Climate Change and Energy-Saving and Carbon Reduction	GRI 305: Emissions 2016	●	◎	◎	Government Agencies (indirect impact), Group (indirect impact), Customers/Clients (business conduct impact)	6.1 Climate Change 6.2 Greenhouse Gas Management 6.3 Energy Management 6.4 Environmental Management Policy
Inclusive Growth	Workplace Safety and Health Management	GRI 403: Occupational Health and Safety 2018	●	◎	◎	Government Agencies (indirect impact), Group (indirect impact), Suppliers/Contractors (business conduct impact), Customers/Clients (business conduct impact)	5.5 Occupational Health and Safety
	Employee Benefits and Compensation	GRI 401: Employee relationship 2016	●	◎	◎	Government Agencies (indirect impact), Group (indirect impact)	5.3 Remuneration and Benefits

Note: ● indicates the disclosed materiality information; ◎ indicates minor significance, planned for future inclusion in disclosure.

● Management of Material Issues

Due Diligence Process

To mitigate and prevent the impacts of major topics and enhance organizational resilience, FBT conducts due diligence investigations on major topics regularly, following the PDCA process, to assess the related impacts and potential negative effects, and actively take corresponding mitigation measures.

1. Identifying Impacts

Internal experts regularly review the degree of impact and risk assessment analysis of major topics on the Company's operations, confirming the degree of impact of each issue.

2. Developing Plans

Based on the investigation results, plans for mitigation, improvement, and prevention are developed for issues with high potential risks.

3. Supervising Implementation

Implement the improvement plan and track it regularly to assess the effectiveness of the plan's execution.

4. Reviewing Improvements

Review the management process and performance to adjust the execution plan.

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Operational and Financial Performance	Positive Benefit	Increase in stock price, profit, and feedback to shareholders, as well as increased employee compensation and benefits.	Continuously collaborate with customers and develop new products independently to establish a stable revenue source and enhance profitability.
	Potential Benefit	Increased trust from customers and suppliers, boosting employee morale.	
	Negative Impact	Decline in stock price and affecting the company's operational funding needs.	
	Potential Impact	Affecting trust from customers and suppliers, leading to reduced orders and suppliers being hesitant to supply goods.	

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Technology and Innovation R&D Customer Relations Management	Positive Benefit	Obtaining long-term cooperation orders to achieve stable revenue.	Adopting IATF 16949 quality management system's customer-oriented PDCA operation and management, becoming a trusted supplier for customers and achieving continuous growth.
	Potential Benefit	Cooperate with customers and independently develop new products to achieve sustained revenue growth.	
	Negative Impact	Product defects resulting in customer complaints, claims deductions, affecting subsequent orders, and even disqualification as a supplier.	
	Potential Impact	Unable to qualify for customer's new product development, resulting in order loss and revenue decline.	

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Procurement Policies and Supplier Management	Positive Benefit	Reduced inventory, transportation, and raw material costs, meeting delivery and quality requirements, and valuing environment, safety, and health to achieve customer satisfaction.	Implement supplier management and development in line with the IATF 16949 quality management system and environment, safety, and health system, stabilize customer cooperation, and achieve sustainable development of the supply chain.
	Potential Benefit	Establish stable cooperative relationships and trust, enhance local procurement, and exert influence to promote the sustainable development of the entire supply chain.	
	Negative Impact	Delayed delivery, unstable quality, poor environment, safety, and health management leading to customer disengagement.	
	Potential Impact	Unstable supply affecting customer orders, damaging the company's image, and leading to revenue decline. Failure to meet customer environment, safety, and health evaluation requirements, resulting in the inability to qualify for new development projects.	

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Climate Change and Energy Saving and Carbon Reduction	Positive Benefit	Continuously achieve energy-saving and carbon-reduction goals and reduce costs through greenhouse gas inventory and the promotion of energy systems.	1. Identify climate-related risks and opportunities through cross-departmental discussions and assessments. 2. Evaluate the potential operational and financial impacts of significant climate risks and opportunities on the company.
	Potential Benefit	Implement regulatory risk management mechanisms through TCFD opportunity/risk identification to gain leading opportunities and reduce cost losses.	
	Negative Impact	Failure to conduct greenhouse gas inventory and set energy-saving targets may lead to penalties due to non-compliance with FSC requirements.	
	Potential Impact	Increased additional costs due to physical and transitional risks caused by climate change, such as the implementation of international carbon taxes and domestic carbon fees.	

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Workplace Safety and Health Management	Positive Benefit	Establish a safety culture, cultivate compliance habits, and eliminate, reduce, or avoid injuries and unhealthy incidents among all workers during operations.	Create a safe and healthy workplace through the PDCA cycle of the ISO 45001 Occupational Safety and Health Management System.
	Potential Benefit	Continuously promote occupational safety management awareness in the supply chain through the "Safety Home" program, drive safety and health improvements, and create a safe and healthy workplace.	
	Negative Impact	Insufficient safety awareness among employees resulting in work-related accidents.	
	Potential Impact	Unsafe environment and behaviors may cause harm to employees, affecting the company's image, and increasing costs.	

Material Issues	Impact	Impact on the Organization	Mitigation, Improvement, and Prevention Plans
Employee Benefits and Compensation	Positive Benefit	Increase employee retention rate and reduce recruitment costs.	The Company continuously improves its operational and financial performance to achieve overall employee compensation growth.
	Potential Benefit	Enhance the company's competitiveness in the industry and increase employee morale.	
	Negative Impact	Increased employee turnover rate, affecting company operations, and increasing costs.	
	Potential Impact	Loss of human capital, affecting organizational capital, and posing risks to the company's internal process operations.	

3.Integrity Governance

3.1 Corporate Governance Framework

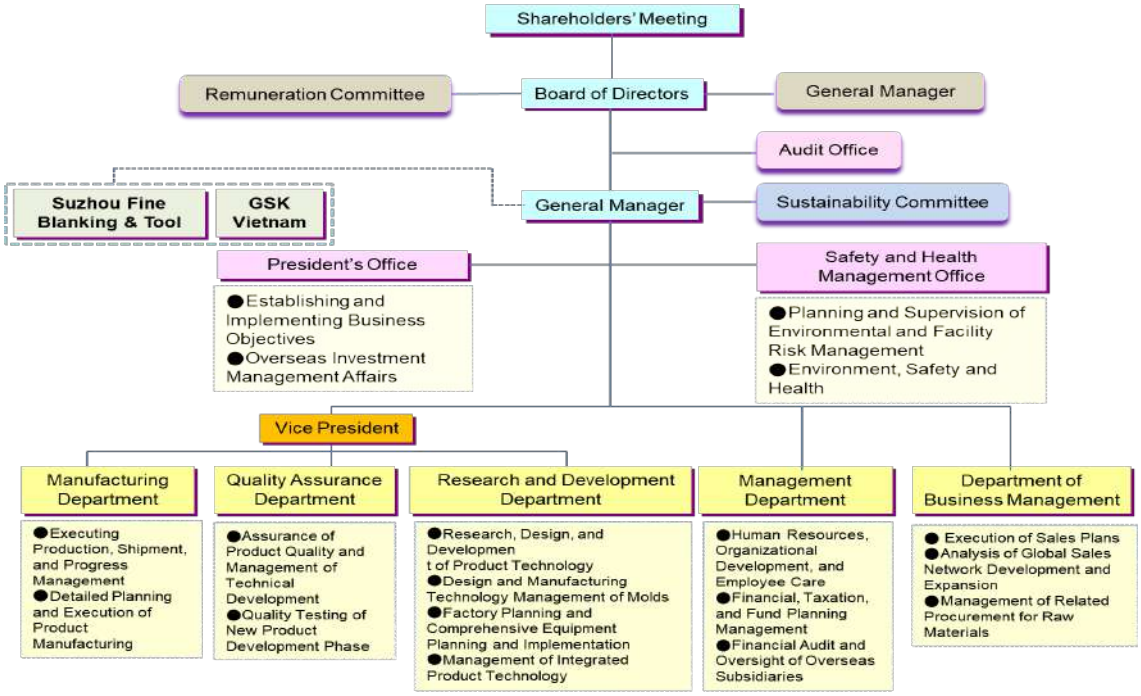
3.1.1 Company Organizational Structure

The Company was approved as a public offering company in 1998. Since then, it has continuously improved its internal control management, and completed the listing on the OTC market in 2003. Since our listing, we have been operating under the premise of integrity of corporate governance and transparency of information, and have minimized operational risks under various conditions under our control. To provide the best service to customers, production and service facilities have been established in Taiwan, China, and Vietnam, offering global services that meet customer satisfaction in terms of quality, cost, and delivery.

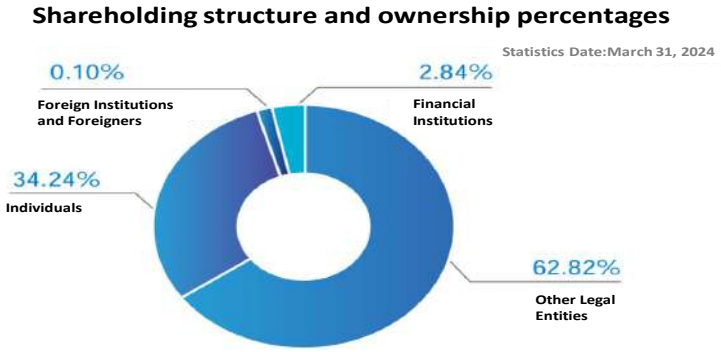
The Company continuously strengthens the functions of the Board of Directors, enhances the leadership and management capabilities of the management team, and increases information transparency to safeguard shareholders' interests. Our company was ranked in the top 6% to 20% of over-the-counter companies in the first to ninth corporate governance evaluations. In the tenth evaluation, the company was ranked in the top 21% to 35% of over-the-counter companies.The Company has established an Audit Committee, a Remuneration Committee, and a Sustainability Committee. The Sustainability Committee is responsible for decision-making related to economic, environmental, and social impact responses.

3.1.2 Company Shareholder Structure

The Company's stock was listed on the OTC market in Taiwan on April 16, 2003 (stock code 4535). As of 2023, the organizational size, structure, ownership, shareholder structure, and operational bases of the supply chain have not undergone significant changes.



Regarding ownership, there have been no significant changes in the shareholdings of directors. Therefore, both ownership and management rights remain unchanged. Shareholdings among shareholders have been subject to market fluctuations, and shareholders adjust their holdings accordingly. As of March 22, 2024, no government entities are included in the shareholder structure, and the shareholder structure is shown in the following figure:



3.1.3 Company Governance Operating Structure

● Operations of the Board of Directors

Except as required by law, the shareholder meeting is convened by the Board of Directors. The Board of Directors is the highest governing body of the company. The chairperson serves as the chairman of the shareholder meeting and the Board of Directors. The chairperson does not concurrently hold the position of the President. The President is recommended by the chairperson to the Board of Directors. The Vice President is recommended by the President to the Board of Directors. Both the President and Vice President are professional managers. The President implements the resolutions of the Board of Directors and oversees the company's operations, with the Vice President delegating duties in business divisions to assist the President.

The Board of Directors is the highest decision-making and governance unit of the Company and is responsible for overseeing the overall operational responsibilities and the results of management's policy implementation. The Company's President is also a director, which enables the Board of Directors to effectively implement the Company's development blueprint into planning and execution, and enhances the Board of Directors' understanding of the Company's operating conditions. The management team maintains good communication with the Board of Directors and carries out the Board's strategic guidance and business operations in accordance with the business execution aspects, so as to maximize the benefits for all shareholders. In addition, the President of the Company is also the head of the Sustainability Committee, which is responsible for decision-making and management of economic, environmental, and social impacts, and submits a summary report on the effectiveness of the Board's implementation of sustainability and TCFD in May of each year.

▌Election of Directors and the Diversity and Independence of the Board of Directors:

(1).Board of Directors Diversity

According to the Company's "Corporate Governance Practice Guidelines," Article 20, on the necessary capabilities that the Board of Directors should possess, the Board members should generally possess the necessary knowledge, skills, and competencies required to perform their duties.

To achieve the ideal goal of corporate governance, the Board of Directors should possess the following capabilities:

In addition, the selection of director candidates will be based on diversity criteria and will consider the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience, and professional experience.

The Company's board structure, taking into account the scale of corporate development and the ownership of major shareholders, has set the appropriate number of board seats to be between seven and eleven in the Articles of Incorporation.

Considering the diversity of the Board of Directors, the number of directors who concurrently serve as company executives should not exceed one-third of the board seats. The Board should formulate appropriate diversity policies based on its own operations, business models, and development needs, including but not limited to the following two major aspects:

I. Basic Conditions and Values: Gender, age, nationality, and culture.

II.Professional Knowledge and Skills: Professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, among others.

(2).Implementation of Diversity

The Company's Articles of Incorporation specify the candidate nomination system for electing directors, which allows shareholders holding 1% or more of the shares to nominate candidates in accordance with Articles 30 and 192-1 of the Company Act. The board structure, taking into account the scale of corporate development and the ownership of major shareholders, has set the appropriate number of board seats to be between seven and eleven in the Articles of Incorporation.

The current Board of Directors consists of 10 directors, including 3 independent directors, representing diverse genders, ages, professional knowledge, and backgrounds. Members possess a wealth of experience and expertise in business management, leadership decision-making, industry knowledge, financial accounting, marketing, and other fields. The Company emphasizes the financial and accounting expertise of Board members, aiming for a target of 30% or more. Currently, there are 10 directors, of which 5 have accounting backgrounds and experience, reaching 50% in practice. The Company also focuses on gender equality among Board members, aiming for female directors to account for 20% or more. Currently, there are 10 directors, including 2 female directors, achieving the goal of 20%. The proportion of directors concurrently serving as company executives does not exceed one-third of the Board, with 2 out of 10 directors also serving as employees of the company, accounting for 20% of the total Board seats.

(3).Independence of the Board of Directors

The appointment of all directors is based on the Company's Articles of Incorporation, the Rules Governing the Election of Directors, the Corporate Governance Guidelines, the Scope of Duties of Independent Directors, and Article 14-2 of the Securities Exchange Act. Since 2006, the overall voting and candidate nomination system for the election of all directors and independent directors have been established to encourage shareholder participation. Shareholders holding a certain number of shares or more can propose a candidate list, and the qualification of each candidate is reviewed. Each nominated candidate must sign a declaration stating that they do not fall under any of the circumstances described in Article 30 of the Company Act. The related procedures are carried out and announced in accordance with the law to safeguard shareholders' rights and prevent monopolization of nomination rights, maintaining the independence of the Board of Directors. To assist directors in clearly understanding their rights and responsibilities upon assuming office, important regulations that directors must follow (e.g., "Compliance Brochure for Directors and Supervisors of TWSE/TPEx-Listed and Emerging Market Companies," "Securities Market Regulations for Listed Companies, Their Directors, Supervisors, and Major Shareholders," "Compliance Brochure for Independent Directors") are provided after directors assume office.

The Board of Directors guides the Company's strategies and supervises management's responsibilities to the company and shareholders. The exercise of powers by the Board of Directors is based on the Company's Articles of Incorporation, Corporate Governance Guidelines, Board Meeting Rules, Code of Ethics for Directors and Managers, Code of Ethical Conduct, shareholder resolutions, and relevant laws. The current structure of the Board of Directors consists of three independent directors, accounting for 30% of the total Board seats, and seven non-independent directors, accounting for 70% of the total board seats. Although there are three directors who have relationships within the second degree of kinship, the Board of Directors continuously assesses the independence of directors, considering all relevant factors, including: whether the relevant directors can continue to raise constructive questions to management and other directors, whether their opinions are independent from management or other directors, and whether their conduct within and outside the Board of Directors is appropriate. The behavior of independent non-executive directors must meet expectations under appropriate circumstances, emphasizing independent operations and transparency of the Board of Directors. Both directors and independent directors act independently and exercise their duties independently.

The Company has established a Board performance evaluation system, which includes an annual internal evaluation of the Board of Directors, self-assessment of board members, and self-assessment of functional committees. The evaluation results are reported to the Board of Directors and disclosed in the Company's annual report and website.

▪ Implementation of the Diversity Policy for Board Members

Diversity Criterias / Director Name	Basic Composition								Operational Management	Leadership & Decision-Making	Industry Knowledge	Financial Accounting	Marketing	Executives, Directors, or Supervisors Who are Spouses or within Two Degrees of Kinship		
	Gender	Concurrent Employees at the Company	Age Distribution				Independent Director Term/Years of Service									
			41-50	51-60	61-70	71-80	4-6years	7-9years						Title	Name	Relation
Chairman Chung-Yi Wu	Male				V				V	V	V		V	Director Director	Yu-Mei Wu Yen-Hsing Wu	Brother and sister Father and son
Director Chung-Ming Wu	Male	V		V					V	V	V		V			
Director Kuan-Hsing Wu	Male	V	V						V	V	V					
Director Jui-Chang Lin	Male					V			V	V	V	V	V			
Director Hung-Wuu Li	Male				V				V	V	V		V			
Director Yu-Mei Wu	Female				V				V	V	V	V		Chairman	Chung-Yi Wu	Brother and sister
Director Yen-Hsing Wu	Male		V						V	V	V			Chairman	Chung-Yi Wu	Father and son
Independent Director Chia-Chi Kuo	Female			V				V	V	V		V				
Independent Director Yi-Min Lin	Male			V			V		V	V		V				
Independent Director Cheng-Shong Hong	Male				V		V					V				

● Operation of the Board of Directors

The Board of Directors serves as the Company's central organization and is composed of 10 directors with extensive industry and academic experience. The Board of Directors convenes regular meetings to discuss major company matters. In 2023, the Board of Directors held six meetings, with an average attendance rate of 96.67%.

■ Annual Board Meetings in 2023: 6 times

Title	Name	Gender	Actual Attendance	Delegate Attendance	Actual Attendance Rate	Changes in Directors
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative:Chung-Yi Wu	Male	6	0	100%	5/30/2023 Re-election and reappointment
Director	IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu	Male	4	0	100%	5/30/2023 Newly appointed
Director	Chiuan-Tai INVESTMENT CORP. Representative:Chung-Ming Wu	Male	2	0	100%	5/30/2023 Former position
Director	Chiuan-Tai INVESTMENT CORP. Representative:Kuan- Hsing Wu	Male	6	0	100%	5/30/2023 Re-elected
Director	Fu Yen Investment Co., Ltd. Representative:Jui-Chang Lin	Male	5	1	83%	5/30/2023 Re-elected
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative:Chung-Wuu Li	Male	6	0	100%	5/30/2023 Re-elected
Director	Yu-Mei Wu	Female	6	0	100%	5/30/2023 Re-elected
Director	CHING YUAN INVESTMENT Co.,Ltd. Representative:Yen-Hsing Wu	Male	5	1	83%	5/30/2023 Re-elected
Independent Director	Chia-Chi Kuo	Female	6	0	100%	5/30/2023 Re-elected
Independent Director	Yi-Min Lin	Male	6	0	100%	5/30/2023 Re-elected
Independent Director	Cheng-Shong Hong	Male	6	0	100%	5/30/2023 Re-elected

Title	Name	Gender	Main Education	Experience and Positions Held in this Company and Other Companies	Sustainability Abilities		
					Economic	Environmental	Social
Chairman	Chiuan-Dau INVESTMENT Co., Ltd. Representative: Chung-Yi Wu	Male	U.S.A. in the University of California, Los Angeles Business Seminar Program	•Chairman, FINE BLANKING & TOOL CO., LTD. •Chairman, ALL TRY CORPORATION •Chairman, GSK Autotech & Furniture •Chairman, SHIN SAN SHING CO., LTD. •Chairman, Chiuan-Tai INVESTMENT CORP •Chairman, GSK INVESTMENT DEVELOPMENT CORP. •Chairman, GSK CORPORATION •Independent Director, GIANT MANUFACTURING CO., LTD. •Director. GSK Technologies Inc. •Director. GSK INTEK CO., LTD. •Director. OFIS INTERNATIONAL CO., LTD. •Director. Chiuan-Dau INVESTMENT Co., Ltd.	V	V	V
Director	**IDEA INVESTMENT Co., Ltd. Representative: Chung-Ming Wu**	Male	Xin-Pu Industrial College	•Director and General manager, FINE BLANKING & TOOL CO., LTD. •Director and General manager, GSK VIETNAM CO., LTD. •Chairman, Suzhou Fine Blanking & Tool Co., Ltd. •Executive Director, SUPERIORITY ENTERPRISE CORP •Executive Director, Propitious International Inc. •Chairman, IDEA INVESTMENT Co., Ltd.	V	V	V
Director	Chiuan-Tai INVESTMENT CORP. Representative: Kuan-Hsing Wu	Male	Dayeh University	•Director and Head of Production Management, FINE BLANKING & TOOL CO., LTD. •Director and General Manager's Office The High Commissioner, FINE BLANKING & TOOL CO., LTD.	V	V	V
Director	GSK INVESTMENT DEVELOPMENT CORP. Representative: Chung-Wuu Li	Male	U.S.A. Virginia State University	•Chairman, GSK Technologies Inc. •Chairman, Shanghai Yuxing Trading Co., Ltd •Director and General Manager, GSK Corporation •Director , FINE BLANKING & TOOL CO., LTD. •Director , GSK VIETNAM CO., LTD. •Supervisors, SHIN SAN SHING CO., LTD.	V	V	V
Director	Fu Yen Investment Co., Ltd. Representative: Jui-Chang Lin	Male	Soochow University Department of Accounting	•Chairman , Taiwan Fu Hsing Industrial Co., Ltd. •Director, LAUNCH TECHNOLOGIES CO., LTD. •Director, TAIFLEX Scientific Co., Ltd. •Director, FINE BLANKING & TOOL CO., LTD., •Director, Advanced International Multitech Co.,Ltd. •Legal representative of the director, FINE BLANKING & TOOL CO., LTD. •Legal representative of the director, LAUNCH TECHNOLOGIES CO., LTD •Legal representative of the director, Advanced International Multitech Co., Ltd. •Legal representative of the director, TAIFLEX Scientific Co., Ltd	V	V	V

Title	Name	Gender	Main Education	Experience and Positions Held in this Company and Other Companies	Sustainability Abilities		
					Economic	Environmental	Social
Director	Yu-Mei Wu	Female	Lizen High School	•Director, GSK Corporation •Director, ALL TRY CORPORATION •Director, GSK INTEK CO., LTD. •Director and Supervisors, FINE BLANKING & TOOL CO., LTD. •Supervisors, MEDCARE MANUFACTURING INC. •Supervisors, GSK Autotech & Fruniture INC. •Supervisors, GSK Technologies Inc. •Supervisors, Chiuan-Tai INVESTMENT CORP. •Supervisors, GSK INVESTMENT DEVELOPMENT CORP.	V		V
Director	CHING-YUAN INVESTMENT Co., Ltd. Representative: Yen-Hsing Wu	Male	Japan Waseda University The degree of Master of Arts in International	•Commissioner, GSK Information Department •Sheraton Hotel FO •Assistant to the Chairman of Kaiya Real Estate Co., Ltd •GSK Operations General Manager •GSK System Chief Executive Officer •Director, CHING YUAN INVESTMENT Co.,Ltd. •Director, SUPERIORITY ENTERPRISE CORP •Director, FINE BLANKING & TOOL CO., LTD.	V		V
Independent Director	Chia-Chi Kuo	Female	Accounting, National Taiwan University	•Gloria J. C. Kuo & Co., CPAs •Independent Director, FINE BLANKING & TOOL CO., LTD. •Independent Director, FORMOSA TAFFETA CO., LTD. •Director, ZONGTAI REAL ESTATE DEVELOPMENT CO., LTD.	V		V
Independent Director	Yi-Min Lin	Male	Master of Accounting, National Changhua University of Education	•FULL-GO & CO., CPAs, •Independent Director, FINE BLANKING & TOOL CO., LTD. •Supervisors, FLAVOR FULL FOODS INC.	V		V
Independent Director	Cheng-Shong Hong	Male	Ph.D., Electrical Engineering, National Cheng Kung University	•National Kaohsiung Normal University Professor, Department of Electronic Engineering, •Independent Director, FINE BLANKING& TOOL CO., LTD.	V		V

● Mechanism to Prevent Conflicts of Interest

According to the Company's "Regulations Governing Procedure for Board of Directors Meetings" and "Corporate Governance Guidelines," if a conflict of interest exists for a director or the legal person they represent with a specific matter on the agenda, then the director may not take part in the discussion and voting. They should also excuse themselves during the discussion and voting process, nor represent any other director during voting.

The Company does not have situations where major suppliers or other shareholders have cross-shareholdings, nor does it have any controlling shareholders. Furthermore, the Company has established independent directors, who make recommendations based on their professionalism and experience from an objective and impartial standpoint.

Relevant information on the directors of the Company, who are either corporations or individuals, who are already working in the management of other companies, is listed on pages 15 to 20 of the 2023 Annual Report, and the restriction on prohibiting competitive behavior by new directors and their representatives has been lifted at the 2023 Annual General Meeting of Shareholders.

● Continuing Education for Directors

Title	Name	Training Date		Organizer	Course title	Hours
		Start	End			
Legal Person Director Representative	Chung-Yi Wu	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Legal Person Director Representative	Jui-Chang Lin	2023.4.12	2023.4.12	Taiwan Academy of Banking and Finance	Corporate Governance	3
	Jui-Chang Lin	2023.6.2	2023.6.2	Securities & Futures Institute	2023 Seminar on Prevention of Insider Trading	3
Legal Person Director Representative	Chung-Ming Wu	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Legal Person Director Representative	Kuan-Hsing Wu	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Legal Person Director Representative	Chung-Wuu Li	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Legal Person Director Representative	Yen-Hsing Wu	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Director	Yu-Mei Wu	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Independent Director	Yi-Min Lin	2023.3.16	2023.3.16	CPA Associations R.O.C. (Taiwan)	Board of Directors' Fiduciary Duties and Liability for Misrepresentation of Financial Statements (Taichung)	3
	Yi-Min Lin	2023.7.25	2023.7.25	Securities & Futures Institute	How do the Director and Supervisor monitor the company's management of enterprise risk management and the effectiveness of internal controls.	3
Independent Director	Chia-Chi Kuo	2023.3.23	2023.3.23	CPA Associations R.O.C. (Taiwan)	Anti-Money Laundering Supervision and Practices for Accountants (Taichung)	3
	Chia-Chi Kuo	2023.8.3	2023.8.3	CPA Associations R.O.C. (Taiwan)	8/3 (Taichung) Analysis of Money Laundering and Insider Trading Case Patterns	3
Independent Director	Cheng-Shong Hong	2023.8.23	2023.8.23	Taipei Exchange	TPEx and Emerging Stock Market Insider Shareholding Seminar	3
	Cheng-Shong Hong	2023.8.30	2023.8.30	Foundation for Financial Law and Crime Prevention	2023 Third Session of Corporate Governance Practical Training Program	3

● Audit Committee

The Audit Committee of the Company consists of all independent directors and meets at least once per quarter and meetings may be convened at any time as necessary.The description of the operation of the Company's Audit Committee, the communication between the Audit Committee and the certified public accountants, and the principles of communication between the independent directors, the head of internal audit, and the certified public accountants are disclosed in the Company's annual report and on the Company's website.

In 2023, the Audit Committee met five times and the attendance of the independent directors was as follows:

▪2023 Audit Committee_Attendance Schedule of Independent Directors

Title	Name	1st	2nd	3rd	4th	5th
		2023/3/6	2023/5/8	2023/7/25	2023/11/8	2023/12/13
Independent Director	Yi-Min Lin	●	●	●	●	●
Independent Director	Chia-Chi Kuo	●	●	●	◎	●
Independent Director	Cheng-Shong Hong	●	●	●	●	●

Note:●:In-personattendance◎:Videoattendance○:Delegateattendance△:Non-attendance

(2023.01.01~2023.12.31)

Title	Name	Actual Attendance	Delegate Attendance	Actual Attendance Rate (%)	Description
Independent Director	Yi-Min Lin (Convener)	5	0	100%	Appointed Chair of the Audit Committee after the board's re-election on May 30, 2023.
Independent Director	Chia-Chi Kuo	5	0	100%	
Independent Director	Cheng-Shong Hong	5	0	100%	

● Remuneration Committee

The Company established the Remuneration Committee in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter" on August 26, 2011. The Remuneration Committee, approved by the Board of Directors, consists of 3 independent directors and meets at least twice a year. In 2023, the Remuneration Committee has convened two meetings with 100% attendance rate. The main functions of the Remuneration Committee are to strengthen corporate governance and risk management, and to evaluate and supervise the compensation system of the Company's directors and managers based on the consideration of motivation and retention of talents. The remuneration of the directors and managers is reported to the Board of Directors for approval by the Remuneration Committee, and is based on the requirements of the Company's remuneration regulations and is reported in consideration of the Company's operating conditions, individual performance and future risks. In the future, the remuneration of directors and managers will be linked to the element of sustainable performance. The composition, duties and operations of the Remuneration Committee are disclosed in the Company's annual report and website.

▪ 2023 Remuneration Committee_Attendance Schedule of Independent Directors

Title	Name	1st	2nd
		2023/3/6	2023/12/13
Independent Director	Chia-Chi Kuo	●	●
Independent Director	Yi-Min Lin	●	●
Independent Director	Cheng-Shong Hong	●	●

Note:●:In-person attendance◎:Video attendance○:Delegate attendance△:Non-attendance

(2023.01.01~2023.12.31)

Title	Name	Actual Attendance	Delegate Attendance	Actual Attendance Rate (%)
Independent Director	Yi-Min Lin (Convener)	2	0	100%
Independent Director	Chia-Chi Kuo	2	0	100%
Independent Director	Cheng-Shong Hong	2	0	100%

● Board Performance Evaluation

In order to implement corporate governance and enhance the functionality of the Board of Directors, the Company has established performance indicators to strengthen the efficiency of the Board's operations. The "Board of Directors Performance Evaluation Guidelines" have been formulated and passed. Each year, the Board of Directors and functional committees conduct self-assessment through questionnaires, with the evaluation content as shown in the table below:

Implementation of Board Evaluation

Evaluation Period	Evaluation Time	Evaluation Scope	Evaluation Method	Evaluation Content
Once per year	2023.01.01 -2023.12.31	Board of Directors	Internal self-assessment of the Board of Directors	Participation in company operations, quality of Board decision-making, composition and structure of the Board of Directors, appointment and continuous education of directors, internal controls Awareness and Engagement in the Company's ESG Initiatives
	2023.01.01 -2023.12.31	Individual Board Members	Self-assessment of individual Board members	Understanding of company objectives and missions, awareness of director responsibilities, participation in company operations, internal relationship management and communication, professional knowledge and continuous education, internal controls
	2023.01.01 -2023.12.31	Functional committees	Internal self-assessment of the functional committees	Participation in company operations, understanding of functional committee responsibilities, quality of functional committee decision-making, composition and appointment of committee members, internal controls

Note：The company's 2023 Board Performance Self-Assessment was completed, and the evaluation results were reported to the Board on February 27, 2024. These results will serve as the basis for review and improvement. Key items with lower scores are summarized below:

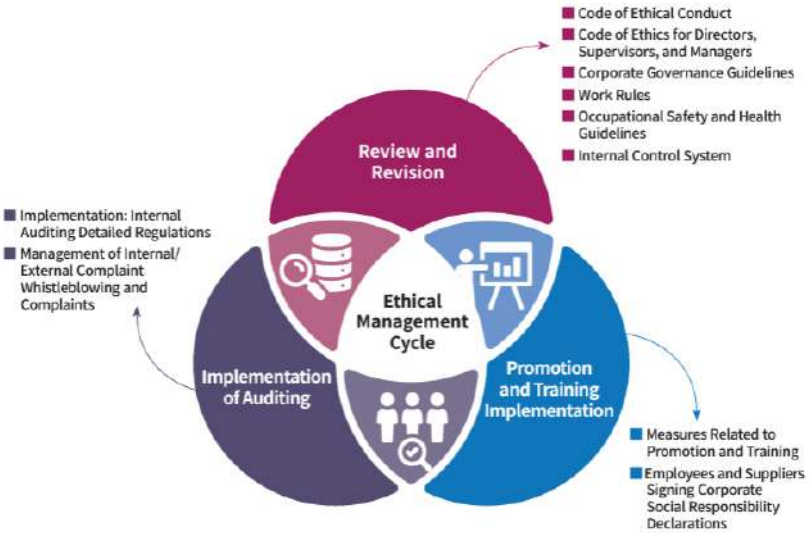
Scope of Evaluation	Items with Lower Scores	Future Actions
Board Self-Assessment	F. Awareness and Engagement in the Company's ESG Initiatives 45. Board members have sufficient understanding and involvement in the company's ESG progress.	The Board Secretariat will periodically communicate relevant ESG information to the board members, enabling them to understand and engage in the company's ESG initiatives and operations.
Individual Director Self-Assessment	E. Professionalism and Continuing Education of Directors 5. New directors have understood their responsibilities and are familiar with the company's operations and environment. E. Professionalism and Continuing Education of Directors 19. Directors have pursued diverse courses beyond their respective areas of expertise and participate in appropriate training annually.	By participating in board meetings and attending various corporate governance training courses, directors enhance their professional understanding of the board's responsibilities and operational model.
Functional Committee Self-Assessment	A. Level of Involvement in Company Operations 3. Each committee member makes effective contributions in their respective functional committees.	Enhance functional committee members' full understanding of the company's operations and operational model.

3.2 Business Ethics

The Company has established “Code of Ethical Conduct,” “Code of Ethics for Directors and Managers,” “Corporate Governance Guidelines,” “Work Rules,” and “Occupational Safety and Health Guidelines” ," and related measures such as the "Prevention of Illegal Interference with the Performance of Duties." (available for reference on the Company’s website: https://www.fineblanking.com.tw/ec99/rwd1280/category.asp?category_id=38).

These regulations are issued by the Board of Directors or senior executives and apply to all activities and business relationships of the Company. They serve as behavioral standards for executives and employees. Through the risk identification mechanism of internal control self-assessment, corruption risks and risks arising from internal and external events, including risks that may affect the achievement of objectives, financial reporting risks, and compliance risks are all taken into consideration. Established corruption-prone risks and identified risks are integrated into organizational responsibilities and managed through appropriate functional divisions and internal audit mechanisms to reduce and control such risks. The Company has an independent audit unit reporting directly to the Board of Directors, responsible for internal audit affairs. The current organization consists of one audit supervisor and one audit personnel.

To ensure business performance and efficiency (including profitability, performance, asset security, etc.), reliable, timely, and transparent reporting, and compliance with relevant regulations and laws. The Company’s internal control is based on self-supervision, making adjustments in response to environmental and situational changes. The internal control system consists of five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Supervision.



3.2.1 Management and Employee Signing of Corporate Social Responsibility Declaration and Anti-Corruption Statement

The “Communication Management Procedures” of the Company, reviewed by a senior executive committee, is established to provide internal training and signing of internal corporate social responsibility statements for directors and employees, and signing of corporate social responsibility statements for suppliers. In 2023, new employees received education and training and signed the Corporate Social Responsibility Declaration and Anti-Corruption Statement. Through periodic regulatory advocacy activities, internal bulletin board announcements, etc., employees are informed of the latest or regulations related to their work, further strengthening their firm commitment to adherence to professional ethics.

The Company upholds its core value of "Inclusive Growth" and supports the United Nations Universal Declaration of Human Rights (UDHR) and related international concepts of respecting human rights. At the same time, we adhere to the local regulations of all global operating locations, and treat all employees with dignity and respect. Information on human rights protection training, human rights concerns and practices, and employee communication channels for the year 2023 are covered in section 5.4 Human Rights and Communication of this Report.

3.2.2 Effectiveness of Anti-Corruption Advocacy

In 2023, the Company had no incidents of corruption, bribery, illegal political donations, improper charity donations, improper benefits, or other unethical practices. It did not incur significant fines for violating regulations related to labor, environment, or society. In 2023, the total monetary loss resulting from legal disputes related to anti-competitive behavior regulations was 0.

3.2.3 Operation of the Company Whistleblowing System

Both internal and external websites of the Company have established e-mail and hotlines to allow employees and external parties to report any improper practices. The Company ensures the confidentiality of the whistleblower's identity and report content, and actively and prudently investigates and handles reported cases. If there are violations of ethical management regulations, they will be reported and dealt with according to relevant personnel regulations. Information on the job title, surname, violation date, violation content, and handling situation of the violators will be disclosed on the company's internal website.

If the penalized individuals believe that the company has handled the matter improperly, they may file a complaint with the management department for remediation. If human rights complaints are received, the Human Resources Arbitration Committee may convene a meeting to record the details of the incident. The committee consists of managers at the department level, with the President serving as the chairperson. The committee votes to determine whether punishment is necessary.

In 2023, the Company did not receive any reports of improper practices from whistleblowers.

3.3 Risk Management

The Company's risk management process includes risk identification, risk analysis, risk assessment, risk response, and continuous monitoring and improvement, all of which are ongoing processes for effective management.

Based on the characteristics and impact of various risks generated by operations, significant policies, endorsements, guarantees, fund loans, and bank financing of the Company are all subject to evaluation and analysis by appropriate responsible departments before execution based on resolutions of the Board of Directors. The Auditing Office also formulates its annual audit plan based on risk assessment results and implements it effectively to ensure oversight and control of risk management implementation.

