

2. Sustainable Development

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



Our Mission

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

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.

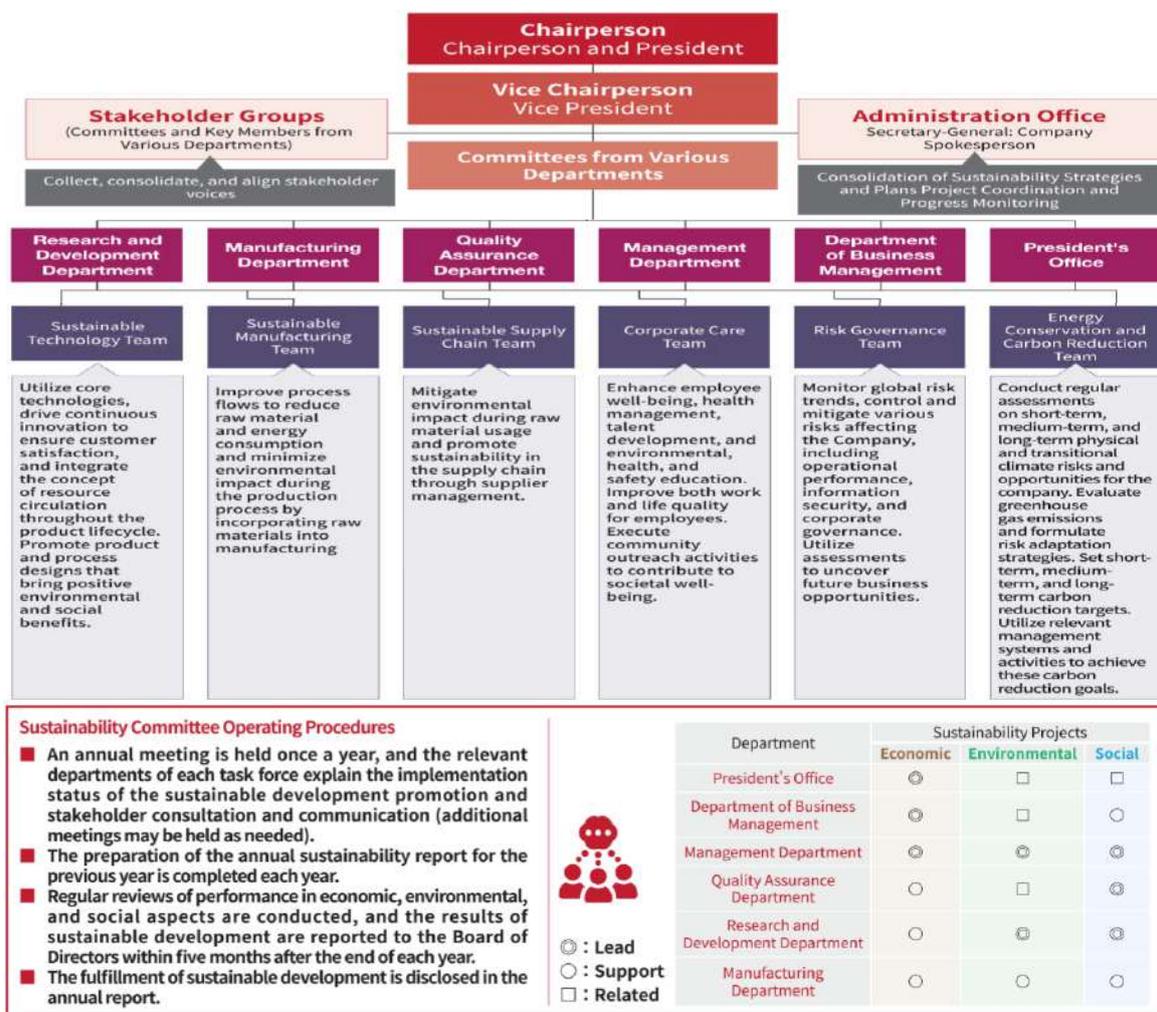
Fine Blanking & Tool Co., Ltd.

Chairperson Wu, Chung-Ming

2.2 Sustainable Development Governance Framework

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



2024 Implementation Effectiveness

Two working meetings were held, and the performance of sustainability implementation was reported to the Board of Directors on May 27, 2025.

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/clients, suppliers/contractors, shareholders, the group, and government agencies.

