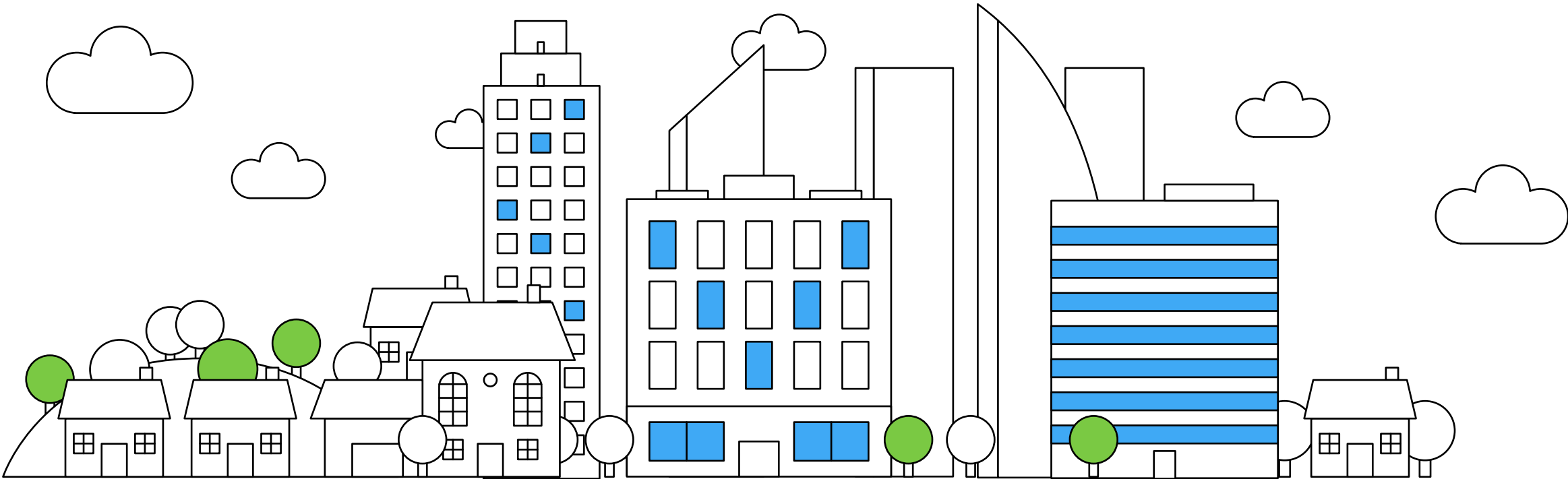


2024

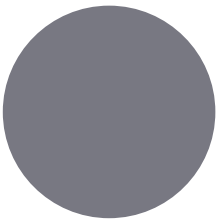
**Solteam
Sustainability Report**



SOLTEAM INCORPORATION 2024 Sustainability Report

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Start a sustainable life, the most trustworthy partner



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Foreword

About the Sustainability Report

This Report is the third sustainability report issued by Solteam Incorporation (hereinafter referred to as Solteam or the Group), of which the contents primarily disclose to stakeholders the operational achievements in environmental, social, and corporate governance aspects except the financial performance. This Report was approved for issuance by the Board of Directors in August 2025. It will be published annually henceforward to serve as a basis for the continuous communication with stakeholders and to demonstrate Solteam's determination in promoting sustainable development.

Disclosure Period and Boundary Scope of the Report

GRI 2-2

GRI 2-3

The disclosure period of this Report covers the information dated from January 1st, 2024 to December 31st, 2024. The contents of the disclosure mainly include Solteam's operational activities in the aspects of Environment, Social, and Governance. The disclosing scope includes the Solteam Group and is aligned with the scope of the consolidated financial reports. Any inconsistency is specifically elaborated in the Report. The financial data within this Report have been audited and certified by the CPA, and the reporting period is the same as that of the Sustainability Report, and are all expressed in New Taiwan Dollar.

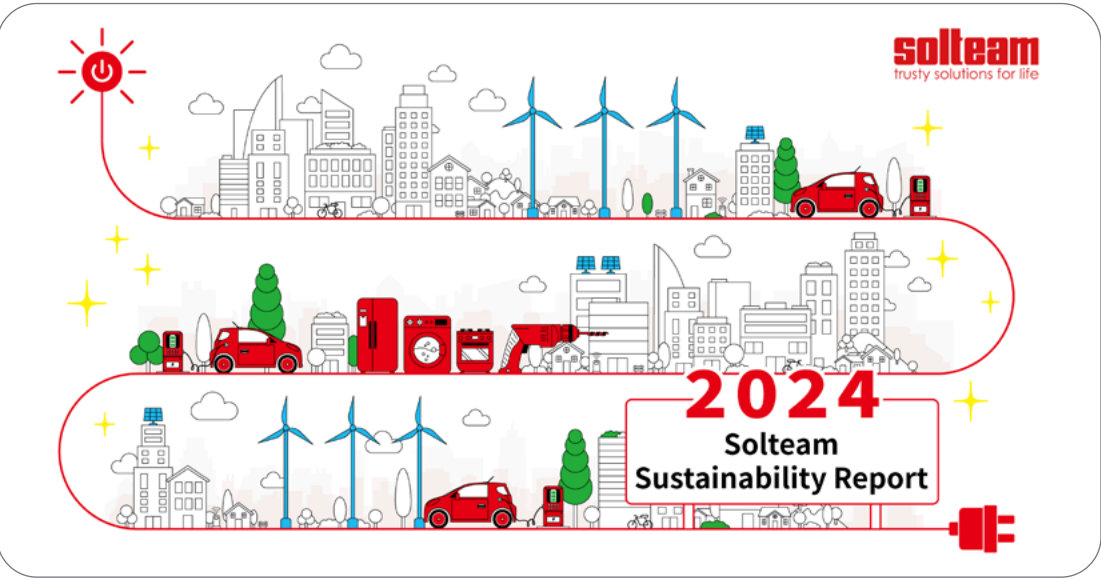
Editorial Basis

The contents of this Report are prepared in accordance with the 2021 Standards by the Global Reporting Initiative (GRI) and the Electrical & Electronic Equipment Standard 2023 by the Sustainability Accounting Standards Board (SASB). Simultaneously, the Report refers to the Task Force on Climate-related Financial Disclosures (TCFD) and conforms with the related contents of the Sustainable Development Goals (SDGs). The index comparison tables of the GRI Standards as well as the SASB Standards are also enclosed in the Appendix section of this Report.

Issuance Cycle

GRI 2-3

Solteam will publish the "Sustainability Report" every year and disclose the same under the corporate sustainable development section of the official website.



Current Release: August 2025
Next Release: August 2026

External Assurance

GRI 2-5

The financial data were audited and certified by Deloitte Taiwan. The current Sustainability Report has not been assured and is expected to be assured by a third-party in 2026.

The GHG emissions data is under the verification or assurance process by a third-party every two years. The relevant information is summarized below:


Time	Fiscal Year of the Information	Third-party	Standards Applied	Assurance Level
November 2023	2022	SGS Taiwan Limited (SGS)	ISO 14064-3:2006	Scope 1 to 2: Reasonable assurance
May 2025	2024	Ernst & Young Global Limited (EY)	ISAE 3410	Reasonable assurance

Feedback and Contact Information


GRI 2-26

GRI 2-3


Please feel free to contact us through the following methods should you have any suggestion regarding the business conduct of the Company.