Major Risk Categories	Risk Management Responsible Unit(First Mechanism)	Risk Review and Control Mechanism (Second Mechanism)	Risk Decision-making and Oversight (Third Mechanism)	Response Measures
Company Overall Strategy and Objective Risks	Top Management	Business Review Meetings	※Response and Handling by Highest Decision-making Body: Board of Directors ※Unit Responsible for Monitoring and Tracking Risk Matters: Audit Office	1. At the end of each year, review the performance of the current year and set the direction for implementing the strategy goals for the following year. 2. Monthly business review meetings to review and control the achievement status of the company's overall strategic objectives and risk response measures. 3. Immediate response to potential risks affecting goal achievement through weekly executive meetings. 4. Hold at least one Board meeting per quarter to review the achievement status of the company's overall strategic objectives. For risks associated with unmet goals, decide on response and handling measures.
Market Risks	Department of Business Management	Business Review Meetings		1. Competitive action for new product development: Understand and match the direction of existing customer development in order to increase the sales opportunities of new product lines. 2. In accordance with the Company's internal control system of the sales cycle to regulate the operations of all relevant departments to reduce the order and accounts receivable process risk management, customer credit risk assessment and control operations.
Regulatory Compliance and Control	Management Department	Business Review Meetings Board of Directors		1. The Company has set up the "Environmental Safety and Health Regulations and Requirements Identification Management Measures," and the regulation checking personnel conducts the environmental safety and health related regulations checking every month. Since 2016, it has been extended to the checking of the related laws and regulations of finance, industry and commerce, personal data, and labor, in order to confirm the legal compliance status and to improve the operation with no delay. 2. The Company has established the "Contract Review Management Regulations," which stipulates the authority to audit and the audit procedures. 3. The Company employs a legal advisor and a dedicated legal staff of the GSK Group to provide counseling services on various contracts, agreements and legal matters.

Major Risk Categories	Risk Management Responsible Unit(First Mechanism)	Risk Review and Control Mechanism (Second Mechanism)	Risk Decision-making and Oversight (Third Mechanism)	Response Measures
Information Risks	President's Office	Business Review Meetings	※Response and Handling by Highest Decision-making Body: Board of Directors ※Unit Responsible for Monitoring and Tracking Risk Matters: Audit Office	The Company has formulated standard operating procedures such as "Information Operation Management Regulations", which applies to: application system development and maintenance, data access, backup mechanism, virus and network intrusion protection, server room installation, uninterrupted power supply system, and access control system. Control measures are taken in accordance with company standards, and authorized access control is implemented. The management structure of information security management, information security policy, specific management programs, and resources invested in information security management are described on pages 52-55.
Financial Risks	Budget Committee Management Department	Business Review Meetings Board of Directors		1. Liquidity Risks: The Company maintains stable profitability and sufficient operating funds, with no significant bank borrowings. We will continue to maintain cash equivalents and fixed deposits not less than monthly revenue. 2. Interest Rate Risks: The company mainly uses operating funds to repay long-term and short-term loans. When there are short-term funds, the Company primarily invests in high-liquidity short-term notes and fixed deposits to safeguard principal and maintain liquidity. 3. Exchange Rate Fluctuation Risk: The Company constantly monitors exchange rate fluctuations when utilizing foreign currency short-term borrowings for importing steel. It uses exchange rate hedging tools and negotiates price adjustments with customers whose business is significantly affected by exchange rate fluctuations. 4. Inflation Risks: The Company will continuously monitor changes in inflation and adjust the procurement inventory of raw materials accordingly. We will also implement improvement proposals to reduce costs and increase efficiency. 5. Other Financial Risks: The Company does not engage in high-risk, high-leverage investments, or derivative transactions. In 2023, the Company did not provide endorsements or guarantees for others, nor did it extend loans to others. The Company has established the "Procedures for Fund Lending and Endorsement Guarantees," and relevant operations are conducted in accordance with the prescribed procedures.

Major Risk Categories	Risk Management Responsible Unit(First Mechanism)	Risk Review and Control Mechanism (Second Mechanism)	Risk Decision-making and Oversight (Third Mechanism)	Response Measures
Personnel Risks	Management Department	Business Review Meetings		To respond to changes in demographics, migrant worker risks, and declining birth rates: 1. The Company continues to collaborate with universities and colleges to provide training for newly recruited personnel. 2. Continue to promote the optimization of production lines, and implementation of TPS and TPM to improve production efficiency. 3. Evaluate and implement automation of various equipment and production lines to reduce personnel requirements.
Environment, Safety and Health Accident Risks:	Safety Management Office Environmental Security System Committee	Business Review Meetings Occupational Safety and Health Committee	※Response and Handling by Highest Decision-making Body: Board of Directors ※Unit Responsible for Monitoring and Tracking Risk Matters: Audit Office	1. The Company has obtained verification for environmental, safety, and health management systems, such as ISO 14001 and CNS 45001 (ISO 45001). The internal TPM environmental and safety subcommittee continues to promote system operations, set objectives, and implement programs to reduce environmental and occupational safety risks. 2. For emerging infectious disease response risks (e.g., COVID-19), the response measures are explained on page 113.
Climate Change Risks	Energy System Committee Greenhouse Gas Inventory Committee TCFD Promotion Committee	Business Review Meetings Occupational Safety and Health Committee Sustainability Committee		1. On December 21, 2021, the Board of Directors approved the establishment of the "TCFD Promotion Committee" under the Sustainability Committee to utilize the TCFD framework to construct the Company's climate risk identification process. After discussions by the Promotion Committee and key members regarding climate risks and opportunities, the "Fine Blanking & Tool 2023 Climate-Related Financial Disclosure Report" was compiled and summarized. For details, please refer to section 6.1 Climate Change. 2. Although the Company has not yet been included as a target under the greenhouse gas reduction regulations, plant No.1 and No.3 of the Company are energy-intensive users, and the main greenhouse gases are energy-related indirect emissions (Category 2) mainly from electricity, accounting for about 83%. Since 2015, the Company has implemented the ISO 50001 Energy Management System and established the Energy Implementation Committee to carry out various energy management action plans with a goal of achieving at least 1% energy savings annually. At the same time, the Company conducts greenhouse gas emissions inventories and indirectly reduces greenhouse gas emissions through the promotion of ISO 50001 energy projects to mitigate climate change risks. 3. Many governments are considering implementing carbon taxes or energy taxes, which will increase the prices of raw materials and energy required for production over the years. These factors will raise production costs for companies. The Company will continue to monitor changes in domestic and foreign regulations, understand regulatory trends, and make preparations in advance to reduce potential financial costs.

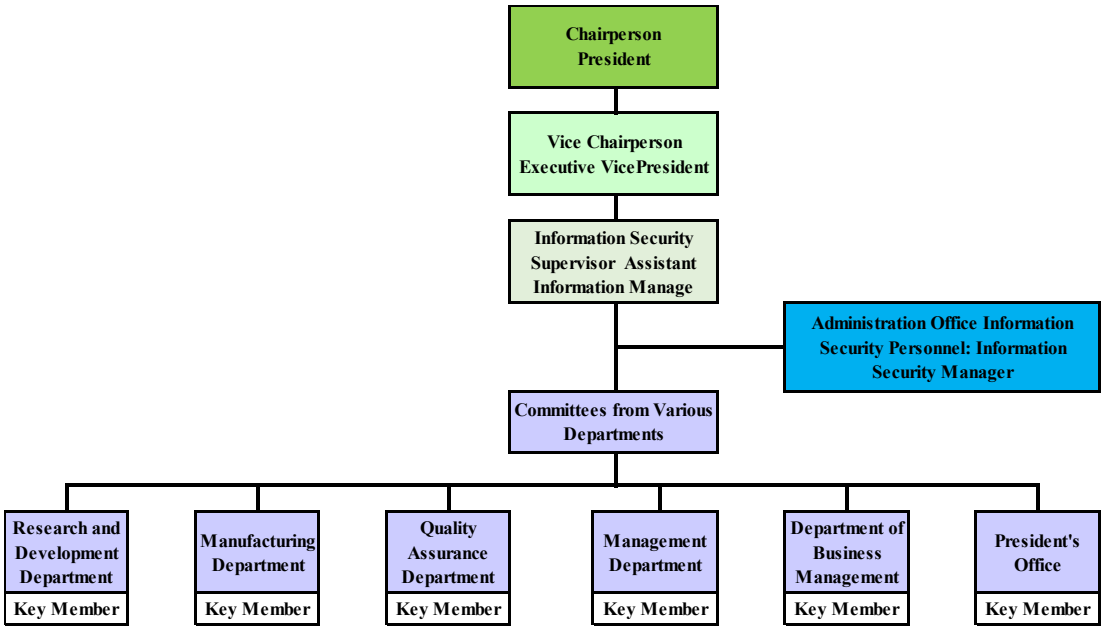
● Information Security Management

1. Information Security Risk Management Framework

The Company has established a Risk Management Committee that conducts regular risk assessments annually. Starting from August 2018, due to potential failures or intrusions in information system equipment that could increase the risk of operational disruption, we have strengthened various information security protective measures and set management objectives to enhance information management efficiency. The management objectives undergo regular performance reviews and controls.

The Company has established relevant operational standards such as "Information Operation Management Regulations," "Portable Storage Media Management Regulations," and "Email Operation," which cover: application system development and maintenance, data access, backup mechanisms, virus and network intrusion protection, data center installation of uninterruptible power supply systems, access control systems, management of portable hard drives and USB drives, and email usage authorization management. Employees execute and implement these activities according to company regulations and ensure the implementation of authorized access control to ensure information security.

The Information Security Management Committee was established in January 2022, with the President and Vice President serving as the Chairperson and Vice Chairperson, respectively. The Deputy Manager and managers of the President's Office are designated as responsible individuals for information security, leading and maintaining the execution of information security policies. The organization chart of the Information Security Management Committee is as follows:

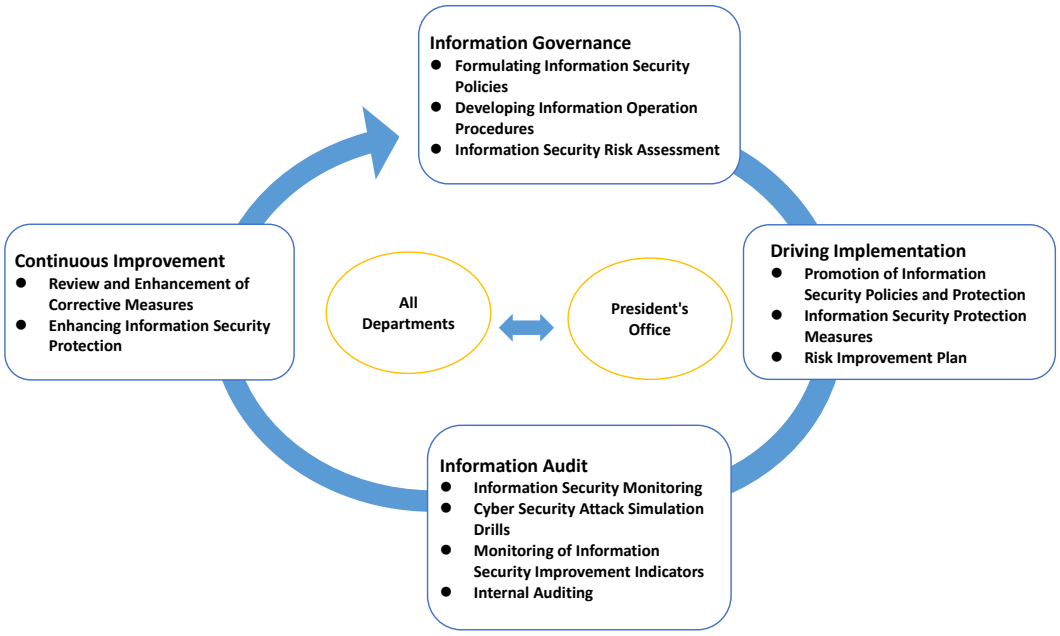


2.The Company has formulated the "Information Operation Management Regulations", which stipulate the following information security policies:

As an enterprise engaged in the manufacture of automobile, motorcycle, and bicycle parts, in order to prevent unauthorized access, control, or other infringements of information systems and to ensure the confidentiality, integrity, and availability of information, the Company has established the following policy for all employees to follow jointly:

- Compliance with government information security-related legal requirements.
- Establishment of system and network permissions to prevent unauthorized use.
- Provision of suitable information software and hardware to maintain normal company operations.
- Establishment of a system data backup mechanism to verify the feasibility and correctness of data recovery.
- Establishment of information security protective measures to prevent viruses and hacker invasions.
- Establishment of an information security reporting mechanism to reduce the impact on company operations.
- Employee information security education and training to enhance awareness of information security.

3.Information Security Risk Management Framework and Continuous Improvement Process Flowchart.



4.Specific Management Solutions

Management Solutions		2023 Implementation Status
Network Safety	●Strengthen network firewalls and network controls to prevent computer virus spread across machines and factories.	●Establish firewalls for real-time monitoring, promptly report and eliminate abnormalities.
Device Safety	●Conduct vulnerability detection and penetration testing at least once every two years. ●Implement endpoint antivirus measures based on computer types, and enhance malicious software behavior detection.	●Vulnerability detection and penetration testing were conducted in 2022, and it is scheduled to be implemented again in mid-2024 Weekly virus code updates and scans.
Enhanced Information Security Protection Technology	●Document and data encryption control and effective tracking.	●Access permissions set according to department roles. ●Email usage authorization management. ●Management of portable hardware and USB drives. ●Computer system host disposal, destroy the equipment to ensure it's not used by others, so that the data is not captured or leaked.
Education, Training, and Advocacy	●Each unit implements information security promotion campaign at least once a year. ●Conduct at least one information security emergency response drill per year.	●In 2023, a total of 150 people participated in information security promotion activities. ●In May 2023, an intrusion response drill for information systems was conducted, with the next scheduled for May 2024.

5.Resources Invested in Information Security Management

(1).Human Resources: The Company's information security operations involve a total of 23 personnel, including the Chairperson, Vice Chairperson, responsible manager for information security, responsible personnel for information security, implementation committee members from various departments, and designated key members.

(2).Security Equipment: Includes firewalls, antivirus software, network automatic defense systems, email filtering systems, application system development and maintenance data access, mobile media management, access control and password management, backup systems, and cloud storage management.

(3).Physical Environment Setup: Includes data center access control and uninterruptible power supply systems.

6. Even though the company has established the above management processes and numerous information security protective measures, it cannot guarantee the complete prevention of network attacks from any third party that could paralyze the computer systems essential for crucial business functions such as manufacturing, operations, and accounting.

   The Company will continuously review and assess information-related SOPs to ensure their appropriateness and effectiveness. Internal information security training and promotion will be carried out at least once a year in each unit, such as not to open files from unknown sources, not to install unknown programs, not to link to websites arbitrarily, etc., in order to enhance the ability of users in each unit to identify information security and develop good operating habits.

   Regular simulated information system intrusion disaster recovery drills are conducted, and the results are reviewed. When necessary, the original management processes are revised and necessary facilities are added to reduce the risk of unauthorized intrusion into the information system.

7. In the 2023 fiscal year 1, the Company did not experience any significant cybersecurity risks.

4.Value Creation

4.1.Customer Service Management

Customer Relations Management Management Policy

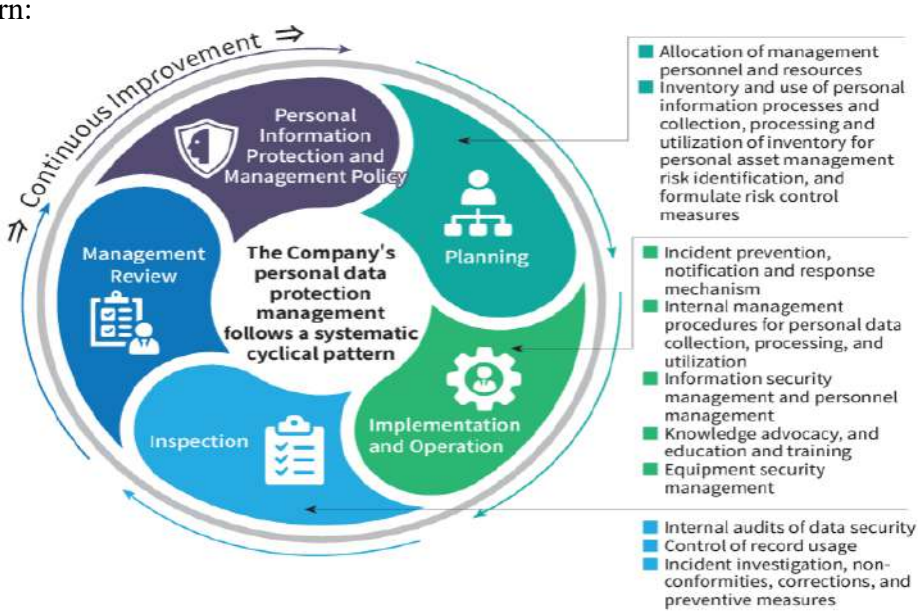
Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	Company's core values: Customer satisfaction, service integrity, proactive accountability, professional innovation, and inclusive growth. The main products are blanking components for automotive and motorcycle parts, with operations based on the IATF 16949 quality management system. The Company is committed to customer relationship management to enhance product and customer service, thereby improving customer satisfaction.
	Boundary for this topic	Customers/Clients (business conduct impact)
	Limitations of disclosure within this boundary	This annual report will disclose information related to customer relationship management from Taiwan headquarters and overseas operating locations.
Management Approach and Its Components	Management objectives for this topic	To effectively manage the Company's customer and product service processes and become a trusted provider of technology and capacity for customers.
	Policy	Following the quality policy of the IATF 16949 quality management system: Do it right the first time, satisfying both internal and external customers.
	Commitments	The Company commits to the execution requirements of the IATF 16949 quality management system, pledging not to accept, manufacture, or distribute defective products, and aims to provide products and services that satisfy customers.
	Goals and Targets	Each department of the Company sets annual goals based on the balanced scorecard's four management perspectives (financial/customer/internal processes/learning and growth). Specific, measurable, and quantifiable control indicators are proposed for quality policies and commitments to effectively monitor various management activities. The consolidated revenue target for 2023 is NT$3,457,110.
	Responsibility	1. Led by the President, cross-functional teams including the Department of Business Management and customer representatives provide high-value products to customers when introducing new parts to the market. 2. The Quality Assurance Department manages the operation of the IATF 16949 quality management system. 3. The Management Department manages the operation of various management systems, including ISO 14001, ISO 45001, and ISO 50001.
	Resources	1. The Company assigns management representatives for various systems, establishes promotion committees for various management systems composed of department heads and employee representatives, and continues to promote the operation of various management systems such as IATF 16949, ISO 14001, ISO 45001, and ISO 50001. 2. Major customers appoint managers as customer representatives. Cross-functional teams are formed for product development, procurement, production, and quality assurance management processes according to product requirements.

Item	Description	Content
Management Approach and Its Components	Grievance Mechanism	The Company has established the "Customer Service and Complaint Handling Management Regulations," which define the process for customers to lodge complaints through various channels, such as face-to-face discussions. The process includes prompt response, negotiation for correction and prevention, tracking and closure, and providing timely updates on customer progress and timelines.
	Specific Actions	1. To provide better service to customers in terms of previous mold development, FBT has developed an AI mold system, which offers customers references for mold designs in new product development. This system aims to save development time and costs by reusing previously developed molds. 2. In 2020, based on a material flow cost accounting recommendation, the design of the brake disc was modified to include wider material dimensions and a multi-cavity design analysis for the blanking disc. This modification aimed to lower material costs and create a competitive advantage for the company. 3. Promotion of FBT's self-developed smart disc to enhance the value of customer products.
Evaluation of the Management Approach	Management Assessment Mechanism	Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month.
	Results of Management Policy Evaluation	1. In 2023, the consolidated revenue achieved was NT$2,860,040 with an achievement rate of 82.73%. 2. Specific actions such as the Mold AI System and the design of multi-cavity blanking discs have been implemented and promoted to customers. The smart disc was launched at the Vietnam operational site in May 2022, while the Taiwan operational site introduced the smart disc for electric vehicles in the second half of 2022 and will be launched for gasoline vehicles in July 2023.
	Management Policy Adjustments	1. Continuously promote the operation of various management systems such as IATF 16949, ISO 14001, ISO 45001, and ISO 50001 to meet customer needs. 2. In the future, there will be ongoing collaboration with customers in developing various products. Market demands and order frequencies will be monitored and statistically analyzed to proactively remind customers of their ordering requirements and any changes in quantity variations. Internally, efforts will be made to enhance the production line changeover mechanism to align with customer scheduling needs and capacity requirements, aiming to become the preferred choice for customer cooperation.

4.1.1.Customer Relationship

Customer trust has always been one of the core values of the Company. The trust between the Company and customers is one of the main reasons why many customers entrust their product manufacturing to us. Therefore, in terms of customer data protection, the Company established the Personal Data Protection Task Force (referred to as the Data Protection Task Force) in May 2014. The members consist of employee representatives from various departments, responsible for formulating personal data protection policies. Each year, we conduct regular personal data inventory, risk assessment, internal audits, and evaluations. In case of customer or personal data complaints, after the responsible unit supervisor fills out the "Personal Data Incident Report and Handling Form," the Data Protection Task Force conducts subsequent assessment, tracking, and verification before passing it to management representatives for approval in the next management review meeting. Complaints from customers or the provision of customer personal data are both protected through the aforementioned measures to ensure the security of customer personal data. In 2023, there were no incidents of information leakage, theft, or loss of customer data, nor were there any incidents of customer complaints or disputes.

The Company's personal data protection management follows a systematic cyclical pattern:



Regarding customer relationship services, the explanations are as follows:

● Early-Stage Development Services

To provide comprehensive customer service, we have developed a DISK (Disc Brake) Mold AI system. This system takes customers' past development parts molds and utilizes AI to simulate and arrange more combinations. It assists customers in initial design development, facilitates technical exchange during design, and helps generate more design possibilities. Once confirmed for use, this system can save subsequent mold costs and shorten development time. This approach allows us to evolve from being a contract OEM manufacturer, to being a reliable provider of technology and production capacity, becoming an essential partner for our customers' success. Furthermore, comprehensive protection is provided for customer mold development data.

To provide customers with the best service, in 2020, FBT promoted the development of a high-value CP patent product, the smart disk mold, to customers. This involved combining single-disc brake parts and timed discs through molds and production technology to present parts in a smart (A+B) disc format. This approach significantly reduces customer assembly time and labor costs. The smart disc at the Vietnam operational site was launched in May 2022 ; at the Taiwan operational site, the electric vehicle version was launched in July 2022, and the gasoline vehicle version was launched in July 2023.

● New Product Development Services

The Company keeps track of the schedule for introducing new customer-developed parts to the market, monitors market demand and order frequencies, and promptly informs customers of their ordering requirements and any changes in quantity variations. Internally, the mechanism for changing production lines is improved to meet customer scheduling demands, allowing customers to save more assembly time and waiting time. FBT aims to become the preferred choice for customer cooperation.

An annual customer visit plan is established, with at least four visits per month, to keep track of customer needs and market conditions.

Initial stage of product development: The Company formulates internal customer service measures based on customer needs, as follows:

1. Progress of feedback evaluation of initial stage of product development: In-house production: 3 days, Outsourced production: 7 days.
2. Periodic cross-functional team meetings are held to confirm risks of new development products, evaluate new development product performance, and design processes. ISO 14001, ISO 45001, and ISO 50001 are taken into consideration.
3. Implement FAI analysis to increase material utilization rate, reduce development costs, and meet customer needs.
4. Utilize standardized mold development techniques to shorten mold development time by approximately 5%.
5. Development status: The success rate of new development project quotations in 2023 was about 64%.

In conclusion, these services collectively contribute to shortening the customers' product development and mass production time.

● Quick Order Service

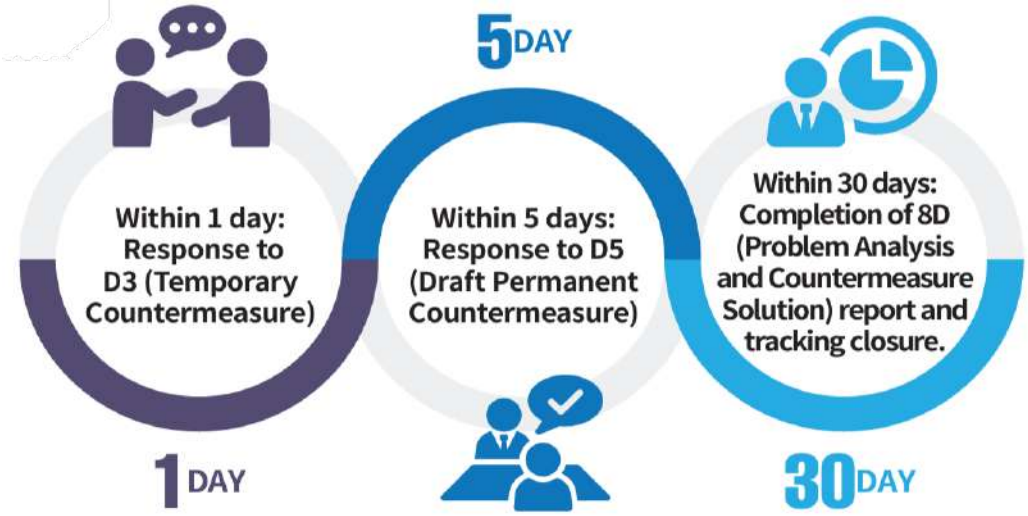
The Company closely monitors customer market trends, demand, and order frequency, and regularly reminds customers of any changes in order quantity and demand. In particular, in 2023, due to the impact of the COVID-19 pandemic in 2022, the market experienced disruptions in raw material demand and an increase in preventive order requirements. To avoid overstocking of materials due to preventive orders, the Company, through Zhi Xing, adjusts material preparation based on customer forecasts and implements a quarterly procurement approach. Additionally, the Company provides regular feedback on material preparation status to customers and makes necessary adjustments. Zhi Xing has always focused on understanding customer needs, which significantly reduced the impact of material stagnation caused by preventive orders in 2023, thus ensuring the fulfillment of customer demand while reducing customer concerns about finished goods and material stockpiling. Internally, the Company also enhanced production line changeover mechanisms to align with customer scheduling needs. As a result, the order response rate is set at 100% within 48 hours to meet customer order demands.

● Customer Feedback and Interaction

Our customer relationship services cover early-stage development services, new product development services, and quick ordering services. We continuously improve our services throughout each product's development and production stages, keeping pace with customer preferences and needs to enhance customer loyalty.

Details of customer feedback and interaction are as follows:

1.Customer Complaint Feedback Process:



2.Four customers (AUTOLIV, KYMCO, SYM, YAMAHA) provide monthly evaluation feedback. If the evaluation criteria are not met, countermeasure actions will be taken promptly, involving relevant units in improvement efforts and providing feedback to customers.

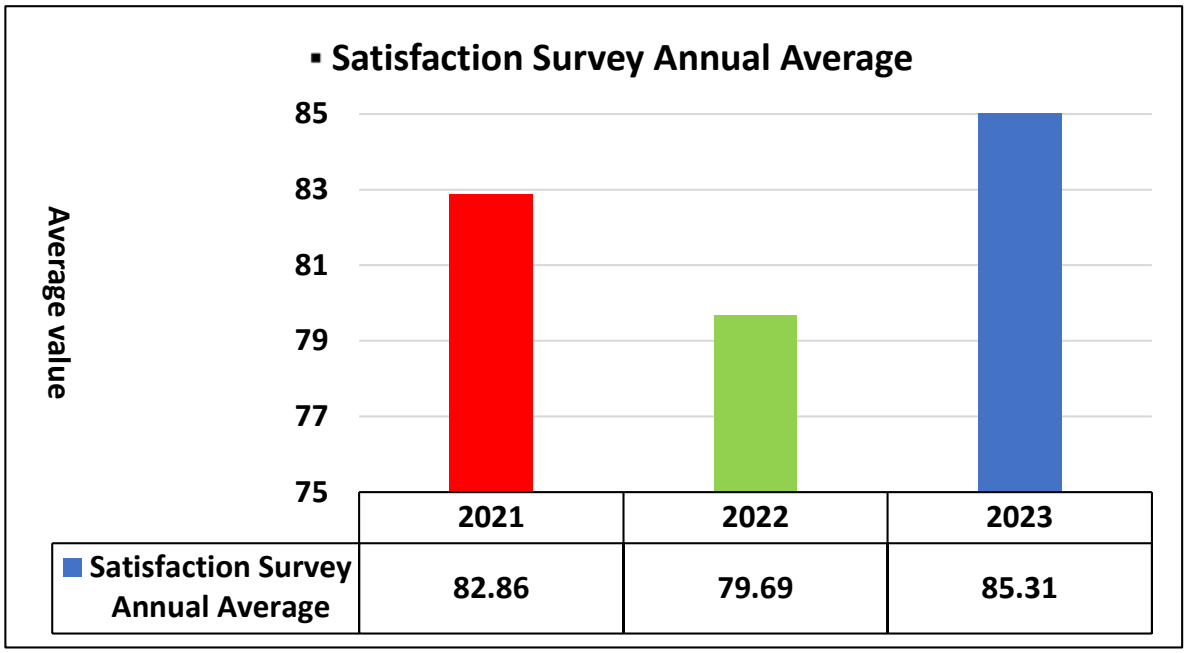
3.Revenue from new development products: developed product accounted for 4.5% of total revenue in 2023.

● Product Safety Assurance

For manufactured products, a self-inspection station is established for quality control at the beginning and end of the manufacturing process. In addition, finished products undergo confirmation by quality personnel before leaving the factory to ensure quality control before shipment. Consequently, in 2023, there were no significant quality issues or recalls.

4.1.2 Customer Satisfaction

The Company is committed to providing the best customer service, we firmly believe that customer service is key to consolidating customer satisfaction and loyalty. In 2022, FBT developed a smart disc production technology, reducing production and labor costs for customers. This achievement was highly praised by domestic automakers and adopted for use in the market. This not only enhanced customer satisfaction through new technology but also attracted new customers and strengthened customer relationships, exerting a significant impact. At the Taiwan operational sites, in accordance with the "Customer Satisfaction Management Method," questionnaires are sent to customers in June each year to conduct surveys regarding four aspects: quality, cost, service, and delivery time. Each aspect has a maximum score of 25, with satisfaction standards set at: 20, 15, 20, and 20 points, respectively. The total maximum score is 75 points. In 2023, the company received a total of 16 questionnaires, with an overall score of 85.31 points. Compared to 2022, the company saw slight growth in all indicators and received positive feedback from customers. Therefore, the company will continue to improve customer satisfaction and enhance services to better meet customer needs.



The two largest customers of the Vietnam operational sites: NISSIN (NBV) and HONDA (HVN). The customer system provides monthly ratings based on customer needs, and the ratings were 100% in 2023.

For our China operational sites, the customer system actively rates the satisfaction of our customers based on service, quality, and delivery time every month, and the score for 2023 was over 90 points.

4.2 Technology and Innovation R&D

Technology and R&D Management Policy

Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	Company's core values: Customer satisfaction, service integrity, proactive accountability, professional innovation, and inclusive growth. The main products are blanking components for automotive and motorcycle parts, with operations based on the IATF 16949 quality management system. We are committed to optimizing product processes, developing new products/technologies, and enhancing customer satisfaction.
	Boundary for this topic	Employees (direct impact), Customers/Clients (business impact), Shareholders (indirect impact), Group (indirect impact)
	Limitations of disclosure within this boundary	This annual report will disclose information related to product R&D from Taiwan headquarters and overseas operating locations.
Management Approach and Its Components	Management objectives for this topic	Effectively manage the Company's new product development process and quality risks related to products.
	Policy	Following the quality policy of the IATF16949 quality management system: Do it right the first time, satisfying both internal and external customers.
	Commitments	The Company commits to the execution requirements of the IATF16949 quality management system, pledging not to accept, manufacture, or distribute defective products, and aims to provide products and services that satisfy customers.
Management Approach and Its Components	Goals and Targets	Each department of the Company sets annual goals based on the balanced scorecard's four management perspectives (financial/customer/internal processes/learning and growth). Specific, measurable, and quantifiable control indicators are proposed for quality policies and commitments to effectively monitor various management activities. Achieved a 100% development, design change, and sample submission rate for 2023.
	Responsibility	1. The Research and Development Department is committed to optimizing product processes and developing new products/technologies. 2. The Quality Assurance Department manages the operation of the IATF 16949 quality management system. 3. The Management Department manages the operation of ISO 14001, ISO 45001, ISO 50001, and other management systems.
	Resources	1. The Company assigns management representatives for various systems, establishes promotion committees for various management systems composed of department heads and employee representatives, and continues to promote the operation of various management systems such as IATF 16949, ISO 14001, ISO 45001, and ISO 50001. 2. Major customers appoint managers as customer representatives. Cross-functional teams are formed for product development, procurement, production, and quality assurance management processes according to product

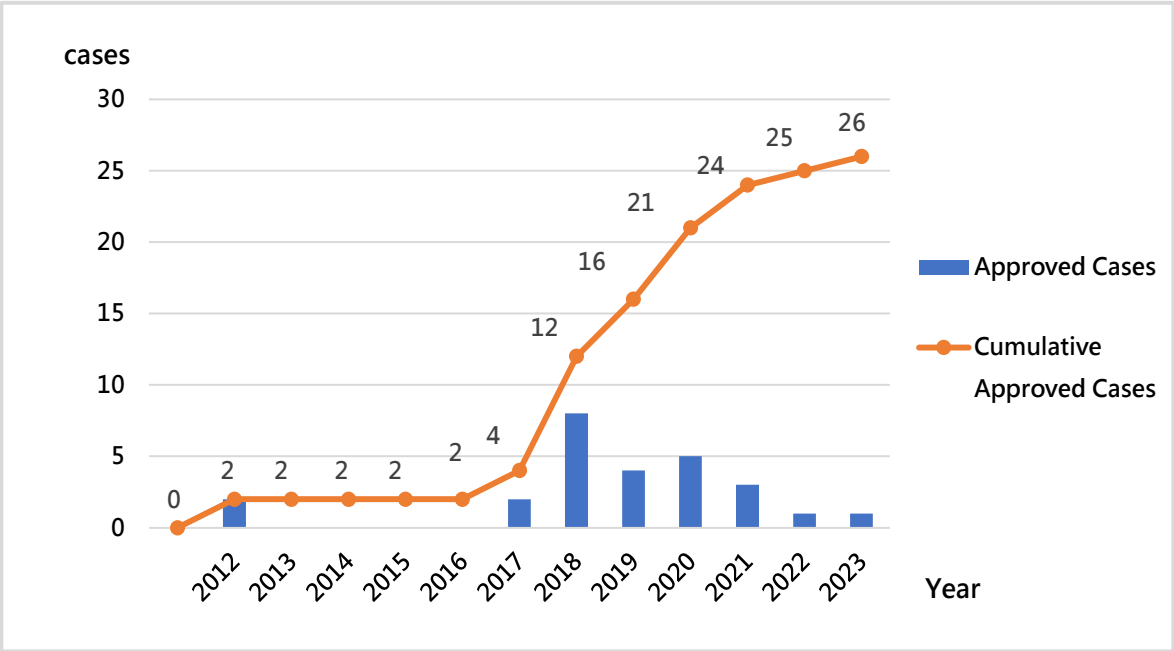
Item	Description	Content
		requirements.
	Grievance Mechanism	The Company has established the "Customer Service and Complaint Handling Management Regulations," which define the process for customers to lodge complaints through various channels, such as face-to-face discussions. The process includes prompt response, negotiation for correction and prevention, tracking and closure, and providing timely updates on customer progress and timelines.
	Specific Actions	1. Established a joint laboratory with China Steel Corporation and continued to integrate relevant resources from the Group to develop new materials, optimize material usage, and assist in process optimization and improvement. 2. Actively invest in innovative research and development, focusing on enhancing intellectual property rights through "innovation" and submitting "patent" applications to create competitive advantages for the company.
Evaluation of the Management Approach	Management Assessment Mechanism	Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month.
	Results of Management Policy Evaluation	1. Achieved a 100% development, design change, and sample submission rate for 2023. 2. Results of specific actions in 2023: (1).Provided 6 products with the best cost-to-performance ratio in 2023. (2).Obtained 6 patents in 2023, accumulating a total of 68 patents acquired by Taiwan and China operational sites.
	Management Policy Adjustments	1. Continuously promote the operation of various management systems such as IATF 16949, ISO 14001, ISO 45001, and ISO 50001 to meet customer needs. 2. In the future, we will continue to collaborate with customers to develop various products and apply for patents through self-research and development. Our goal is to become the most trusted business partner for customers.