2. Collecting Sustainability Issues

◆ To enable more focused information disclosure, we identified 29 sustainability issues—11 economic, 9 environmental, and 9 social—based on the topics of concern from leading domestic and international industry peers as well as the Sustainability Accounting Standards Board (SASB) automotive components industry standards. These issues were consolidated through communication and interaction with industry peers and 15 members of the stakeholder group, and used as the topics for the questionnaire survey in the report. A more detailed and standardized internal assessment was then conducted, considering factors such as the positive and negative impacts of each issue on the economy, environment, and people, 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 2024, we collected 161 valid 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 29 members, filled out questionnaires to evaluate the impact of each issue on our operations. We received a total of 29 completed questionnaires.

5. Ranking of Positive and Negative Impact Levels

◆ We evaluated the significance of positive and negative impacts of the company's operations on the overall economy, environment, and people (including their human rights). A total of 29 questionnaires were distributed and collected from the stakeholder group and department managers to assess the impact severity and likelihood of occurrence. The results from all 29 responses were used to evaluate the impact level of each issue on the company.

6. Identification of Material Topics

◆ Through questionnaire analysis, the concern scores of each topic were matrixed against the stakeholder group's impact scores on sustainable operations. After communication and discussion within the stakeholder group, seven material issues were identified in 2024 and submitted for approval by the Chairperson of the Sustainability Committee. Effective management policies were then established for each corresponding material issue.

7. 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 Interaction

Apart from maintaining interactions with stakeholders through various departmental operations, Fine Blanking & Tool has also established a Corporate Social Responsibility section on its official website, which includes an external communication mailbox

adm20@fineblanking.com.tw as a basic communication channel between the company and its stakeholders. In addition, the Taiwan operational site has established the “Guidelines for Preventing Unlawful Infringement during Duty Execution” as a preventive measure. The company also values feedback from all stakeholders and responds appropriately through various communication channels according to the concerns and interests of each stakeholder group.

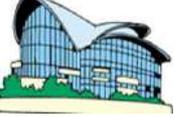
Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 Employees	Employees are the most important partners for the sustainable development of the Company. They are the crucial key to building core competitiveness and the foundation for achieving sustainable operations. We are 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.	1. Employee Benefits and Compensation	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)	6.4. Operational Performance
		5. Talent Recruitment and Retention	5.1. Talent Recruitment and Retention
		6. Operational Continuity and Management	6. Sustainability Governance
Communication Channels	Communication Frequency	Resolution Results	
Employee Welfare Committee Meeting	Irregular basis	7 meetings held.	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.
Company Announcements	Irregular basis	Real-time announcements made on an irregular basis.	
Suggestion Improvement System	Irregular basis	Proposal benefits exceeded NT\$70 million.	
Labor-Management Meeting	Quarterly	4 meetings conducted.	
Employee Mailbox	Ongoing	No major grievance cases were reported.	
Occupational Safety and Health Committee	Quarterly	4 Occupational Safety and Health Committee meetings and 8 TPM Environmental Safety Subcommittee meetings conducted.	
Organize various health management activities	Regular and irregular	Monthly self-health management activities include measurements of weight, blood pressure, waist circumference, and step count, with a total of 3,153 participants in 2024.	
		Annual employee trips and quarterly health promotion activities and seminars are organized to relieve stress, promote employee well-being, and enhance family and parent-child interactions.	
		Employees receive consultations and services from occupational physicians and physical therapists once a month.	
		At least two employees per month receive psychological counseling and support from licensed counselors.	
Employee satisfaction survey	Irregular	In 2024, a satisfaction survey was conducted for new hires and in-service employees on an irregular basis, with a score of 94.2 points; improvement actions were planned based on the results.	

Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 <p>Customers/Clients</p>	<p>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.</p>	1.Customer Relations Management	3.1.Customer Service Management
		2.Operational and Financial Performance (Profitability)	6.4.Operational Performance
		3.Technology and Innovation R&D	3.2.Technology and Innovation R&D
			3.4.Product Quality Control
		4.Procurement Policies and Supplier Management	3.3.Supplier Sustainability Management
		5.Environmental Protection Management System	4.3.Environmental Management Policy
		6.Climate Change and Energy-Saving and Carbon Reduction	4.1.Climate Change Management
			4.2.Greenhouse Gas and Energy Management
4.3.Environmental Management Policy			
4.4.Mitigating Environmental Impact			
7.Workplace Safety and Health Management	5.5.Occupational Health and Safety		
8.Product Labeling and Product Health and Safety	3.4.Product Quality Control		
Communication Channels	Communication Frequency	Resolution Results	
Business Meetings	Irregular basis	<p>The satisfaction survey scored 85 points. Based on the "Customer Satisfaction Survey," feedback was collected and consolidated into a report, with improvement measures proposed and follow-up actions taken to track effectiveness.</p>	<p>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.</p>
Customer Visits	Irregular basis		
Customer Satisfaction Surveys	Annually		
Customer Complaint Management System	Irregular basis		
Product Liability Insurance Coverage	Annually		

Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 <p>Suppliers/Contractors</p>	<p>Suppliers are our sustainable business and growth partners. We aspire to establish enduring partnerships with our suppliers, working together to fulfill corporate social responsibility.</p>	1.Procurement Policies and Supplier Management	3.3.Supplier Sustainability Management
		2.Operational and Financial Performance (Profitability)	6.4.Operational Performance
		3.Environmental Protection Management System	4.3.Environmental Management Policy
		4.Workplace Safety and Health Management	5.5.Occupational Health and Safety
		5.Customer Relations Management	3.1.Customer Service Management
Communication Channels	Communication Frequency	Resolution Results	
Supplier Meetings	Irregular basis	<p>1.Three supplier engagement activities were organized. 2.Contractors received hazard notifications and safety instructions before entering the plant.</p>	<p>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.</p>
Contractor Education and Training	Irregular basis		
Supplier Audits	Annually	12 supplier audits and coaching sessions were conducted.	
Supplier Evaluation	Monthly	<p>1.100% of new suppliers were evaluated. 2.Monthly supplier evaluations were conducted, and ratings were reviewed in accordance with the Supplier Initial and Periodic Evaluation Management Guidelines. Evaluation results serve as the basis for determining continued qualification for manufacturing and contracting.</p>	
Supplier Questionnaire Survey	Annually		

Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 Shareholders	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.	1.Operational and Financial Performance (Profitability)	6.4.Operational Performance
		2.Technology and Innovation R&D	3.2.Technology and Innovation R&D
			3.4.Product Quality Control
		3.Operational Continuity and Management	6.Sustainability Governance
Communication Channels	Communication Frequency	Resolution Results	
Convene Shareholders' General Meeting	Annually	One investor conference was held to report the company's latest operational and financial status to shareholders and investors. Relevant information is also disclosed from time to time on the Market Observation Post System (MOPS) and the company's official website. The contact information of the company spokesperson has been disclosed in the Investor Relations section of the official website to facilitate real-time inquiries from shareholders and investors.	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
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		

Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 Group	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.	1.Operational and Financial Performance (Profitability)	6.4.Operational Performance
		2.Technology and Innovation R&D	3.2.Technology and Innovation R&D
			3.4.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	6.Sustainability Governance
		6.Climate Change and Energy-Saving and Carbon Reduction	4.1.Climate Change Management
	4.2.Greenhouse Gas and Energy Management		
	4.3.Environmental Management Policy		
Communication Channels	Communication Frequency	Resolution Results	
Convene Annual General Meeting	Annually	One investor conference was held to report the company's latest operational and financial status to shareholders and investors. Relevant information is also disclosed from time to time on the Market Observation Post System (MOPS) and the company's official website. 24 sessions of management review meetings, group activities, and financial information reporting were conducted.	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.
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		