Contact Telephone
03-3162168



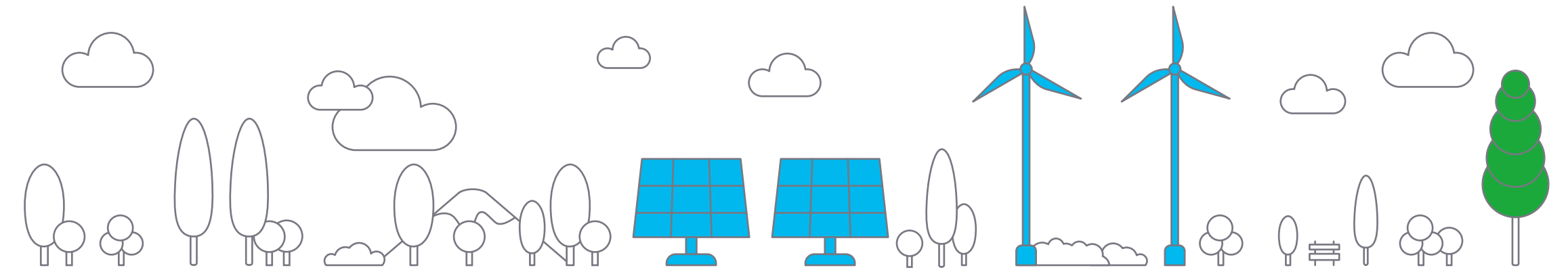
Contact Point
Sustainable Development Office



ESG Email
ESG@solteam.com.tw



Official Website
<http://www.solteam.com.tw/>



Message from the Chairman

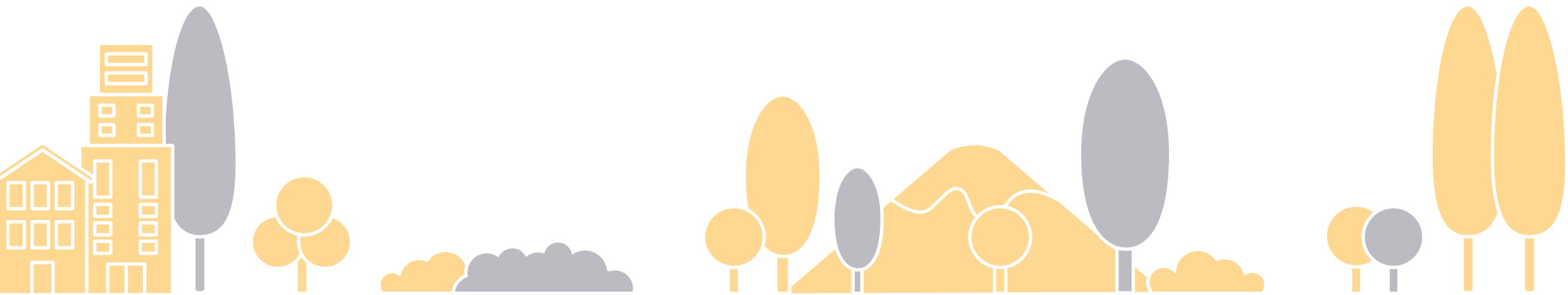
GRI 2-2

As a corporate operator, I am keenly aware that the success of an enterprise not only comes from its financial performance, but also its inseparable connection with environmental and social responsibilities. In a time where globalization and sustainability become increasingly important, sustainability reports are not only a crucial tool for corporate disclosure, but also our way of demonstrating commitment to shareholders, employees, customers, and the public. Solteam has proactively commenced information disclosure related to this perspective since 2023 for we had deeply recognized our responsibility as a TPEX-listed company of "take from society and give back to society."

Knowing thoroughly the importance of environmental protection in the modern society, Solteam develops products through our active research and development in the use of recyclable materials and avoidance of environmentally hazardous substances. In the meantime, we have established environmental management systems in each production base to ensure the effective execution of environmental policies. Additionally, we proactively organize knowledge training on environmental protection for employees through the internal platform of the Company to raise their awareness of environmental protection. Simultaneously, we express our requirements for environmental protection in formal documents and deliver them to various suppliers in hope of contributing our part to environmental protection together with suppliers' collaboration. We believe that only when the mother nature is protected will enterprises survive long-term development.

Various disasters around the globe due to extreme weather have affected the safety of the public's lives and property and caused obstruction in economic activities. For example, the Panama Canal, which has been operating for a hundred years, was faced with a predicament of drought and water shortage in 2024, resulting in a severe traffic jam in the maritime route between the Atlantic Ocean and the Pacific Ocean. For a corporate operator, this is a risk requiring attention. To thoroughly fulfill our responsibilities as a citizen of the Earth, Solteam has invested resources in greenhouse gas inventories. Not only have we obtained a third-party verification, but also conducted the inventories using digital tools to lay the foundation for the reduction works in days to come.

Employees are the most valuable assets of an enterprise. Solteam continues to build a diverse, inclusive, and safe working environment and provides employees with fair promotional opportunities as well as competitive salaries. With an emphasis on the physical and mental health in workplace, we regularly organize health check-ups, seminars, and stationary medical staff services to provide complimentary health consultations. In addition, to take care of the family lives of employees, we provide scholarships to their children and encourage the children to be diligent in their studies and to elevate their educational levels. Moreover, we have mapped out an area in Dong Guan factory for employees to run their own "Happy Farm." This way, employees not only relieve their pressure at work by observing the gradual growth of the seedlings planted and nurtured by themselves, but also build a deeper teamwork through sharing their achievements with colleagues.



Given that social support is key to the success of an enterprise, Solteam has always regarded "giving back to society" as a part of our corporate responsibility. We have proactively participated in community development. Take Taiwan headquarters for example, we collaborated with the Chinese Christian Relief Association on the 1919 Food Bank campaign where our management team led our employees to be volunteers in rice-packing in the Bali warehouse. Another example is that the employees in Dong Guan factory organized a volunteering team for mountain cleanup activities on the park trails near the factory, of which the results have been widely acclaimed. Still another example is that our Cambodia factory participated in the visits and assistance of disadvantaged families. We are certain that sustainable development can be truly realized from co-prosperity between the enterprise and the community.

Solteam realizes that the way to putting ESG into practice is process of constant improvement. In the future, we will deepen our partnership with suppliers to facilitate the sustainable development of the global industrial chains. In the meanwhile, we will persist in innovating, researching, and developing more environmentally efficient products to address the market's and the society's expectations on sustainability. ESG is not only our corporate objective, but also our commitment to the future generation. We will continue to create a better future hand in hand with everyone in a transparent and accountable attitude.



Chairman
Tseng, Wen-Cheng

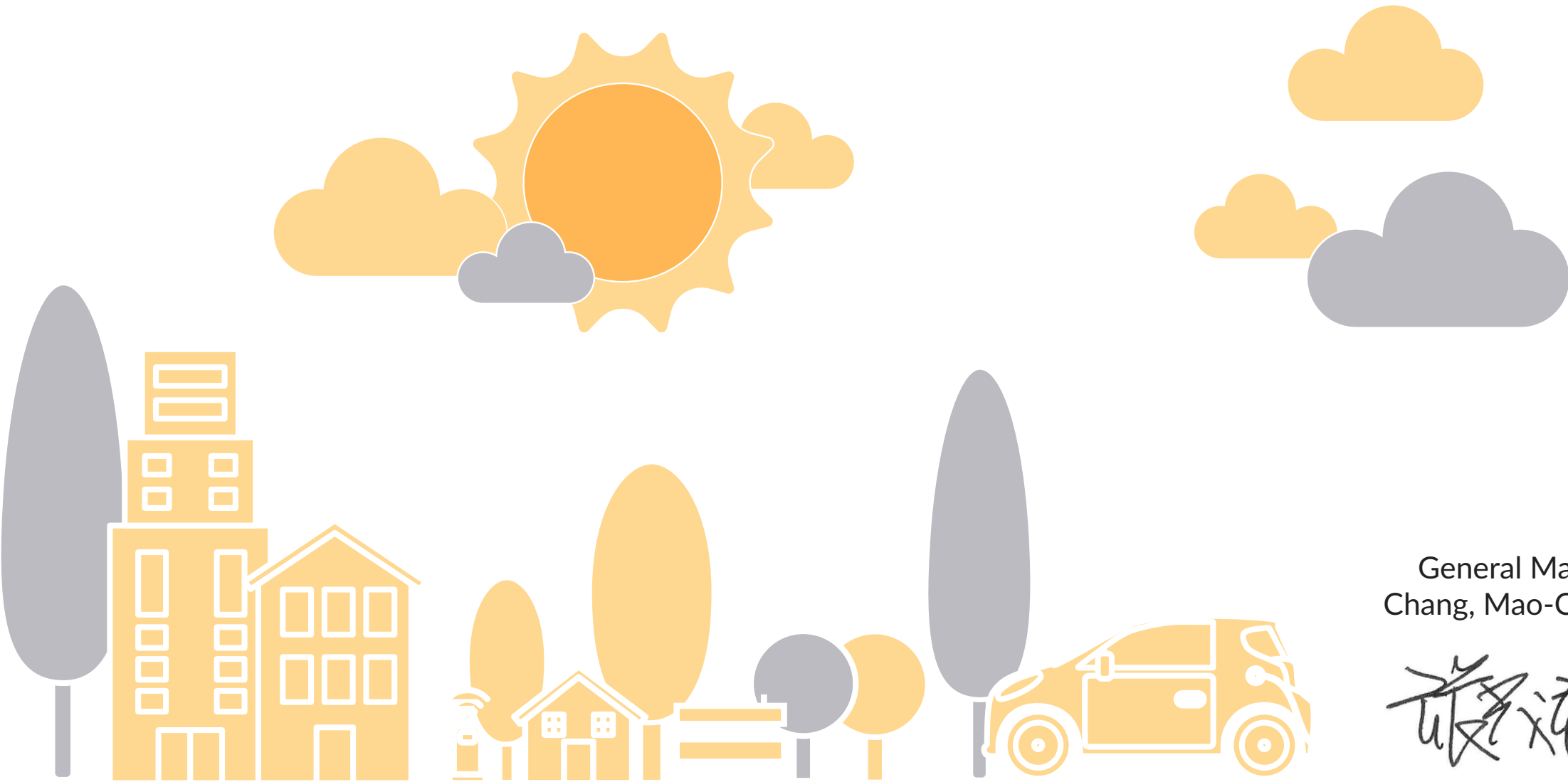
曾文政

Message from the General Manager GRI 2-2

Sustainable management is a commitment and a huge responsibility of an enterprise to its stakeholders and employees. With the spirit of taking from the society and giving back to the society, we uphold the Company's core values of "Unleashing Technology , Manufacturing Excellence, and Customer Trust" to upgrade our competitive edges and take creating maximum value for the Company as our operational mission.