4.2.1 Intellectual Property Right Protection

Innovation R&D and Advanced Technology

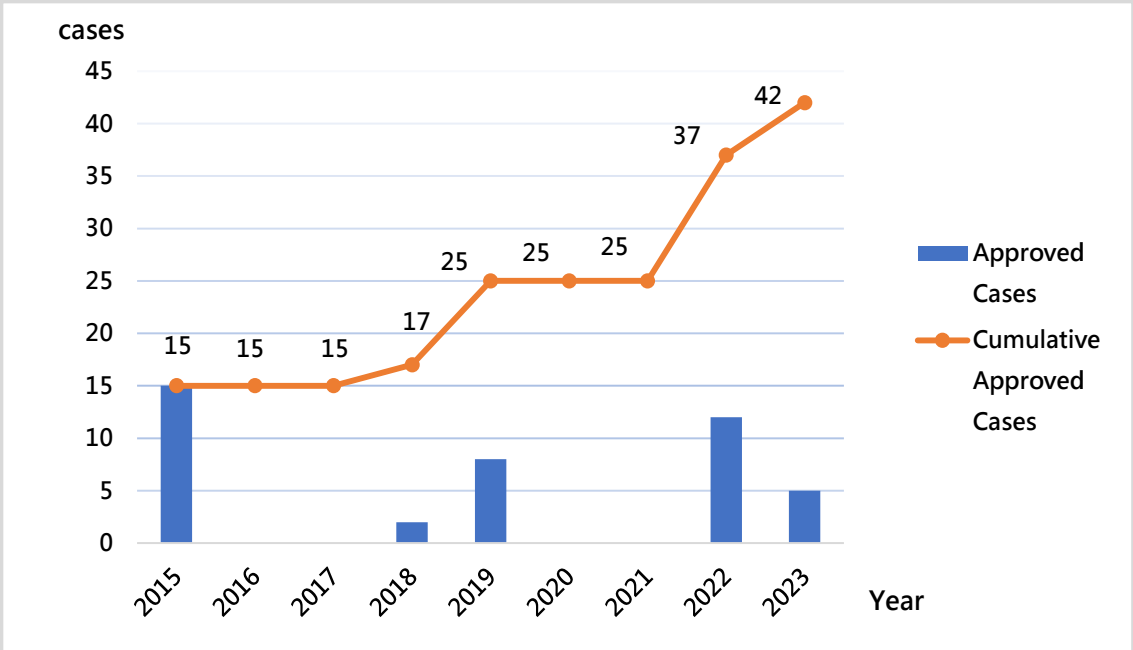
In response to technological trends, consumer and customer demands, and global trends, FBT has been actively engaged in innovative research and development in recent years to break through the status quo. We emphasize strengthening intellectual property rights, encouraging "innovation," owning "patents," and creating competitive advantages. We aspire to leverage our existing strengths as a preferred global business partner for customers when purchasing automobiles, motorcycles, and bicycles.

In terms of intellectual property achievements and patent development, the Company obtained two patents in 2012. In 2017, 2 patents were granted. In 2018, 8 patents were granted. In 2019, 4 patents were granted. In 2020, 5 patents were granted. In 2021, 3 patents were granted. In 2022, 1 patent was granted. In 2023, 1 patent was granted. We will continue to pursue various innovations and apply for patents.

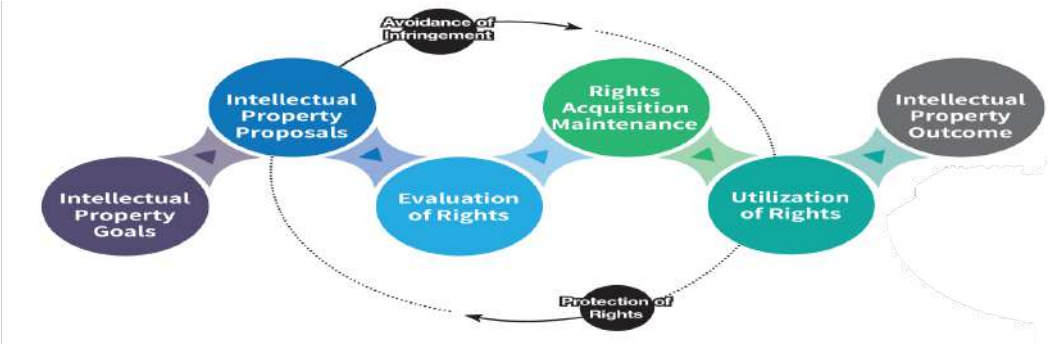


By 2021, the China operational sites had accumulated 25 patents, and in 2022, it acquired 12 certificates, and in 2023, it acquired 5 certificates. We will continue to pursue various innovations and apply for patents.

The patent application results for the China operational sites are shown in the figure below.



Our company, due to the continuous increase in the number of patents obtained, will develop an internal intellectual property management policy based on the following management process model to ensure a comprehensive basis for intellectual property management:

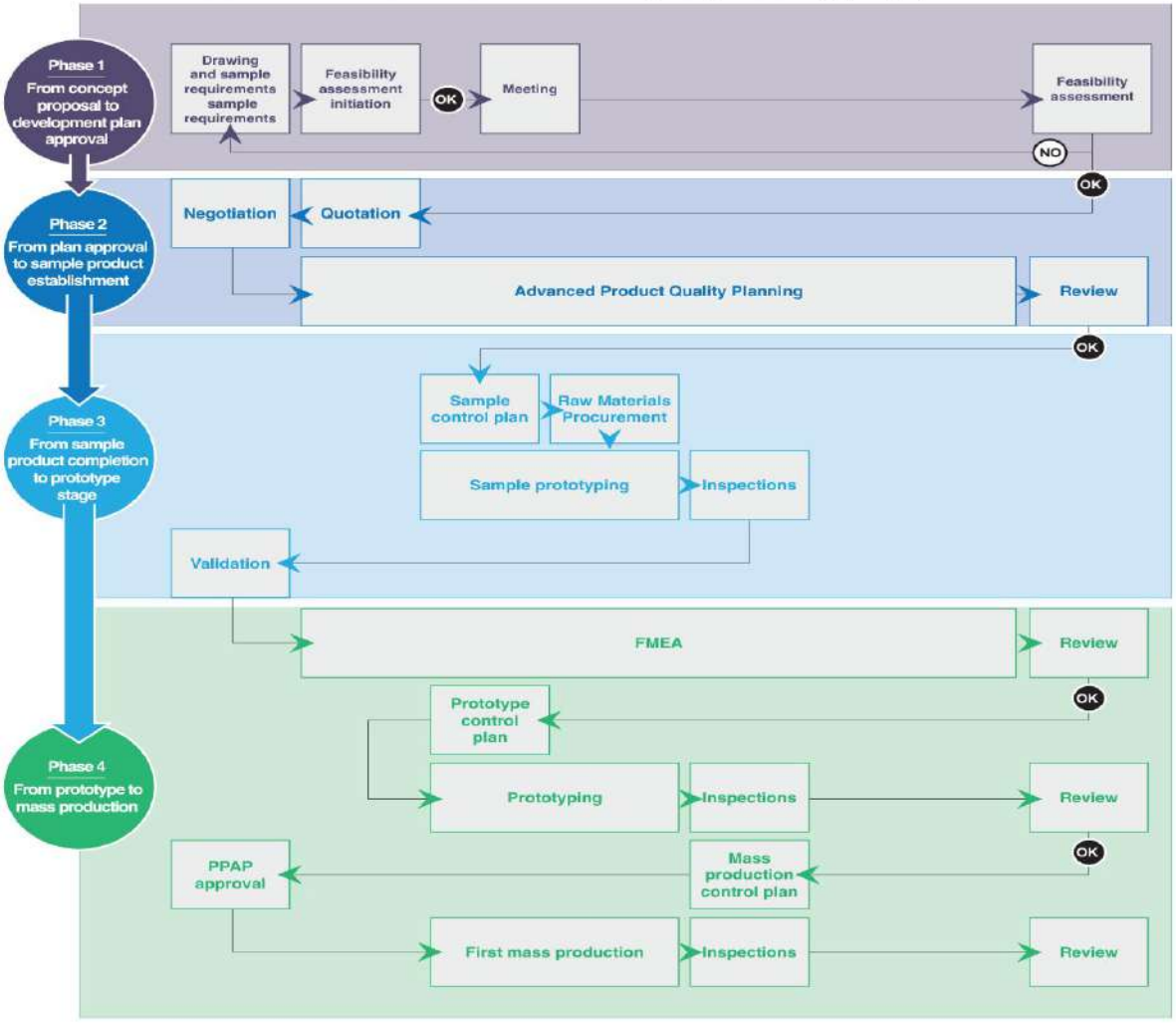


In 2023, there were no fines for non-compliance with laws and regulations concerning the provision and use of products and services.

4.2.2 Innovation R&D Process

FBT has established a comprehensive development and technological advancement process to provide products that meet customer expectations. The Company meticulously records ideas, data, technology, and issues related to project development to ensure that customer needs are fully realized, while the valuable experience gained is preserved. The design and development data and experience are precious assets for FBT as they represent our commitment to customers, shareholders, and employees.

- **Innovation R&D Process: Advanced Product Quality Planning (APQP)**



In 2023, the production of smart discs as single brake discs and timing disc combinations increased material utilization, reduced development costs, and met customer demands. Simultaneously, it decreased material usage and greenhouse gas emissions. In 2023, the total shipment of smart discs from the Vietnam operational sites was: 330,854 PCS, reducing material usage by 135,953 KG. For the Taiwan operational sites, the total shipment in 2023 was: 23,157 PCS, reducing material usage by 4,801 KG. We will continue to introduce new products and styles.

The Taiwan operational sites shared molds for brake pad blanking discs, saving material usage and processing time and effectively reducing greenhouse gas emissions. In 2023, a total of 146,388 PCS of multi-hole blanking discs were processed, increasing material utilization by 6.5% and saving 9,475.9 KG of material. The 2023 product benefits from "reducing emissions" at the Taiwan operational sites totaled a reduction of 14,276.90 KG of steel.

The Company employs diverse product packaging methods to prevent pollution and increase resource recycling. Some products are shipped using trolleys, some products are shipped without packaging to reduce waste, with cumulative shipments of 77,783 PCS in 2023 and 100% packaging material recycling.

Ferrous, stainless steel, aluminum, and plastic components sold to customers by FBT can all be recycled and reused. Therefore, the percentage of recyclable products sold by the Company in 2023 was 100%.

The Company's products, which are metal structural components in the automotive supply chain, cannot directly influence increased fuel efficiency or emission reduction in automobiles and motorcycles.

In 2023, larger stamping products generated scrap iron, which was recycled to produce smaller stamping products. A total of 61,496 PCS (≒64,190 KG) were processed, generating revenue of NT$52,805,000. The percentage of recycled or remanufactured materials used is 64,190 KG / total production weight of 8,614,000 KG = 0.75%.

4.2.3 Product Responsibility

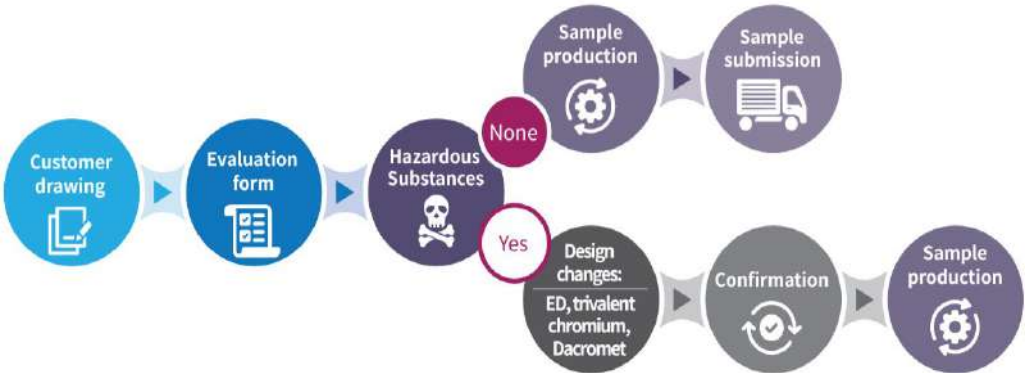
● **Initial Development Assessment**

The escalating environmental pollution has become the most significant issue faced by global citizens. With the rise of environmental awareness and demands, countries around the world have begun to control various substances harmful to humans and the environment. Various assessment legislations have also been enacted to protect the environment. In response to environmental protection trend, the Company requires the use of trivalent chromium plating processes for outsourced electroplating. This is to reduce the use of toxic chemicals and comply with the European Union's Restriction of Hazardous Substances (RoHS) and REACH regulations, including RoHS2.

In 2023, the total shipment quantity of externally processed surface treatment products was 189,578 PCS. Currently, all 189,578 PCS comply with RoHS and REACH, including RoHS2, accounting for 100% of the total.

During the development or prototype phase, the Company adheres to the "Advanced Product Quality Planning and Control Plan Management Procedure." Environmental considerations are taken into account during product development and design. The customer's drawings are reviewed for environmental requirements. If not present, the Company recommends modifications such as ED (black ED coating), trivalent chromium, Dacromet (also known as Dacrotizing, zinc-chromium coating, etc.). In 2023, a total of 6 development items were assessed. There were 3 items with black ED coating, 1 with Geomet, 1 with trivalent chromium,and the remaining 1 items did not require surface treatment. 100% of the items requiring surface treatment comply with the European Union's RoHS and REACH RoHS2 regulations.

FBT focuses on the RoHS 2.0 regulations. During the process assessment and development stage, environmental considerations are the guiding principles. The Company avoids using raw materials containing harmful substances in the process, ensuring that the produced products comply with international regulations and customer requirements.



4.3 Supplier Sustainability Management

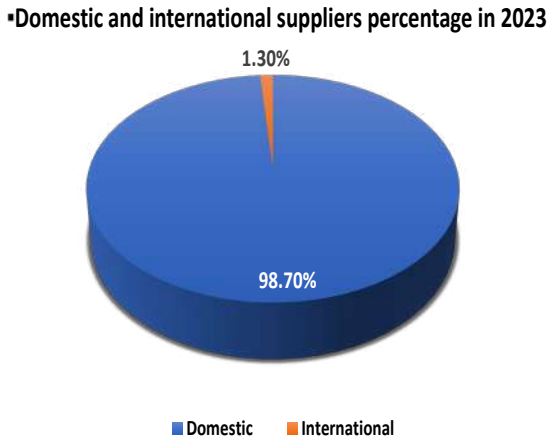
GRI204 Procurement Practices Management Policy

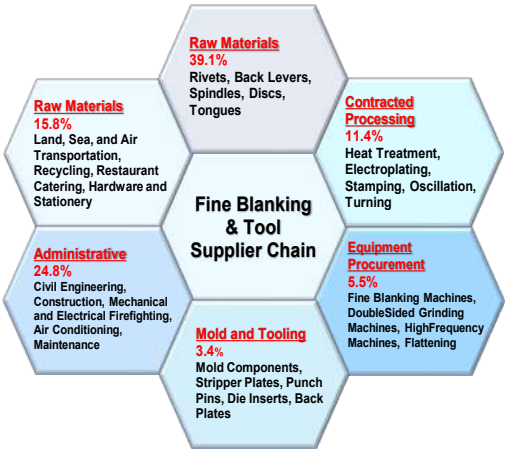
Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	1. As a member of the automotive and motorcycle supply chain, the Company bases its product manufacturing processes on the IATF 16949 global automotive quality management system. The Company's suppliers have a significant impact of nearly 50% on overall product quality and cost. 2. Customers throughout the automotive and motorcycle supply chain demand the signing of declarations banning hazardous substances, extending the requirement to involve suppliers in this activity to reduce the impact on the environment. 3. In response to the operation of ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, the Company extends management of environmental and occupational safety aspects to its suppliers.
	Boundary for this topic	Customers, Suppliers, Employees
	Limitations of disclosure within this boundary	This annual report will disclose information related to the full scope of the procurement practices from Taiwan headquarters and overseas operating locations.
Management Approach and Its Components	Management objectives for this topic	To effectively manage the Company's procurement policy and assess new suppliers in terms of operations, environment, and social aspects during their initial stages. Regular assessments of supplier product quality, delivery times, and environmental factors are conducted to comply with IATF 16949, ISO 14001, and ISO 45001, as well as the requirements of stakeholders including customers.
	Policy	1. Following the quality policy of the IATF 16949 quality management system:Do it right the first time, satisfying both internal and external customers. 2. Environmental Health and Safety (EHS) Policy:The Company is committed to ensuring the safety and health of all employees, establishing a positive working environment, complying with regulations, preventing pollution and accidents, reducing environmental, safety, and health impacts and unacceptable risks arising from products, materials, personnel, machinery, procedures, activities, and services, continuously promoting EHS improvements, promoting the concept of environmental safety and health, and fulfilling corporate social responsibility.
	Commitments	1. The Company commits to the execution requirements of the IATF 16949 quality management system, pledging not to accept, manufacture, or distribute defective products, and aims to provide products and services that satisfy customers. 2. Committed to reducing pollution and environmental impacts, achieving pollution prevention.Comply with product environmental hazardous substance control requirements.

Item	Description	Content
	Goals and Targets	Targets in 2023: 1. Achieve 100% on-time delivery rate for procurement. 2. Achieve procurement allowances and negotiation benefits of NT$14,000,000. 3. The audit completion rate for selected suppliers in the project is 100%.
	Responsibility	1. The Procurement Division of the Department of Business Management follows the requirements of the IATF 16949 Quality Management System, as well as the ISO 14001, ISO 45001, and ISO 50001 environmental health and safety management systems for various procurement procedures. 2. The Procurement and Quality Assurance units form a supplier evaluation team to conduct initial and scheduled periodic supplier assessments.
	Resources	1. Major customers appoint managers as customer representatives. Cross-functional teams are formed for product development, production, and quality assurance based on demand.Representatives from the Department of Business Management participate in cross-functional teams' collaborative operations. 2. The Procurement and Quality Assurance units form a supplier evaluation team.
	Grievance Mechanism	If any stakeholders discover any suspected violations of ethics and integrity, they can report it through the following channels: External Complaint Unit: Wu Gao-chuan, Department of Auditing External Complaint Phone: 04-7990118 ext. 105 External Complaint Email: gmo12@fineblanking.com.tw Internal Complaint Phone: 04-7990118 ext. 120 Internal Complaint Email: adm20@fineblanking.com.tw
	Specific Actions	1. Require suppliers to sign green declarations to reduce environmental impact. 2. Starting in 2023, host a supplier conference at the end of the year to enhance connections with various suppliers and convey the Company's business philosophy, sustainability management, and future market trends.
Evaluation of the Management Approach	Management Assessment Mechanism	Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month.
	Results of Management Policy Evaluation	Key Performance Indicators (KPIs) or performance metrics for each management system are reviewed in the monthly operational meeting report for achievement status, root cause analysis, and improvement strategies. Achievement Results for 2023 Targets: 1. Procurement on-time delivery rate: 99.87% 2. Procurement allowances and negotiation benefits of NT$17,906,000, achievement rate 128% 3. Achieved 100% supplier audit completion rate
	Management Policy Adjustments	1. Continue to procure machinery, equipment, materials, products, and personnel protective gear that comply with the requirements of various management systems such as IATF 16949, ISO 14001, ISO 45001, and ISO 50001. 2. In the future, suppliers will be requested to sign "CSR Corporate Social Responsibility Declaration" and "Green Declaration" to fulfill their responsibilities as global citizens.

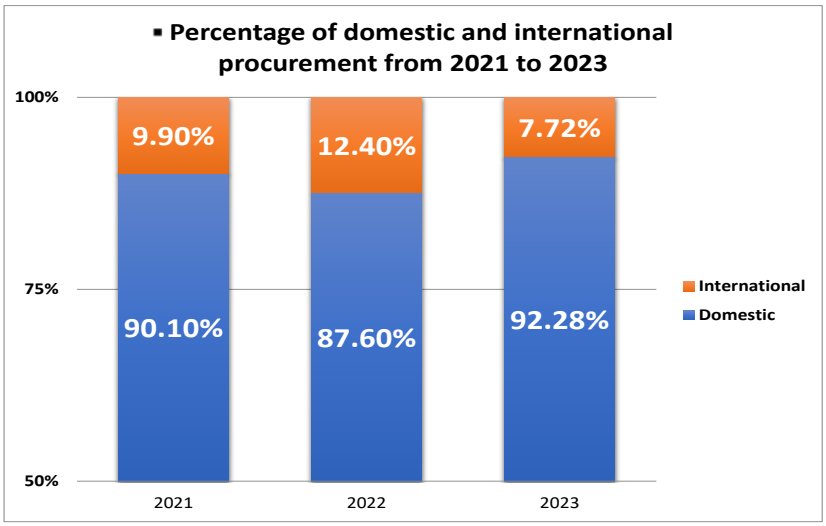
4.3.1 Procurement Policy

The Company's main products are OEM blanking components for automobile and motorcycle. The primary supply chain involves metal-related products. There was no significant change in the collaboration with around 600 domestic and international suppliers in 2023 compared to 2022. These suppliers are categorized as raw material suppliers, outsourced processing suppliers, equipment purchasing suppliers, tool and fixture suppliers, contract manufacturers, administrative suppliers, and others.





The Company's procurement strategy prioritizes selecting domestic Taiwanese suppliers to reduce transportation costs, carbon emissions, and risks, while also aiming to support local industries, create employment opportunities, and stimulate the domestic economy. However, some raw materials and equipment with specific characteristics cannot be sourced from domestic suppliers and must be procured from foreign manufacturers. According to the system's inventory entry date, the domestic procurement amount in 2023 accounted for approximately 92.28% of the total procurement amount, while the procurement amount from foreign suppliers accounted for about 7.72%. Additionally, the proportion of domestic procurement has remained above 85% each year from 2021 to 2023.



The procurement of machinery, equipment, materials, products, and personnel protective gear by the Company follows the "Fixed Asset Management Regulations," "Supplier Selection and Assessment Management Regulations," "Material and Component Procurement Management Guidelines," and references the Ministry of Labor's "Procurement Management Technical Guidelines," and customer requirements on "Substance s of Concern Management Specifications,". This ensures compliance with regulations related to machinery and equipment safety protection, Restriction of Hazardous Substances (RoHS), Safety Data Sheets (SDS), energy consumption standards announced by the Ministry of Economic Affairs, qualifications of environmental safety and health testing companies, and other professional technical service requirements, all aligned with the needs of various environmental and safety management systems.

As a member of the automotive and motorcycle supply chain, the Company uses the IATF 16949 global automotive quality management system as the basis for its product manufacturing processes. Additionally, due to customer requirements within the entire automotive and motorcycle supply chain to sign declarations against the use of hazardous substances, suppliers are also encouraged to emphasize and promote this activity. In 2023, 16 suppliers signed the "Green Declaration," and this initiative will continue to be promoted to reduce environmental impact.

4.3.2.Supplier Evaluation and Management

The Company has established the "Supplier Selection and Assessment Management Regulations" and "Supplier Initial and Periodic Audit Management Regulations" to assess products, environmental and social responsibility, and human rights. The selection and assessment process for suppliers is as follows:

Supplier Qualification: If the assessment results of the supplier and the sample test report provided by quality assurance are both qualified, and the qualified third-party auditors complete the "Supplier Initial Assessment Form" during the audit, with the conclusion being qualified, then procurement can list the supplier as an approved supplier for the desired product. New suppliers need to sign the "Supplier Corporate Social Responsibility Statement," formulated by the Company as part of its sustainable supply chain initiative. The Statement covers the following points:

Key Points of Supplier Corporate Social Responsibility Statement:

Compliance with Regulations	Adhere to international and government regulations related to labor, environment, safety, and health.
Employment Freedom	Ensure all work is voluntary and refrain from employing staff through coercion or mandatory conditions.
Labor Rights	No child labor, no physical punishment, abuse, or coercive treatment of employees. Equal treatment and opportunities for employment, compensation, training, promotions, dismissal, and retirement, irrespective of race, nationality, social origin, social status, lineage, religion, physical disabilities, gender, sexual orientation, family responsibilities, marital status, union membership, political views, age, or other forms of discrimination.
Compensation and Benefits	Strictly comply with international and government wage laws, and transparently disclose various company management aspects to employees.
Health and Safety	Promote a healthy, safe, and clean working environment for employees.
Environmental Protection	Promote waste reduction, garbage sorting, and contribute to international efforts and promotion of the protection of the earth's environment.
Communication Mechanism	Establish internal and external communication channels. Encourage communication and direct participation between employees and management. Display company policies regularly through the company website or bulletin messages.
Ethical Standards	Conduct business operations and employee behavior according to the highest ethical standards. Prohibit any form of bribery, corruption, deception, and other improper behavior. Respect and protect customer information, ensuring the confidentiality and security of information.
Intellectual Property	Respect and protect any technology, expertise, documents, and data belonging to international clients. Employees and suppliers should sign relevant confidentiality agreements to ensure the confidentiality and security of company and customer information.
Promotion and Participation	The Company actively participates in government and community activities, encouraging relevant partners to jointly promote corporate social responsibility through audits or advocacy.

Additionally, all suppliers of the Company contribute positively to the environment, human rights, and society. At the end of each year, a "Supplier Questionnaire Survey" is issued, requiring suppliers to complete the survey.

In 2023, the Company's organizational size, structure, ownership, and supply chain did not undergo any significant changes. There were 37 new suppliers that complied with environmental, human rights, and social standards and completed the initial supplier assessment, corporate social responsibility statement, and supplier questionnaire survey. The Company will continue to promote sustainable supply chain practices among its suppliers.

Among the 37 new suppliers in 2023, all 37(100%) confirmed compliance with environmental and social standards through the "Corporate Social Responsibility Statement" and the "Supplier Questionnaire Survey." The remaining 3 suppliers completed this process in January 2023, reaching a 100% confirmation rate.

Existing suppliers sign a corporate social responsibility declaration and undergo an annual supplier questionnaire survey, which includes issues related to potential violations or significant threats to freedom of association and collective bargaining, child labor, and forced or compulsory labor. During regular supplier audits, the items in the supplier questionnaire survey are reviewed on-site. In 2023, no suppliers were found to violate human rights norms. According to the "Supplier Selection and Assessment Management Regulations," the frequency of the supplier questionnaire survey is determined based on transaction amounts and

the impact of sustainability. In 2023, a total of 199 suppliers were eligible for the survey, and the response rate to the supplier questionnaire survey was 100%.

Completion Rate of Supplier Statements and Questionnaires in 2023

Year	Item	Content	New Vendors	Status	Number of Vendors	Response Rate
2023	Number of new transactional suppliers added by Fine Blanking & Tool Co., Ltd.	Supplier Corporate Social Responsibility Statements	42 suppliers	Responded	39 suppliers	100%

Year	Item	Content	New Vendors	Status	Number of Vendors	Response Rate
2023	Number of transactional suppliers of Fine Blanking & Tool Co., Ltd.	Supplier Questionnaire Survey Form	86 suppliers	Responded	82 suppliers	100%

Regular audits and evaluations are conducted for suppliers, using the audit items in the "Supplier Daily Audit Form" to conduct the evaluation and review the evaluation grade. In accordance with the "Supplier Initial and Periodic Audit Management Regulations," if a supplier is evaluated to be an E-grade supplier, members of the Company's cross-functional teams will request the supplier to continue to strengthen its management. The supplier will be re-audited after three months to address the audit deficiencies and the supplier must be improved to an acceptable level to achieve the standard of a qualified supplier, and then the supplier will be allowed to continue to undertake manufacturing and outsourcing. In 2023, there were 4 suppliers in Grade A, 12 suppliers in Grade B, 0 supplier in Grade C, 0 suppliers in Grade D, and 0 suppliers in Grade E.

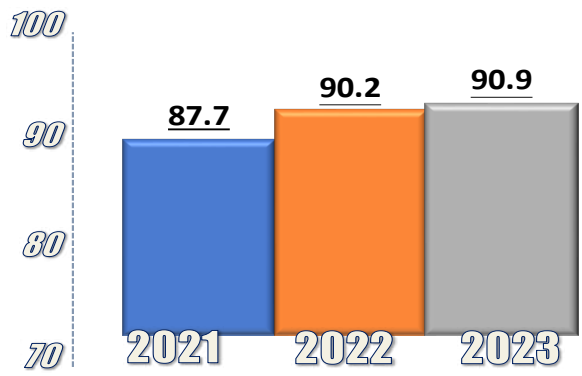
Below 59 points	Below 60-69 points	Below 70-84 points	Below 85-94 points	Below 95-100 points
0 suppliers	**0 suppliers**	**0 suppliers**	**12 suppliers**	**4 suppliers**
Suppliers are required to continue the strengthening of management, and are required to review their performance in 3 months. If not upgraded to Grade D, the supplier will be disqualified.	There are major deficiencies and many areas for improvement. Review and guidance are needed for improvement.	Non-major deficiencies that can be improved immediately, but need review and guidance again for improvement.	Continuing with current operations, listed as important vendors included in follow-up guidance to become Grade A.	Listed as highperformance suppliers and prioritized for new developments.

Note:Supplier audit categories: Quality results (60%), Customer-specific requirements (10%), Safety/Environmental results (30%).

Supplier annual routine evaluation procurement at the end of each year will focus on safety/regulatory requirements (10%), supplier performance (50%), quality management system certification level (10%) and customer designation (30%) to determine the form and frequency of the annual audit plan, to take place at the supplier site to re-evaluate and review whether to continue to work with or wait for the opportunity to phase out the supplier. The total number of suppliers audited under the annual supplier audit plan from 2021 to 2023 was 14, 15, and 16, respectively with audit scores above 70, and their average assessment scores from 2021 to 2023 were 87.7, 90.2, and 90.9, respectively, with the contents of the reevaluation to

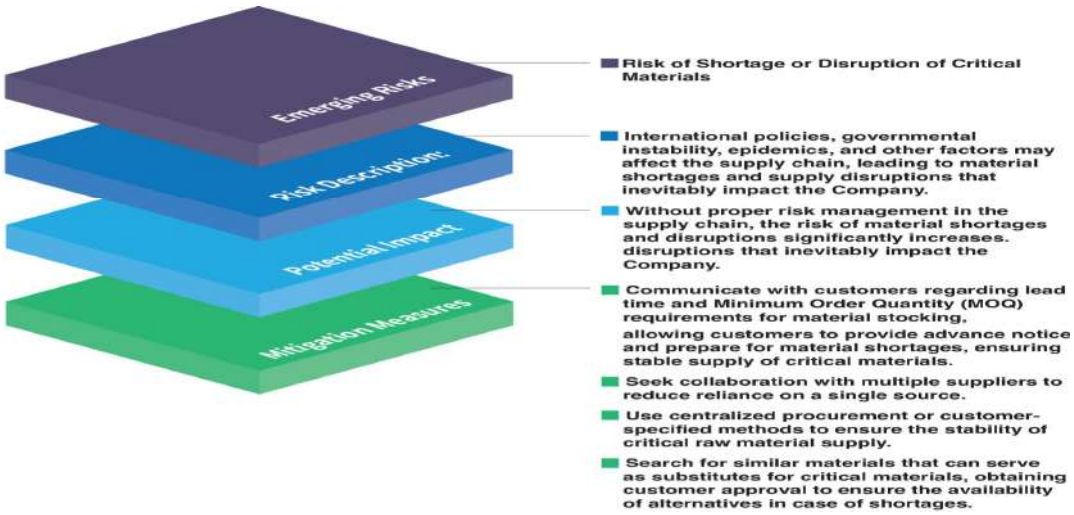
be revised to include the environment and social; aspects from 2020 onwards. The Company's auditing and guidance of suppliers is ongoing, and the Company will continue to improve its performance year after year through continuous supplier guidance.

2021-2023 Average Assessment Score for Suppliers



4.3.3.Risk Management of Critical Materials

In order to address the risks associated with critical materials and their management, FBT has implemented mechanisms for authorized material stocking and alternative supply chains to avoid the impact of material shortages and interruptions caused by political factors, epidemics, and other external influences. Additionally, efforts are made to strengthen the dependency relationships with suppliers to enhance the stability and reliability of the supply chain.



4.3.4 Contractor Management

The Company manages contractors based on the “Material and Component Procurement Management Guidelines” and regularly conducts evaluations and assessments of contractors according to the relevant regulations. The procurement process also considers the “Contractor Management Guidelines” and compliance with the Company’s requirements.

For major projects undertaken by contractors, an agreement is organized and regulated in consultation with relevant departments within the company before commencing work. Temporary or repair projects must adhere to guidelines, and contractors must fill out the “Contractor Plant Site Operation Safety Promotion Record” and “Hazard Factor Notification Form,” along with the contractor’s “Work Safety Commitment.” For workers contracted by contractors, if welding work needs to be performed outside the designated safe welding area of the plant site, a “Welding Permit” must be obtained before implementing welding work. The facilities safety management division or contractor fills out a “Special Hazardous Operation Permit” based on the nature of the contractor’s operation, and after review by the Safety Management Office, it is provided to the contractor for inspection at their work site.

Contractors (including raw material suppliers and subcontractors) who need to operate plant forklifts or overhead cranes must provide the operator’s qualification certificate or a copy of their technician’s certificate. The Safety Management Office issues the permit for operating plant forklifts and the permit for operating overhead cranes to the contractor only after these requirements are met.

If a contractor is found to violate regulations or the Company’s safety and health management regulations during their operation, the non-compliant matters should be recorded in the “Contractor Violation Statistics Table” as a basis for evaluating the contractor’s qualification. In 2023, no violations by contractors occurred.

● Establishment of “FBT Safety and Health Family”

In December 2020, FBT was honored to establish the “FBT Safety and Health Family” upon the invitation of the Department of Labor Affairs, Changhua County Government. The primary members of this family are the suppliers of FBT in Changhua County and the Chuansing Industrial Park. Occupational safety knowledge is provided through platforms of communication with the Changhua County Government's Department of Labor Affairs, Chuansing Industrial Park Service Center, and the Company, in order to enhance the safety and health management standards of family members and improve the working environment. In 2021, FBT received certificate of commendation from the Changhua County Government. In 2022, FBT joined the Safety Alliance established by the Changhua County Government to create a workplace with zero occupational accidents. In 2023, FBT was honored with the "Core Enterprise Award" by the Occupational Safety and Health Administration, recognizing the "Zhixing Precision Machinery Safety and Health Family."

 Established the “FBT Safety and Health Family” 	 	
Joined the "Changhua County Government Safety Alliance"	Certificate of Appreciation from the Changhua County Government	Core Enterprise Award presented by the Occupational Safety and Health Administration

Based on Changhua County Government’s working environment guidance and improvement promotion plan for small and medium-sized enterprises, the “FBT Occupational Safety Family Operation Meeting - Safety and Health Member Gathering Training” was held on August 18, 2023. The event included courses on machinery hazard prevention and disaster response management, occupational disease prevention and defensive driving advocacy, as well as a seminar on smart manufacturing and digital transformation. A total of 16 companies participated, with 22 responses to the QR-code survey. The course satisfaction rate reached 95.68%, and the exchange was highly effective.

Chen Engineer – Machinery Hazard Prevention and Disaster Response Management Course	FBT Safety Management Office, Section Chief Chen Occupational Disease Prevention and Defensive Driving Advocacy.	NXN Technology, General Manager Chen Seminar on Smart Manufacturing and Digital Transformation.

4.4 Product Quality Control

4.4.1 Product Liability Guarantee

FBT's operational sites in Taiwan, Vietnam, and China are professional precision blanking and automotive component OEMs that have been verified through ISO 9001 and IATF 16949 certifications.

Following the lifting of COVID-19 restrictions, global economic forecasts have generally been revised downward due to the increased inventory resulting from the easing of port controls, causing an oversupply situation in manufacturing. Additionally, the escalating US-China trade war and technology conflicts are driving a trend of forming alliances to find partners, leading supply chains to make forced choices in the future. "Diversification" and "proximity to markets" will become key considerations for future supply chain layouts. Quality requirements must be raised to higher levels to avoid supply chain disruptions and customer complaints. The comprehensive promotion of the Total Quality Management (TQM) concept, continuous review of the rationality and rigor of control plan engineering sheets, simplification and acceleration of inspection processes, will all strengthen the fundamental organizational structure, promoting both vertical and horizontal collaboration within the organizational structure to emphasize the concept that "quality is the responsibility of every employee." This is achieved through internal promotion driven by the FBT Management System (FMS) improvement task forces, the implementation of TPM Phase III activities, external BSI audits, and more. These efforts continue to enhance product quality, production efficiency, reduce quality costs, and strengthen the Company's quality culture.

Quality Management Approach

Item	Responsibility	Division	Management Content	Control Method
Calibration of Gauges and Measuring Instruments	Quality Control Division 1	Internal Calibration	1. Internal calibration of gauges such as vernier calipers, micrometers, scales, etc. 2. Internal calibration of process, finished product measuring instruments, and gauges	Calibration Record Form
		External Calibration	1. Annual external calibration plan for large-scale gauges such as coordinate measuring machines, profile projectors, etc. 2. External calibration plan for testing specialized machines"	Calibration Report
Product Development	Quality Control Division 1	Sampling and Measurement	1. Development of Quality Control Plans (QC), Inspection Standards, and SOP Manuals 2. Full-scale measurement of new machine models 3. Measurement System Analysis (MSA) for gauges 4. Statistical Process Control (SPC) process capability analysis	Measurement Report Analysis Report
		Functional Testing	1. Material spectrum analysis, metallographic microscopy analysis, Vickers and Rockwell hardness testing, etc. 2. Disc durability testing, axial direction curve strength testing, impact testing 3. Salt spray testing 4. Weld penetration depth testing"	Testing Report
		SQA	1. Supplier assessment and evaluation (initial assessment, annual assessment) 2. Supplier project inspection, education, training, and guidance 4. Planning and implementation of IATF internal audits 5. Customer complaint response and tracking"	Audit report issuance 8D Report
Mass Production of Products	Division of Quality Inspection 2	Incoming	1. Inspection of raw materials, materials, and semi-finished products	Incoming Inspection Standards
		Manufacturing Process	1. Process inspection and process capability analysis 2. Review of SOP and process engineering supervision	Process Inspection Standards
		Finished products	1. Finished product shipping inspection 2. Handling and responding to abnormal customer complaints"	Shipping Inspection Standards

The Company's relevant products include manufacturing safety belt buckles and their components, brake discs, one-way bearings, starter gears, seat adjusters (single units and assemblies), steering mechanisms, balance mechanisms, pedals, clutch assemblies, car seats, and motorcycle cushions. These product categories cover safety systems, engine systems, body and interior systems, and transmission systems, all of which are closely related to the safety of people's lives and property.