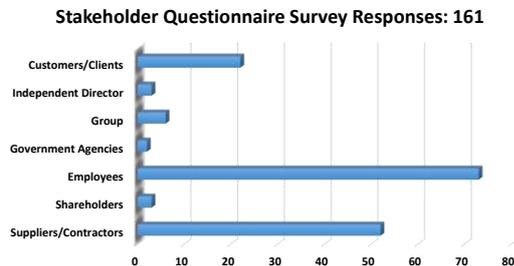
Stakeholders	Importance to the Company	Sustainability Issues	Response (Section)
 <p>Government Agencies</p>	<p>The Company adheres to relevant regulations set by government agencies and actively cooperates with policy implementation. Transparent two-way communication is maintained to establish trust, support, and collaboration with the government.</p>	1.Environmental Protection Management System	4.3.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	4.1.Climate Change Management
			4.2.Greenhouse Gas and Energy Management
			4.3.Environmental Management Policy
			4.4.Mitigating Environmental Impact
5.Greenhouse Gas Emissions Management	4.2.Greenhouse Gas and Energy Management		
6.Information Security Management	6.3.Risk Management		
Communication Channels	Communication Frequency	Resolution Results	
Correspondence and Email Communication	Irregular basis	<p>From 2014 to 2022 and in 2024, the company ranked within the “OTC” category at the 6% to 20% range. In 2023, it ranked within the “OTC” category at the 21% to 35% range. Relevant information has been disclosed on the Public Information Observatory and the company’s website. The company continues to maintain communication with regulatory authorities and actively cooperates with government policies.</p>	<p>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.</p>
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		
Corporate Governance Evaluation	Regular		
Conducting Various Health Management Activities	Regular and irregular basis	Awarded the Outstanding Enterprise Recognition by the Occupational Safety and Health Administration (OSHA), 2024	
		Awarded the Emerging Role Model Award by the Occupational Safety and Health Administration (OSHA), 2024.	
Environmental Protection and Occupational Safety Regulations Inspection and Legal Reporting	Regular	No penalty cases	

2.3.2. Analysis and Management of Material Issues

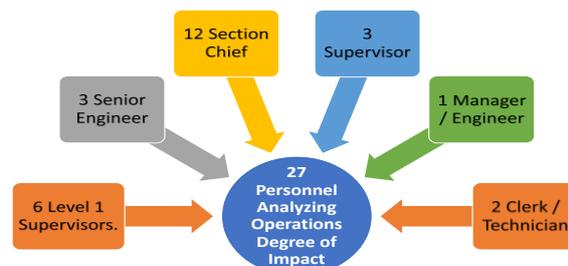
■ We collected 29 sustainability issues through the Stakeholder Task Force and external consultants. The sustainability issues are as follows:

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				

■ A total of 161 questionnaires were collected for the stakeholder concern survey, with the number of responses received from each type of stakeholder as follows:

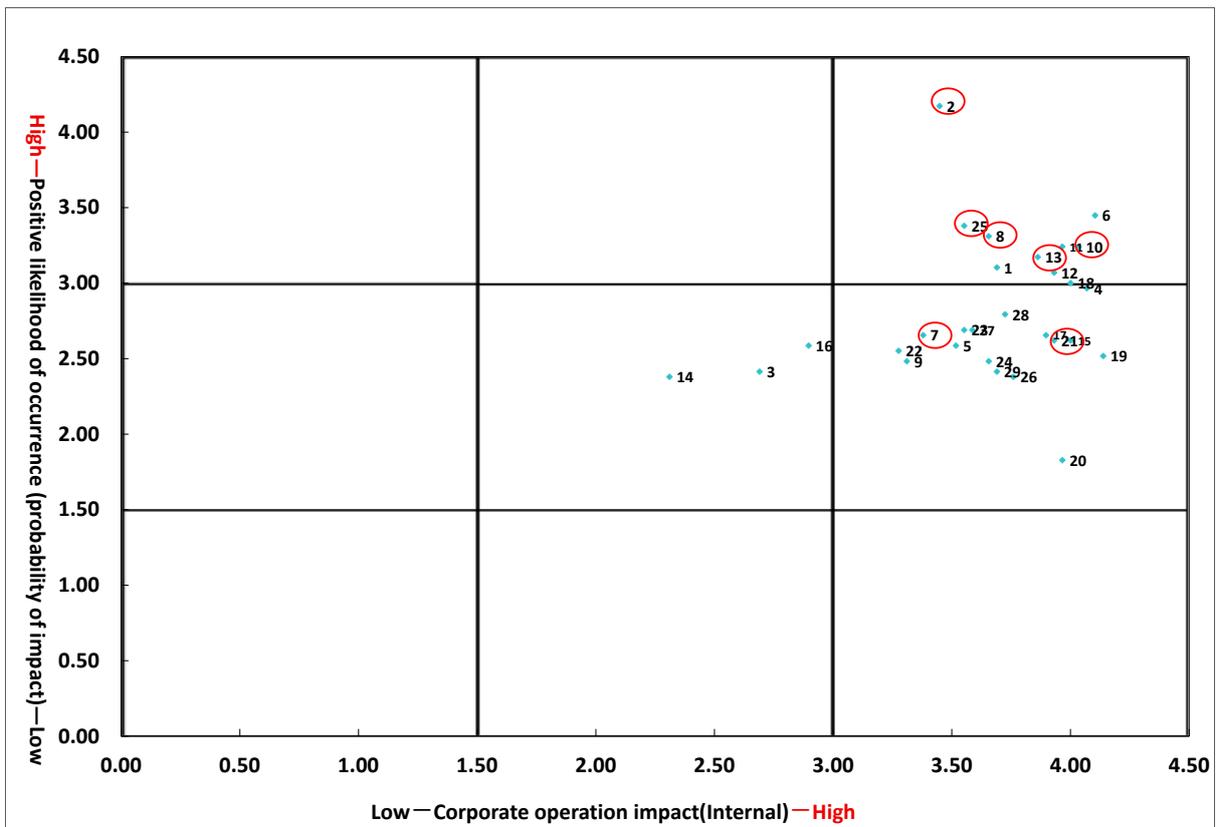
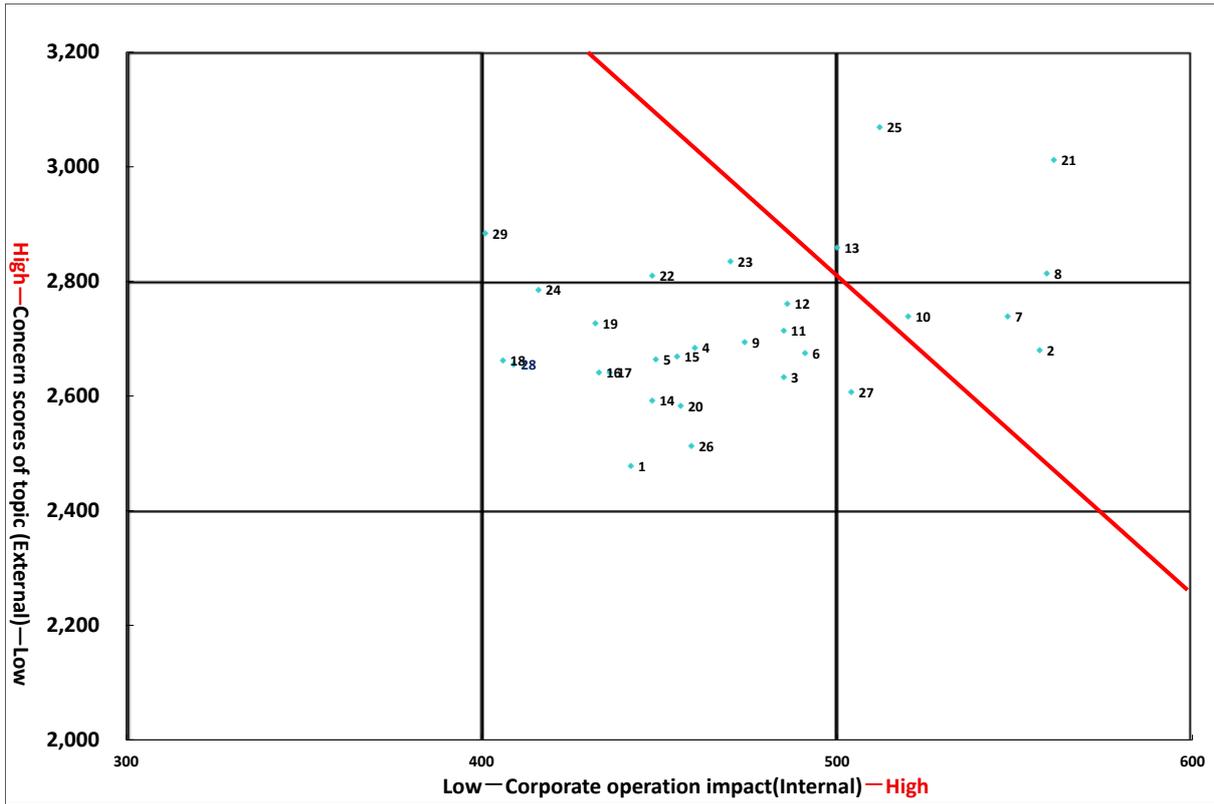