In response to environmental changes, a pathway towards net zero emissions and digital transition is necessary for practicing corporate sustainability. The resilience of corporate management has to intensify internal and external environmental risk management, to not pursue excessive growth, to address the interests of internal and externally interested parties, and to persist in talent cultivation and the optimization of management systems. With a corporate culture of stable management, we make good use of new opportunities in the market to promote our products to diversified industries from consumer electronics, home appliances, and power tools to car components and medical equipment.

Looking forward to the future, Solteam, standing on the existing foundation, will focus more on the digital transition to elevate the Company's competitive edges while achieving the goal of reducing waste; advance energy conservation and carbon reduction to fulfill the responsibility as a citizen of the earth; fortify the management of intellectual property and trade secrets to minimize business risks; improve the workplace to provide employees a more secure and comfortable working and living environment; bring the influence of supply chain into full play to expedite resilience and sustainable development with suppliers; and inject more resources to develop high-quality, energy-saving, and environmentally-friendly products. We believe that with such corporate culture and strategic deployment we will be capable of moving towards the next thirty years or even more regardless of any challenges.



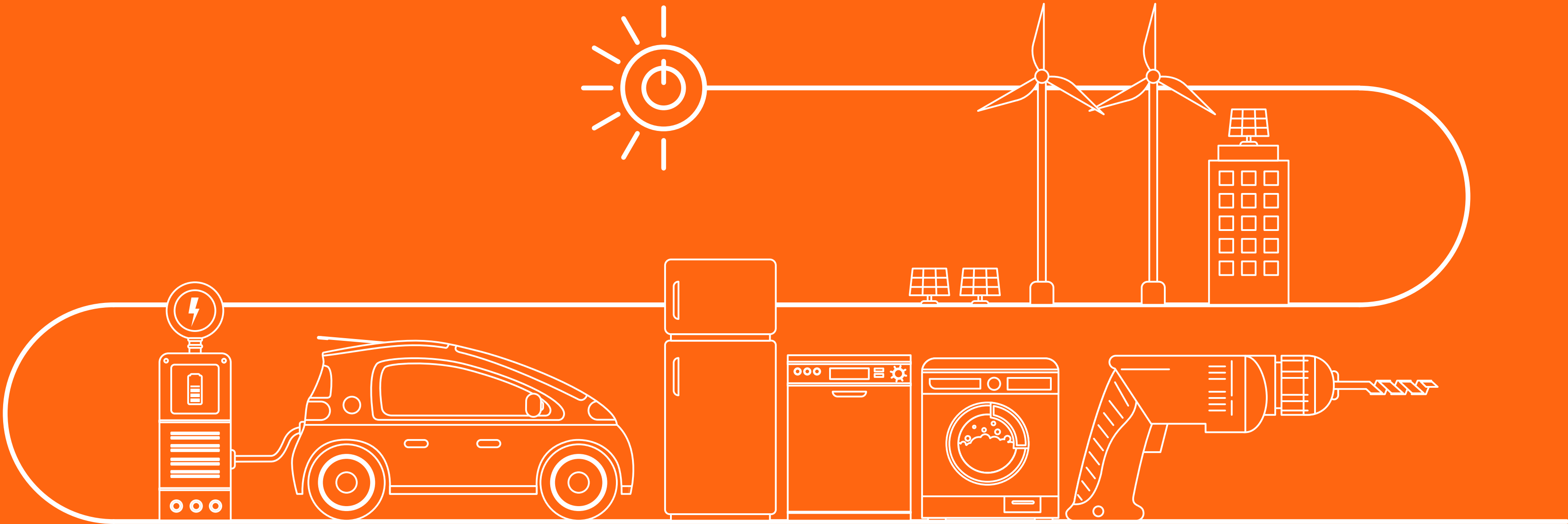
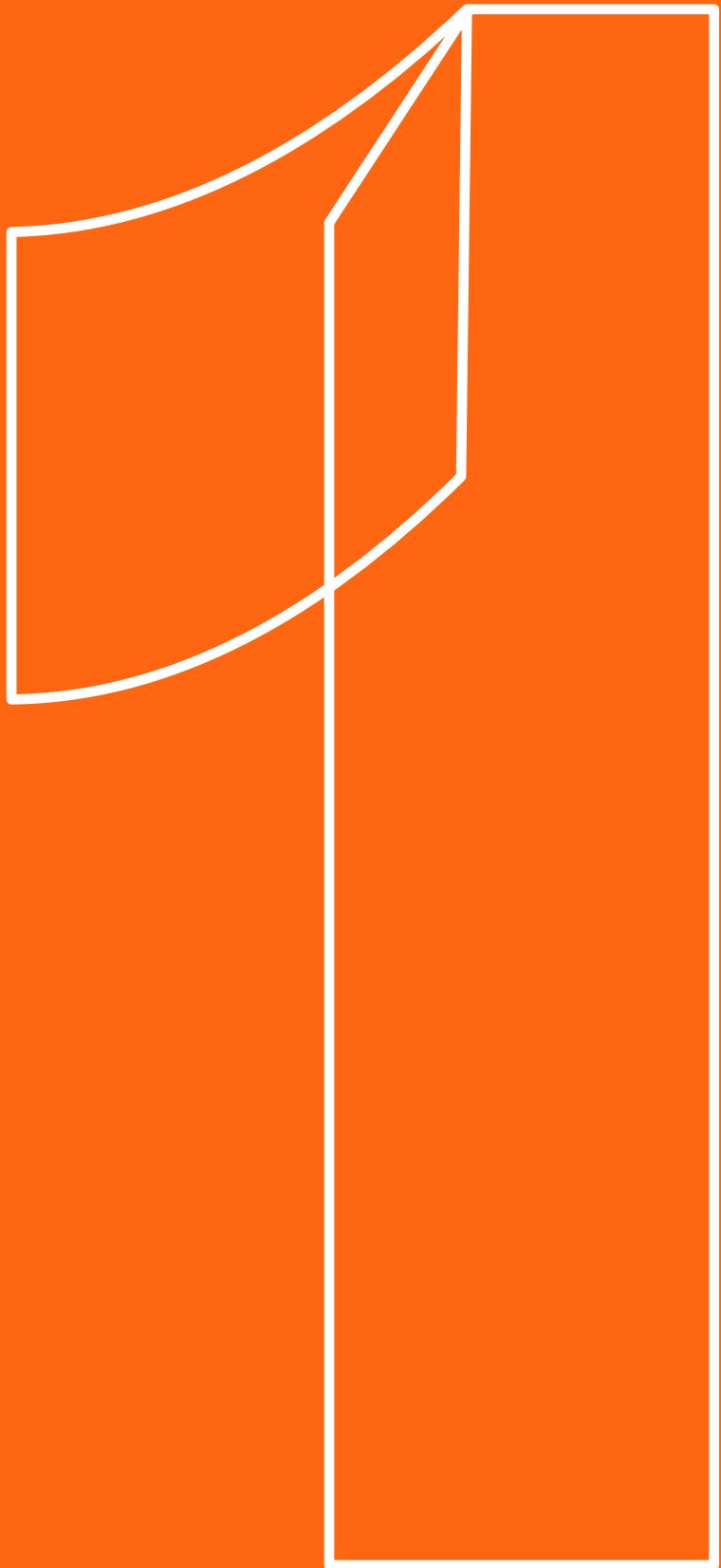
General Manager
Chang, Mao-Chiang

A handwritten signature in black ink, likely belonging to General Manager Chang, Mao-Chiang.