Given that the Company's products fall under the safety components of automobiles and motorcycles, in accordance with the IATF 16949 international quality standard and the critical security requirements (CC, SC) and dimensions of the drawings and specifications required by our customers, we review the failure modes (FMEA) and design the process control parameters from the development stage (APQP). The quality control plan (QC), inspection benchmarks, and standard operating procedures are all extended to the development stage design parameters for control, from material incoming (material analysis), process inspection, shipment inspection and related tests are in accordance with the quality control plan (QC) to carry out stringent quality monitoring. Furthermore, regular testing is conducted for product safety lifecycles (durability testing, high and low-temperature cycling testing, etc.) and compliance with environmental regulations such as REACH and RoHS.

The metrology room utilizes precision instruments for measurement, including the German ZEISS three-coordinate measuring machine, Japanese KEYENCE automatic measuring projector, Japanese Mitutoyo roughness contour combined measuring machine, German SPECTRO spectrometer, OLYMPUS metallurgical microscope, Vickers hardness tester, and other instruments. These ensure that product design and dimensions do not adversely impact product use. Regarding product functionality, the Company's testing laboratory employs specialized testing machines for activities such as hardness testing, tensile strength testing, salt spray testing, temperature and humidity environmental testing, and durability testing. This ensures the fulfillment of the quality commitment of "no acceptance, no production, no distribution of defective products," guaranteeing product safety and consumer protection.

In 2022, we continued to collaborate with domestic and international automotive and motorcycle component customers to meet International Material Data System (IMDS) declaration certification requirements and conflict minerals declarations. Moreover, we are gradually moving towards reduction in carbon emissions and sustainable supply chain management. Through collaboration and communication with suppliers in various engineering phases, ongoing process evaluation and optimization are conducted. Rigorous quality and reliability verification methods are employed, emphasizing seamless integration and refined quality control between upper and lower processes. The goal is to achieve correct and standards-compliant products in one go, meeting customer demands and enhancing customer satisfaction.

The Company adheres to the consistent quality policy of "getting things right the first time, satisfying both internal and external customers." We manufacture products for renowned domestic and international automobile, machinery, and bicycle supply chain manufacturers. Through the measurement of precision instruments in the measuring room, the inspection of specialized testing machines and the professional third impartial units (such as the Metal Industries Research & Development Centre, Plastics Industry Development Center, Automotive Research & Testing Center, SGS Taiwan...) all conform to customer requirements, ensuring that products comply with safety standards and international environmental regulations. In 2023, the company insured its final market products with product liability insurance for a coverage amount of USD 7.834 million. Furthermore, there were no violations of regulations regarding the health and safety impacts of products and services during their life cycle, as required by sales markets and customer requirements. There were no product recall incidents caused by product safety in 2023.

ZEISS three-coordinate measuring machine (Factory No.3)	Disc Thermal Stress Tester	ZEISS three-coordinate measuring machine (Factory No.2)
Human-machine disk impact tester	ZEISS three-coordinate measuring achine (Factory No.1)	IM8030 Automatic Measurement Image Projector

4.4.2 Improvement Activities

Since 2017, FBT has initiated the FBT Management System activities for the purpose of sustainable development and continuous improvement. These activities incorporate TPS, TPM, TQM, and customer requirements. Through internal units proposing improvement proposals every six months, improvement activities are promoted in a circular manner. Experienced consultants are also engaged to assist and guide the progress of these improvement activities.

Aiming at continuous improvement activities proposed internally, an excellent team was selected to represent the company in Taiwan's Continuous Improvement Competition. In 2023, the team from the Production Section 2 and the Equipment Maintenance Section, named "Brake Circle," won the Golden Tower Award in the Team Unity Continuous Improvement category with the theme "Enhancing Brake Disc Productivity."

This proposal was inspired by the company's production objectives and aligned with the TPS (Toyota Production System) policy. It involved equipment improvements and process adjustments to enhance product productivity, reduce personnel load, and eliminate unnecessary waste.

A cross-functional team was formed to identify issues and productivity bottlenecks. Using the 4M (Man, Machine, Material, Method) approach, the team conducted root cause analysis and validated the findings using the "Three Realities" method (Genchi Genbutsu). After confirming the root causes and the feasibility of improvement measures, the team implemented equipment modifications and process adjustments. These changes significantly increased productivity, including the addition of an automatic robotic arm and a reorganization of the plant layout. This improved personnel flexibility, reduced physical strain, and lowered the likelihood of occupational hazards, aligning with TPS goals of multi-skilled workers and labor reduction.

Since participating in the National Solidarity Circles Competition for the first time in 2017, FBT has continuously achieved the highest honor of the Golden Tower Award in the Self-Strengthening Section. This recognition from the judges has not only bolstered team confidence but also showcased FBT's commitment and determination in promoting "continuous improvement." Starting in 2021, FBT has risen to a higher level of solidarity circle challenges in the national competition, gaining high praises from the judges. In the years ahead, FBT will uphold the spirit of continuous improvement, further enhancing organizational functionality, increasing production efficiency, and reducing costs, to lead the company toward a more sustainable future.

FBT awards from participating in the Taiwan Continuous Improvement Award

Year	Prize		Theme	Achievement	Improvement Benefits(Note)
2017	Basic Improvement Category, Self-Strengthening Section	Golden Tower Award	Reducing locking pawl defect rate	Reduced bruising defect rate from 4.56% to 0.78%	NT$ 815,328
2018	Basic Improvement Category, Self-Strengthening Section	Golden Tower Award	Enhancing AMA008 (EL1045/1046) pedal assembly productivity	Productivity increased by 13%	NT$ 299,500
2019	Autonomous Improvement Category, Self-Strengthening Section	Golden Tower Award	Enhancing FB0817 comb plate productivity	1. Reduced personnel from 5 to 2 2. Riveting productivity increased by 68% 3. Full inspection and packaging productivity increased by 2.6%	NT$ 215,250
2020	Autonomous Improvement Category, Self-Strengthening Section	Golden Tower Award	Enhancing golf cart (main and sub clutches) productivity	Productivity of both main and sub clutches increased by 11%	NT$ 356,250
2021	Autonomous Improvement Category, Solidarity Section	Silver Tower Award	Enhancing EL551 rollover device productivity	Productivity increased by 149% Mold change losses reduced to 0	NT$ 317,000
2022	Continuous Improvement Category, Solidarity Section	Golden Tower Award	Enhancing FB tongue productivity	Productivity increased by 212.5% Process defect rate decreased by 61.6%	NT$ 4,771,590
2023	Continuous Improvement Category, Solidarity Section	Golden Tower Award	Enhancing Brake Disc Productivity	Productivity increased by140%	NT$ 205,000

Note：The improvement benefits are calculated based on the implementation guidelines of the FMS small group activities of the company.

Participated in the 2023 “Taiwan Continuous Improvement Award” and was honored with the Golden Tower Award in the Continuous Improvement Category, Solidarity Section.

4.5 Operational and Financial Performance

GRI 201 Economic Performance 2016 Management Approach

Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	Stable and strong financial performance is essential to achieve shareholders' equity and the sustainable development of the company in the future. The Company is committed to enhancing profitability and creating higher economic value, aiming to achieve value recognition and satisfaction among shareholders, customers, suppliers, contractors, employees, and other relevant stakeholders.
	Boundary for this topic	Employees (direct impact), Customers/Clients (business operations impact), Suppliers (business operations impact), Shareholders (indirect impact), Group (indirect impact)
	Limitations of disclosure within this boundary	The financial disclosures in this year's report mainly focus on consolidated financial information, while other information related to the parent company's individual financial statements and the relevant information of investee companies is presented in the parent company's individual financial statements and annual report.
Management Approach and Its Components	Management objectives for this topic	Continue to pursue sustainable development, profitability, and growth.
	Policy	Continuously collaborate with customers and develop new products independently to establish a stable revenue source and enhance profitability.
	Commitments	Comply with regulations from various regulatory authorities and implement management policies to continuously create maximum benefits for the company and all stakeholders.
	Goals and Targets	The Company formulates operational strategies and objectives annually based on the future development direction of the company, changes in internal and external environments, and the company's strengths and weaknesses.
	Responsibility	The President's Office is responsible for aggregating and reviewing the goal plans of various departments within the company.
	Resources	1. Overall customer relationships in the group externally and core capabilities in developing precision stamping molds and product development capabilities internally. 2. Integration of upstream and downstream processes, making full use of external resources.
	Grievance Mechanism	If any stakeholders discover any suspected violations of ethics and integrity, they can report it through the following channels: External Complaint Unit: Wu Gao-chuan, Department of Auditing External Complaint Phone: 04-7990118 ext. 105 External Complaint Email: gmo12@fineblanking.com.tw Internal Complaint Phone: 04-7990118 ext. 120 Internal Complaint Email: adm20@fineblanking.com.tw
	Specific Actions	1. Continue to carry out self-development of products and update and optimize production equipment or processes to enhance the company's operational competitiveness. 2. Promote TPS and TPM activities to improve production efficiency and reduce defective rate.
Evaluation of the Management Approach	Management Assessment Mechanism	Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month.
	Results of Management Policy Evaluation	In 2023, the consolidated revenue was NT$2.86 billion, and the after-tax net income was NT$273 million.
	Management Policy Adjustments	We have set targets for consolidated revenue and net income after tax for the five years starting from 2023, and will continue to maximize the benefits for the Company and its stakeholders in the future.

The company's consolidated financial statements include subsidiaries SUPERIORITY ENTERPRISE CORP., PROPITIOUS INTERNATIONAL INC., Suzhou Changxing Technology Co., Ltd., and GSK VIETNAM CO., LTD. (Zhi Xing Vietnam Co., Ltd.). In 2023, due to the global economic impact of inflation and high interest rates, end-user demand remained weak, resulting in a decline in orders compared to 2022. As a result, the consolidated revenue for 2023 decreased by 8.95% year-over-year, and the overall consolidated net income after tax decreased by 10.90%. The key financial information for the years 2021-2023 is shown in the table below:

Unit:ThousandNTD

Item	2021	2022	2023	Percentage of increase or decrease in 2032 over 2022
Total assets	3,110,772	3,312,029	3,273,891	**-1.15%**
Total liabilities	519,416	545,093	490,668	**-9.98%**
Owners' equity attributable to parent company	2,316,133	2,440,776	2,455,865	**0.62%**
Net operating revenue	2,766,438	3,141,305	2,860,040	**-8.95%**
Pre-tax profit	343,500	418,195	372,870	**-10.84%**
Net income for the period	252,953	306,478	273,083	**-10.90%**
Net income attributable to owners of the parent company	181,204	213,388	181,424	**17.76%**

The Company's main products are blanking components for motorcycles and automobiles. Due to the lack of statistical data on individual products of automotive and motorcycle parts from industry research institutions, market share estimates for the Company's four major product categories are mainly based on statistics from the Taiwan Transportation Vehicle Manufacturers Association.

(1). Motorcycle Disc Brakes

The main production locations for motorcycle disc brakes are Taiwan and GSK Vietnam. The market share in Taiwan and Vietnam is as follows:

A. Market share in the Taiwan domestic market for motorcycle disc brakes for 2021 to 2023:
The Company's Taiwan operational sites mainly supply motorcycle disc brakes directly to manufacturers such as SYM, KYMCO, YAMAHA Taiwan, Gogoro, PGO Scooters, and SUZUKI. The market share in the domestic motorcycle disc brake market for 2021 to 2023 was over 70%.

B. Market share in the Vietnam market for motorcycle disc brakes for 2021 to 2023:
The Company's Vietnam operational sites mainly sell motorcycle disc brakes directly or indirectly to local Taiwanese and Japanese car manufacturers, such as Honda, SYM, SUZUKI, PGO, and KYMCO. The market share in the Vietnam motorcycle disc brake market for 2021 to 2023 was approximately 60%.

(2). Other Precision Blanking Components

Since 2000, the Company has obtained orders for related precision blanking components for the world'' largest vehicle safety airbag and seatbelt manufacturer, Autoliv Group. The annual production quantity of seatbelt metal components by Taiwan and China operational sites from 2021 to 2022 was approximately 10 million PCS and 6.5 million PCS, respectively. The global sales volume from 2021 to 2022 was approximately 83 million vehicles and 82 million vehicles, respectively. The usage of seatbelts accounted for approximately 1.6% to 2.5% of the global market.

(3). Motorcycle Seats

The main production location for motorcycle seats are the Vietnam operational sites. The Company directly sells motorcycle seats to local Taiwanese and Japanese car manufacturers, such as Honda, YAMAHA, SYM, PGO, and KYMCO, with a production share of approximately 50% to 100% for each manufacturer. The market share in the Vietnam motorcycle seat market from 2021 to 2023 was approximately 63%, 66%, and 72%, respectively.

(4). Automobile Seats

The main production location for automobile seats is GSK VIETNAM CO., LTD. The Company directly sells automobile seats to local car manufacturers such as Honda. The Company's shipment volume in 2022 and 2023 accounted for approximately 9% of the local assembly and sales volume in Vietnam.

The Company will continue to cultivate the OEM market for automotive and motorcycle components through the overall resources of the group, strengthen the development mechanism and process technology capabilities to expand products and markets. We will also continuously integrate and implement various operational information systems to enhance operational efficiency, promote TPS improvement activities to increase management capacity, implement the dashboard management system to reduce production lead time and improve delivery efficiency, reduce costs, and ultimately increase profitability.

Financial Performance

Unit: Thousand NTD

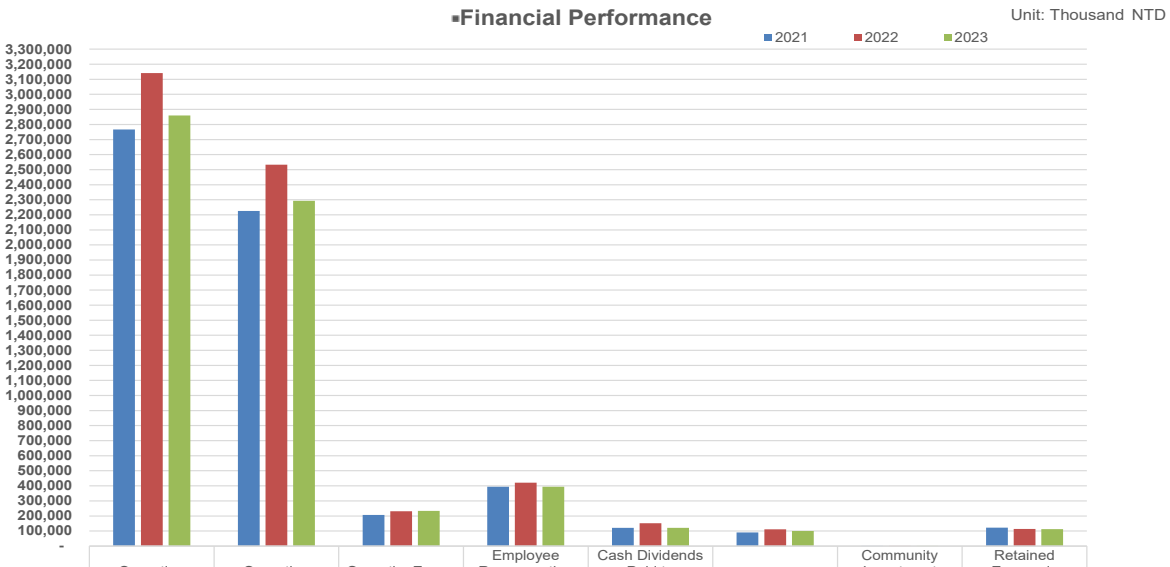
Financial Items	2021	2022	2023
Operating Revenue(A)	2,766,438	3,141,305	2,860,040
Operating Costs(B)	2,226,107	2,532,909	2,293,463
OperatingExpenses(C)	206,472	231,704	233,156
Employee Remuneration and Benefits(Note 1)	394,455	421,257	393,883
Cash Dividends Paid to Shareholders(D)(Note 3)	121,059	151,323	121,059
Income Tax(E)	90,547	111,717	99,787
Community Investment Donations (Note 2)	211	239	393
Retained Economic Value(a)(a=A-B-C-D-E)	122,253	113,652	112,575

Description:

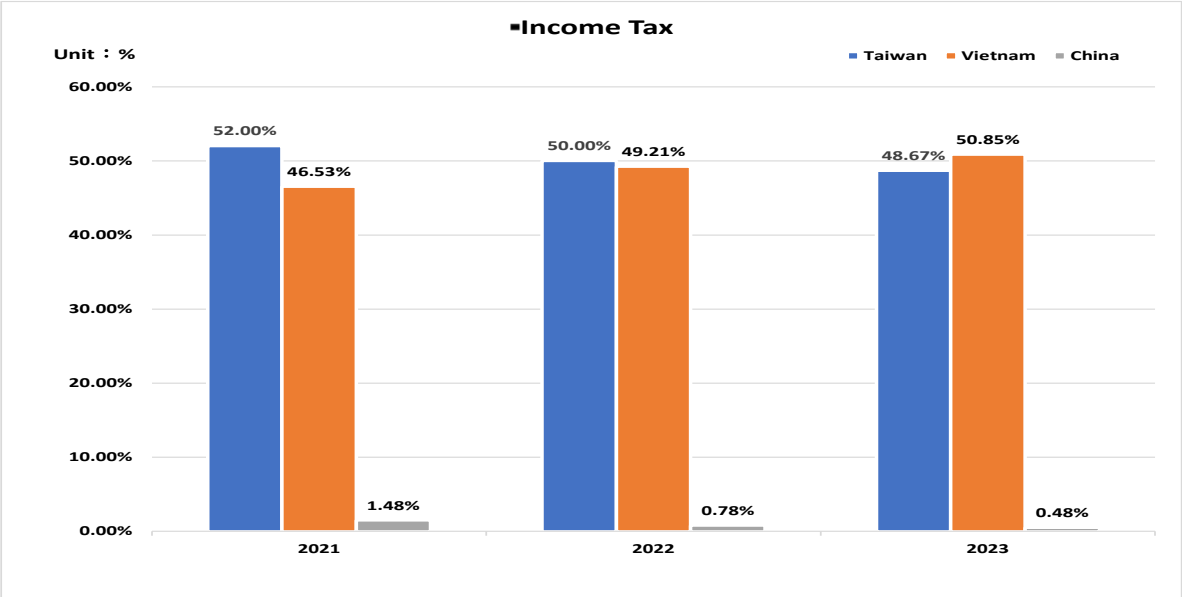
Note1:Employees salaries and benefits are included in both operating expenses and operating costs.

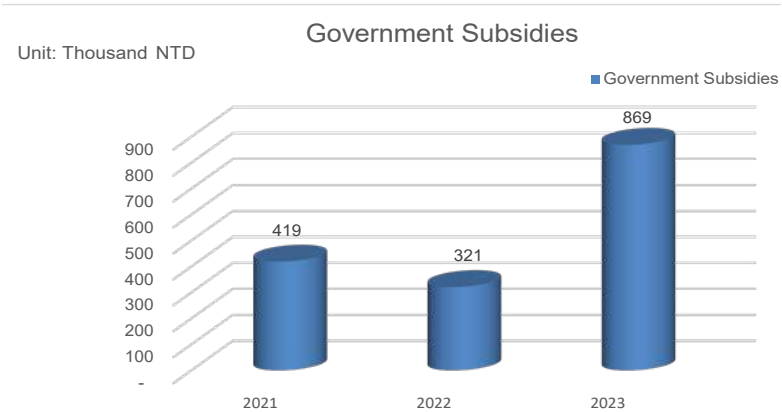
Note2:Donations are included in operating expenses.

Note 3:2021 cash dividend distribution:NT$1.6,NT$121,059,000 2022 cash dividend distribution: NT$2, NT$151,323,000 2023 cash dividend distribution: NT$1.6, NT$121,059,000



	Operating Revenue(A)	Operating Costs(B)	OperatingExpenses(C)	Employee Remuneration and Benefits(Note 1)	Cash Dividends Paid to Shareholders(D)(Note 3)	Income Tax(E)	Community Investment Donations (Note 2)	Retained Economic Value(a)(a=A-B-C-D-E)
2021	2,766,438	2,226,107	206,472	394,455	121,059	90,547	211	122,253
2022	3,141,305	2,532,909	231,704	421,257	151,323	111,717	239	113,652
2023	2,860,040	2,293,463	233,156	393,883	121,059	99,787	393	112,575





2023 Government Subsidies (Taiwan)

Unit: NTD (New Taiwan Dollar)

Month	Summary	Amount
01	2022 Annual - Corporate Human Resource Enhancement Program Subsidy	164,865
01	Stable Employment Program Subsidy	30,000
02	Stable Employment Program Subsidy	60,000
02	Power and Public Utilities Subsidy	37,000
03	Stable Employment Program Subsidy	60,000
04	Stable Employment Program Subsidy	45,000
04	2023 Annual - Work-Life Balance Subsidy Application	24,500
05	Stable Employment Program Subsidy	75,000
06	Stable Employment Program Subsidy	37,500
08	Stable Employment Program Subsidy	30,000
09	Stable Employment Program Subsidy	45,000
10	Stable Employment Program Subsidy	75,000
11	Stable Employment Program Subsidy	45,000
12	Stable Employment Program Subsidy	15,000
12	2024 Annual - Corporate Human Resource Enhancement Program Subsidy	124,900
Total		868,765

Note:The 2023 government subsidies (Taiwan operations) are recorded based on the amounts received during the year.

5. Friendly Workplace

5.1 Talent Recruitment and Retention

5.1.1 Industry-Academia Collaboration

To fulfill the Company's mission of nurturing talent and giving back to society, FBT established industry-academia collaboration programs with National Yunlin University of Science and Technology, National Chin-Yi University of Technology, Da-Yeh University, and Chienkuo Technology and Chung Hua University University. Since 2003, we have collaborated with National Shiou Shuei Senior Industrial High School, with a total of 129 participants to date. Currently, 14 of them are still employed. The university-industry collaboration internship program currently has 6 students, among whom 3 have been promoted to team leaders and 5 have been promoted to engineers. In the 2024 academic year, we plan to participate in the university-wide industry-academia collaboration internship program at National Chung Kuo University of Technology. This approach helps students adapt to the workplace, develop skills, and inherit technical knowledge, contributing to the cultivation of future talents and benefiting society.

5.1.2 Employee Care

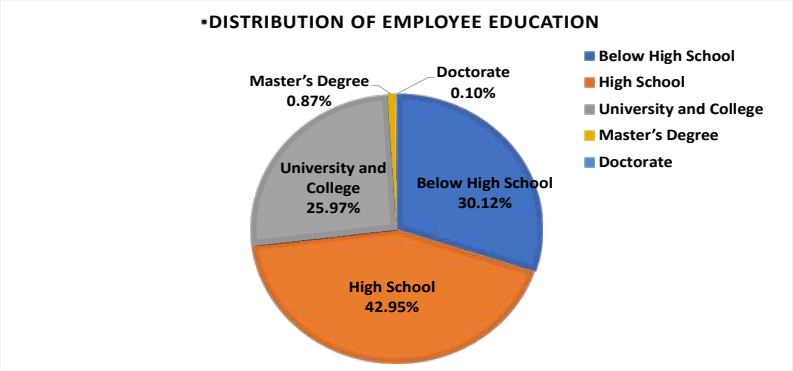
● Employee Structure

At the end of the year 2023, the total number of employees at our operational sites in Taiwan, China, and Vietnam were 373, 51, and 612, respectively. Among non-Vietnamese employees in Vietnam, 3 were included in the count for Taiwan operational sites. The combined total is 1,036, all of whom are full-time employees. There are no part-time employees but there are 8 directors.

Human Resource Structure in 2023.

Category	Group	Male		Female		Subtotal and Percentage for the Group	
		Number of People	Percentage within Group (%)	Number of People	Percentage within Group (%)	Number of People	Percentage of Total Employees (%)
Job Role	Managerial role	57	70.4%	24	29.6%	81	7.8%
	Indirect Labor	216	52.0%	199	48.0%	415	40.1%
	Direct Labor	344	63.7%	196	36.3%	540	52.1%
Work Location	Taiwan	254	68.1%	119	31.9%	373	36.0%
	China	27	52.9%	24	47.1%	51	4.9%
	Vietnam	336	54.9%	276	45.1%	612	59.1%
Age	Below 30	160	63.7%	91	36.3%	251	24.2%
	31-50	389	57.2%	291	42.8%	680	65.6%
	51 and above	68	64.8%	37	35.2%	105	10.1%
Total		617	59.6%	419	40.4%	1036	100.0%

Note: 1.Our company employs only full-time staff, all of whom are permanent employees.
2..The term "supervisor" refers to those at the managerial level and above. The data from the table show no significant changes compared to 2022.



Stable and Healthy Workforce Structure

We emphasize gender equality and provide equal treatment for employment and promotion regardless of gender. The Company is committed that the production scale and labor demand in Taiwan can only increase but never decrease. All supervisors at our Taiwan operational sites are hired locally from the Changhua area. Most of our employees are also from the Changhua area. Only some direct labor personnel are recruited from overseas due to recruitment difficulties. In China, all (100%) supervisors are hired from China. In Vietnam, 87.2% of the managers at the division level and above are from Vietnam, and 12.8% are non-Vietnamese, with the majority being local managers.

We do not employ child labor and prohibit any form of forced labor. We treat all individuals equally regardless of region, race, nationality, religion, gender, age, social class, disabilities, family and marital status, and political affiliation,. As of 2023, no discriminatory incidents have occurred.

In a competitive market, maintaining corporate vitality and innovation consciousness is crucial, and reasonable allocation of human resources plays a significant role. In 2023, the male-to-female ratio for new employees was 15.5% to 7.9%, with an overall new hire rate of 23.46%. The male-to-female ratio for departing employees was 16.2% to 7.1%, with an overall turnover rate of 23.36%.

■ Statistics and Analysis of New Hires from 2021 to 2023

Year	2021				2022				2023			
Age	Male (Number of people))	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)
Below 30	120	11.56%	89	8.57%	75	7.27%	34	3.29%	109	10.52%	33	3.19%
31-50	134	12.91%	91	8.77%	104	10.08%	34	3.29%	49	4.73%	46	4.44%
51 and above	13	1.25%	7	0.67%	11	1.07%	9	0.87%	3	0.29%	3	0.29%
Total	267	25.72%	187	18.02%	190	18.41%	77	7.46%	161	15.54%	82	7.92%
New employee rate	43.74%				25.87%				23.46%			
Number of new recruits	454				267				243			
End-of-Year Headcount	1,038				1,032				1,036			

■ Statistics and Analysis of New Hires at Each Operational Site in 2023

Year	Taiwan				China				Vietnam			
Age	Male (Number of people))	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)
Below 30	35	9.38%	11	2.95%	4	7.84%	1	1.96%	70	11.44%	21	3.43%
31-50	13	3.49%	4	1.07%	7	13.73%	8	15.69%	29	4.74%	34	5.56%
51 and above	1	0.27%	1	0.27%	1	1.96%	1	1.96%	1	0.16%	1	0.16%
Total	49	13.14%	16	4.29%	12	23.53%	10	19.61%	100	16.34%	56	9.15%
New employee rate	17.43%				43.14%				25.49%			
Number of new recruits	65				22				156			
End-of-Year Headcount	373				51				612			

Note: New hires = Number of new hires in the current year / Total number of employees at the end of the year.

■ Statistics and Analysis of Departures from 2021 to 2023

Year	2021				2022				2023			
Age	Male (Number of people))	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)
Below 30	154	14.84%	79	7.61%	70	6.78%	31	3.00%	91	8.78%	25	2.41%
31-50	106	10.21%	82	7.90%	109	10.56%	46	4.46%	71	6.85%	46	4.44%
51 and above	15	1.45%	0	0.00%	10	0.97%	10	0.97%	6	0.58%	3	0.29%
Total	275	26.49%	161	15.51%	189	18.31%	87	8.43%	168	16.22%	74	7.14%
Turnover rate	42.00%				26.74%				23.36%			
Number of departures	436				276				242			
Year-end headcount	1,038				1,032				1,036			

■ Statistics and Analysis of Departures at Each Operational Site in 2023

Year	Taiwan				China				Vietnam			
Age	Male (Number of people))	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)	Male (Number of people)	Male (%)	Female (Number of people)	Female (%)
Below 30	15	4.02%	3	0.80%	4	7.84%	2	3.92%	72	11.76%	20	3.27%
31-50	29	7.77%	9	2.41%	10	19.61%	10	19.61%	32	5.23%	27	4.41%
51 and above	5	1.34%	1	0.27%	0	0.00%	0	0.00%	1	0.16%	2	0.33%
Total	49	13.14%	13	3.49%	14	27.45%	12	23.53%	105	17.16%	49	8.01%
Turnover rate	16.62%				50.98%				25.16%			
Number of departures	62				26				154			
Year-end headcoun	373				51				612			

Note:Departures = Number of departures in the current year / Total number of employees at the end of the year
All departures were voluntary.

The turnover rate is an important indicator for measuring internal human resource movement within a company. By examining the turnover rate, we can understand a company's attractiveness and satisfaction level for employees. Therefore, we investigate departing employees through supervisors or HR personnel, treating different types of departures differently, in order to implement appropriate improvement measures. This helps mitigate talent loss and enhance employee stability.

Diverse Employee Development and Equal Employment Opportunities

The Company emphasizes diverse employee development and equal employment opportunities across four key areas:

(1)Caring for Local Development through Neighborly Policies:
We care about local development and actively participate in community welfare activities. We sponsor disadvantaged groups and provide good employment opportunities as part of our vision.

(2)Diverse Workforce:
Employees at our Taiwan operational sites come from various regions and nationalities. We employ 22 Thai workers, 51 Vietnamese workers, and 3 new immigrant workers. This demonstrates the flexibility of the labor market and the diversity of work patterns promoted by the Company.

(3)Vibrant and Well-Balanced Age Distribution:
The age distribution of employees at our company's Taiwan operations shows that employees aged 31 to 50 make up approximately 57.1% of the total workforce, with a male-to-female ratio of 7:3.

(4)Excessive Employment of People with Disabilities:
In 2023, we were awarded the Merit Award for the Changhua County 2023 Excellent Vendor for Exceeding Employment Quota of Persons with Disabilities. To uphold the rights of people with disabilities and provide equal opportunities for their participation in the workforce, the Company is committed to improving the work environment and equipment. We aim to create a high-quality working environment for our friends with disabilities, promote their independence and development, and provide them with a sense of happiness and belonging through their work. This not only enhances our corporate culture but also creates a win-win situation by contributing to society.

■ Age Distribution of Employees at Taiwan Operational Sites in 2023

Gender	Age Group	Local			Foreign	Total
		General	Disabilities	New Immigrants		
	Below age 30	27	0	0	0	27
	Age 31-50	62	0	3	0	65
	Age 51 and above	27	0	0	0	27
Total Female		116	0	3	0	119
	Below age 30	27	0	0	31	58
	Age 31-50	101	6	0	41	148
	Age 51 and above	46	1	0	1	48
Total Male		174	7	0	73	254
Total		290	7	3	73	373

■ **Age Distribution of Employees at China Operational Sites in 2023**

Gender	Age Group	Local			Foreign	Total
		General	Disabilities	New Immigrants		
	Below age 30	2	0	0	0	2
	Age 31-50	19	0	0	0	19
	Age 51 and above	3	0	0	0	3
Total Female		24	0	0	0	24
	Below age 30	4	0	0	0	4
	Age 31-50	18	0	0	0	18
	Age 51 and above	5	0	0	0	5
Total Male		27	0	0	0	27
Total		51	0	0	0	51

■ **Age Distribution of Employees at Vietnam Operational Sites in 2023**

Gender	Age Group	Local			Foreign	Total
		General	Disabilities	New Immigrants		
	Below age 30	71	0	0	0	71
	Age 31-50	181	0	0	1	182
	Age 51 and above	24	0	0	0	24
Total Female		276	0	0	1	277
	Below age 30	109	0	0	0	109
	Age 31-50	211	0	0	2	213
	Age 51 and above	11	0	0	2	13
Total Male		331	0	0	4	335
Total		607	0	0	5	612

Retention and Care for New and Current Employees

New employees are surveyed upon completing their probation period. The survey assesses "Environmental Adaptation," "Member Interaction," "Work Learning," and "Personnel Services," with a maximum score of 25 points for each dimension.

■ **Survey Status for Each Quarter in 2023**

Item	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 Full Year
Environmental Adaptation	24.00	24.38	21.00	23.50	23.22
Member Interaction	23.83	24.25	21.10	23.50	23.17
Job Learning	24.17	24.25	21.70	22.75	23.22
Personnel Services	24.00	24.25	20.60	23.25	23.03
Total Average	24.00	24.28	21.10	23.25	23.16
Completion Rate	100.0%	100.0%	100.0%	100.0%	100.0%

Satisfaction survey for current employees regarding subsidies for marriage, funerals, and celebrations assesses “Service Attitude of Service Personnel,” “Professionalism of Service Personnel,” “Clear Subsidy Items,” “Application Process Timeliness," and “Satisfaction with Subsidy Standards,” with a maximum score of 100 points for each dimension.

■ **Survey Status for Each Quarter in 2023**

Item	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2023 Full Year
Service Attitude of Service Personnel	90	100	90	96	94.0
Professionalism of Service Personnel	90	100	95	96	95.3
Clarity of Subsidized Items	85	100	95	96	94.0
Timeliness of Application Process	85	100	90	96	92.8
Satisfaction with Subsidy Standard	85	100	90	96	92.8
Total Average	87	100	92	96	93.8
Completion Rate	80.00%	71.43%	66.67%	41.67%	64.94%

Workers who are not employees

At our Taiwan operations in 2022 and 2023 include 5 security personnel. From March to August 2022, and in 2023, there were 6 and 0 temporary workers assigned to the production line, respectively. At our operations in mainland China, there were 17 and 33 temporary workers assigned to the production line in 2022 and 2023, with the personnel changes based on the needs of the production line schedule. At our operations in Vietnam, there were no temporary workers hired in either 2022 or 2023. The table below shows the number of non-employee workers at the end of 2022 and 2023.

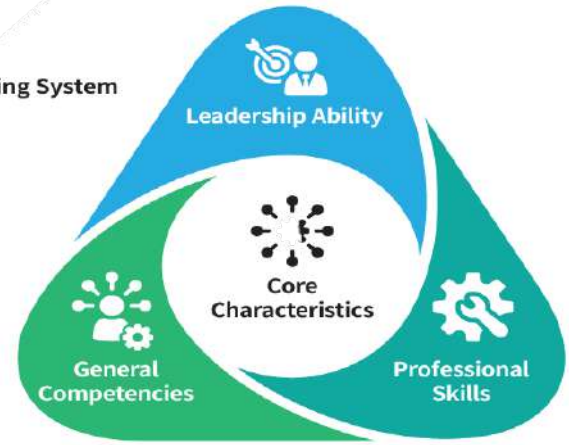
Number of non-employee workers

Category	Group	2022		2023	
		male	Female	male	Female
Operational Sites	Taiwan	5	0	5	0
	China	17	0	33	0
	Vietnam	0	0	0	0
Total		22	0	38	0

5.2. Talent development

The foundation of the Company's sustainable operations at its Taiwan facility lies in effective employee training and adaptive development. Therefore, the Company is committed to planning and promoting an education and training system. The Company has formulated by the "Education and Training Manual", which serves as the basis for implementing the training management system. Every year, we regularly apply for the "Corporate Human Resources Enhancement Program" to conduct employee education and training. This initiative aims to strengthen the Company's overall structure while simultaneously enhancing employees' career competitiveness, fostering mutual growth and success. In 2023, the Company achieved the Talent Quality-Management System (TTQS) certification. An application for the TTQS was approved for subsidy reimbursement of NT$124,900 with the funds being allocated in December 2023.

- Education and Training System



According to the Company's "Education and Training Management Guidelines," every new employee undergoes company regulations introduction as well as education and training in personal data protection, safety and health, and the corporate social declaration. Subsequently, they receive on-the-job training in their respective departments. For current employees, the Company provides diverse and rich learning channels and development resources based on their individual job needs, performance evaluations, and career development requirements. These resources include on-the-job training, work guidance, and job rotation. Through the Company's diverse education and training avenues, employees enhance their personal capabilities, indirectly impacting the organization's learning climate. A systematic approach ensures employees gain proficiency in skills, from the basics to mastery, making them adept at their job responsibilities. Through education and training, employee awareness of quality is elevated, reducing process defects, improving customer service efficiency, strengthening customer relationships, stabilizing revenue, accumulating sustainable company capabilities, and achieving annual goals together.