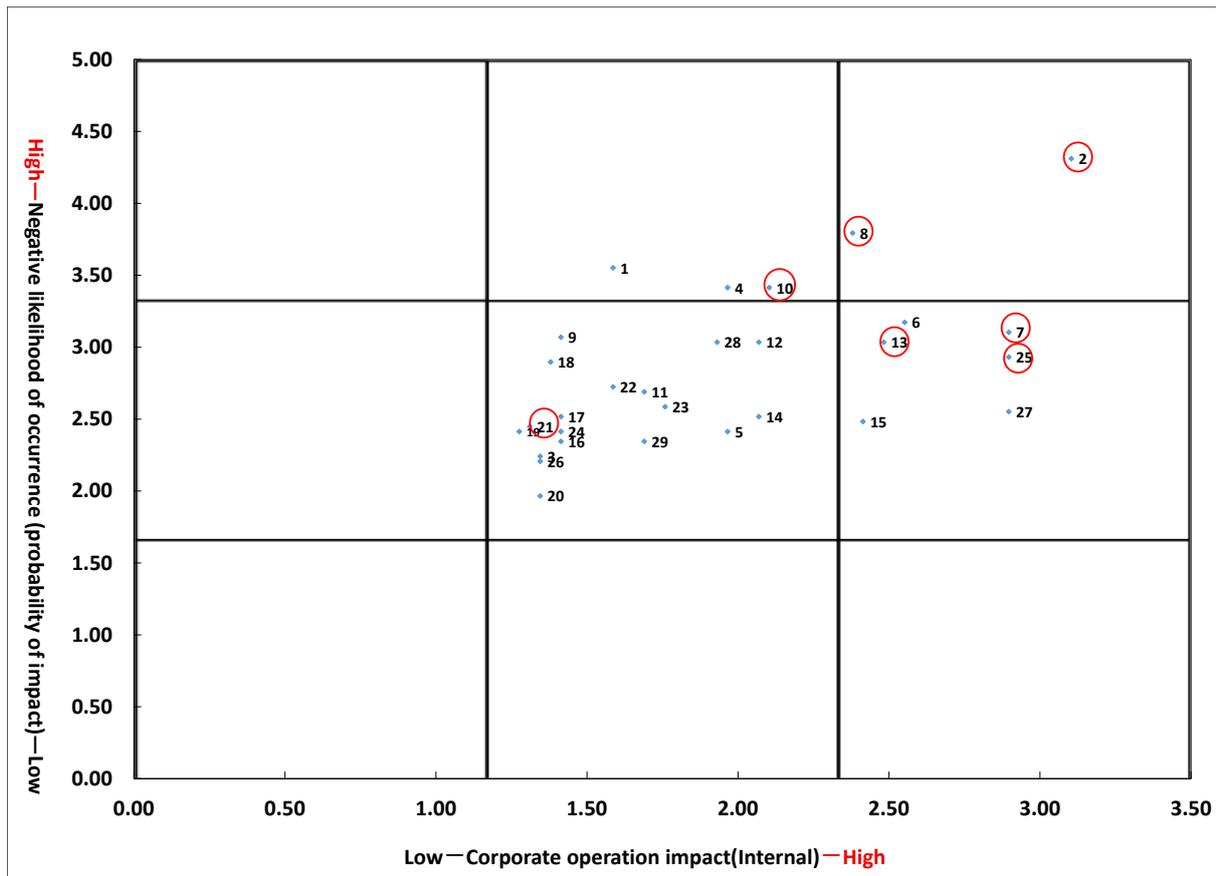
■ We measured the operational impact of each sustainability issue based on seven factors, including access to funds/capital, revenue growth, cost reduction, brand trust enhancement, reputation risk reduction, increased employee morale, and social impact, in consideration of the economic, environmental 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" 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 Management		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 2024, 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. There were no changes in the material topics in 2024 compared to 2023.