Chapter

About Solteam



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1.1 Corporate Sustainability Strategy and Vision

1.1.1 Brand Spirit, Operation Locations, Product and Service

Since the foundation in 1992, Solteam has adhered to the core values of "Passionate Collaboration, Honest and Practical, Always Striving for Improvement" and the professional technological capabilities. As a world-class manufacturer, our major products are variable-frequency control units, electronic control units, and electromechanical integration solutions. With years of experience in research, development, and manufacturing, Solteam has served customers in the global fields of power tools, white goods, new energy vehicles, AI application and energy storage, medical, and environmental industries. By maintaining high quality and providing customers integrated solutions, we offer tailored manufacturing services to customers in various sectors.

Operation Locations

GRI 2-1

Management Philosophies

Plebeianized Management

Professional Leadership

Transparent Operations

Focus on Environmental Protection

Brand Spirit

Sustainable Living, Your Best Partner!

📍 **Solteam Electronics (Suzhou) Co., Ltd. (East China Factory)**
No. 358, Liuxu Rd., Economic Development Zone, Wujiang City, Jiangsu Province.

📍 **Solteam Incorporation (Headquarters)**
7F-2, No. 888, Jingguo Rd., Taoyuan Dist., Taoyuan City.

📍 **Solteam Incorporation (Dayuan Factory)**
No. 38 & No. 40, Ln., 151, Wuqing Rd., Dayuan Dist., Taoyuan City.

📍 **Solteam Opto, Inc.**
13F, No. 898, Jingguo Rd., Luzhu Dist., Taoyuan City.

📍 **Dong Guan Solteam Electronics Co., Ltd. (South China Factory)**
No. 8, Shang Zhen 2 Rd., Shang Jiao Community, Chang An Town, Dong Guan City, Guang Dong Province.

📍 **Solteam Electronics (Cambodia) Co., Ltd.**
Phum Troyueng, Khum Peuk, Srok Angsnoul, Kandal Province. No. 4 Rd. , 27KM, Qichang Industrial Park, Phnom Penh Of Cambodia

📍 **Solteam Cambodia**
Phnom Penh Special Economic Zone, National Road 4, Phum Kamrieng, Sangkat Hantouk, Khan Kambol, Phnom Penh, Kingdom of Cambodia.

📍 **Solteam (Thailand) Co., Ltd.**
No. 351/15 Moo 4 Prakasa Soi 12, Prakasa Road.Tambol Prakasa, Amphur Muang, Samutprakarn 10280, Thailand.

Product and Service GRI 2-6

The major core technical capabilities of Solteam are mold development and motor controls. We have been upholding the spirit of always striving for improvement through non-stop research, development, and innovation. The main products can be divided into the following two categories, electronic control units and variable-frequency control units. The applications cover power tools, white goods, new energy vehicles, AI application and energy storage, medical, and environmental industries, and are gradually being extended to the areas where higher safety certification is required.

Electronic Control Units

Mainly applied on products for information communications technology, white goods products, portable power tool products, high voltage connector products (applied on automobiles, scooters, and energy-saving industry), medical products, and other industrial application products.



Variable-frequency Control Units

Mainly applied on portable power tool products and other industrial application products.



Product Introduction



ICT



Power Tools



White Goods

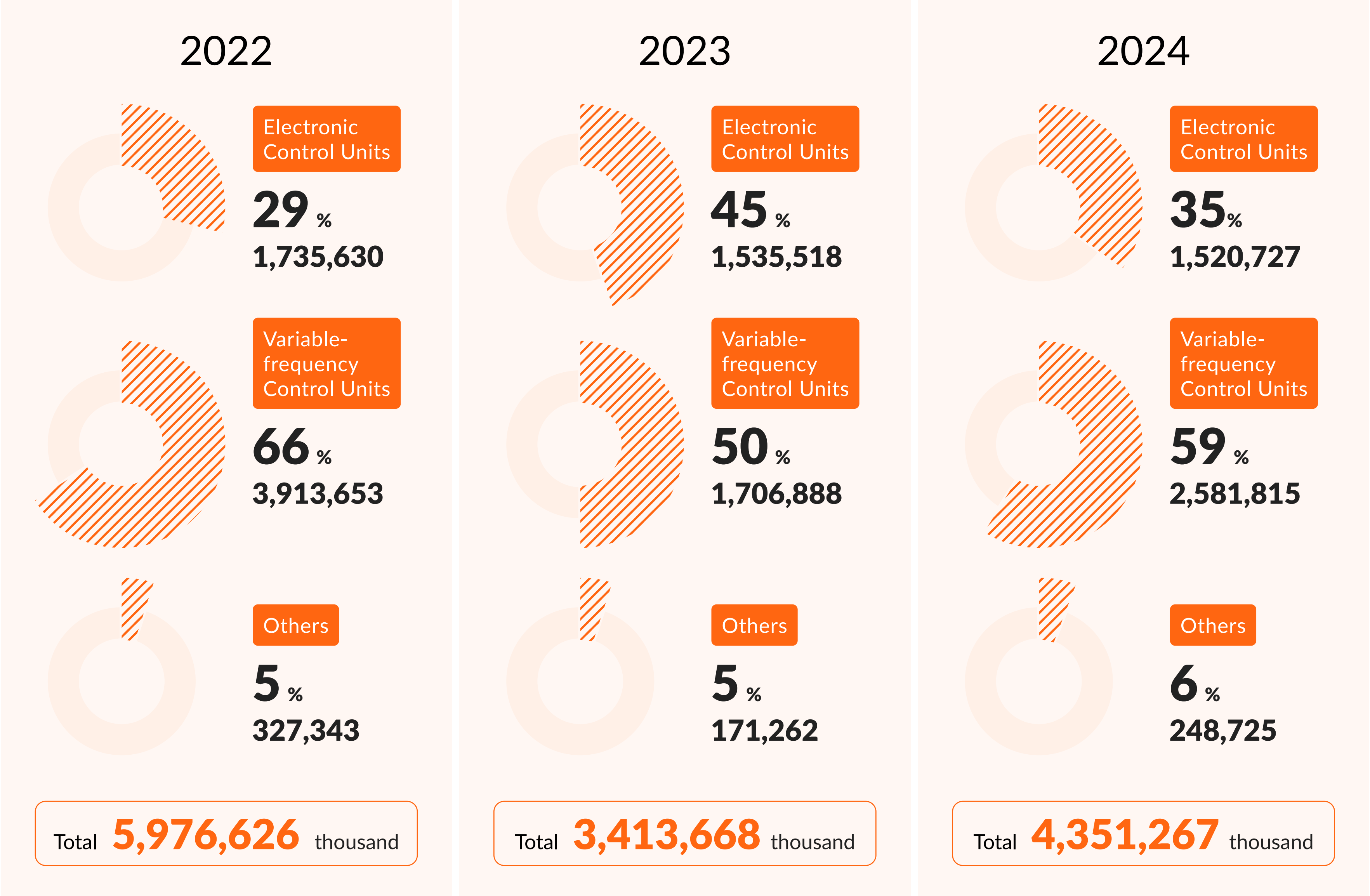


Automotive Use



Medical Equipment

Product Category and Revenue Proportion (Unit: NT\$ thousand)



1.1.2 Operational Accomplishments

Operational Performance and Income Proportion GRI 201-1

Solteam's consolidated net operating revenue in 2024 was NT\$4,351,267 thousand, the net income after tax was NT\$316,317 thousand, and the earnings per share after tax was NT\$4.17. Please refer to Solteam's 2024 Annual Report for more financial information.

Item	2022	2023	2024
Net Income After Tax (thousand)	345,941	115,968	316,317
Consolidated Profit Margin	5.79%	3.40%	7.27%
R&D Investment (thousand)	266,467	196,163	249,353
Return on Equity	14.13%	4.39%	10.73%
Cash Dividend Distribution Rate	49.31%	77.42%	59.95%
Earnings Per Share After Tax	5.07	1.55	4.17



[Link for Annual Report](#)

Item	Basic Elements	2022	2023	2024
Direct Economic Value Generated	Revenues (thousand)	5,976,626	3,413,668	4,351,267
Economic Value Distributed	Operating Costs (thousand)	4,776,512	2,666,083	3,152,615
	Payments to Providers of Capital (thousand)	188,841	90,644	192,670
	Payments to Government (thousand)	88,418	76,539	179,663
	Community Investments (thousand)	46	47	49
	Employee Wages and Benefits (thousand)	702,462	555,810	685,162
Economic Value Retained	Direct Economic Value Generated – Economic Value Distributed	345,941	115,968	316,317

1.2 Company Profile

1.2.1 Important Events in the Recent Three Years



2022

Our Taiwan factory received the Makita Excellent Manufacturer Award.