5.2.1.Regular Employee Performance Evaluation and Career Development

The Company has formulated the "Performance Evaluation Method" and conducts it twice annually: mid-year and year-end evaluations. The mid-year evaluation serves as a reference for the year-end appraisal. Year-end evaluation results determine year-end bonuses, salary adjustments, promotions, and the distribution of employee compensation. Employee performance evaluations are treated confidentially, and personal information is not to be disclosed. In 2023, the regular performance evaluation rate in Taiwan was 95.44%.

Gender	Direct	Number of Direct Review	Review Rate	Indirect	Number of Indirect Review	Review Rate	Manageria	Number of Managerial Employees under Review	Review Rate	Foreign Employees	Number of Foreign Employees under Review	Review Rate	Total	Number of Total Reviews	Review Rate
Female	42	41	97.62%	72	69	95.83%	5	3	60.00%	0	0	0.00%	119	113	94.96%
Male	81	79	97.53%	75	75	100.00%	25	17	68.00%	73	72	98.63%	254	243	95.67%
Total	123	120	97.56%	147	144	97.96%	30	20	66.67%	73	72	98.63%	373	356	95.44%

Description:Unassessed individuals include 1 chairperson, 7 directors, 1 president, 1 executive assistant, and 7 new hires, totaling 17 individuals.

In China, the regular performance evaluation rate in 2023 was 100%.

Gender	Direct	Number of Direct Review	Review Rate	Indirect	Number of Indirect Review	Review Rate	Manageria	Number of Managerial Employees under Review	Review Rate	Foreign Employees	Number of Foreign Employees under Review	Review Rate	Total	Number of Total Reviews	Review Rate
Female	4	4	100.00%	15	15	100.00%	5	5	100.00%	0	0	0%	24	24	100.00%
Male	7	7	100.00%	14	14	100.00%	6	6	100.00%	0	0	0%	27	27	100.00%
Total	11	11	100.00%	29	29	100.00%	11	11	100.00%	0	0	0	51	51	100.00%

Description:Unassessed individuals include 1 president, totaling 1 individual.

In Vietnam, the regular performance evaluation rate in 2023 was 99.67%.

Gender	Direct	Number of Direct Review	Review Rate	Indirect	Number of Indirect Review	Review Rate	Manageria	Number of Managerial Employees under Review	Review Rate	Foreign Employees	Number of Foreign Employees under Review	Review Rate	Total	Number of Total Reviews	Review Rate
Female	184	184	100.00%	81	81	100.00%	12	12	100.00%	1	0	0.00%	278	277	99.64%
Male	235	235	100.00%	73	73	100.00%	22	22	100.00%	4	3	75.00%	334	333	99.70%
Total	419	419	100.00%	154	154	100.00%	34	34	100.00%	5	3	60.00%	612	610	99.67%

Description:Unassessed individuals include 1 chairperson and 1 assistant manager, totaling 2 individuals.

Every year, the Company issues the "Human Resources Survey/Individual Skills Assessment Form" to each unit supervisor to register the new items of direct online training for his/her staff and evaluate the proficiency level. It serves as a reference for adjusting training and gauging individual training effectiveness while evaluating employees' future career development abilities. For employee career development, a variety of training courses are offered and linked to job promotions as assessment criteria. For instance, entry-level management training, time management and meeting operation skills, and presentation skills are criteria for promoting to manager or specialist positions.

Each supervisor possesses deep professional knowledge and skills. To foster their management and leadership capabilities, the Company introduced the Dale Carnegie Leadership Training Course in March 2012. This training aims to enhance supervisory management skills. Based on operational demands throughout the year and the Company's dedication to nurturing quality talents, periodic participation in the "Carnegie Manager Leadership Course" and "Carnegie Effective Communication and Interpersonal Relationship Course" training is organized. However, due to the impact of the pandemic in 2022, training assignments were postponed and adjusted to internal specialized training. In 2023, two classes of the "Carnegie Cohesive Communication and Cohesion Training Course" and one class of the "Carnegie Manager Leadership Course" were held. It is planned that in 2024, one class of the "Carnegie Cohesive Communication and Cohesion Training Course" and one class of the "Carnegie Advanced Manager Leadership Course" will be offered.

Carnegie Courses in 2023:

Course title	Number of Participants	Accumulated Participants Up to 2023
Carnegie General Manager Excellence Course	0	1
Carnegie Manager Leadership Course	30	30
Cohesive Communication and Cohesion_Class 3	24	123
Cohesive Communication and Cohesion_Class 4	26	

Dale Carnegie Course _Cohesive Communication and Cohesion Training - 2023 Class 3

Dale Carnegie Course _Cohesive Communication and Cohesion Training – 2023 Class 4

Dale Carnegie Course
_ Carnegie Manager Leadership Course 2023 Class1

5.2.2.Employee Learning and Effectiveness

The Company conducts an annual education and training plan survey to identify competency gaps across various job levels. It then formulates yearly training plans and objectives. In 2023, the Company organized a total of 377 training sessions at its Taiwan operational sites, with the participation of 7,140 individuals. Among them, training hours for new immigrants amounted to 34 hours, foreign workers accumulated 627 hours, and training for individuals with disabilities reached 401.5 hours. The total training hours for all employees were a total of 13,899 hours. For female managerial roles, accounting supervisors are required to pursue annual professional development to meet specified legal hours. In 2023, the training hours for these roles totaled 253 hours, accounting for 51.74% of training hours for female managers and 11.33% of overall managerial training hours. Consequently, the training hours for female managers exceeded those for male employees. At Suzhou Fine Blanking & Tool, an operational site in China, 1,100 individuals attended training, accumulating 3,141.5 training hours. At GSK Vietnam, an operational site in Vietnam, 1,420 individuals participated in training, with a cumulative training time of 1,025 hours. Combining training efforts across Taiwan and its overseas subsidiaries, the total training hours amounted to 18,065.5 hours, successfully achieving the 2023 training objectives.

Initiatives like team-building camps enhance employee morale and cohesion. Regular health seminars provide employees insights on maintaining a healthy lifestyle beyond working hours. As per the annual Environmental Safety and Health Plan, new and existing employees undergo environment, safety, and health education training. This equips employees with knowledge on how to protect themselves while working on-site, mitigating the risks of occupational accidents. Through education and training, employee awareness is elevated, leading to a reduction in process defects. This in turn improves customer service efficiency and strengthens customer relationships, ultimately stabilizing revenue and contributing to the Company's sustainable capabilities, thereby achieving annual goals.

Data from 2023 below demonstrates no significant difference in training hours between male and female employees, validating the Company's non-discriminatory approach to talent development. The Company aims to provide diverse learning channels to enable employees to enhance their professional skills.

Taiwan employees possess professional certifications such as Occupational Safety and Health Managers, crane operation, and forklift operation. A total of 123 employees hold 227 professional certification certificates.

The combined statistics for 2023 education and training are presented in the chart below:

▪ **Education and Training Statistics in 2023.**

Course Category		Number of Courses	Training Hours	Number of Participants
Management		38	3,363.5	989
Functional	Administrative and Financial	52	603.5	177
	Sales and Marketing	20	181.5	94
	Logistics and Production Management	93	2,075.5	1,403
	R&D and Quality	67	1,266.0	337
	Technical	189	3,778.5	3,638
	Audit	13	162.5	48
General		61	1,828.0	907
Environmental and Safety		93	4,806.5	2,067
Total		626	18,065.5	9,660

Education and Training Analysis Chart and Classroom Implementation Photos at Taiwan Operational Sites in 2022:

■ Training Status of Male Employees in 2023

Job Category	Number of people	Hours	Average
Management Role	25	1,744.5	69.78
Indirect Labor	75	4,439.0	59.19
Direct Labor	154	3,124.0	20.29
Total	254	9,307.5	36.6

■ Training Status of Female Employees in 2023

Job Category	Number of people	Hours	Average
Management Role	5	402.0	80.40
Indirect Labor	72	3,398	47.19
Direct Labor	42	791.5	18.85
Total	119	4,591.5	38.58

Description：1.The training participant count includes employees who left during 2023, which is why the number of training participants is greater than the year-end headcount for 2023.
2.The higher training hours for female managers compared to male managers are due to mandatory courses specified by regulations. On the other hand, male indirect staff have more training hours than female staff due to occupational safety and health refresher courses.

Identity		New Immigrants	Foreign Workers	Employees with Disabilities	General	Total
Male	Number of people	0	73	7	174	254
	Hours	0	627	401.5	8,279.0	9,307.5
Female	Number of people	3	0	0	116	119
	Hours	34	0	0	4,558	4,591.5
Total	Number of people	3	73	7	290	373
	Hours	34	627	401.5	12,836.5	13,899.0
Average		11.33	8.59	57.36	44.26	37.26

Description：The training for new immigrants and foreign workers is mainly on-service labor safety and health education training and internal Standard Operating Procedures (SOP) or One Point Lesson (OPL) training, but there are no other types of courses, so the number of hours of training is relatively small.

Customer Specific Characteristics

FMEA (Failure Modes and Effects Analysis)

New QC 7 Practices

Dale Carnegie Course
_ Carnegie Manager Leadership Course

MSA（Measurement System Analysis）

SPC（Statistical Process Control）

5.3.Remuneration and Benefits

401 Labor Relations 2016 Management Policy

Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	Employees are the most important assets of the Company. With the concept of taking care of the welfare of employees and the interests of shareholders, we provide the most competitive overall salary to attract and retain the best talents. The Company continues to strive to enhance profitability and create higher economic value, with the aim of achieving value recognition and satisfaction among employees, shareholders, customers, suppliers/contractors and related stakeholders.
	Boundary for this topic	Employees (direct impact), Government Agencies (indirect impact), Group (indirect impact)
	Limitations of disclosure within this boundary	There is no information disclosed by the organization's overseas operations.
Management Approach and Its Components	Management objectives for this topic	Enhance the overall compensation of employees through various employee benefits initiatives.
	Policy	The Company continuously improves its operational and financial performance to achieve overall employee compensation growth.
	Commitments	Comply with regulations from various regulatory authorities and implement management policies to continuously maximize the benefits for employees and shareholders.
	Goals and Targets	1. Increase annual per capita employee benefit expenses by 10%. 2. Increase the annual average salary of full-time employees who are not in supervisory positions by 10%.
	Responsibility	The Management Department is responsible for summarizing and summarizing the results of this review, and will announce and disclose the results in accordance with the regulations of the supervisory authority.
	Resources	1. Regular monthly management meetings are held by top-management supervisors to continuously monitor and review business performance. 2. Regular labor-management meetings and employee welfare committees are held to fully coordinate the use of employee benefit resources, promote labor-management cooperation, and enhance labor conditions.
	Grievance Mechanism	Stakeholders can report any suspected labor disputes or human rights incidents through the following methods: Management Department: Manager Liu Internal/External Complaint Phone: 04-7990118 ext. 120 Internal/External Complaint Email: adm20@fineblanking.com.tw
	Specific Actions	Continue to carry out self-development of products and update and optimize production equipment or processes, and promoting various improvement activities to enhance operational competitiveness and increase profits, as well as increasing the non-recurring salaries of employees.

Item	Description	Content
Evaluation of the Management Approach	Management Assessment Mechanism	1. Monthly performance review within the Management Department to examine the average salary growth of local employees. 2. Announcing the employee benefits costs and salaries of non-supervisory full-time employees for the previous year in March and April, in accordance with the regulations of competent authority.
	Results of Management Policy Evaluation	1. The average employee benefit expenses at Taiwan operational sites in 2022 and 2023 were NT$639,000 and NT$705,000 respectively, with a decline of 9.4%. 2. The average annual salary for non-supervisory full-time employees at Taiwan operational sites in 2023 and 2022 was NT$513,000 and NT$574,000 respectively, representing an decrease of NT$61,000, with a decline of 10.63%.
	Management Policy Adjustments	We have set targets for the net income after tax for the five years starting from 2023, and will continue to maximize the benefits for the Company and its stakeholders in the future.

5.3.1. Employee Salaries

For the Company's Taiwan operational sites, based on regulations such as the "Remuneration Committee Organizational Regulations," "Directors' Remuneration and Employees' Remuneration Approval and Issuance Rules," "Year-End Bonus Management Rules," "Salary Management Regulations," and "Employee Pension Management Regulations," the total compensation for the highest governing body members comprises fixed and variable pay based on performance. The remuneration of high-level personnel is correlated with business performance. According to the Company's Articles of Incorporation, if the Company generates profits based on yearly performance, at least 2% should be allocated as employee compensation, not exceeding 5% for director remuneration. These matters must be approved by the Remuneration Committee and the Board of Directors, with reporting to shareholders and subject to stakeholder oversight.

● **Employee Remuneration System**

1	**Shared Business Results** Allocate more than 2% of pre-tax net profit (excluding directors' and employees' remuneration) as employee compensation.
2	**Fair Compensation** In 2023, the number of non-managerial employees was 341, increased by 9 individuals. The average salary was NT$513,000 decreased by 10.63% compared to 2022., demonstrating a decrease rate of 10.63%. The median salary was NT$464,000, indicating a decrease of 11.45%. Note: The decrease in 2023 compared to 2022 is due to a 14.98% decline in net profit attributable to the parent company's shareholders, resulting in a reduction in non-recurring income, employee compensation, and year-end bonus allocations and payments.
3	**Regular Salary Adjustments** The "Salary Issuance Regulations" is applied based on specialized skills, qualifications, and reference to market salary levels. A comprehensive salary review for all employees in conducted in March each year, considering external salary surveys, market salary levels, and a proportion of the salary adjustment based on the previous three years' performance evaluations.

In terms of retirement benefits, high-level managers do not receive different benefits compared to other employees. Regarding the remuneration of directors and senior executives, apart from being determined by the Remuneration Committee in accordance with the law, relevant information has been disclosed in the 2023 annual report to ensure transparency for all stakeholders. Shareholders can express their opinions through the annual report or contact points on the Company's website.

The Company upholds the philosophy that employees are its most valuable assets. With the concept of taking care of the welfare of employees and the interests of shareholders, we provide the most competitive overall salary to attract and retain the best talents. Employee compensation will not differ based on factors such as gender, religion, race, nationality, or political affiliation. The salary standards for both male and female employees in the Company are the same. The salary-to-base pay ratio for male and female employees in entry-level positions is 1:1.The Company rewards an introduction bonus of NT$3,000 to employees who have worked for at least six months. An additional bonus of NT$3,000 is given after one year.

The multiplier for the total salary of the President and total employee compensation, as well as the percentage increase, is shown in the table below:

Year	President's Total Salary Compared to the Previous Year	Other Employees' Total Salary Compared to the Previous Year	Multiplier for the Total Salary of the President and Other Employees	Multiplier for the Total Salary of the President and Other Employees, and Percentage Increase
2022	15%	4%	7~8 times	3~4 times
2023	2%	-12%	8~9 times	0~ -2 times

Description:Salary components include wages, year-end bonuses, employee compensation, referral bonuses, exemplary employee bonuses, and senior employee bonuses.

The Company's employee salaries are determined based on education, experience, individual professional competence, and job performance. There will be no differences due to factors like gender, religion, race, nationality, and political affiliation. Salary and labor conditions fully comply with local labor laws and international human rights conventions.

Female and Male Compensation Ratios:

Job Role	Female/Male Ratio	Reasons for Lower Female Compensation Ratio
General Employees	1:0.96	NA
Section Chief	1:1.09	The employees have less seniority, with a smaller number of staff, and the majority of the roles are in indirect units.
Division Chief	1:0.94	NA
Managers and above	1:1.36	Predominantly male, including President and Executive Vice-President

For the Company's Taiwan operational sites, in 2023 and 2022, the annual average number of non-supervisory full-time employees as per competent authority regulations was 341 and 332, respectively, indicating a increase of 9 individuals. The average annual salary for these non-supervisory full-time employees in 2023 was NT$513,000, compared to NT$574,000 in 2022, representing an decrease of NT$61,000. The median annual salary for non-supervisory employees in 2023 was NT$464,000 compared to NT$524,000 in 2022, showing an decrease e of NT$60,000.

■ **Statistics of Benefits Costs for Non-Supervisory Full-time Employees:**

Unit: Person/Amount (NTD)

Item	2022 (A)	2023 (B)	Difference (=B-A)
Number of full-time employees	332	341	9
Average Salary/Person/Month	47,798	44,515	-3,283
Median Salary/Person/Month	43,657	38,851	-4,806

Note: The decrease in 2023 compared to 2022 is due to a 14.98% decline in net profit attributable to the parent company's shareholders, resulting in a reduction in non-recurring income, employee compensation, and year-end bonus allocations and payments.

5.3.2.Employee Benefits

For the Taiwan operational sites, the Company provides comprehensive benefits for local full-time employees, including base salary, bonuses, employee compensation, retirement benefits, and other perks. Comprehensive Employee Insurance Plans: The Company provides comprehensive insurance coverage for all employees, including labor insurance, National Health Insurance, and group accident insurance. This coverage starts from the day of joining the Company, ensuring that employees are well protected.

Attractive Compensation System: The Company allocates year-end bonuses based on revenue ratios every month, and annual employee compensation is provided according to the Company's regulations.

Other Benefits: The Employee Welfare Committee provides various welfare measures.

- Holiday Bonus: Bonuses are provided based on seniority.
- Birthday Bonus: Gift vouchers and small gifts are given.
- Childbirth Bonus: Employees or their spouses receive a bonus of NT$3,000 along with congratulatory gifts upon childbirth.
- Marriage Bonus: Bonuses are provided based on seniority.
- Funeral Consolation Money: Consolation money are given based on the level of kinship.
- Housewarming Celebration: Bonuses are provided based on job title and seniority.
- Domestic Travel
- Labor Day Activities
- Departmental meals are subsidized once per quarter.
- Emergency Aid
- Discount benefits from over 1,000 affiliated stores
- Employee travel

5.3.3.Comprehensive Pension Scheme

Based on the "Labor Standards Act" and the "Labor Pension Act," the Company's Taiwan operational sites have established the Employee Retirement Regulations. The Company has a sound financial system in place to provide stable retirement withdrawal and payment. Professional actuaries assess the retirement reserve annually to ensure sufficient withdrawal and payment funding for future retirement benefits, protecting the rights of employees who will claim retirement benefits.

Retirement pension based on Labor Standards Act

Retirement benefits are calculated based on employee years of service and the average salary during the last six months before retirement. As of the end of 2023, the old system's retirement reserve amount was NT$191,000 (cumulative account balance of NT$1,714,000).

Retirement pension based on Labor Pension Act

Retirement benefits are accrued by contributing 6% of each employee's monthly salary to an individual account. In 2023, the new system's retirement reserve amount was NT$7,732.

Retirement Planning at Different Operational Sites

- **Retirement Planning at Different Operational Sites**

Taiwan

Establishment of a "Labor Retirement Reserve Supervisory Committee" with a majority of labor representatives. Monthly contributions of 2% of the total monthly salary. Implementation of the new pension system since July 2005, allowing employees to contribute 6% of their full salary to their personal accounts while retaining years of service under the old system. Pension benefits will be provided according to the law upon retirement. Pension benefits cover 100% of employees.

China

Participation in social insurance according to the "Social Insurance Law," with old-age insurance contributing to retirement benefits. Monthly contributions amount to 42% of the total monthly salary. Pension benefits cover 100% of employees.

Vietnam

Entitlement to retirement benefits as per the "Law on Social Insurance," calculated based on the total salary paid for social insurance premiums, with 21.5% being contributed to social insurance. Pension benefits cover 100% of employees.

5.3.4.Friendly Workplace and Childcare

For the Taiwan operational sites, the Company promotes gender equality and supports the needs of employees by offering unpaid parental leave for all employees with children under three years of age. In 2023,3 male and 7 female employees in Taiwan were eligible for parental leave. There was 1 male employee and 1 female employee who applied Due to cultural differences, no employees applied for parental leave in overseas locations. Return-to-Work and Retention Rates:

	Male	Female	Total
Number of employees applied for unpaid parental leave in 2023	1	1	2
Number of employees expected to return from unpaid parental leave in 2023 (A)	0	0	0
Number of employees expected to return from unpaid parental leave in 2023 and actually returned (B)	0	0	0
Reinstatement Rate (B/A)	—	—	—
Number of employees applied for unpaid parental leave in 2022, and has been employed for over a year (C)	0	4	4
Number of employees applied for unpaid parental leave in 2022 and actually returned (D)	0	4	4
Retention Rate (C/D)	—	100%	100%

5.4.Human Rights and Communication

The Company upholds its core value of "Inclusive Growth" and supports the United Nations Universal Declaration of Human Rights (UDHR) and related international concepts of respecting human rights. At the same time, we adhere to the local regulations of all global operating locations, and treat all employees with dignity and respect. The company adheres to various labor laws and relevant regulations. In response to the requirements of international clients, the company applied for the international platform certification, RBASAQ (Responsible Business Alliance Self-Assessment Questionnaire, SAQ), and received a third-party certification rating of 91/100 in the report. In 2023, there were no major violations or labor disputes.

5.4.1.Human Rights Protection Training

At the Taiwan operational sites, we launched diverse human rights protection training programs in 2023, including factory safety and health, emergency response, and first aid training. The total training hours amounted to 2,552.5 hours, with a total of 1,218 employees completed training, with the total number of training participants reaching 7,140 in 2023.

5.4.2.Human Rights Concerns and Practices

Topics	Subject	Approach	High-Risk Count
Provide a Safe, Healthy, and Harassment-Free Working Environment	All employees	▶ Implement occupational disease prevention and promote employees' physical and mental well-being. ▶ Manage risks associated with specific harmful working environments. ▶ Provide medical consultation services. ▶ Set up an employee complaint mailbox.	0
Diverse Employment and Elimination of Unlawful Discrimination	Newly Hired Employees	▶ Adhere to government labor laws, internal regulations, and policies. ▶ Follow international human rights conventions, such as gender equality, labor rights, and prohibition of discrimination, respecting employees of different cultures and beliefs. ▶ Provide recruitment training for supervisors on "talent acquisition" and remind them of interview considerations. ▶ Advertise job openings externally with no discriminatory qualification requirements to ensure equal job opportunities.	0
Prohibition of forced labor and child labor	All employees Newly Hired Employees	▶ Adhere to government labor laws, not coercing or compelling any unwilling individuals to perform labor. Clearly stipulate in work rules that overtime requires employee consent and can be applied for overtime pay as required by law. ▶ Never employ involuntary workers or individuals under the age of 16. Use employment notifications to fully explain the rights, obligations, and benefits of the employed party, maintaining an equal and transparent employment relationship."	0
Working Hours Management	All employees	▶ Avoid abnormal workloads for employees. ▶ Comply with legal regulations regarding working hours. ▶ Work-life balance ▶ Establish an "Attendance and Overtime Application System."	0
Assist Employees in Maintaining Physical and Mental Health and Work-Life Balance	All employees	▶ Provide diverse activities and participation in clubs to enhance interpersonal interactions among colleagues and enrich the concept of work-life balance.	0

5.4.3.Employee Communication Channels

Communication Channels		Communication Frequency
Face-to-Face Communication	▶ Labor-Management Meetings ▶ Welfare Committee Meetings ▶ Department Meetings and Activities	▶ Quarterly ▶ Quarterly meetings are held as a rule, and interim meetings may be held when necessary ▶ Irregular basis
Internal Units	▶ HR Services ▶ In-Service Employee Satisfaction Survey ▶ New Employee Satisfaction Survey ▶ Awareness Survey for Various System Implementations ▶ In-Service Employee Health Check Questionnaire Survey ▶ On-Site Physician Service Satisfaction Survey	▶ Irregular basis ▶ Irregular basis ▶ Every Two or Three Months ▶ Once per Year ▶ Once per Year ▶ Once per Month
Employee Feedback Channels	▶ Complaint Mailbox ▶ Employee Feedback Box ▶ Complaint Hotline and Mailbox	Reported cases will be handled and tracked by the responsible unit, and protective measures will be taken for complainants and relevant personnel.

5.4.4.Labor-Management Meetings, Employee Welfare Committee, and Unions

The company's Taiwan operations do not have a labor union and have not signed a collective bargaining agreement. Although a labor union has been established at the company's operations in mainland China, the union has not made any requests for a collective bargaining agreement to date, so no such agreement has been signed. At the company's operations in Vietnam, in order to maintain stable labor-management relations, both parties, guided by the principles of labor-management autonomy and integrity, negotiate on labor-related matters such as working conditions, welfare measures, occupational safety, internal grievance mechanisms, union operations, and the use of company facilities. On July 1, 2023, both parties signed a collective bargaining agreement, valid from the signing date until June 30, 2024, for a period of one year. The agreement includes provisions that are more favorable than labor laws, such as "assisting workers from economically disadvantaged families" and "assisting workers from remote hometowns with transportation costs for returning home during the New Year holiday."

The Taiwan operations hold labor-management meetings every quarter in accordance with the Labor Standards Act. Additionally, in compliance with the "Employee Welfare Management Regulations," employee welfare committee meetings are held at least once per quarter. Representatives from each department are designated to participate in these meetings and convey all welfare-related information to employees.

The China operational sites have established a union, with members elected by employees. The union members then internally elect a president, vice president, and committee members. In 2023, the union covered all employees in the region, accounting for 100% of the total workforce. The union members hold regular monthly meetings and collaborate with the management department to plan and conduct group activities, enhancing team cohesion and morale.

The Vietnam operational sites have also established a union, with representatives appointed from each unit, and then internal elections for the president and committee members. In 2023, the union covered all employees in the region, accounting for 100% of the total workforce. The labor union holds meetings from time to time according to the needs of the activities. Union members represent the employees to hold meetings and communicate all welfare information, so as to provide a channel of communication and coordination between labor and employer, and to prevent conflicts and strikes between the labor side and the employer side.

The Company implements the resolutions of labor-management meetings and employee welfare committees at the Taiwan operational sites, as well as the decisions of unions in China and Vietnam operational sites, to ensure that the rights of all employees across all locations are protected. All company-held activities are voluntarily participated in by all employees. For example, employee trips, year-end parties, and health promotion activities. Employees can voice their opinions through labor-management meetings or the Employee Welfare Committee or union representatives, and there were no violations of freedom of association and collective bargaining in 2023.

The channels for filing complaints at the Company's operating locations are listed below:

1. Employees can provide feedback through labor-management meetings, employee welfare committees, union representatives, suggestion boxes, complaint hotlines, and email.
2. If human rights complaints are received, the Human Resources Arbitration Committee may convene a meeting to record the details of the incident. The committee consists of managers at the department level, with the President serving as the chairperson. The committee votes to determine whether punishment is necessary.

Operational Site	Name of Meeting	Purpose and Function	Participants	Frequency
Taiwan	Labor-Management Meeting	1. Training status 2. Coordinate labor relations and promote labor-management cooperation, labor conditions, labor welfare planning, and improve work efficiency with regard to labor dynamics, production planning, and business overview. 3. Other suggestions and reports.	Chairperson: Rotating labor and management representatives Participating members Representatives of labor and management	Quarterly February, April, July, October
	Employee Welfare Committee Meeting	1. Planning, management, and use of employee welfare funds. 2. Other matters related to employee welfare.	Chair: Chairperson Participating members Employee Welfare Committee members	Quarterly meetings are held as a rule, and interim meetings may be held when necessary.
China Vietnam	Unions	1. Participate in meetings on wages, benefits, labor safety and health, social insurance, and other issues of immediate interest to workers. 2. Participate in the mediation of labor disputes in the company. 3. Other suggestions and reports.	Election of representatives by employees Appointment of chairperson, vice-chairperson and members	Monthly meetings

Employee Travel

Employee Recreation Activities (Vietnam Operational Sites)

Year-end banquet t (Vietnam Operational Sites)

● Harmonious Labor Relations

The Company's various operational sites respect employee complaint channels. Over the years, the Company's labor-management relationship has remained harmonious, and communication has been extremely smooth. As a result, up to this point, there have been no instances affecting the rights of personnel due to operational changes.

The Taiwan operational sites have established open communication channels, emphasizing two-way communication. Apart from planning necessary communication systems in accordance with regulations, various auxiliary communication platforms have been set up, including: face-to-face communication, bulletin boards, quarterly labor-management meetings, morning meetings, department meetings, and more. Through employee feedback channels, the Company can fully understand employee needs, provide clear guidance and assistance in work, and ensure the effectiveness of communication through relevant legal regulations. Additionally, FBT actively promotes gender equality in the workplace, introducing various policies and measures to prevent and address sexual harassment, promoting a gender-equal working environment. In the event that employment is terminated due to labor relations reasons in the future, after approval by the competent authority, those who have served for over three months but less than one year will receive a notice period of ten days; those who have served for over one year but less than three years will receive a notice period of twenty days; those who have served for over three years will receive a notice period of thirty days. For those whose contracts are terminated without notice, wages for the notice period will be provided.

5.5.Occupational Health and Safety

GRI403 Occupational Safety and Health 2018 Management Policy

Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	1.To comply with international standards ISO 45001 Occupational Health and Safety Management System and CNS 45001 National Standard of Occupational Health and Safety Management System (Taiwan), necessary occupational health and safety measures are being taken to meet system and regulatory requirements. 2.Establish a safety culture, cultivate compliance habits, and eliminate, reduce, or avoid injuries and unhealthy incidents among all workers during operations.
	Boundary for this topic	Employees (direct impact), Government Agencies (indirect impact), Group (indirect impact), Suppliers/Contractors (business conduct impact)
	Limitations of disclosure within this boundary	There is no information disclosed by the organization's overseas operations.
Management Approach and Its Components	Management objectives for this topic	To eliminate hazards and disasters, and provide a clean, comfortable, well-lit, and safe working environment. To implement occupational safety management plans and engineering improvements, creating a safe and healthy workplace.
	Policy	The Company is committed to ensuring the safety and health of all workers, establishing a positive working environment, complying with regulations, preventing pollution and accidents, reducing environmental, safety, and health impacts and unacceptable risks arising from products, materials, personnel, machinery, procedures, activities, and services, continuously promoting EHS improvements, promoting the concept of environmental safety and health, and fulfilling corporate social responsibility.
	Commitments	1.To conduct hazard identification, risk assessment management to prevent injuries and unhealthy incidents. 2.To provide ongoing worker health and safety education and promote environmental health and safety performance management, ensuring full participation in safety and health by all. 3.To continuously promote safety and health improvements and create a safe and healthy workplace.
	Goals and Targets	1.There were 60 cases/year of safety observation and near-miss accident investigations. 2.100% completion rate for safety and health inspections and fire monitoring improvements. 3.97% achievement rate for health management. 4.Zero accidents.

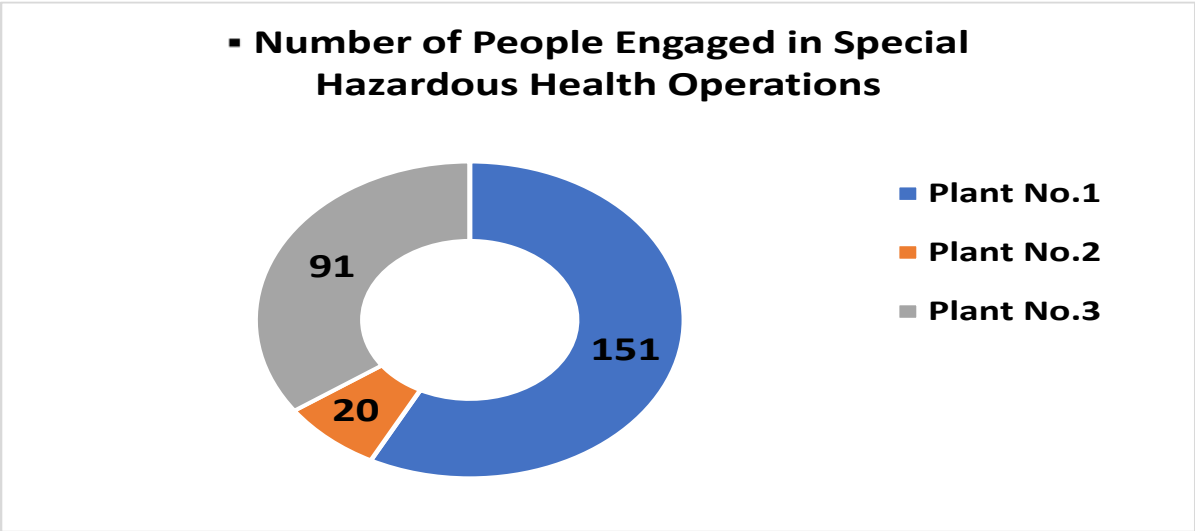
Item	Description	Content
Management Approach and Its Components	Responsibility	1. The Safety Management Office is responsible for formulating occupational health and safety management plans and guiding relevant departments in implementation. 2. Supervisors at all levels command and supervise safety and health management matters within their authority and coordinate and guide relevant personnel in implementation.
	Resources	1. The Occupational Health and Safety Committee, as well as TPM Environmental Safety Subcommittee composed of the President, department heads, and labor representatives from various units, promote and implement occupational safety plans. 2. Full participation
	Grievance Mechanism	If any stakeholders discover any suspected violations of occupational health and safety, they can report it through the following channels: External Complaint Unit: Wu Gao-chuan, Department of Auditing External Complaint Phone: 04-7990118 ext. 105 External Complaint Email: gmo12@fineblanking.com.tw Internal Complaint Phone: 04-7990118 ext. 120 Internal Complaint Email: adm20@fineblanking.com.tw
	Specific Actions	1. Safety and health inspections and fire monitoring plans 2. Emergency response drill plan 3. Environment health and safety education and training plans
Evaluation of the Management Approach	Management Assessment Mechanism	Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month.
	Evaluation of the Management Approach Results	1. The target for safety observation and near-miss accident investigations in 2023 was 60 cases and the actual number was 73 cases, reaching a 100% completion rate. 2. Safety and health inspections and fire monitoring in 2023 had 84 issues identified and subsequently improved, achieving a 100% completion rate. 3. The target for health management achievement rate in 2023 was 97%, and the actual achievement was 98.6%. 4. Zero accidents were recorded in 2023, meeting the goal of 0 accidents.
	Management Policy Adjustments	1. Continue to promote ISO45001/CNS45001 Occupational Safety and Health Management Systems and continuously improve the establishment of a safe and healthy environment through environmental health and safety management programs. 2. Continuously promote TPM improvement activities.

The Company has established an employee health management platform to continually optimize the system, allowing for E-based health self-management, health checkup inquiries, epidemic prevention information, and health promotion messaging. The system uses an intranet and designated area Wi-Fi connection, with employees logging in using personal accounts and passwords to ensure data protection and information security.

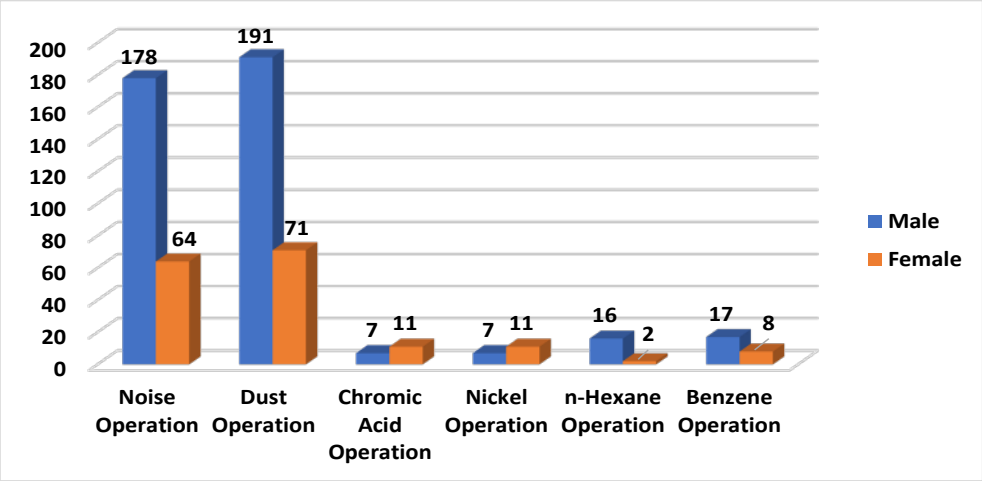
In 2023, the Company continued to participate in the Ministry of Labor's National Workplace Safety and Health Week activity series and received a participation certificate issued by the Occupational Safety and Health Administration.

5.5.1.Health Protection

Employees are crucial assets to the Company, and as such, the Company places special emphasis on their health and well-being. In addition to regular health examinations held in accordance with regulations such as the Labor Health Protection Regulations, employees under the age of 65 undergo regular general health checks every three years, exceeding regulatory requirements. Senior executives undergo advanced health checks every two years. In addition to the routine health checks, special health checks for employees engaged in jobs with specific health hazards are conducted annually. These hazardous jobs include tasks involving noise, chromic acid, dust, nickel, hexane, benzene, and other categories, in compliance with regulations. The status of employees working in environments with specific health hazards in 2023 is shown in the following chart.



■ **Number of Checks for Hazardous Jobs**



Employees exposed to chemicals are provided with appropriate protective equipment and measures. For example, the use of cleaning agents containing hexane has been replaced with cleaning agents containing lower-hazard heptane due to health risks. Work sites where tasks involving dust, chromic acid, nickel, and benzene are performed are equipped with local exhaust systems to protect employee health. Apart from protection for workers engaged in jobs with specific health hazards, health protection measures also target individuals at high risk for cardiovascular diseases. Health protection measures also involve identifying and assessing high-risk groups among employees aged 45 and above and those engaged in shift work. Consultations with physicians are provided for those in high and moderate-risk categories.