Material Topics in 2023	Material Topics in 2024	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

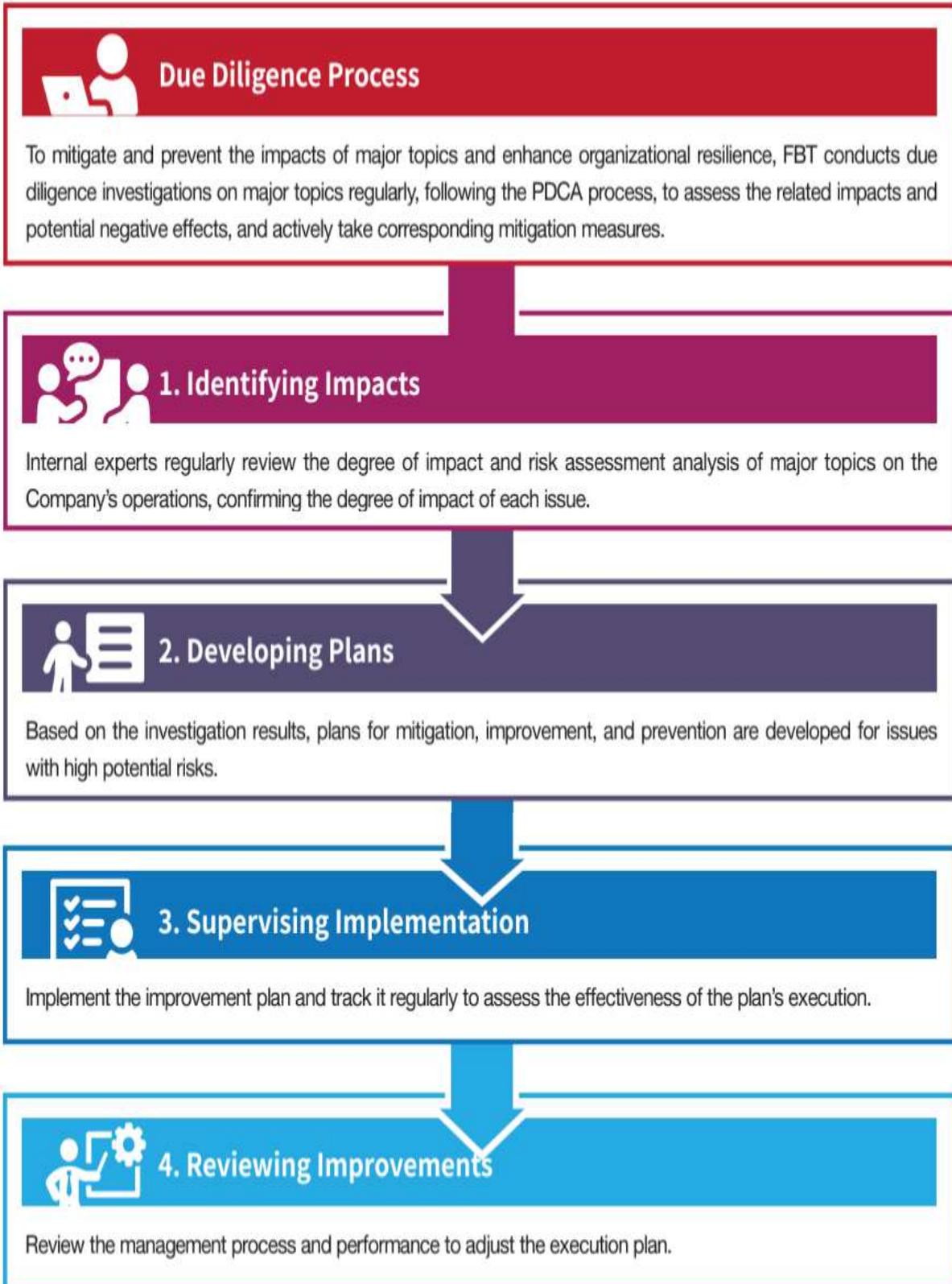
● Material Issues and Boundaries

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 (Direct Impact)				
			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)	6.4.Operational Performance
Professional Innovation	Technology and Innovation R&D	Custom Material Topics	●	●	●	Customers/Clients (business conduct impact), Shareholders (indirect impact), Group (indirect impact)	3.2.Technology and Innovation R&D 3.4.Product Quality Control
Customer Satisfaction	Customer Relations Management	Custom Material Topics	●	●	●	Customers/Clients (business conduct impact)	3.1.Customer Service Management
	Procurement Policies and Supplier Management	GRI 204: Procurement Practice 2016	●	◎	◎	Customers/Clients (business conduct impact), Suppliers/Contractors (business conduct impact)	3.3.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)	4.1.Climate Change Management 4.2.Greenhouse Gas and Energy Management 4.3.Environmental Management Policy 4.4.Mitigating Environmental Impact
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



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	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.	
Customer Relations Management	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.	<ol style="list-style-type: none"> 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.	