2023

Our Taiwan factory received the Silver Award in the 2023 Happy Enterprise Awards presented by 1111 Job Bank.

Our Taiwan factory received the Bronze Award of the Corporate Sustainability Reporting Awards in the first category of electronic components at the TCSA Taiwan Corporate Sustainability Awards.



2024

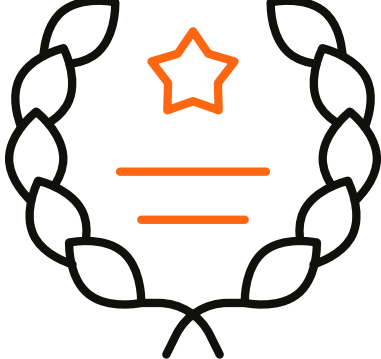



Solteam Opto received the 2025 Taiwan Excellence Award for its Industrial Integrated "Turbidity & Transmittance Water Sensor."

Our Taiwan factory received the Bronze Award of the Corporate Sustainability Reporting Awards in the second category of Electronic Information Manufacturing Industry at the Taiwan Corporate Sustainability Awards (TCSA).

Please refer to the 2024 Annual Report for Solteam's other important events.

1.3 Sustainability Performance Highlights

1.3.1 Sustainability Performance Highlights

	 Environment	 Social	 Governance
Obtained a third-party reasonable assurance for 2024 GHG Inventory.	■		
Received the 2025 Taiwan Excellence Award for our Industrial Integrated Turbidity & Transmittance Water Sensor.	■		
Obtained a 92% signing rate for "Supplier Sustainable Development Code of Conduct" and an 89% response rate for "Supplier Sustainability Risk Assessment Questionnaire."	■	■	
Solteam built the Happy Farm in 2024 and organized a competition to encourage employees to experience farming.	■		
0 occupational accident, occupational disease, and emergency within factory premises.		■	
A total of 180 participants in Solteam's 2024 courses on physical/mental health and work-life balance.		■	
Ranked in the group of 21% to 35% among the TPEX-listed market in the Corporate Governance Evaluation results; and ranked in the group of 11% to 20% among the TWSE- and TPEX-listed companies with a capital under NT\$5 billion.			■
Scored 93.7 points for customer satisfaction.			■
0 cases of corruption and material violation.			■
Our Taiwan factory received the Bronze Award of the Corporate Sustainability Reporting Awards in the second category of Electronic Information Manufacturing Industry at the Taiwan Corporate Sustainability Awards (TCSA).			■
Obtained an accumulation of 21 patents during 2022 and 2024.			■

1.3.2 Sustainability Column

Say Hi to Health – Syringe to Society

In response to the trend of ageless health, the pursuit of health has become a country-wide movement. Through pursuing health, whether internal or external, people can not only avoid the threats of pandemic and diseases, but also increase their sense of happiness in life. Therefore, health has become the direction of efforts across generations, especially in the new post-pandemic world. Solteam also emphasizes this issue and therefore promotes the development of syringes for chronic disease treatment. The purpose is to reduce the likelihood of developing chronic diseases such as diabetes and cardiovascular diseases in light of the increased demand for health management among modern people.

Under the quality management system that complies with ISO 13485 for medical devices, Solteam is committed to the design and development of syringes, which requires to be customized to meet the needs of different patients according to the efficacy of different medications and their individual usage. In addition, it is necessary to research and examine the patents of syringes from various countries at the early stage of syringe development to ensure that the syringes developed by Solteam do not infringe upon the patents of others. Finally, the product development process has to go through the stages of testing and validation, as well as be made qualified for the internationally-standardized syringe product specification prior to manufacturing and selling.

Therefore, the core technologies of syringe development include the professional fields in mechanical patents, material engineering, mold development, and precision injection molding. Only through precise molds, injection molding, and mechanical assembly can precise drug release be achieved; whereas with the manufacturing validation can the stability and reliability of syringe production be ensured. Moreover, the choice of materials must ensure user safety and biocompatibility aside from the international trend of non-toxicity and environmental protection.

Disposable syringes can be used on the injection of various medications such as insulin, anticoagulants, osteoporosis, immunomodulator, and obesity management (GLP-1) in the treatment of chronic diseases. These medications are designed to help users manage their conditions, minimize disease complications, and improve their quality of life. The application areas are spread all over the world, especially in some developing countries as well as some fast-paced and health-conscious regions. Examples include India, the Middle East, North America, Korea, China, and Taiwan.

In terms of the benefits of disposable syringes, they can increase the precise administration of medications for chronic diseases, reduce infection risks, enhance the convenience of use, mitigate complications, and minimize the workforce and expenses of medical care.

Disposable Injection Pen



Reusable Injection Pen (with replaceable cartridges)



1.3.2 Sustainability Column

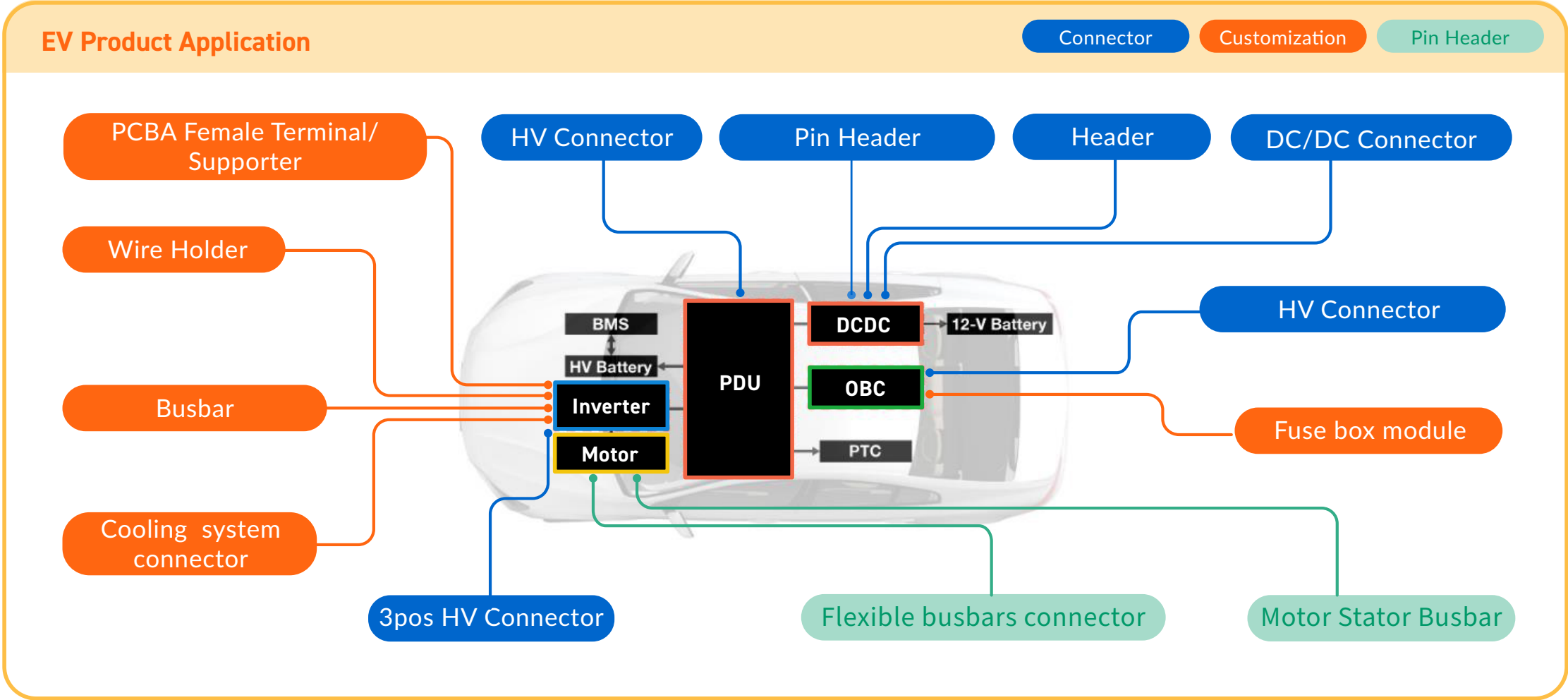
Electric Future: An Innovative Journey from Fuel to Electricity

The driving force of electric vehicles development comes from the carbon emission goals and policies in response of global warming. Due to the global economy in recent years, the growth rate of BEV (Battery Electric Vehicle) was contrary to expectations. Nonetheless, the overall trend towards lower fuel consumption and carbon emissions has not changed, which has resulted in a widespread development of relatively mature PHEV (Plug-in Hybrid Electric Vehicle) models.