■ **Photo Highlights of Health Checks**

Health Check - Height and Weight Measurement	Health Check - Hearing Test	Health Check - Lung Function Test

5.5.2.Health Consultation

Since June 2012, the Company has employed a certified occupational health physician who visits the factory every month to provide services. Since March 2017, a physical therapist has been stationed on-site to provide physical therapy services, and since August 2017, a psychological counselor has provided monthly counseling services. Based on health check results and data from the employee health management platform, the factory nurse schedules consultations with the physician, physical therapist, and psychological counselor to provide health-related services. In 2023, a total of 338 consultations were provided, covering areas such as hearing protection, abnormal workload, maternal protection, human factors engineering, injury and illness care, general counseling, physical therapy, and psychological counseling.

5.5.3.Healthy Environment

The healthy environment is equipped with tools such as body scales, blood pressure monitors, and tape measures to provide employees with the means to understand their health status at any time. A lactation room is also available to support breastfeeding employees. The Company received recognition in the Changhua County 2016 Friendly Breastfeeding Room Competition, achieving outstanding performance in the workplace category. The Company has also received the Friendly Breastfeeding Room certification from Changhua County (2023 to 2026). Additionally, an Automatic External Defibrillator (AED) is available to respond to unforeseen emergencies.

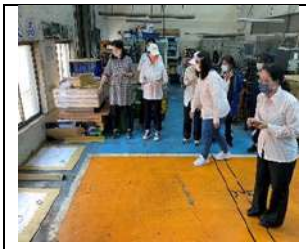
5.5.4.Worker Health

● Health Promoting Activities

Health promotion has become an integral part of the company culture, with various health promotion activities regularly organized. These include daily morning exercises, monthly self-health management activities such as measuring weight, blood pressure, and waist circumference. In 2023, the total number of participants reached 3,157.

Quarterly, the company organizes health promotion events with different themes to relieve stress and promote health, offering reward mechanisms to encourage employee participation. Winners of the self-health management activities are recognized at the monthly company-wide meetings. Annual events include the Happy Blood Donation campaign, May Day activities, and Year-End Party.

In March 2009, the Company purchased a group golf membership card from Nan Fong International Co., Ltd. This not only strengthened relations with customers and suppliers but also included quarterly group employee golf tournaments as part of a leisure fitness initiative. This also provides employees with another avenue for leisure and fitness activities and offers related courses to promote health.

			
Ring Toss Tic-Tac-Toe Fun Competition	Jump Rope Fun Competition	Chess Bounce Fun Competition	Recycling Fun Competition

● Health and Safety Education

New and existing employees receive annual safety and health courses to enhance their basic knowledge of workplace safety. The Company also offers stress-relief courses and health lectures throughout the year.

In 2016 to continually optimize the new version of the health management platform. We continue to establish another interactive knowledge platform with our employees, providing health e-information, e-health self-management, health checkups and inquiries, epidemic prevention information, and health promotion messages to strengthen employee' awareness of epidemic prevention and health.

The system uses an intranet and designated area Wi-Fi connection, with employees logging in using personal accounts and passwords to ensure data protection and information security.

■ Health Information System

Topic	System Page	Usage Effectiveness
Occupational Health Promotion and Health Education Advocacy, providing health information.		Build and Implement 21 New Health Information Updates."
Online completion of self-health management measurements.		A total of 2,330 participants per year.
Supervisor and Executive Health Check-up Appointment.		A total of 11 participants per year.

● Emerging Infectious Disease Preparedness

The Company has a dedicated occupational health and safety unit (Safety Management Office) responsible for monitoring emerging infectious diseases. Based on past epidemic experiences, such as the H1N1 influenza outbreak in 2009, and considering the current threat posed by COVID-19, the Company assesses potential impacts and develops an infectious disease epidemic prevention and response plan tailored to the workplace. In the event of an emerging infectious disease threat, the Company follows the epidemic prevention measures issued by the Taiwan's Centers for Disease Control. An "Epidemic Prevention Emergency Response Team" will also be immediately convened to formulate epidemic prevention strategies. These strategies include educating employees about prevention and response, providing guidance to management, setting guidelines for sick leave processing, and installing hand sanitizer facilities. The team is also responsible for monitoring employees' sick leave status and developing a business continuity plan to address the impact of staff shortages. The relevant epidemic control measures have established standardized response procedures. In the event of a new infectious disease outbreak, the epidemic control response procedures will be activated and implemented.

5.5.5.Healthy Workplace Certification

The Company's Safety Management Office is responsible for applying for health workplace certification. In November 2012, the Company received the "Badge of Self-Accredited Healthy Workplace" and the "Happy Workplace Health Award" from the Health Promotion Administration. In 2015, 2018, and 2021, we were approved for the "Badge of Accredited Healthy Workplace" by the Health Promotion Administration, Ministry of Health and Welfare (certificate valid for 3 years, from January 1, 2016, to December 31, 2024).

Actively participating in the Ministry of Labor's Occupational Safety and Health Administration's Workplace Health and Safety Sustainable Development Program, the company was awarded the 2023 "Outstanding Enterprise in the Corporate Sustainability Report Public Occupational Health and Safety Indicator Proactive Evaluation.

5.5.6.Worker Safety Management

● **Occupational Health and Safety Certification**

Providing a safe working environment for employees has been a continuous goal of the Company. We continue with the implementation of the occupational safety and health management system. Since 2009, the Company has obtained TOSHMS (CNS15506) and OHSAS 18001 occupational safety and health management system certifications. In 2019, the Company obtained CNS 45001:2018 and ISO 45001:2018 version transition certification. In 2023, a re-assessment certification was obtained to ensure the continuous operation of the system.

The occupational safety and health management system covers activities, products, and services that can affect occupational safety and health performance, within the Company's control or influence. Workers include employees (366 individuals), security personnel, and catering staff (7 individuals). The ratio of employees to non-employees is approximately 52: 1.

● **Hazard Identification, Risk Assessment, and Incident Investigation**

Routine and non-routine occupational hazard identification and risk assessment are conducted by the environmental safety key members and supervisors of various units, who have received training based on ISO 45001 (Hazard Identification). Qualified verifiers execute the internal "Hazard Identification and Risk Assessment Management Procedures" to enhance the safety and health awareness among all levels of workers. Hazard identification and risk assessment are carried out proactively and continuously for potential safety and health hazards related to operational activities, products, and service processes. This process aims to assess safety and health risks and opportunities, striving for zero accidents. Through continuous hazard identification and risk assessment, opportunities to eliminate or reduce safety and health

risks are identified to achieve the safety and health policy and meet continuous improvement requirements.

Occupational accident investigations are carried out according to the internal "Incident Investigation Management Procedures." This involves unit supervisors, operational personnel, employee representatives, the Safety Management Office, and other relevant professionals. Effective corrective and preventive measures are taken to ensure safety and health management performance. Workers are encouraged to report near-miss incidents and observations of safety actions. An incentive system tied to the "Improvement Proposal Management Procedures" is used to promote full staff participation.

● **Safety and Health Meetings**

In addition to the Occupational Safety and Health Committee, which meets at least once every three months, the "Environmental Safety Subdivision Committee" is held monthly, involving labor representatives from various units. This is conducted based on Article 12 of the Occupational Safety and Health Act. Representatives from each unit are responsible for identifying unsafe environments or unsafe behaviors related to work within their respective units and present these for review and improvement at the meetings. Occupational safety and health-related information is provided through digital learning platforms or bulletin boards. The operation level of the aforementioned Occupational Safety and Health Committee includes top management and labor representatives from various departments, up to the President. There are a total of 11 labor representative members on the committee, accounting for 46% of the total committee members.

● **Safety Environment**

In addition to self-conducted environmental testing each year, external operational environment monitoring is also regularly outsourced. Regular inspections of hazardous machinery or equipment within the factory are also conducted. Weekly safety and health inspections, fire safety inspections, and notification of deficiencies and follow-up improvements are carried out. Monthly incidents of near-miss events are investigated, and operational safety observations are implemented to ensure a safe working environment for employees.

● **Safety Drills**

In addition to necessary safety and health education training, an emergency response drill plan was scheduled in 2023, with a total of 13 items regularly included in the drill. This ensures that employees are prepared to handle and respond to incidents. The Company has also joined the regional joint defense organization of Chuansing Industrial Park and the Central Taiwan Joint Defense Organization for Toxic Chemical Substances. We regularly participate in meetings and drills and intermittently updates the Company's joint defense organization network information.

In response to frequent news reports of fire-related casualties, additional emergency evacuation.

raining has been introduced to cultivate correct escape awareness among staff. This ensures that all personnel at each facility can evacuate promptly and retreat to a safe location for a headcount.

Emergency Response Training - Full Facility Personnel Evacuation and Roll Call	**Emergency Response Training - Chemical Spill Handling**

● Equipment Safety Management

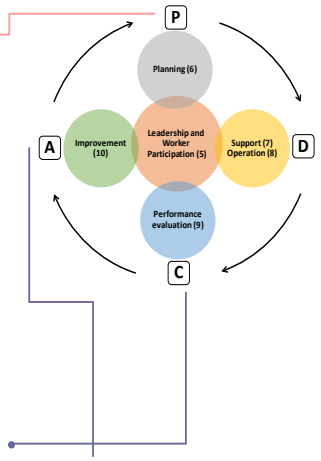
The company implements equipment classification management, with hazardous machinery and equipment being regulated in accordance with the law and subjected to both external and internal inspections to ensure safe operation. In 2023, all hazardous machinery and equipment were regularly inspected in accordance with the "Regulations on the Safety Inspection of Hazardous Machinery and Equipment" to ensure the safety of equipment usage.

● Safety Performance

In alignment with the Occupational Safety and Health Management Plan, regular environmental and workplace inspections are conducted. Self-care systems, responsibility care systems, contractor management, toxic chemical substance management, and emergency drills are promoted. Through the systematic application of the PDCA spirit, continuous improvement is pursued. In addition to compliance with laws and customer requirements, multiple environmental safety and health goals, targets, and plans are developed annually through system operations such as environmental assessment and hazard identification, implemented, aiming to achieve the highest goal of zero occupational injuries.fostering continuous improvement. Hazard prevention measures for all workers are implemented,aiming to achieve the highest goal of zero occupational injuries.

Worker Participation and Consultation

Occupational Safety and Health Committee	Labor-Management Meetings	TPM Environmental and Safety Subcommittees
The committee comprises 24 members and holds quarterly meetings. The President serves as the Chairperson. Labor representatives are elected from various departments, totaling 11 members, accounting for 46% of the committee.	A total of 11 representatives from labor and management sides hold quarterly meetings to coordinate labor-management relations, promote labor-management cooperation, and address labor conditions. (Details can be found in section 5.4.4)	The subcommittee consists of 13 members, with the Safety Management Office manager serving as chairman and the section chief serving as executive secretary. Labor representatives from each department are also ex-officio members. Monthly meetings are held to promote occupational safety management



Occupational Safety and Health Training, Emergency Response, and Promotion

New and Existing Employee Education	Emergency Response Drills	Safety and Health Promotion
▶ General safety and health education and training. ▶ Special operation education and training. ▶ General education on Regulations for the Labeling and Hazard Communication of Hazardous Chemicals. ▶ Defensive driving training for traffic safety. ▶ Health stress relief seminars.	Annually, at least one simulation or test is conducted for relevant emergency response plans. Designated units simulate or test based on the emergency response plan and record the results (e.g., epidemic response drills, protective equipment drills, selfdefense fire drills, chemical leak response drills, etc.).	Using digital learning platforms and health management platforms, continuous promotion of epidemic prevention information, health promotion messages, and relevant occupational safety case studies is carried out.

Organize strategies and measures for addressing and managing occupational safety and health risks and opportunities. To establish the identification of occupational safety and health issues and risks and opportunities related to workers and stakeholders, to respond to changes in occupational safety and health risks and opportunities, and to assess and manage such risks and opportunities. Countermeasures and control measures are taken in advance, as shown in the table below:

Identification Method	Risk or Opportunity Topics	Reason	Targets in 2024	Countermeasures or Control Measures	2023 Performance
The Risk Management Committee is responsible for collecting internal and external issues related to risk or opportunities, workers, and stakeholders on a regular basis or when specific organizational changes occur. Material issues and corresponding measures are identified through risk and opportunity assessment. Objectives, plan proposals, and implementation status feedback are presented to the organization.	Safety Protective Equipment	Safety protective equipment may be modified or removed, resulting in the loss of the original safety protection mechanism.	▶ 0 cases of occupational safety incidents ▶100% Safety and health inspections and fire improvement	▶ Special education on safety protective equipment for new and existing employees ▶ Safety protective equipment point checks conducted by workers ▶ Safety protective equipment inspections conducted by Safety Management Office and Facilities Safety Management Division	▶ 0 cases of occupational safety incidents ▶ 100% Safety and health inspections and fire improvement
	Health Management / Health Promotion	In accordance with guidelines issued by the Ministry of Labor, the 2024 prevention plan for occupational hazards due to human factors, prevention plan for diseases triggered by abnormal workloads, workplace maternity protection plan, hearing protection plan, and measures to prevent illegal infringement during job execution are implemented.	Health management achievement rate: 97%	▶ Execution of annual workplace health promotion activities, health management plans, and the four major plans ▶ Daily health promotion morning exercise ▶ Monthly self-measurement of weight, blood pressure, and waist circumference for health management ▶ Quarterly series of health promotion events with different themes ▶ Monthly on-site services by company doctors, physical therapists, and counseling psychologists	Health management achievement rate: 98.6%

■ Achievement Rate of FBT Occupational Safety and Health Goals: 2020-2022 and 2023 Targets

Goal	Achievement in 2021	Achievement in 2022	Achievement in 2023	Targets in 2024
Safety and health inspections and fire improvement	100%	100%	100%	100%
Achievement rate of safety observation and near-miss accident investigations	(83/60 cases) 100%	(77/60 cases) 100%	(73/60 cases) 100%	60 cases/year
Achievement rate of health management tracking for health promotion	(98.4/97%) 100%	(98.1/97%) 100%	(98.6/97%) 100%	97%↑

Explanation: The project goal remains unchanged, but the implementation content has been adjusted, such as the addition of walking step count records in 2024 under the health self-management plan.

The company implements an occupational safety and health management system, and the safety and health performance is as follows (excluding traffic incidents).

Year	Category	Work Hours	Number of Fatalities	Number of Permanent Disabilities	Death Rate (Note 1)	Severe Occupational Injury Rate (Note 2)	Disabling Frequency Rate (Note 3)	Total Recordable Injury Frequency Rate (TRIFR) (Note 4)
2020	Employees	749,784	0	0	0	0	0	0
	Contractors	19,552	0	0	0	0	0	0
2021	Employees	793,186	0	0	0	0	0	0
	Contractors	19,560	0	0	0	0	0	0
2022	Employees	768,465	0	0	0	0	0	0
	Contractors	19,384	0	0	0	0	0	0
2023	Employees	729,993	0	0	0	0	0	0
	Contractors	19,496	0	0	0	0	0	0

Note 1:Death Rate is calculated as the number of deaths per one million working hours: (Number of deaths from occupational injuries x 1,000,000) / Total working hours

Note 2:Severe Occupational Injury Rate is calculated as the number of disabilities (excluding deaths) per one million working hours: (Number of disabled cases x 1,000,000) / Total working hours

Note 3:Disabling Frequency Rate (FR) is calculated as the number of disabilities (including deaths) per one million working hours: (Number of disabled cases + Number of deaths x 1,000,000) / Total working hours

Note 4:Total Recordable Injury Frequency Rate (TRIFR): calculated as the number of recordable occupational injuries per one million working hours, including deaths and disabled cases: (Number ofrecordable injuries x 1,000,000) / Total working hours.

▪2023 FBT Occupational Injury and Illness Incident Statistics (Excluding Commuting Accidents)				
Item	Male	Female	Male Contractors	Female Contractors
Work-related injuries (cases)	0	0	0	0
Occupational deaths (cases)	0	0	0	0
Occupational diseases (cases)	0	0	0	0
Lost workdays (days)	0	0	0	0
Occupational Disease Incidence Rate (%)	0%	0	0%	0%
Sick Leave Days (days)	237	140	-	-
Absentee Rate (%)	0.37%	0.49%	-	-
Disabling Frequency Rate (FR)	0.00	0.00	0.00	0.00
Disabling Injury Severity Rate (SR)	0.00	0.00	0.00	0.00
Frequency-Severity Indicator (FSI)	0.00	0.00	0.00	0.00

Note:1.Severe Injury Rate (SR) = Number of days of severe injuries x One million working hours / Total accumulated working hours.

2.Frequency-Severity Indicator (FSI) =$\sqrt{(FR \times SR) \div 1000}$.

3.Occupational Disease Incidence Rate = Number of occupational disease cases x One million working hours / Total accumulated working hours.

4.Absence Rate = (Total number of days absent÷ Total work hours) × 100%.

5.Absentee: Employees absent due to loss of labor capacity, excluding work injuries or illnesses. It does not include statutory holidays such as national holidays, official leave, maternity leave (and paternity leave), bereavement leave, and marriage leave. Only sick leave and work injury leave data are counted.

6.Contracted male employees refer to on-site security personnel, and contracted female employees refer to catering and cleaning personnel. If on-site personnel take leave, the contracted unit will send a representative, so the absence rate is not included in the statistics.

7.No occupational accidents occurred in 2022.

8.Occupational injury types: refer to the Occupational Safety and Health Administration, Ministry of Labor website https://statdb.mol.gov.tw/html/com/st0803.html for classification.

9.Occupational disease types: refer to the Occupational Safety and Health Administration, Ministry of Labor website https://www.osha.gov.tw/48110/48363/133456/48395/nodelist for classification.

6.Environmental Protection

6.1.Climate Change

GRI 305 Emissions 2016

Item	Description	Content
Material Topics and its Boundaries	Reason for the materiality of this topic	ESG encompasses Environmental, Social and Governance (ESG), with the environmental aspect of climate change having the most significant impact on the Company.
	Boundary for this topic	Government Agencies (indirect impact), Group (indirect impact), Customers/Clients (business conduct impact)
	Limitations of disclosure within this boundary	There is no information disclosed by the organization's overseas operations.
Management Approach and Its Components	Management objectives for this topic	In light of international development trends, regulatory trends, and stakeholder expectations, and with reference to the management framework under the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD), the Company analyzes and discloses the transformational and physical risks and opportunities that may be faced by climate change, and develops short-, medium-, and long-term carbon reduction targets and demonstrates appropriate measures to achieve them. We also set short-, medium-, and long-term carbon reduction targets, and demonstrate our responsibilities and strategies to gradually strengthen our ability to manage and enhance our competitiveness in response to climate-related risks and opportunities.
	Policy	1. Identify climate-related risks and opportunities through cross-departmental discussions and assessments. 2. Evaluate the potential operational and financial impacts of significant climate risks and opportunities on the company.
	Commitments	1. Engage third-party verification organization to verify and obtain a verification statement. 2. Based on greenhouse gas inventory results, explore potential reduction opportunities. 3. Establish short, medium, and long-term goals for energy management, water resources, and resource cycling management.
	Goals and Targets	1. Greenhouse gas emissions: Reduce Category 1 and Category 2 emissions by 1% annually compared to the 2021 baseline year. Achieve a 10% reduction in Category 1 and Category 2 emissions by 2030 compared to 2021. 2. Energy management: Achieve an annual energy savings of 1% compared to the 2015 baseline year. 3. Achieve an annual reduction of 1% in water intensity compared to the 2021 baseline year. 4. Achieve an annual reduction of 1% in waste intensity compared to the 2021 baseline year.
	Responsibility	1. Conduct regular TCFD team discussions annually. Identify and prioritize climate-related risks and opportunities through cross-departmental discussions. 2. Develop response plans based on the results of climate risk identification.

Item	Description	Content
	Resources	1. Establish a TCFD implementation committee, convene regular meetings, and be responsible for promoting in-house energy conservation and carbon reduction efforts. 2. Utilize ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 14051 Material Flow Cost Accounting, as well as TPS & TPM improvement activity task forces to promote cross-functional energy conservation and waste reduction initiatives. Implement an improvement proposal incentive system to involve all personnel.
	Grievance Mechanism	If any stakeholders discover any suspected violations of environmental protection, they can report it through the following channels: External Complaint Unit: Wu Gao-chuan, Department of Auditing External Complaint Phone: 04-7990118 ext. 105 External Complaint Email: gmo12@fineblanking.com.tw Internal Complaint Phone: 04-7990118 ext. 120 Internal Complaint Email: adm20@fineblanking.com.tw
	Specific Actions	1. Continuously conduct greenhouse gas inventories and obtain a certification statement. 2. Continuously promote TPS & TPM improvement activities. 3. Continuously promote improvement proposals.
Evaluation of the Management Approach	Management Assessment Mechanism	1. Monthly regular management meetings are held by executives at level 1 and above to conduct performance reviews for the current month. 2. Annually report to the Board of Directors in May on the achievement status of climate change-related financial disclosure goals.
	Results of Management Policy Evaluation	1. Since 2015, greenhouse gas inventory has been conducted based on ISO 14064-1:2006. Third-party verification organizations have been engaged annually to verify and obtain verification statements. Starting from 2020, estimates for Category 3 and Category 4 emissions were made. Third-party verification organizations were engaged since 2016 to verify and obtain verification statements. 2. Reset the baseline year for greenhouse gas inventory to 2021. The greenhouse gas emission intensity was 4.64 (kg CO2e/turnover of NT$1,457,622,000). The intensity of greenhouse gas emissions in 2023 was 4.00 (kg CO2e/turnover of NT$1,240,762,000). 3. The target for energy-saving and waste reduction improvement benefits in 2023 was NT$7.2 million, with actual achievements of NT$11.09 million, achieving a rate of 100%.
	Management Policy Adjustments	The TCFD Implementation Committee continues to conduct climate scenario simulations annually to identify short-, medium-, and long-term climate risks and opportunities, as well as their potential operational and financial impacts on the company. The committee revises the climate scenario strategy accordingly. The company continues to publish the TCFD report annually, presenting it to the board of directors for review of medium- and long-term goals and progress. The report is also verified by a third party to demonstrate the resilience of climate change management. Continue to promote improvement projects such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System, establishing management performance indicators for control, to achieve energy conservation and carbon reduction measures.

2023 Climate Change Management Framework (TCFD)

Category	Company Management Strategies and Actions	2023 Implementation Status Abstract
Governance	● The Board of Directors regularly reviews climate change-related risks and opportunities. ● Sustainability Committee: The highest organization for climate change management in the Company. The Board of Directors authorizes Mr. Wu Zong-ming, a director and concurrently the President of the Company, to serve as the chairperson of the implementing organization. The committee reviews the implementation effectiveness of FBT's sustainability management (including climate change strategy and goals) annually and reports to the Board of Directors. ● TCFD Implementation Committee: ● The Sustainability Committee established the Energy Conservation and Carbon Reduction Team, an organization responsible for implementing and managing actions related to climate change risks and opportunities. The team is divided into Risk Adaptation Task Force, Carbon Emission Inventory Task Force, and Carbon Emission Reduction Task Force. The TCFD Implementation Committee operates under the PDCA system.	■ The Sustainability Committee is composed of high-level managers from various departments within the Company, who serve as implementing committee members and key members. The committee sets targets to reduce carbon emission intensity by 20% by 2030 compared to the baseline year of 2021 and by 50% by 2050. Refer to 6.1.1. Governance for details. ■ The TCFD Implementation Committee's Carbon Emission Reduction Team proposes detailed plans for strategic actions. In 2023, the focus was on process improvement, improvement activity teams, ISO 50001 Energy Management System, energy conservation, and waste reduction. The team reviews monthly implementation status and future plans. Refer to 6.1.4. Strategies for Risk/Opportunity.
Strategy	● Cross-department discussions to identify short, medium, and long-term climate risks and opportunities. ● Evaluate the potential operational and financial impacts of significant climate risks and opportunities on the company ● Conduct scenario analysis and net-zero emission targets and pathways	■ Through climate scenario simulation, identify short, medium, and long-term climate risks and opportunities, as well as potential operational and financial impacts on the company. Refer to 6.1.2. Sustainable Development Strategy and 6.1.3. Climate Scenario Strategy.

Category	Company Management Strategies and Actions	2023 Implementation Status Abstract
Risk Management	● Utilize the TCFD framework to establish a climate risk identification process ● Based on climate risk identification and prioritization results, establish and execute relevant response plans ● Incorporate climate risk identification and assessment into the corporate risk management process	■ Use the TCFD framework to establish a climate risk identification process, a climate change risk and opportunity matrix, and to set and execute relevant response plans. Refer to Section 6.1.5 Risk Management.
Indicators and Objectives	● Set climate change-related management indicators ● Annually conduct greenhouse gas emission inventory and disclosure based on ISO 14064-1, assess the impacts on the Company's operations, and evaluate the risks and mitigation strategies of Scope 1, 2, and 3 emissions ● Formulate climate change management goals, review goal achievement and performance	■ Set climate change-related management indicators, review goal achievement and performance. Refer to Section 6.1.6 Indicators and Objectives.

6.1.1.Governance

Recently, whether it's governmental authorities, industries, investment institutions, stock markets, or consumer markets, ESG has been widely discussed, and ESG management is considered a necessary condition for sustainable business operations. ESG encompasses Environmental, Social and Governance, with the environmental aspect of climate change having the most significant impact on businesses.

The Company has long been proactive in promoting ESG sustainable development. On December 21, 2021, the Board of Directors revised the "Corporate Social Responsibility Committee" to the "Sustainability Committee." To address the Task Force on Climate-related Financial Disclosures (TCFD), an Energy Conservation and Carbon Reduction Team was added to the governance structure. The Sustainability Committee is composed of high-level managers from various departments within the company, who serve as implementing committee members and key members. The committee sets targets to reduce carbon emission intensity by 20% by 2030 compared to the baseline year of 2021 and by 50% by 2050. In addition, a "TCFD Implementation Committee" for climate change governance was established under the Sustainability Committee, which comprises Risk Adaptation Task Force, Carbon Emission Inventory Task Force, and Carbon Emission Reduction Task Force. They are responsible for evaluating and managing climate change-related issues. Future progress regarding TCFD goals will be included in the annual sustainability report's implementation effectiveness report in May. The climate change issues of 2023 were reported to the Board of Directors on May 21, 2024, by the TCFD Implementation Committee regarding the financial impacts, goal setting, and achievement status of climate-related risks and opportunities.

The Company holds two energy and environmental management system review meetings each year, hosted by the President, to comprehensively discuss energy conservation and carbon reduction issues.

The ISO 50001 Energy Management System is integrated with FMS projects in various units each year to promote internal energy-saving projects. Regular meetings are held to continuously track progress and effectiveness.

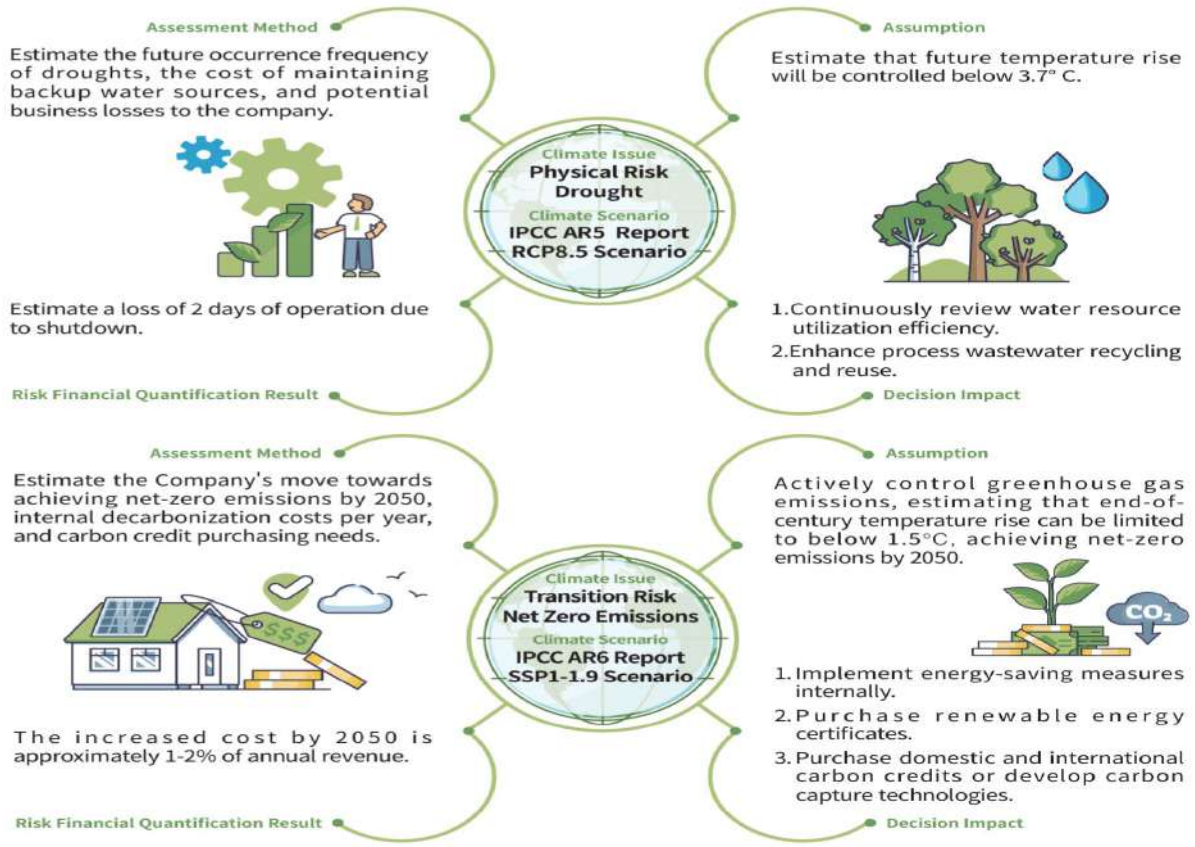
6.1.2.Sustainable Development Strategy

With the support of senior executives, the Company executes climate-related risk and opportunity identification based on the TCFD framework across departments, evaluates the potential operational and financial impacts of significant climate risks and opportunities, and actively develops solutions. Risk mitigation and adaptation, as well as carbon emission reduction, are the two main management strategies adopted in response.

6.1.3.Climate Scenario Strategy

Based on TCFD's recommendations, the Company evaluates the most severe scenarios faced by transformation and physical risks, assessing the impact of different greenhouse gas emission controls on the Company's operations, and incorporating assessment results into strategic resilience considerations. By referring to the IPCC's scientific assessment reports for SSP1-1.9 and RCP 8.5 emission scenarios, the Company evaluates the maximum impact of transformation and physical risks, incorporating potential increases in carbon emissions from future business growth and ongoing carbon reduction actions, and analyzing the financial impacts of climate risks.

The largest impacts of physical and transformation risks under RCP 8.5 and SSP1-1.9 scenarios are as follows:



6.1.4.Risk/Opportunity Strategy

● Risk Mitigation and Adaptation

Risk Mitigation

Annually, the Company reviews overall decarbonization effectiveness through third-party verified greenhouse gas inventory results. Given that the main emission source of greenhouse gases is indirect emissions caused by electricity use, in 2023, we executed 8 energy-saving projects under the ISO 50001 Energy Management System, replacing and procuring low-energy-consuming equipment, such as a chiller and 2 air compressor. These initiatives improved energy efficiency and effectively reduced greenhouse gas emissions. In 2023, the greenhouse gas emission intensity was reduced to 4.00 kg CO2e/thousand dollars, compared to 4.64 kg CO2e/NTD in 2021, resulting in a reduction of 0.64 kg CO2e/thousand dollars. In 2024, the Company will execute 8 energy-saving projects under the ISO 50001 Energy Management System to achieve the 2024 goals.

Risk Adaptation

In the face of increasingly extreme climate phenomena and events, having resilience to cope with climate-related disasters is crucial for effective business management.

Flood

The Company regularly inspects public facilities, strengthens disaster prevention measures, develops emergency response plans, and conducts drills. During flood incidents, guidelines are established for employee work or suspension, alert communication, and other necessary assistance to achieve the goal of uninterrupted production.

Drought

The Company implements water conservation measures internally, continuously reviews water resource utilization efficiency, and enhances the use of process wastewater recycling. These actions aim to reduce the impact of climate risks.

Carbon Emission Reduction

- Continue to promote ISO 50001, set energy-saving goals and action plans, and implement significant energy equipment's electricity monitoring and adjustments along with energy-saving projects to achieve a 1% annual electricity reduction goal, thereby reducing energy costs and carbon emissions.
- Continue to promote Material Flow Cost Accounting (MFCA). In 2020, verified MFCA was implemented for "motorcycle brake discs" as the targeted product. in 2021, MFCA analysis suggested the establishment of a designated unit for wider material design in the brake disc to reduce material usage and subsequent indirect greenhouse gas emissions, thus lowering product costs.
- Continue to improve FMS, TPS, and TPM activities, enhance process defect rates, and increase production efficiency, thereby reducing energy usage and carbon emissions.

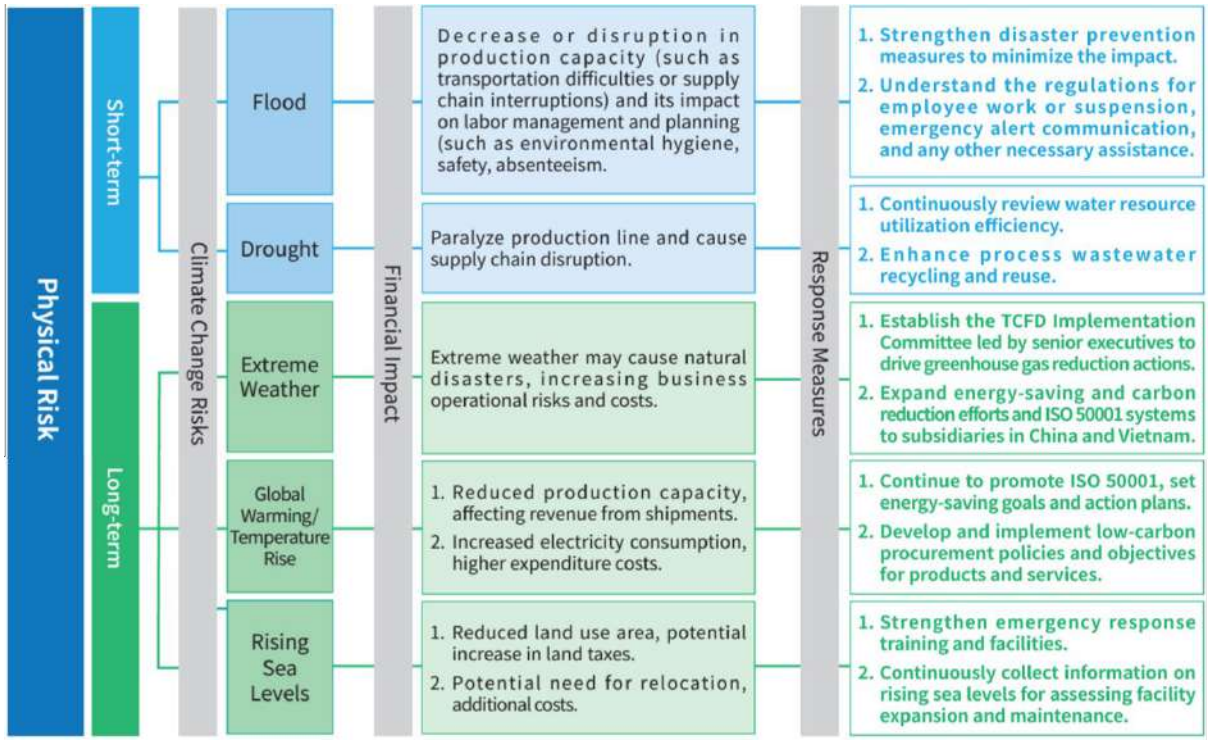
6.1.5.Risk Management

In the period of October to December 2023, TCFD working group discussions were held, involving cross-departmental discussions to identify and prioritize climate-related risks and opportunities. Based on climate risk identification, strategies for adaptation are developed.

● **Identification of Major Climate Change Risks and Opportunities**

Working committee members and designated individuals categorize identified climate-related risks and opportunities into the organizational environmental issue and risk and opportunity management action tables. Analyzing results based on "impact" and "likelihood." If the product of "impact" and "likelihood" is 15 or above, or if "impact" ≥ 4 and "likelihood" ≥ 3, it falls under significant physical climate change risk, transition risk, or opportunity, necessitating countermeasures and plans.

● **Results of Identifying Climate-Related Risks and Opportunities in 2023, along with Financial Impacts and Response Measures:**



6.1.6.Indicators and Objectives

Since 2015, the greenhouse gas inventory of Taiwan operational sites has been conducted based on ISO 14064-1:2006. Third-party verification organizations have been engaged annually to verify and obtain verification statements.

Starting from 2020, the Taiwan operational sites have expanded the scope of estimation for emissions under ISO 14064-1:2018, including Category 3 and Category 4 emissions. Third-party verification organizations have verified these emissions, and verification statements have been obtained.