The development trend for the dynamic system of electric vehicles is still the e-Axle technology. Its major purpose is, through integration, to improve power density, decrease costs and system volume, enhance space utilization rate, and simplify the matching engineering as well as stability of automotive vehicles. Electric vehicles in China benefit from government subsidies and therefore grow rapidly, triggering the overall electric vehicle supply chain to emerge and establishing a more remarkable capability in cost control.

For the past 30 years, Solteam has been serving as a professional OEM (Original Equipment Manufacturer) to meet the application demands for automotive electronics and electronic control. The core technology of our products is specialized in metal stamping, plastic molding, and insert molding. Initially, the dynamic system suppliers (Tier1/Tier 2) in the electric vehicle industry are the target customers. The value chain is positioned at the designing services as well as product supply of the "Conduction and Isolation" applications to satisfy for car manufacturers' requirements of assembly automation, highly-reliable customization, and standardized mechanical components, such as high-current/high-voltage connectors, signal connectors, Bus Bars, Terminal Block, isolation fixtures, and cooling system connectors. Nowadays, Solteam's technology is gradually becoming more well-versed. Efforts will still be made into the research and development of products and components related electric vehicles in the future. It is not only for the Company's operation, but also the greatest contribution for sustainable development and a huge step towards the goal of net-zero emissions

EV Product Application



1.3.2 Sustainability Column

A Clean Future: Smart Water Quality Monitoring to Help Global Sustainable Development

The 2030 Sustainable Development Goals (SDGs) announced by the United Nations have become an important standard to measure corporate sustainable development. The goal "Clean Water and Sanitation: Ensure availability and sustainable management of water and sanitation for all" is essential. The preciousness of water resources is not only concerned with the protection of ecological systems, but also one of the foundations of human survival and corporate operations.

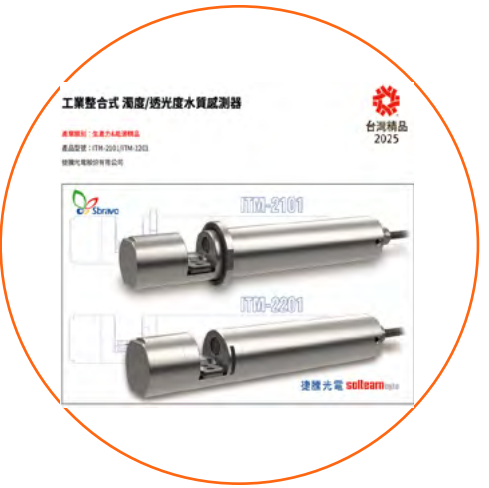
The brand "Sbravo" is an original and iconic product brand built by Solteam Opto Inc. It utilizes multispectral technology and experience in water quality sensing design to manufacture reliable and stable water quality sensors, which is applicable to a variety of continuous monitoring systems. With the brand spirit of "Stability, Reliability, and Trustworthy Service," Sbravo has promoted and marketed around the globe in hope of realizing the best, smart, and instant analytic role in the fields related to water resources.

Solteam Opto Inc. is dedicated to continuously providing customers with innovative support through innovative design, technical support, stable and reliable products, and user-friendly solutions. It prioritizes product materials in compliance with the EU's RoHS requirements. Additionally, its products do not produce consumables and waste and are designed with high maintainability, which significantly reduces the percentage of retirement due to service life. The products can be used to monitor wastewater in the semiconductor industry, adjust the volume of agents, and further realize sludge reduction. Moreover, the products assist the dyeing and finishing industry in digital upgrading, saving 25%-30% of water consumption.

The product was recognized by and honored with the Taiwan Excellence Award of the 33rd term in the category of productivity and energy. We hope that our products can thrive in the interindustry areas of AI innovation and net zero sustainability.



Honored with the 2025 Taiwan Excellence Award.

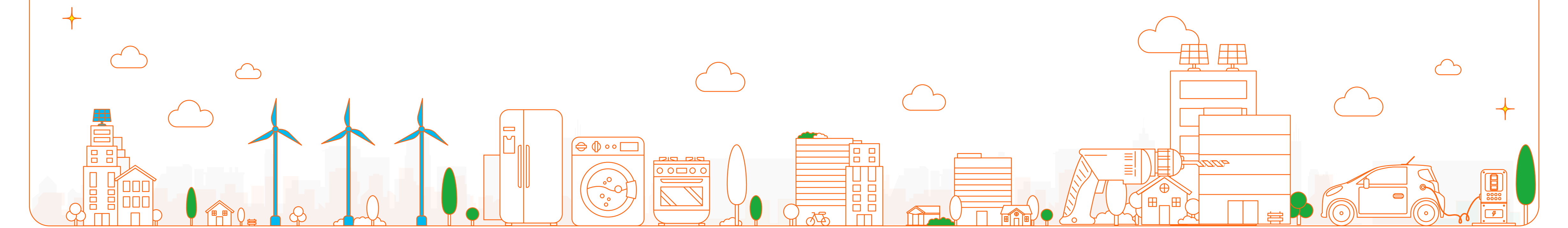


Industrial Integrated Turbidity & Transmittance Water Sensor

Industry type : Productivity and energy

Product model number : ITM-2101/ITM-2201

Solteam Opto, Inc.



1.4 External Initiatives

1.4.1 External Initiatives

In order to advance the relations and the joint benefits with our competition, Solteam actively participates in international and domestic associations, unions, and business associations. Additionally, the Company proactively collaborates with colleges, universities, and government agencies for the purpose of talent cultivation, hoping to deploy the talent market and level up Solteam's competitive edges through industry-academia collaboration.

Association Participation

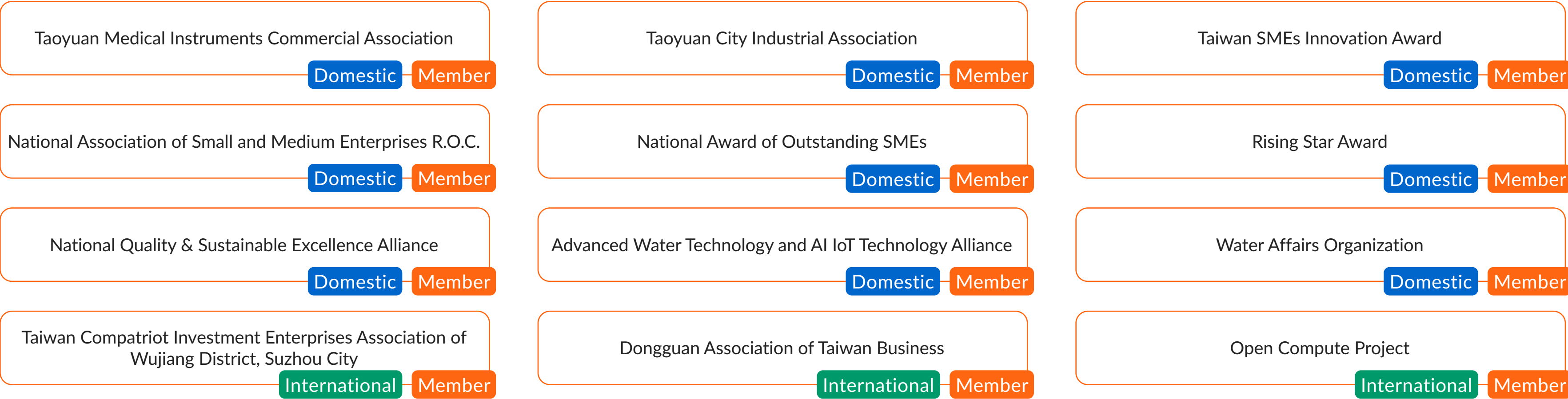
GRI 2-28

For domestic participation, the quality of medical instruments and Taiwan medical demands have drastically increased in Taiwan society with high-standard medical environment, popularized national health insurance, and the flourishing industry in health care. Also, the severe situation of aging population with a low fertility rate has made the regulations governing the medical instruments industry more stringent.

Facing management regulations that move with the times, the Company has actively joined the Taoyuan Medical Instruments Commercial Association to better understand the existing laws, regulations, and feedback, encourage employees in the participation of skill training and relevant courses, and obtain business surveys, statistics, researches and development, and development projects within and outside the country. Solteam hopes to promote the relationship and the common interest of our competition.

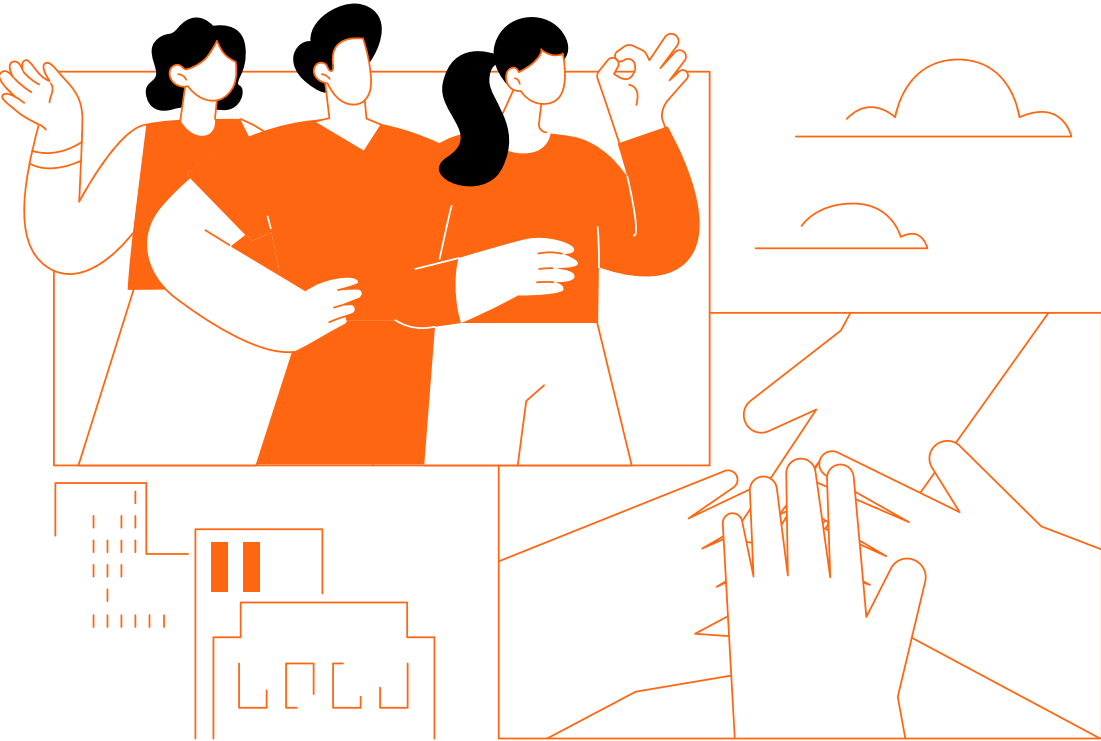
Moreover, in order to connect the interaction between the organization and the government agencies, the Company has joined the National Association of Small and Medium Enterprises R.O.C. and obtained government resources to facilitate corporate development. Besides, we have participated in the Taiwan SMEs Innovation Award, the National Award of Outstanding SMEs, the Rising Star Award, and the Taoyuan City Industrial Association to promote information interchange and sharing between members. On top of that, we facilitate economic development and seek more new opportunities through maintaining industrial relations, planning industrial improvement and promotion with peers, forming cross-industry alliances, and exchanging as well as collaborating with each other.

As for international participation, to facilitate our development, expand trade interchange platforms, and help Taiwanese businesses keep abreast of the latest situations and policies, Solteam joined the Taiwan Compatriot Investment Enterprises Association of Wujiang District, Suzhou City and the Dongguan Association of Taiwan Business. Not only have we maintained an effective communication between enterprises and government departments, but we have protected the legitimate rights of Taiwanese businesses. In case of Taiwanese businesses encountering difficulties in other countries, we can also help each other by reporting to the relevant departments in time and seeking for solutions. In 2024, Solteam joined the Open Compute Project (OCP) in hope of connecting with more traders in the cloud service industry. Currently, Solteam is applying for the OCP certification for connectors. Upon approval, we hope that our products can be applied more in the cloud industry chain.



1.5 Restatements of Information

For comparability reasons, Solteam has added the Thailand factory to the scope of information disclosure in the previous fiscal years regarding energy, water, and waste to align the basis of the scope of information disclosure in the three years. For the information disclosure of energy intensity and greenhouse gas emission density, the original ratio was based on revenues per million. However, upon internal review, it was considered that this data could not truly reflect the situation of energy usage. Therefore, effective from 2024, the ratio of energy intensity was adjusted from revenues per million to production volume (in thousand units) to reflect the information more appropriately for users' reference. The information of the previous fiscal years was also synchronized to enhance the comparability.



Chapter

Stakeholders and Material Topics



2.1 Materiality Analysis	14
2.2 Stakeholder Communication	21

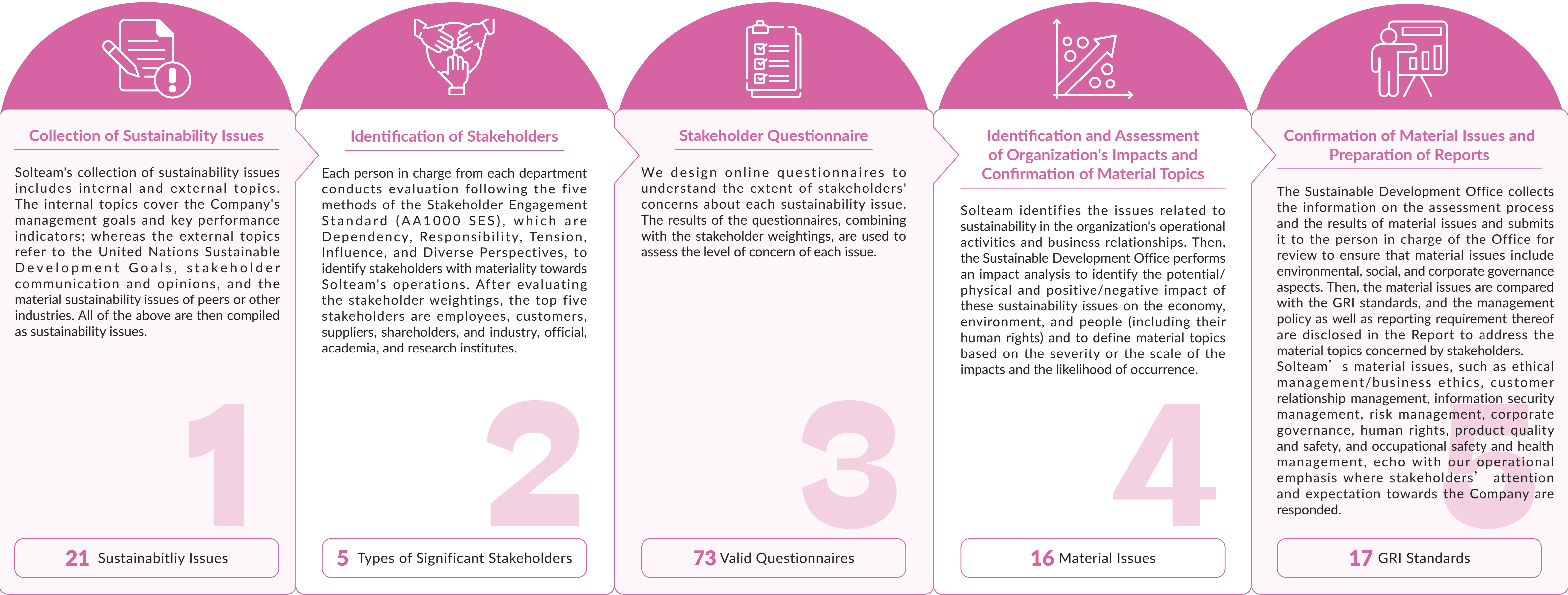
The Sustainability Report is an important channel through which Solteam and stakeholders communicate on issues related to sustainability. We address the issues concerned by stakeholders and propose corresponding strategies and actions through a variety of channels and stakeholder engagement.