The emissions of the Taiwan operational sites fall under Category 1 and Category 2 (formerly Scope 1 and Scope 2) greenhouse gas inventories, with approximately 85% of

emissions from Category 2 being purchased external electricity. Our greenhouse gas reduction efforts are integrated with energy management systems, and various measures for energy savings and carbon reduction are continuously promoted. Therefore, the intensity targets for the Taiwan operational sites have been reset as shown in the table below:

Comparison Table of Intensity Targets (Intensity Objectives)

▪Comparison Table of Emission Intensity (Intensity Objectives)

Year	2021 (base year)	2022 (Target)	2022 (Achievement)	2023 (Target)	2023 (Achievement)	2024 (Achievement)	2030 (Achievement)
Greenhouse Gas Emission Intensity (kg CO2 e)/ (thousand NTD)	4.64	4.50	4.43	4.36	4.01	4.27	3.71
Compared with the base year (%)		-3%	-4.53%	-6%	14%	-8%	-20%

Note: 1..The base year is 2021. The midterm target aims for a 20% reduction in carbon intensity by 2030. The short-term target spans from 2022 to 2024, with a reduction of 3% per year in 2022 and 2023, followed by 2% per year from 2024 onwards, achieving a total reduction of 8% in carbon intensity over three years.

2.In 2023, with a 7% growth in revenue and the effects of energy-saving and carbon-reduction projects, the intensity reduction for Category 1 and Category 2 emissions relative to the base year is 14%.

Other objectives include the disclosure of energy-saving and waste reduction amounts, recycled water, wastewater, and energy usage related to climate management indicators in Taiwan's operational sites within the relevant environmental sections of this Report.

In 2024, our operational sites will assess the implementation of internal carbon pricing and begin monitoring management from 2025, gradually working towards the net-zero target.

In 2026, we will complete the 2025 greenhouse gas inventory and certification for our Vietnam and China operational sites; in 2027, we will complete the ISO 50001 Energy Management System certification for our Vietnam and China operational sites.

6.2.Greenhouse Gas Management

As a responsible participant in the global community, the Company acknowledges its duty towards environmental protection. We strive to mitigate the environmental and climate impacts resulting from our greenhouse gas emissions, including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride. In 2015, we introduced the ISO 14064-1 greenhouse gas inventory system. The base year for our greenhouse gas inventory was initially set as 2021. The reason for changing the base year was in response to significant revisions in ISO 14064-1, including updates to guidelines for significant indirect greenhouse gas emissions and comprehensive inventorying of machinery equipment and control panel cooling systems. This decision was also influenced by the release of the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (2021). Hence, we determined 2021 as the new base year.

For 2021 to 2023, the results of greenhouse gas inventory calculations conducted by the Greenhouse Gas Inventory Team are as follows:

Unit: Tons of CO2e/year

ISO 140641:2006		ISO 14064-1:2018					Remarks
Category		Type/Year		2021	2022	2023	
Scope 1	Direct Greenhouse Gas Emissions	Category 1	Direct greenhouse gas emissions and removals	1,076.719	993.239	814.512	Burning of natural gas, diesel, etc.
Scope 2	Indirect EnergyRelated Greenhouse Gas Emissions	Category 2	Indirect greenhouse gas emissions from energy inputs	5,685.080	5,637.342	4,142.986	Purchased electricity
Scope 3	Other Indirect Greenhouse Gas Emissions	Category 3	Indirect greenhouse gas emissions from transport	555.292	491.500	131.027	Transportation of steel coils
		Category 4	Indirect greenhouse gas emissions from use of organization's products	14,373.294	13,220.071	9,284.957	Upstream products - steel coils Upstream electricity Upstream natural gas Upstream diesel Upstream gasoline
		Category 5	Indirect greenhouse gas emissions associated with use of organization's products	Not inventoried	Not inventoried	Not inventoried	
		Category 6	Other Indirect Greenhouse Gas Emissions from Other Sources	Not inventoried	Not inventoried	Not inventoried	
Total Greenhouse Gas Emissions from Scope 1 + Scope 2				6,761.799	6,630.581	4,957.498	
Total Greenhouse Gas Emissions from Scope 3				14,928.586	13,711.571	9,415.984	
Revenue (in millions of NTD)				1,457.6	1,497.7	1,240.8	
Scope 1 + Scope 2 Greenhouse Gas Emission Intensity (tonnes of CO2e / revenue in millions of NTD)				4.64	4.43	4.00	

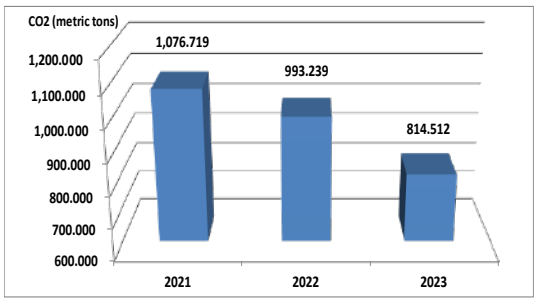
The Scope 1 + Scope 2 greenhouse gas emission intensity for 2023 was 4.00 (kg CO2e / revenue in thousand NTD), a decrease of 13.79% compared to the baseline year of 2021 (4.64), which surpassed the target reduction of 6%. It also decreased by 9.71% compared to 2022 (4.43), achieving the annual target.

Verification Information Explanation:
Verification Scope: Taiwan operational site of Ta Hsing Precision Machinery Co., Ltd.
Verification Body: BSI (British Standards Institution) Taiwan Branch.
Verification Standard: ISO 14064-1:2018 standard.
Verification Result: The verification of direct and indirect energy-related emissions (ISO 14064-1:2018 Category 1 and Category 2) has a reasonable assurance level. Other indirect greenhouse gas emissions were verified with a limited assurance level.
Verification Opinion: The results of the BSI greenhouse gas inventory report are unqualified, fully complying with the relevant standards, and the greenhouse gas information has been properly and accurately disclosed.

Note: Category 2 electricity emission factor has not been announced by the Bureau of Energy, Ministry of Economic Affairs, so the 2023 value of 0.494 kg CO_2e/kWh is used for calculation.

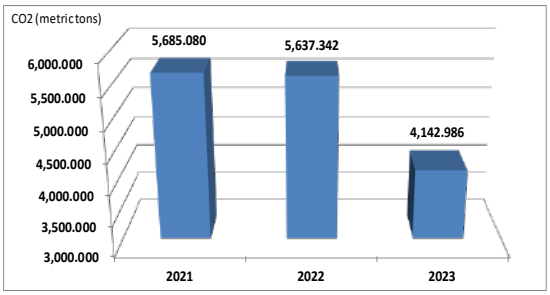
A reduction of 262.207 metric tons was observed from 2021 to 2023.

▪Direct greenhouse gas emissions

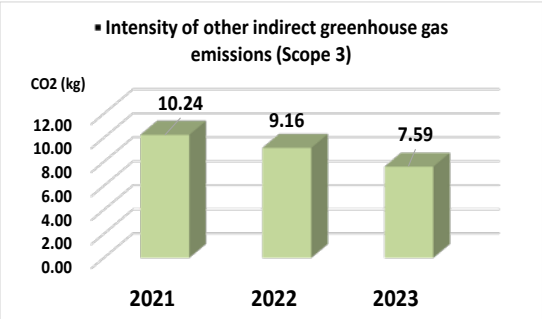


A reduction of 1542.094 metric tons was observed from 2021 to 2023.

▪ Indirect greenhouse gas emissions from energy inputs



As electricity constitutes the primary energy source for the Company, greenhouse gas reduction efforts are integrated with the energy management system. Continuous measures to promote energy conservation and carbon reduction have been implemented since 2016, including collaboration with the Industrial Technology Research Institute (ITRI) to introduce an energy management system. This effort has enhanced energy monitoring and management, facilitating the policy for energy conservation and carbon reduction. In 2023, direct greenhouse gas emissions combined with indirect greenhouse gas emissions from energy (Category 2) were reduced by 26.68% compared to 2021.



Intensity of other indirect greenhouse gas emissions (Scope 3)In 2023, the greenhouse gas emission intensity for Scope 3 was 7.59 kg CO_2e/thousand NTD, a decrease of 25.88% from 10.24 kg CO_2e/thousand NTD in 2021.

Note: Greenhouse gas emission intensity: Total greenhouse gas emissions (kg CO_2e)/Annual revenue (thousand NTD)

The primary source of carbon emissions in Scope 3 for the Company's Category 4 finished products upstream - steel coils. In April 2020, we introduced the ISO 14051 material flow cost accounting technique for this aspect. Details of these operations are described in Section 4.3.2 Material Flow Cost Accounting Explanation.

The Company does not have emissions related to ozone-depleting substances (ODS).

6.3.Energy Management

6.3.1.Energy Conservation

● **Energy Consumption and Usage**

In 2023, the Company's energy sources consisted of electricity, natural gas, and diesel fuel, with electricity being the primary energy source, accounting for 70.83% of all energy consumption. Other energy sources accounted for 29.17%, and energy consumption decreased by 22.76% from 2022 to 2023. The base year for energy intensity was set as 2015. This choice was due to the fact that 2015 was the year when the company passed the ISO 50001:2011 verification, and data for energy usage in that year were readily available for calculation. However, due to adjustments in the heat value of electricity consumption in 2018,

resulting in changes in conversion coefficients, the base year was reset to 2020.

The consumption and usage of various energy sources are shown in the table below:

2020					
Item	Consumption	Unit	Conversion Factor	kWh	Megajoules
Natural Gas	309.26	1,000 m3	10,460	3,234,860	11,645,494.56
Gasoline	1.36	Kl	9,066	12,359	44,494.19
Diesel	21.12	Kl	9,762	206,126	742,052.18
Purchased electricity	10,206.28	Thousand kWh	1,000	10,206,284	36,742,622.40
			Total	13,659,629	49,174,663.33
2021					
Item	Consumption	Unit	Conversion Factor	kWh	Megajoules
Natural Gas	400.16	1,000 m3	10,460	4,185,684	15,068,462.62
Gasoline	1.07	Kl	9,066	9,728	35,020.14
Diesel	24.36	Kl	9,762	237,802	856,088.35
Purchased electricity	11,324.86	Thousand kWh	1,000	11,324,860	40,769,496.00
			Total	15,758,074	56,729,067.11
2022					
Item	Consumption	Unit	Conversion Factor	kWh	Megajoules
Natural Gas	384.11	1,000 m3	10,460	4,017,812	14,464,121.47
Gasoline	1.22	Kl	9,066	11,053	39,789.80
Diesel	22.92	Kl	9,762	223,710	805,357.03
Purchased electricity	11,075.33	Thousand kWh	1,000	11,075,328	39,871,180.80
			Total	15,327,903	55,180,449.11
2023					
Item	Consumption	Unit	Conversion Factor	kWh	Megajoules
Natural Gas	310.83	1,000 m3	10,460	3,251,250	11,704,501.51
Gasoline	0.96	Kl	9,066	8,712	31,361.99
Diesel	19.72	Kl	9,762	192,494	692,979.27
Purchased electricity	8,386.61	Thousand kWh	1,000	8,386,612	30,191,803.20
			Total	11,839,068	42,620,645.98

Description:1.Energy unit conversions are based on information from the website of the Bureau of Energy, Ministry of Economic Affairs. Any changes will follow the standards announced by the Bureau of Energy.

2.The Company has installed solar energy generation facilities in rented areas, resulting in 0% renewable energy usage (Renewable Energy Ratio = Self-installed solar energy/Total energy consumption).

3.The Company's total energy consumption in 2023 was 42,620.65 GJ (gigajoules)), a 13.32% decrease compared to the base year of 2020.

● **Energy Performance**

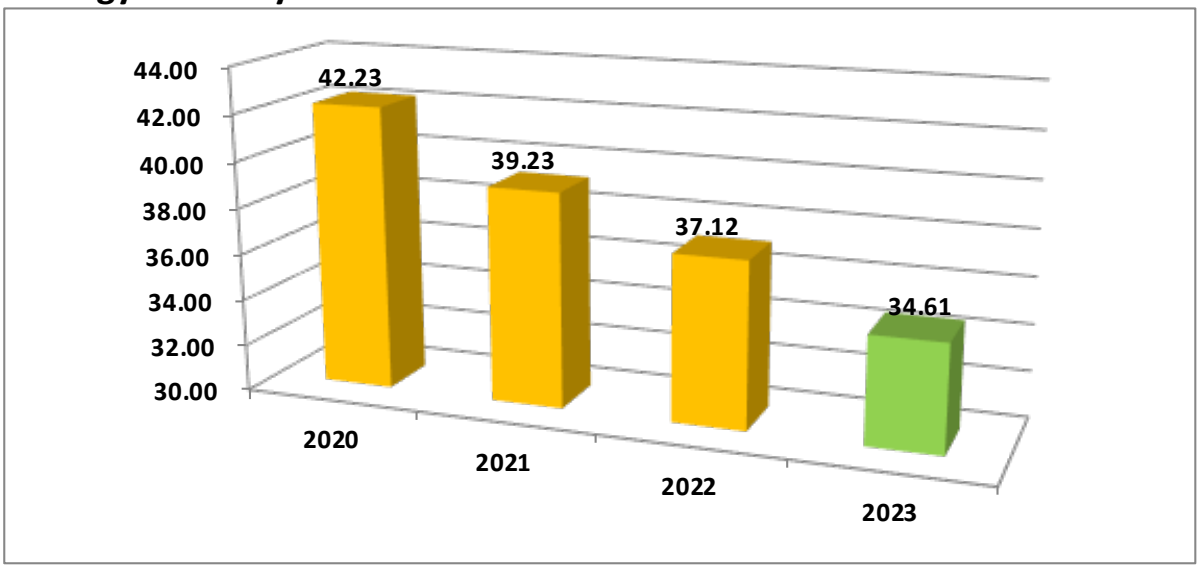
The ISO 50001 2023 organizational environmental issues and risk/opportunity management action plan has been assessed. To mitigate the environmental and climate impacts of greenhouse gas emissions, the Company has implemented an energy management system since 2015 and established an Energy Promotion Committee. Throughout the implementation process, multiple energy management action plans have been executed with a goal of achieving at least 1% energy savings annually. In 2023, an energy-saving investment of 9.077 million NTD was made, implementing eight energy-saving projects that resulted in a total energy savings of 2,454,041 MWh, a reduction of 337.43 metric tons of CO2e emissions, and energy cost savings of 3.75 million NTD. The average annual electricity saving rate from 2015 to 2023 was 2.24%.

The results of the eight energy-saving projects executed in 2023 are shown in the table below:

NO.	Project Name	Improvement Description.	Energy-saving Aspect	Annual Electricity Savings
1	Improvement of Press Allocation in Plant 1.	Energy Control, Maintenance, and Improvement Reporting for Press Machines.	Energy Management	-
2	Reduction of Energy Consumption in Chilled Water Machine in Plant 1.	Replacement and Optimization of Chilled Water System.	Efficiency Improvement	146,447 kWh (kilowatt-hours)
3	Improvement of Electroplating Machine Allocation in Plant 1.	Personnel, Process, and Work Hour Allocation Methods.	Energy Management	-
4	Reduction of Energy Consumption in Air Compressors in Plant 1.	Replacement of Old Air Compressors and Leak Improvement Reporting.	Efficiency Improvement	316,200 kWh (kilowatt-hours)
5	Reduction of Energy Consumption in Air Compressors in Plant 2.	Energy Control, Maintenance, and Leak Improvement Reporting.	Efficiency Improvement	43,788 kWh (kilowatt-hours)
6	Reduction of Energy Consumption in Air Compressors in Plant 3.	Replacement of Old Air Compressors and Leak Improvement Reporting.	Efficiency Improvement	137,844 kWh (kilowatt-hours)
7	Energy Consumption Improvement in the ED Coating Process at Plant 3.	Personnel, Process, and Work Hour Allocation Methods, TPM Maintenance Plan and Improvement Reporting.	Energy Management	-
8	Energy Consumption Improvement in High-Frequency Heat Treatment at Plant 3	Establishment of Standardized Energy Control for High-Frequency Heat Treatment and Training.	Energy Management	37,399 kWh (kilowatt-hours)
Total				681,678 kWh (kilowatt-hours)

In 2023, the energy intensity decreased by 6.19% compared to 2022. The Company will continue promoting energy conservation through active participation and plans to pass the BSI ISO 50001:2018 verification review.

▪Energy intensity



Note: Energy Intensity = Total Energy Consumption (megajoules)/Revenue (thousand NTD)

● Green Energy Procurement

As electricity is the main energy source for the Company, efforts have been made to reduce the burden on the environment and support the government's renewable energy policies. In 2016 and 2017, the Company subscribed to 240,000 kWh of green electricity from Taiwan Power Company (Taipower). In 2019, the Company collaborated with World Harmony Co., Ltd. to install solar energy facilities on the rooftop, generating green energy for sale to Taipower. The electricity generated is used within the company, and from December 2019 to December 2023, a total of 10,458,817 kWh of electricity was generated across various plants, reducing CO_2e emissions by 5,269.492 metric tons. These efforts align with national policies promoting renewable energy development.

	Period	2019/12-2020/12	2021/01-2021/12	2022/01-2022/12	2023/01-2023/12
Power generated (kWh)	Plant NO.1	1,526,059	1,531,251	1,538,901	1,514,006
	Plant NO.2	277,679	243,911	251,966	243,770
	Plant NO.3	859,802	819,872	846,487	805,113
	Total	2,663,540	2,595,035	2,637,354	2,562,888
Carbon Emission Redution (kg)	Period	2019/12-2020/12	2021/01-2021/12	2022/01-2022/12	2023/01-2023/12
	Plant NO.1	776,764	768,688	783,300	749,433
	Plant NO.2	141,339	122,444	128,250	120,666
	Plant NO.3	437,639	411,576	430,862	398,531
	Total	1,355,742	1,302,707	1,342,413	1,268,630

6.3.2.Material Flow Cost Accounting (MFCA) and Circular Economy

In April 2020, the Company received technical guidance in ISO 14051 Material Flow Cost Accounting from the Industrial Technology Research Institute (ITRI). The Company conducted material flow cost accounting for motorcycle brake discs as the target product. This involved analyzing the relationship between inputs (materials, energy) and outputs (products and waste) in relevant processes to understand the cost data associated with product material flows. The goal was to reduce environmental impacts and enhance operational profits. On November 16, 2020, the Company received BSI certification for ISO 14051:2011 Environmental Management - Material Flow Cost Accounting.

Based on material flow cost accounting recommendations, a designated unit was established to design a multi-cavity mold for the brake discs. This design reduced material costs, creating a competitive advantage for the company. From 2021 to 2023, the production volume of brake discs with multi-cavity mold increased, material utilization rates were raised by 6.5%, and material savings are as shown in the table:

Project \ Year	2021	2022	2023
Unloading Production Volume (PCS)	34,726	154,262	146,388
Improvement in Material Utilization Rate (%)	7%	5%	6.5%
Material Saving (KGS)	2,451.08	8,098.85	9,475.90

6.4.Environmental Management Policy

6.4.1.Environmental Management System

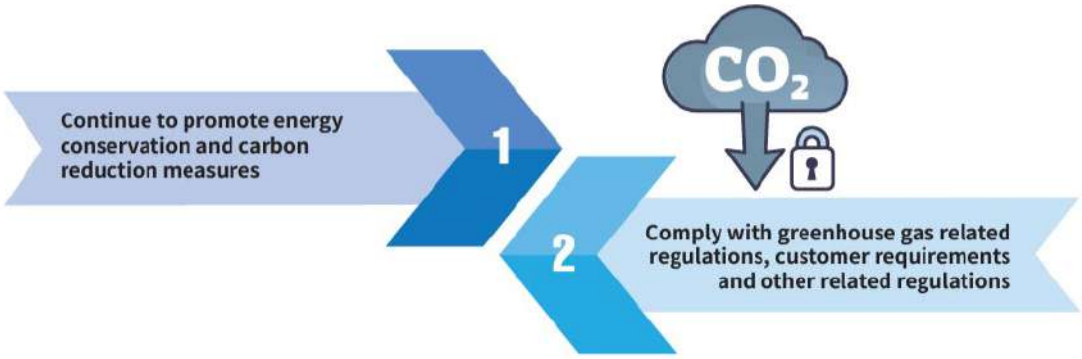
● **Environmental Health and Safety (EHS) Policy**

The Company has achieved ISO 14001 and ISO 45001 certifications in Taiwan and has established the environmental, safety, and health policy as follows:

The Company is committed to establishing a positive working environment, complying with regulations, preventing pollution and accidents, reducing environmental impacts and unacceptable risks arising from products, materials, personnel, machinery, procedures, activities, and services, continuously promoting EHS improvements, promoting the concept of environmental safety and health, and fulfilling corporate social responsibility. We commit to the following policy:

● **FBT Greenhouse Gas Policy in Taiwan**

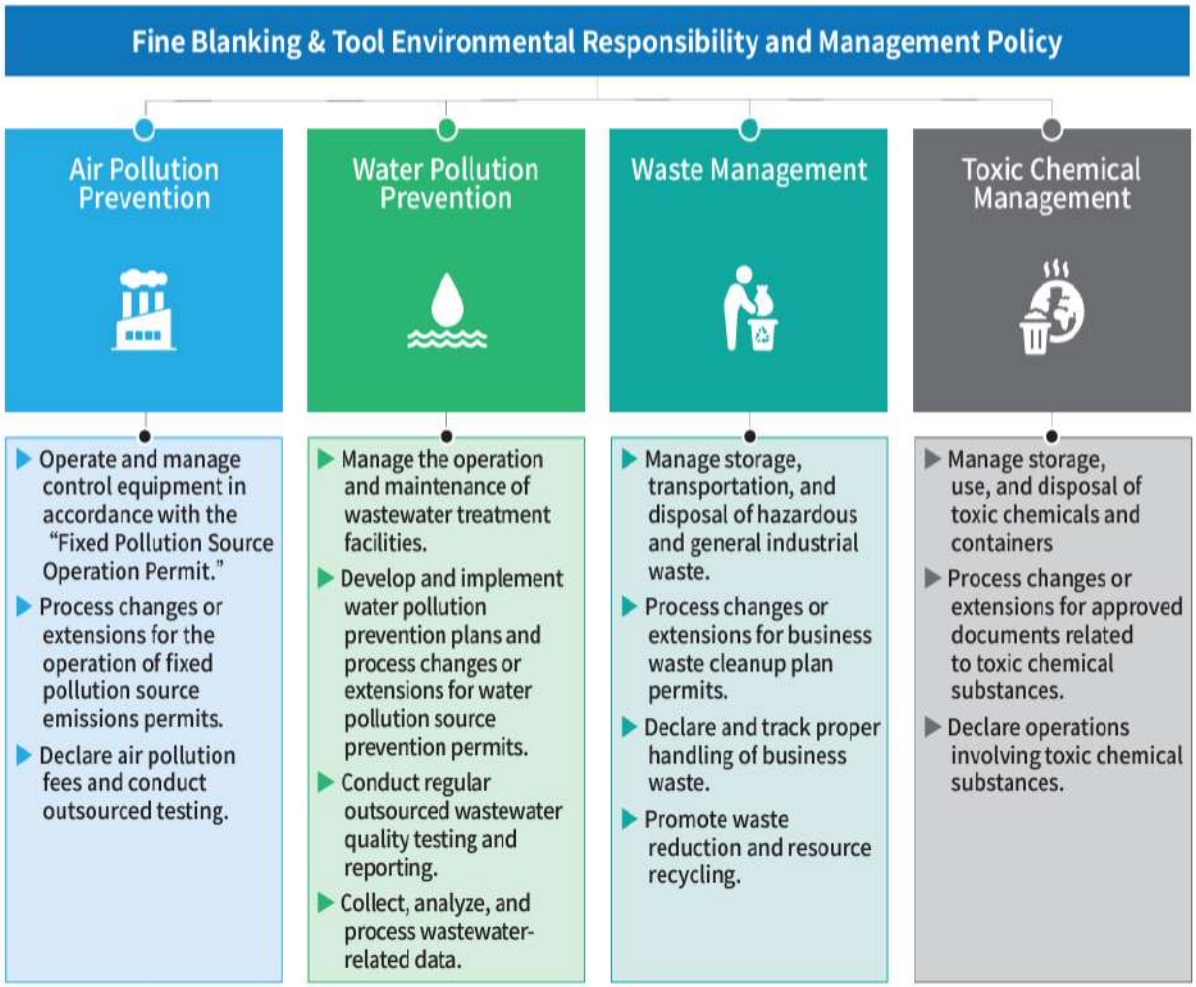
In response to the 2018 revision of ISO 14064-1, the Company reset the base year to 2021 and established the greenhouse gas policy for 2023, including the inventory of greenhouse gas emissions. The policy is as follows:



● **FBT Energy Policy in Taiwan**

The Company obtained ISO 50001 Energy Management System certification in August 2015 and established the energy policy as follows:

● **Environmental Management Policy**



● **FBT Environmental Performance in Taiwan**

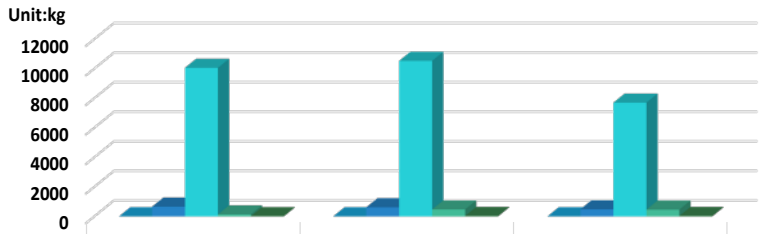
Over the years, the Company has consistently promoted improvement proposals. In 2023, the benefits of improvement proposals in energy conservation and waste reduction and pollution prevention reached NT$11,088,312 (calculated according to internal improvement proposal management methods). Improvements included resource waste reduction (recycling waste materials, shared materials and molds, reducing obsolete materials, improving high-frequency cooling fixtures, mold development for reduced material usage), replacement of energy-consuming equipment, energy usage improvements, and equipment pollution prevention. In terms of environmental improvements, we continued to purchase oil mist recovery machines for on-site machinery equipment oil mist recovery and reuse, creating a more comfortable working environment. The Company has not incurred environmental liability insurance expenses.

6.4.2.Air Pollution Control

We formulated the "Waste Gas Management Regulations" according to the "Standards for Air Pollutant Emission from Stationary Pollution Sources" of the Environmental Protection Administration and the "Standards of Permissible Exposure Limits at Job Site" of the Ministry of Labor. These regulations specify control items and emission standards for various operations. The Safety Management Office commissions qualified testing organizations to conduct annual testing of control items. In 2023, external testing was conducted, with many test results significantly lower than the regulatory standards. However, the monitoring results for glycol ether acetate from the automatic spray gun in the coating process exceeded the permissible concentration by 10 ppm. As a result, it was classified as a Level 3 chemical for management. After discussing the improvement measures with the environmental testing company, an adjustable cover plate was added to the paint drum opening. After retesting, the concentration was found to be <0.177 ppm, far below the allowable concentration, validating the effectiveness of the improvement measures.

Mechanical ventilation and exhaust systems or dust collection devices are installed in sandblasting, welding, electroplating, painting, and other process equipment throughout the plant. In Plant No.1, a wash tower was added to address zinc plating, treating acid gases and volatile organic compounds from the electroplating process. Plant No. 3 installed water curtain adsorption for paint spraying and acid gas treatment in the painting process, achieving air pollution control. These measures provide a clean, comfortable, bright, and safe working environment.

Every quarter, the Company submits declarations through the Air Pollution Network Declaration System in accordance with Article 16 of the Air Pollution Control Act. The air pollution statistics for 2020-2023 are shown in the following chart:



	2021	2022	2023
Sulfur oxides (SOx)	0	0	0
Nitrogen oxides (Nox)	654	613	484
Volatile organic compounds	10,053	10,528	7,694
Particle pollution	132	469	456
Air pollutants (hexavalent chromium)	7	25	25

Description:1.In May 2018, natural gas boilers replaced heavy oil boilers, resulting in no sulfur oxide emissions.
2.Plant No.3 obtained a fixed pollution source operating permit on September 1, 2020, and was included in air pollution declarations in 2021. Due to the use of natural gas and solvents in the painting process raw materials, nitrogen oxide and volatile organic compound emissions increased from 2021.
3.Starting in the fourth quarter of 2021, the Company began declaring particulate pollutants and air pollutants (hexavalent chromium), resulting in lower emissions compared to 2023.

6.4.3.Chemical Management

The Company has formulated the "Toxic Chemical Management Measures" in accordance with the regulations of the Environmental Protection Administration related to toxic substances. This includes controlled storage with locking mechanisms, clear labeling of operational sites, provision of safety data sheets, emergency response equipment, personal protective gear, and emergency eyewash facilities. The Company follows the Toxic and Concerned Chemical Substances Registration and Declaration System for online reporting on a monthly basis.

For chemical management in accordance with the Ministry of Labor's "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals," the Company has established the "Hazardous Material Management Measures." This includes creating a hazardous chemical substance list and a safety data sheet database. The Company follows the "Regulations for Governing Designating and Handling of Priority Management Chemicals" and the "Regulations Governing Designation and Handling Permission of Controlled Chemicals," as well as the "CCB Chemical Control Banding Operational Manual." Chemical reporting and permission platform applications are submitted online.

Measures to reduce the environmental impact of products and services include:

continuous use of n-heptane-based degreasing oil instead of n-hexane-based oil in process operations. This has reduced the water environmental hazard level from Level 1 to Level 2 (reduced slow toxicity).

6.4.5.Peripheral Noise

The Company has established the "Noise Management Measures" in accordance with the "Noise Control Act" of the Environmental Protection Administration. External testing of peripheral noise is conducted annually, and it complies with standards.

6.4.6.Environmental Expenditure

The Company's environmental expenditure in 2023 was approximately NT$11,293,000 (based on internal ERP reports and estimations).

Item	Content		Amount (NTD)		Remarks
1	Pollution prevention costs	Wastewater treatment chemicals	1,626	1,753	Description 1
		Soil and pollution control	15		
		Air pollution control	112		
2	Routine equipment operation and maintenance fees			2,359	
3	Environmental treatment expenditure for water and electricity			700	Estimated value
4	Sewage fee			1,983	
5	Testing fee			518	
6	External training fee			198	
7	Personnel expenses for environmental department			1,186	
8	Outsourced waste collection and transportation fee			2,596	
Total				11,293	

Description:1.According to the "Guidelines for Subsidies for Industrial Boilers in Changhua County to Switch to Clean Energy Sources" in May 2018, the introduction of natural gas boilers instead of heavy oil boilers significantly reduced air pollutant emissions.

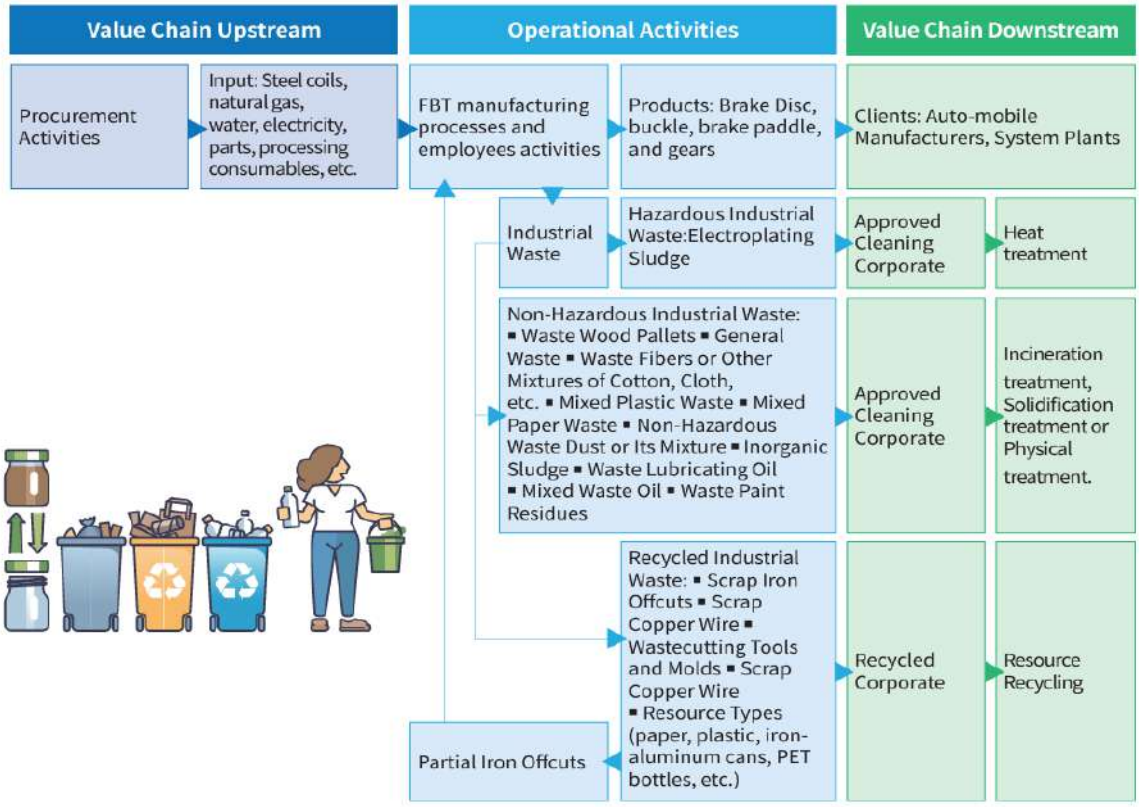
2.In 2022, there were no environmental leaks or other violations of environmental laws and regulations, and no fines or sanctions were imposed beyond the fines received.

3.May 29, 2023, the Company's diesel truck was found to exceed the black smoke emission standard during an inspection conducted by the Environmental Protection Bureau. As a result, a fine of 3,000 NTD was imposed in accordance with Article 66 of the Air Pollution Control Act. After undergoing repairs, the truck was re-inspected on June 27, 2023, and met the required standards. To prevent recurrence, the Company has revised its waste gas management procedures. Starting in 2024, the management unit will track the inspection schedules for all vehicles in accordance with legal requirements on a monthly basis and ensure that each vehicle undergoes the required inspections, providing valid certification records.

6.5.Waste Management

The Company has established the "Waste Management Measures" in accordance with the "Waste Disposal" regulations of the Environmental Protection Administration. It controls industrial waste and follows the industrial waste declaration and management information system to report monthly waste production, temporary storage, and transportation quantities for Plants 1 and 3. In 2023, the Company continued its household waste reduction plan, created waste sorting labels in Vietnamese, Thai, and Cambodian languages, and conducted weekly inspections of sorting conditions in various units and safety management rooms. External waste collection was reduced from twice a week to once a week. In March 2019, a sludge dryer was introduced to significantly reduce the moisture content and weight of hazardous industrial waste.

The Company's waste value chain process is illustrated in the following diagram:



■ Industrial Waste Statistics Table

Item/Year	2021	2022	2023
A Hazardous Industrial Waste (metric tons)	50.430	37.470	37.570
D Non-Hazardous Industrial Waste (metric tons)	123.685	140.357	109.503
Total Weight of Waste (A+D)	174.115	177.827	147.073
Operating Revenue (NT$ million)	1,457.6	1,497.7	1,240.8
Waste Intensity (Total Weight of Waste/Operating Revenue)	0.119	0.118	0.118
The waste intensity in 2023 is the same as in 2022.			

The Company's waste categories, names, production weights, and disposal methods for 2023 are shown in the table below:

▪ 2023 FBT Waste Treatment Methods and Quantities

Category	Waste Name	Waste generated (metric tons)	Waste diverted from disposal (metric tons)	Waste directed to disposal (metric tons)	Disposal Method
Hazardous Industrial Waste (Total Weight)	Electroplating Sludge	37.570	0	37.570	Heat treatment
NonHazardous Industrial Waste	Waste Wood Pallets	5.690	0	5.690	Incineration treatment
	General Waste	45.220	0	45.220	
	Waste Fibers or Other Mixtures of Cotton, Cloth,	0.013	0	0.013	
	Mixed Plastic Waste	2.350	0	2.350	
	Mixed Paper Waste	2.880	0	2.880	
	Non-Hazardous Waste Dust or Its Mixture	3.430	0	3.430	Solidification or Incineration treatment
	Inorganic Sludge	42.000	0	42.000	Solidification or physical treatment
	Waste Lubricating Oil	2.360	0	2.360	Physical treatment
	Waste Lubricating Oil	0.920	0	0.920	
	Waste Paint Residues	4.640	0	4.640	Incineration treatment
Total Weight of Non-Hazardous		109.503	0	109.503	
Total Weight of Hazardous +		147.073	0	147.073	

Description:1.All of the Company's industrial waste is handled by approved domestic cleaning and processing plants under contracts. Waste disposal operators weigh the waste at the Plant No.3 weigh station before transportation. The responsible personnel create a triplicate form in the Industrial Waste Management System and deliver it to the operator. After processing, the operator provides proper disposal documentation to the Company for record-keeping. No hazardous industrial waste is exported abroad.

2.Plant No.2 is not subject to the industrial waste cleanup plan and is not included in the calculation.

3.Both hazardous and non-hazardous industrial waste are treated off-site.

4.Hazardous industrial waste accounts for 25.54%, and non-hazardous industrial waste accounts for 74.46%.

To effectively establish an in-house resource recycling control system, the Company has developed the "Resource Recycling Operation Standards." This improves environmental hygiene and complies with regulatory requirements. Resource recycling is used to achieve waste resource utilization and economic benefits. In 2023, recycling totaled 2,205.712 metric tons, a decrease of 826.949 metric tons from 2022, mainly due to reduced scrap iron.

Recycled Item	Weight (metric tons)	Internal Recycling Percentage	External Recycling Percentage	Recycling Usage	Remarks
Scrap iron offcuts	2,143.730	2.91%	94.28%	Used internally for smaller blanking products, used externally for iron smelting or casting materials	2023 Waste Material Summary Statistics
Resource Types (paper, plastic, iron-aluminum cans, PET bottles, etc.)	48.917	0.00%	2.22%	Various raw materials for recycling and reuse	Monthly resource type statistics
Scrap copper wire	1.024	0.00%	0.05%	Recycled metal copper material	2023 Recycling Statistics
Waste cutting tools and molds	12.041	0.00%	0.55%	Recycled high-speed steel, mold steel, and other metal materials	2023 Recycling Statistics
Total	2,205.712	2.91%	97.09%		

Description: 1.The domestic cumulative shipment quantity in 2023 is currently: 77,783 PCS, achieving 100% recycling of packaging materials.
2.The recycling percentage for 2023 is 93.74%. (Recycling Weight / (Recycling Weight + Waste Weight)).

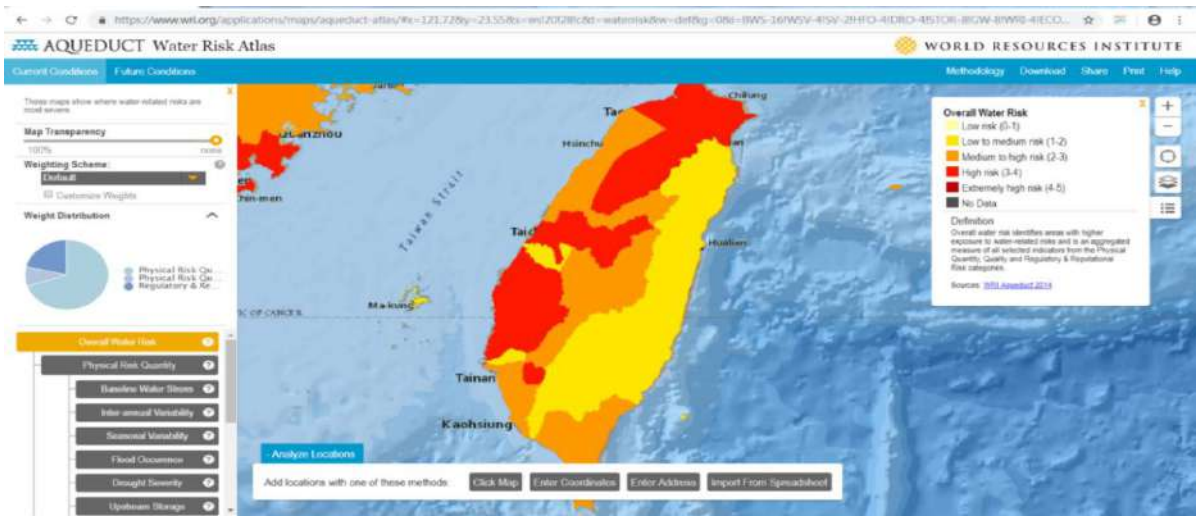
■ From 2021 to 2023, scrap iron offcuts were internally recycled for smaller stamping products, as shown in the table below.

Name/Year	2021	2022	2023	Remarks
Recycled stamping products (PCS)	64,098	90,186	61,496	2023 recycled weight increased by 39.9% compared to 2022
Product Weight (KG)	78,503	106,816	64,190	

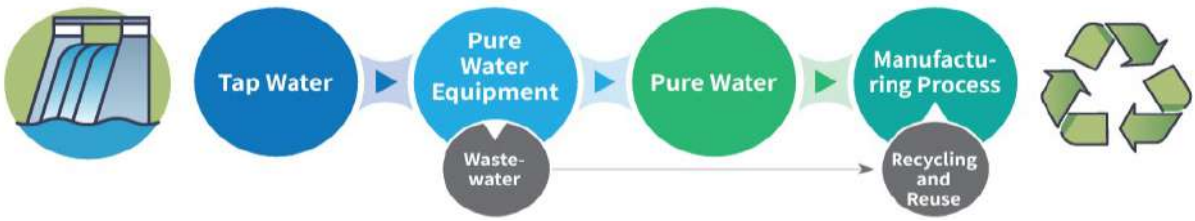
6.6.Water Management

6.6.1.Water Resource Reutilization

Although Taiwan receives abundant rainfall, due to its small size, dense population, steep terrain, concentrated rainfall, and short rivers, most of the rainwater flows directly into the ocean. Taiwan has consistently been ranked as one of the countries with water scarcity issues. According to the analysis from the World Resources Institute website, the overall water risk for the location of the Company is classified as high risk level 3-4 (as shown in the diagram below). All of our operational sites in Taiwan rely on tap water for 100% of their process water needs. Additionally, the production process includes water-intensive electroplating and painting operations, making the water resource issue closely related to our operations. Therefore, guided by the principle of cherishing water resources, we have been actively promoting water conservation within our facility. For example: Various equipment in the process, such as spot welding machines, heat treatment equipment, chillers, ultrasonic cleaning machines, etc., and air conditioning units in office areas, all use recycled water. This practice of recycling wastewater has had significant positive effects on water quality improvement in the environment. In the grinding operation area, we have introduced cutting fluid recycling devices and installed recycling pipelines to filter out iron scraps from the recycled cutting fluid. The filtered cutting fluid is then directly supplied to the grinding equipment through pipelines for reuse. Additionally, we recycle pure water wastewater. Out of the pure water wastewater recycling and reuse (see the flow chart of pure water manufacturing machine for electroplating and coating production line), an estimated 19.928 million liters of pure water wastewater was recycled in 2023 (calculated by recycling water meter), and the total amount of water withdrawn is 129.854 million liters (calculated by water bill), with a recycling rate of 15.35%. The water intensity in 2023 was 104.65 (total water intake 129,854 cubic meters / revenue NT$1,240.8 million), which decreased by 13.04% compared to 2022. The water consumption in 2023 was -11.112 million cubic meters (water consumption = total water intake - total wastewater discharge).



Data Source: World Resources Institute website



6.6.2.Water Pollution Control

The Company has formulated the "Wastewater Management Regulations" in accordance with the relevant regulations of the Environmental Protection Administration for water pollution control. This involves controlling industrial wastewater and following the wastewater detection and reporting forms for industrial or sewage drainage systems. Every six months, we submit reports through the Environmental Management System (EMS) for environmental protection permits. Wastewater from Plant No.2 is directly discharged to the sewage treatment plant in Chuansing Industrial Park. Plants 1 and 3 have their own wastewater treatment facilities and dedicated personnel for wastewater treatment. Through regular in-house wastewater testing operations, we ensure that the treated wastewater meets the standards before being discharged to the sewage treatment plant in Chuansing Industrial Park.

■ Regulations for the use of the Chuansing Industrial Park sewage system (applicable in 2023):

Test Item	Unit	Sewage Quality Standard
Temperature	°C	Temperature Below 42°C
Hydrogen Ion Concentration Index (pH)	-	5~9
Suspended Solids (SS)	mg/L	480
Chemical Oxygen Demand (COD)	mg/L	560
Chloride Ion Paper Estimation Method	mg/L	0-2000
Zinc (Zn)	mg/L	3.5
Nickel (Ni)	mg/L	0.7
Total Chromium (Cr^T)	mg/L	1.5
Fluoride (F)	mg/L	15
Grease	mg/L	50

■ Wastewater discharge volumes from each plant in 2023 are shown in the table below:

Plant	Plant Wastewater Discharge Volume (million liters)	By Wastewater Quality Classification Discharges (million liters)		By Discharge Destination Area Wastewater Discharges Volume (million liters)	
Plant No.1	77.699	Wastewater is treated at the plant and then connected to the mains	140.316	Sewage treatment plant in Chuansing Industrial Park	140.966
Plant No.3	62.617				
Plant No.2	0.650	Raw water discharge	0.650		

Description：Discharged water from Plants 1 and 3 is calculated by flow meter at the outfall, while discharged water from Plant No.2 is calculated by tap water intake.

▪ **Process Flowchart for Wastewater Treatment at Plant No.1**

▪ **Process Flowchart for Wastewater Treatment at Plant No.3**

In 2023, the sampling values of wastewater from each plant are shown in the table below. Plant No.1 and Plant No.2 met the standards of the Chuansing Industrial Park sewage treatment plant, while Plant In Plant No. 3, on January 7, 2023, the pH meter was replaced, but the standard value was not properly set, resulting in a measured pH value of 4.2, which was below the lower limit. The report on the improvement of environmental safety and sanitation issues was prepared to determine the improvement and permanent measures and the case was closed on June 27, 2023.

Test Item	Unit	Plant No.1 Test Value	Plant No.2 Test Value	Plant No.3 Test Value	Sewage Quality Standard
Temperature	°C	21~31.7	26.7	22.3~33.7	Temperature Below 42°C
Hydrogen Ion Concentration Index (pH)	-	7~8.1	7.9	4.2~8.8	5~9
Suspended Solids (SS)	mg/L	7.5~39.8	85.8	4~62.5	480
Chemical Oxygen Demand (COD)	mg/L	17.3~447	267.0	31.1~204	560
Chloride Ion Paper Estimation Method	mg/L	500~1000	500.0	500~1000	0-2000
Zinc (Zn)	mg/L	ND~0.3			3.5
Nickel (Ni)	mg/L	0.04~0.68		ND~0.08	0.7
Total Chromium (Cr^T)	mg/L	0.04~0.36		ND~0.09	1.5
Fluoride (F)	mg/L				15
Grease	mg/L				50

Description：1.Plant No.1 conducted a trial run of galvanized wire in 2019, with the detection of metallic zinc beginning in February 2020. In 2023, no grease was detected.
2.For Plant No.2, annual testing is conducted, and only domestic wastewater is generated. Items marked with a slash do not require testing.

7. Social Participation

7.1. Social Welfare

In 2023, the Company actively engaged in community care activities, including donations to organizations such as the Huashan Social Welfare Foundation, Changhua Family Support Foundation, Changhua Tsz-Ai Care Institution, Changhua Family Support Center, World Vision Taiwan, Huashan Social Welfare Foundation Shengang Station, YMCA Charity Concert, and National Kaohsiung Normal University research projects. The Company also regularly participated in regional defense organization activities, including scenario simulations and live drills, as well as regular meetings of the Central Taiwan Joint Defense Organization for Toxic Chemical Substances. In the future, the Company will continue to participate in public welfare activities and contribute to society based on the principle of giving back.

7.2.Social Impact

● Enhancing Remote Health Promotion Activities for Community Seniors

In 2023, to give back to society, the Company participated in rural remote health promotion public welfare programs. Collaborating with the Digital Humanitarian Association, the Company worked with the Xidi Community Development Association in Shengang Township, Changhua County, and the Fangyuan Church in Changhua to introduce digital applications that enable the elderly to actively age and maintain proper health in a familiar environment. Through remote teaching and health consultations, the program provide the elderly with a wide range of health promotion activities and senior health information, enhancing their self-awareness and knowledge of health and reducing acute event occurrence rates among seniors. The Social Return on Investment (SROI) was 5.615 (SROI value = impact/investment, NT$842,301/NT$150,000, based on the Digital Humanitarian Association's 2023 closing report). The program's effectiveness was excellent, and it will continue to be promoted in 2024.

(SROI Definition: SROI is a measurement and evaluation of the tangible and intangible impacts and changes generated by companies and organizations in social, environmental, and economic dimensions. These impacts are assigned monetary values and presented as a return on investment, illustrating the causal relationship between inputs and outcomes.)

SROI	2022	2023
	4.112	5.516
Enhance the Benefits	1. Successfully improved seniors' health awareness and knowledge. 2. Indirectly reduced the incidence of acute events among seniors. 3. Successfully reduced caregiver stress and improved caregiving knowledge.	1. From a one-time course to a second-year program, we successfully established a regular health promotion routine for seniors, integrating it into their daily lives and effectively boosting their health awareness and knowledge. 2. Greatly improved access to medical resources at community sites, promoting 'prevention over treatment' and indirectly reducing the incidence of acute events among seniors. 3. Successfully improved community workers' efficiency, caregiving knowledge, and communication skills with seniors, becoming a strong support for them.

SROI value = Impact / Input. 5.615=842,301/150,000

■ Happy Blood Donation Charity Event

In 2023, the Company collaborated with the County Department of Labor Affairs, Public Health Bureau, Chuansing Industrial Park Service Center, and industry associations to organize the "FBT Occupational Safety Family Happy Blood Donation" event. The event combined activities such as blind massage for relaxation and stress relief, occupational safety awareness, health challenges with giveaways, and other health promotion initiatives. The event saw a total of 47 blood donors, with 69 blood bags (250CC each).

■ Tree Adoption Activity

Since 2013, the Company has been cooperating with the Chuansing Industrial Park to promote greening beautification efforts. We have participated in the beautification and management of public green spaces within the industrial park and adopted the maintenance responsibilities. We adopted the trees along the boundaries of three factory areas. The adoption maintenance work includes seasonal care, fertilization, pest control, and tree trimming.

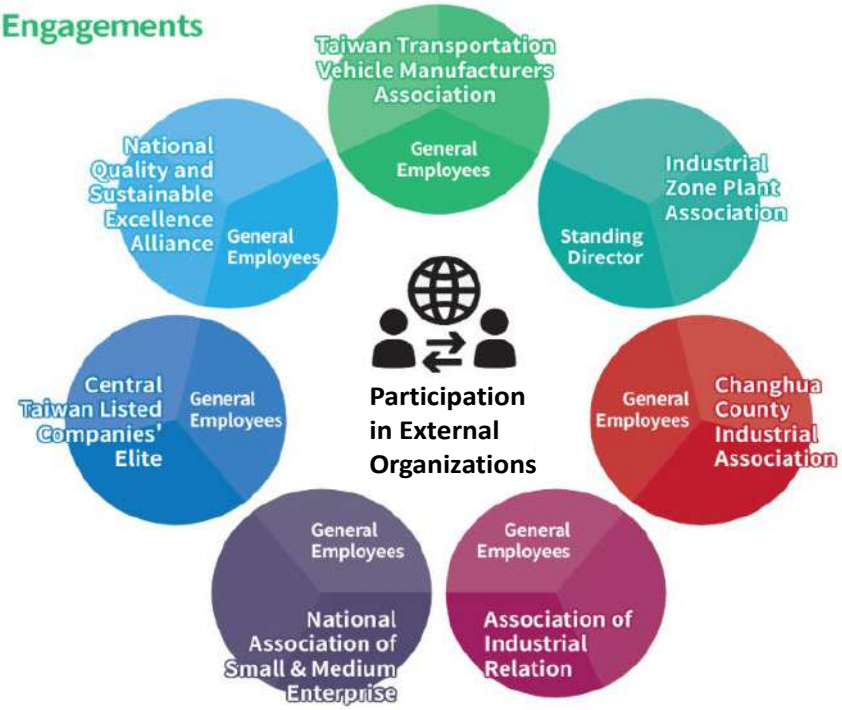
In addition to planned seasonal maintenance, fixed maintenance hours are scheduled within the factory area each month to oversee the growth of the roadside trees.

▪ **Maintenance and Management Tasks - Roadside Trees**

Roadside Tree Maintenance Annual Schedule

Month	Care and Mainte-nance	Fertilization	Disease and Pest Control	Tree Pruning	Natural Disaster Protection
1	✓				
2	✓				
3	✓		✓	✓	
4	✓	✓			
5	✓		✓	✓	
6	✓				
7	✓	✓		✓	✓
8	✓			✓	✓
9	✓			✓	✓
10	✓	✓			✓
11	✓				
12	✓		✓	✓	

External Engagements



Remote health promotion course by Xidi Community Development Association	Remote health promotion course by Xidi Community Development Association	In 2023, the Company organized the “FBT Occupational Safety Family Happy Blood Donation” event
Health promotion awareness and challenge activities.	Blind massage for relaxation and stress relief.	Regular pruning and maintenance of the adopted roadside trees

8.Appendix

8.1.Summary of Sustainable Development Performance

Primary Indicator		Unit	Region	Positive (Note 6)	2021	2022	2023
General Disclosure	Corporate Governance Evaluation	(Prioritization%)	Taiwan	↓	Listing (6%~20%)	Listing (6%~20%)	Listing (21%~35%)
Economic	Net Sales	Thousand NTD	Taiwan + Overseas	↑	2,766,438	3,141,305	2,860,040
	Operating Costs	Thousand NTD	Taiwan + Overseas	↓	2,226,107	2,532,909	2,293,463
	Net Profit after Tax	Thousand NTD	Taiwan + Overseas	↑	252,953	306,478	273,083
	Parent Company Net Profit	Thousand NTD	Taiwan + Overseas	↑	181,204	213,388	181,424
	Total Taxes	Thousand NTD	Taiwan + Overseas	↓	90,547	111,717	99,787
	Capital Expenditure	Thousand NTD	Taiwan + Overseas	↑	76,326	176,224	124,028
	Employee Benefits Expense	Thousand NTD	Taiwan + Overseas		407,455	438,201	408,038
	Intellectual Property Rights	Number (Patents)	Taiwan + Overseas		3	13	6
Environmental (I)	Total Greenhouse Gas Emissions (= Category 1 + Category 2) (Note 3)	Tons CO_2e	Taiwan	↓	6,761.799	6,630.581	4,957.498
	Category 1, Direct Greenhouse Gas Emissions	Tons of CO_2e	Taiwan	↓	1,076.719	993.239	814.512
	Category 2, Indirect Greenhouse Gas Emissions from Energy Inputs	Tons of CO_2e	Taiwan	↓	5,685.080	5,637.342	4,142.986
	Greenhouse Gas Emission Intensity = Total Greenhouse Gas Emissions (kg CO_2e)/Annual revenue (thousand NTD)	(kg of CO_2e)/ (thousand NTD)	Taiwan	↓	4.64	4.43	4.00
	Category 3, Indirect Greenhouse Gas Emissions from Transportation	Tons of CO_2e	Taiwan	↓	555.292	491.500	131.027
	Category 4, Indirect Greenhouse Gas Emissions from Product Use	Tons of CO_2e	Taiwan	↓	14,373.294	13,220.017	9,284.957
	Energy Consumption (Note 4)	Thousand kWh	Taiwan	↓	15,758	15,328	11,839
	Energy Consumption - Direct Energy Consumption	Thousand kWh	Taiwan	↓	4,433	4,253	3,452
	Energy Consumption - Indirect Energy Consumption	Thousand kWh	Taiwan	↓	11,325	11,075	8,387

Primary Indicator		Unit	Region	Positive **(Note 6)**	2021	2022	2023
	Energy Intensity = Total Energy Consumption (megajoules)/Revenue (thousand NTD)	(megajoules)/Revenue (thousand NTD)	Taiwan	↓	39.23	37.12	34.82
	Water Consumption	Tons	Taiwan	↓	176,650	180,258	129,854
	Recycled Process Water	Tons	Taiwan	↑	17,338	21,487	19,928
Environmental (II)	Amount of Non-Hazardous Industrial Waste	Tons	Taiwan	↓	123.69	140.36	109.503
	Amount of Hazardous Industrial Waste	Tons	Taiwan	↓	50.43	37.47	37.57
	Resource Recycling (Note 5)	Tons	Taiwan	↑	3,326.78	3,032.66	2,205.71
Social	Number of Employees (End of Year)	Number of people	Taiwan + Overseas		1,038	1,035	1,036
	Employee Training Hours	Hours	Taiwan + Overseas	↑	12,063.5	18,060.5	18,065.5
	Number of Unpaid Parental Leave Applications / Return-to-Work Applications	Number of people	Taiwan	↑	3/1 (Note 2)	1/4 (Note 2)	2/0 (Note 2)
	Safety- Disabling Frequency Rate (Number of days of severe injuries x One million working hours)	FR	Taiwan	↓	0	0	0
	Safety- Severe Injury Rate (Number of lost work days x One million working hours)	SR	Taiwan	↓	0	0	0
	Participated in community activities	Frequency	Taiwan	↑	16	16	25

Note 1: 8th Corporate Governance Review/Review Year: In 2021, there were a total of 913 listed and 726 OTC companies, 9th Corporate Governance Review/Review Year: In 2022, there were a total of 928 listed and 734 OTC companies,10th Corporate Governance Review/Review Year: In 2023, there were a total of 952 listed and 754 OTC companies.

Note 2: 2021: Three applied, one returned to work, and the other two will not be reinstated until 2022.
2022: One applied, 4 reinstatements: 1 in 2022, 2 in 2021, 1 in 2020.
2023:Two applicants who were reinstated will return to work in 2024.

Note 3: The greenhouse gas emissions were categorized into six major sources in 2018. The revision is based on the year 2021, and the categories are as follows:
Category 1 (burning of natural gas), Category 2 (purchased electricity), Category 3 (transportation of steel coils), Category 4 (use of upstream steel coils, electricity, natural gas, gasoline, diesel), Category 5 and Category 6 (surveyed in 2023).

Note 4: Direct energy use includes natural gas, diesel, and gasoline, while indirect energy use refers to electricity.

Note 5: Resource recycling includes types such as [waste iron scraps, waste copper wires, waste knives, molds, waste paper, waste aluminum and iron cans, waste plastics, waste PET bottles].

Note 6: The arrow direction indicates that the indicator data is in the positive range.

8.2. Global Reporting Initiative Comparison Table of the GRI Standards

Note:1.Below, except for general disclosure items, a "*" before the topic indicates specific topics for 2022.

2.The related performance indicators disclosed below have been externally verified, and the relevant verification results are available in the external assurance statement.

Statement of Use	FBT has reported for the period of January 1, 2023 to December 31, 2023 in accordance with the GRI Standards.
Use of GRI 1	GRI 1: Foundation 2021
Applicable GRI Industry Standard	None

GRI Number	Disclosure Item	Corresponding chapters/sections in the Report	Page	Omitted Description
GRI 2 General Disclosure 2021				
GRI 2-1	Organizational details	1.1.About this Report 1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	2-3 4-12	
GRI 2-2	Entities included in the organization's sustainability reporting	1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	4-5	
GRI 2-3	Reporting Period, Frequency, and Contact	1.1.About this Report	2-3	
GRI 2-4	Revised Information	1.1.About this Report	No revised report	
GRI 2-5	External Assurance/Confirmation	1.1.About this Report 8.5.Independent Third-Party Verification Opinion Statement	2-3 157	
GRI 2-6	Activities, value chain and other business relationships	1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	4-12	
GRI 2-7	Employees	5.1.Talent Recruitment and Retention	87-92	
GRI 2-8	Workers who are not employees	5.1.Talent Recruitment and Retention	92	
GRI 2-9	Governance structure and composition	3.1.Corporate Governance Framework 2.2.Sustainability Committee	35-36 19-21	
GRI 2-10	Nomination and selection of the highest governance body	3.1.Corporate Governance Framework	35-38	
GRI 2-11	Chair of the highest governance body	3.1.Corporate Governance Framework	36	
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	2.2.Sustainability Committee 2.1.Corporate Sustainability Vision and Development Policies 3.1.Corporate Governance Framework 3.3.Risk Management	19-21 18 35-36 49-51	
GRI 2-13	Delegation of responsibility for managing impacts	2.2.Sustainability Committee	19-21	
GRI 2-14	Role of the highest governance body in sustainability reporting	2.2.Sustainability Committee 3.1.Corporate Governance Framework	19-21 35-36	
GRI 2-15	Conflicts of interest	3.1.Corporate Governance Framework	35-36,42	

GRI Number	Disclosure Item	Corresponding chapters/sections in the Report	Page	Omitted Description
GRI 2-16	Communication of critical concerns	2.3.Stakeholders and Material Issues 3.2.Business Ethics	22-34 47-48	
GRI 2-17	Collective knowledge of the highest governance body	3.1.Corporate Governance Framework	36-42	
GRI 2-18	Evaluation of the performance of the highest governance body	2.2.Sustainability Committee 3.1.Corporate Governance Framework	19-21 45-46	
GRI 2-19	Remuneration policies	3.1.Corporate Governance Framework For more information, please refer to pages 34-36 of the 2023. Annual Report - Compensation to Directors, Supervisors, President and Executive Vice President for the most recent year: Analysis of Total Compensation as a Percentage of After-Tax Net Income	45 —	
GRI 2-20	Process to determine remuneration	3.1.Corporate Governance Framework	45	
GRI 2-21	Annual total compensation ratio	5.3.Remuneration and Benefits	99-100	
GRI 2-22	Statement on sustainable development strategy	2.1.Corporate Sustainability Vision and Development Policies	18	
GRI 2-23	Policy commitments	2.3.Stakeholders and Material Issues 3.2.Business Ethics 5.4.Human Rights and Communication	31-34 47-48 103	
GRI 2-24	Embedding policy commitments	2.3.Stakeholders and Material Issues 3.2.Business Ethics 5.4.Human Rights and Communication	31-34 47-48 103	
GRI 2-25	Processes to remediate negative impacts	2.3.Stakeholders and Material Issues 3.2.Business Ethics 3.3.Risk Management	29-30 47-48 49-51	
GRI 2-26	Mechanisms for seeking advice and raising concerns	3.2.Business Ethics	47-48	
GRI 2-27	Compliance with laws and regulations	3.2.Business Ethics 4.2.Technology and Innovation R&D 4.4.Product Quality Control 6.4.Environmental Management Policy 5.4.Human Rights and Communication	47-48 65 78-79 133 103	
GRI 2-28	Membership associations	7.2.Social Impact	146	
GRI 2-29	Approach to stakeholder engagement	2.3.Stakeholders and Material Issues 5.4.Human Rights and Communication	22,29-31 104-105	
GRI 2-30	Collective bargaining agreements	5.4.Human Rights and Communication	104-105	

GRI Number	Disclosure Item	Corresponding chapters/sections in the Report	Page	Omitted Description
GRI 3 Material Topics: 2021				
GRI 3-1	Process for Determining Material Topics	2.3.Stakeholders and Material Issues	22,29-31	
GRI 3-2	List of Material Topics	2.3.Stakeholders and Material Issues	30-31	
GRI 3-3	Management of material topics	2.3.Stakeholders and Material Issues	32-34	
Subject-Specific Criteria: 200 Series (Topics in Economics)				
*201 Economic Performance: 2016				
201-1	Direct economic value generated and distributed by the organization	4.5.Operational and Financial Performance	82-86	
201-2	Financial impacts and other risks and opportunities arising from climate change	6.1.Climate Change	119-126	
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.3.Remuneration and Benefits	101-102	
201-4	Financial Assistance from the Government	4.5.Operational and Financial Performance	86	
202 Market Position: 2016				
202-1	Ratio of the entry level wage by gender at significant locations of operation to the minimum wage	5.3.Remuneration and Benefits	99-100	
202-2	Percentage of local residents employed at senior management level	5.3.Remuneration and Benefits	88	
*204 Procurement Practice: 2016				
204-1	Proportion of spending on local suppliers	4.3.Supplier Sustainability Management	70	
Subject-Specific Criteria: 300 Series (Topics in Environment)				
302 Energy: 2016				
302-1	Energy consumption within the organization	6.3.Energy Management	129-131	
302-3	Energy intensity	6.3.Energy Management	131	
302-4	Reduction of energy consumption	6.3.Energy Management	131-132	
303 Water and Discharged Water: 2018				
303-3	Water withdrawal	6.6.Water Management	141	
303-4	Discharge Volume	6.6.Water Management	142	
303-5	Water consumption	6.6.Water Management	141	

GRI Number	Disclosure Item	Corresponding chapters/sections in the Report	Page	Omitted Description
*305 Emissions: 2016				
305-1	Direct (Scope 1) GHG Emissions	6.2.Greenhouse Gas Management	127-128	
305-2	Energy Indirect (Scope 2) GHG Emissions	6.2.Greenhouse Gas Management	127-128	
305-3	Other Indirect (Scope 3) GHG Emissions	6.2.Greenhouse Gas Management	127-128	
305-4	Greenhouse Gas Emission Intensity	6.2.Greenhouse Gas Management	127-128	
305-5	Greenhouse Gas Emission Reductions	6.2.Greenhouse Gas Management	128	
305-6	Ozone Depleting Substances (ODS) Emissions	6.2.Greenhouse Gas Management	128	Not applicable
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	6.4.Environmental Management Policy	134-136	
306 Waste: 2020				
306-1	Waste generation and significant waste-related impacts	6.5.Waste Management	138-139	
306-2	Management of significant waste-related impacts	6.5.Waste Management	138-139	
306-3	Waste generated	6.5.Waste Management	138-139	
306-4	Waste diverted from disposal	6.5.Waste Management	139-140	
306-5	Waste directed to disposal	6.5.Waste Management	139-140	
308 Supplier Environment Assessment: 201613				
308-1	Adoption of environmental standards to screen new suppliers	4.3.Supplier Sustainability Management	71-74	
Subject-Specific Criteria: 400 (Topics in Social)				
*401 Employment 2016				
401-1	New employee hires and employee turnover	5.1.Talent Recruitment and Retention	88-90	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.Remuneration and Benefits	98-102	
401-3	Parental leave	5.3.Remuneration and Benefits	101-102	
402 Labor Relations: 2016				
402-1	Minimum notice period for changes in operations	5.4.Human Rights and Communication	106-107	
*403 Occupational Health and Safety: 2018				
403-1	Occupational health and safety management system	5.5.Occupational Health and Safety	114	
403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.5.Occupational Health and Safety	114-115	
403-3	Occupational health services	5.5.Occupational Health and Safety	108-116	
403-4	Worker participation, consultation, and communication on occupational health and safety	5.5.Occupational Health and Safety	114-115	

GRI Number	Disclosure Item	Corresponding chapters/sections in the Report	Page	Omitted Description
403-5	Worker training on occupational health and safety	5.5.Occupational Health and Safety	113-116	
403-6	worker health	5.5.Occupational Health and Safety	108-116	
403-7	Prevention and mitigation of direct impact of occupational health and safety issues on business activities	4.2.Technology and Innovation R&D 4.3.Supplier Sustainability Management 4.4.Product Quality Control	65-67 70-76 77-79	
403-8	Workers covered by an occupational health and safety management system	5.5.Occupational Health and Safety	114-115	
403-9	Work-related injuries	5.5.Occupational Health and Safety	117-118	
403-10	Work-related ill health	5.5.Occupational Health and Safety	117-118	
404 Training and Education: 2016				
404-1	Average hours of training per year per employee	5.2.Talent Cultivation and Development	96-97	
404-2	Programs for upgrading employee skills and transition assistance programs	5.2.Talent Cultivation and Development	93-97	
404-3	Percentage of employees receiving regular performance and career development reviews	5.2.Talent Cultivation and Development	93-94	
405 Employees Diversity and Equal Opportunity: 2016				
405-1	Diversity of governance bodies and employees	3.1.Corporate Governance Framework 5.1.Talent Recruitment and Retention	36-39 87-92	
414 Supplier Social Assessment: 2016				
414-1	New suppliers that were screened using social criteria	4.3.Supplier Sustainability Management	70-74	
416 Customer Health and Safety: 2016				
416-1	Assessment of the health and safety impacts of product and service categories	4.2.Technology and Innovation R&D	65-66	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.4.Product Quality Control	78-79	
418 Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1.Customer Service Management	58-59	
GRI 3-3 FBT Custom Material Topics				
*Customer Relations Management		4.1.Customer Service Management	56-61	
*Technology and R&D		4.2.Technology and Innovation R&D 4.4.Product Quality Control	62-67 77-81	

8.3. SASB Indicator Comparison Table - Auto Parts

Sustainability Related Topics and Indicators					
Disclosure Topics	**Disclosure Indicators**	**Disclosure Code**	**Category**	**Corresponding chapters/sections in the Report**	**Page**
Energy Management	Total Energy Consumption	TR-AP-130a.1	Quantification	6.3.Energy Management	129
	Grid Ratio	TR-AP-130a.1	Quantification	6.3.Energy Management	129
	Percentage of Renewable Energy	TR-AP-130a.1	Quantification	6.3.Energy Management	129
Waste	Total Amount of Waste	TR-AP-150a.1	Quantification	6.5.Waste Management	138
	Percentage of Hazardous Waste	TR-AP-150a.1	Quantification	6.5.Waste Management	139
	Percentage of Non-Hazardous Waste	TR-AP-150a.1	Quantification	6.5.Waste Management	139
Product Safety	Number of Recalls and Total Number of Recalled Products	TR-AP-250a.1	Quantification	4.4.Product Quality Control	78-79
Fuel Efficiency	Product can help increase fuel efficiency or reduce emissions	TR-AP-410a.1	Quantification (not applicable)	4.2.Technology and Innovation R&D	65-66
Raw Materials Procurement	Description of Critical Materials Used and Risk Management	TR-AP-440a.1	Quality	4.3.Supplier Sustainability Management	74-75
Raw Material Utilization Efficiency	Percentage of products sold that are recyclable	TR-AP-440b.1	Quantification	4.2.Technology and Innovation R&D	65-66
	Percentage of recycled materials used	TR-AP-440b.2	Quantification	4.2.Technology and Innovation R&D	65-66
Competitive Behavior	Total monetary loss resulting from legal disputes related to anti-competitive behavior	TR-AP-520a.1	Quantification	3.2.Business Ethics	48

Activity Metrics				
Disclosure Indicators	**Disclosure Code**	**Category**	**Corresponding chapters/sections in the Report**	**Page**
Total Product Production	TR-AP-000.A	Quantification	1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	10
Total Production Weight	TR-AP-000.B	Quantification	1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	10
Factory Size	TR-AP-000.C	Quantification	1.2.About Fine Blanking & Tool Co., Ltd. (FBT)	5

8.4.Climate-Related Information of TWSE Listed and TPEx Listed Companies (Taiwan Operational Sites)

Item	Item	Corresponding chapters/sections in the Report	Page
1	Describe the Board's and management's oversight and governance of climate related risks and opportunities.	6.1.Climate Change	119-143
2	Explain how identified climate risks and opportunities affect the business, strategies, and finances of the company (short-term, medium-term, long-term).		
3	Describe the impact of extreme climate events and transformational actions on finances.		
4	Detail how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.		
5	If resilience against climate change risks is assessed using scenario analysis, provide information about the scenarios, parameters, assumptions, analysis factors, and primary financial impacts used.		
6	If there are transformational plans to manage climate-related risks, explain the content of the plans, indicators, and goals used for identifying and managing physical and transitional risks.		
7	If internal carbon pricing is used as a planning tool, caalarify the basis for pricing.	Under consideration for planning.	
8	If climate-related goals are set, provide information about covered activities, scope of greenhouse gas emissions, planning timelines, and annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, explain the sources and quantities of carbon offsets or RECs exchanged.	6.1.Climate Change	125-126
9	Inventory of greenhouse gas emissions and certainty of the situation.	6.2.Greenhouse Gas Management	127-128

8.5.Independent Third-Party Verification Opinion Statement

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By Royal Charter

INDEPENDENT ASSURANCE OPINION STATEMENT

Fine Blanking & Tool Co., Ltd. 2023 ESG Report

The British Standards Institution is independent to Fine Blanking & Tool Co., Ltd. (hereafter referred to as FBT in this statement) and has no financial interest in the operation of FBT other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of FBT only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by FBT. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to FBT only.

Scope

The scope of engagement agreed upon with FBT includes the followings:

1. The assurance scope is consistent with the description of Fine Blanking & Tool Co., Ltd. 2023 ESG Report.
2. The evaluation of the nature and extent of the FBT's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.
3. The assessment of disclosure to be in conformance with the applicable SASB industry standard(s) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Fine Blanking & Tool Co., Ltd. 2023 ESG Report provides a fair view of the FBT sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the FBT and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate FBT's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that FBT's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards and SASB Standard(s) were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to FBT's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 14 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).
- an assessment of the organization's use of metrics or targets of SASB Standard(s) to assess and manage topic-related risks and opportunities.

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards and SASB Standard(s) is set out below:

Inclusivity

This report has reflected a fact that FBT has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the FBT's inclusivity issues.

Materiality

FBT publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of FBT and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the FBT's management and performance. In our professional opinion the report covers the FBT's material issues.

Responsiveness

FBT has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for FBT is developed and continually provides the opportunity to further enhance FBT's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the FBT's responsiveness issues.

Impact

FBT has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. FBT has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the FBT's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

FBT provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the FBT's sustainability topics.

SASB Standards

FBT provided us with their self-declaration of in accordance with SASB Standard(s) (AUTO PARTS Sustainability Accounting Standard, version 2018-10). Based on our review, we confirm that the sustainability disclosure topics & accounting metrics of SASB Standard(s) (AUTO PARTS Sustainability Accounting Standard, version 2018-10) are reported, partially reported, or omitted. In our professional opinion the self-declaration covers disclosure topics, associated accounting metrics and activity metrics for applicable SASB industry standard(s).

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

The moderate level assurance provided is in accordance with AA1000AS v3 in our review of SASB Standard(s).

Responsibility

The sustainability report is the responsibility of the FBT's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice

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...making excellence a habit.™

Statement No: SRA-TW-807272
2024-07-31

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Ni-Hu Dist., Taipei 114, Taiwan, R.O.C.

A Member of the BSI Group of Companies.