2.1 Materiality Analysis

GRI 2-29 、 GRI 3-1

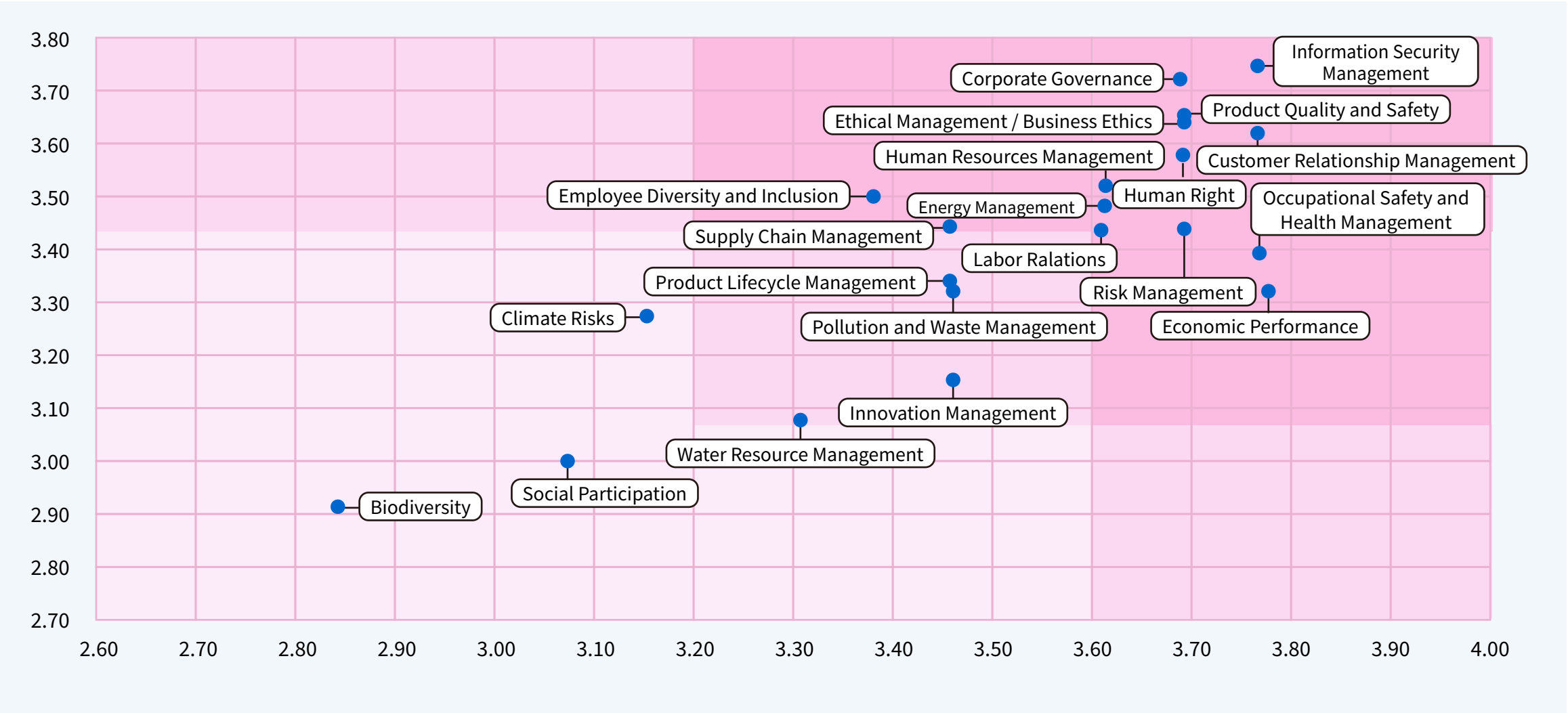
Solteam identifies the stakeholders with significant influence on the Company operations in accordance with the following process, understands the extent of each stakeholder's concerns about individual issues by means of questionnaires, and responds to stakeholders by proposing corresponding strategies as well as actions for the material topics to further achieve the effect of communication.

2.1.1 Materiality Analytic Process



Distribution Chart of Material Issue Identification

Based on the analytic results of effective questionnaires collected from internal supervisors and external related parties, the distribution chart of material issue Identification was prepared with the horizontal axis as the operational impact and the vertical axis as stakeholders' level of concern. Those that are greater than 3.5 points in the operational impact, those that are greater than 3.3 in stakeholders' level of concerns, and those that are presently required to be disclosed by the competent authorities, are classified as material issues.



Corporate Governance

- Information Security Management
- Corporate Governance
- Customer Relationship Management
- Ethical Management/Business Ethics
- Product Quality and Safety
- Risk Management
- Economic Performance
- Supply Chain Management
- Innovation Management



Environment

- Energy Management
- Pollution and Waste Management
- Product Lifecycle Management
- Climate Risks
- Water Resource Management
- Biodiversity



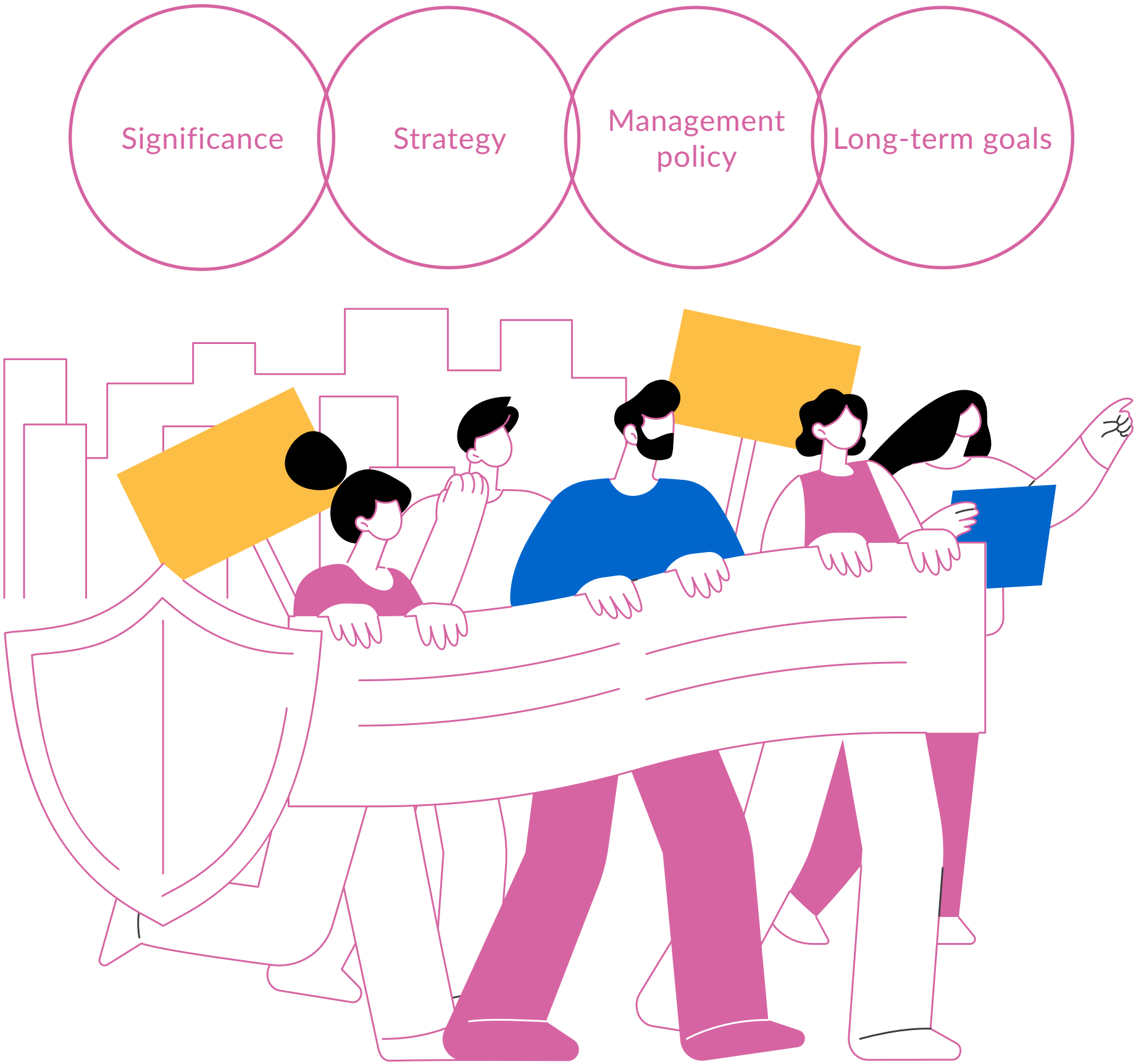
Society


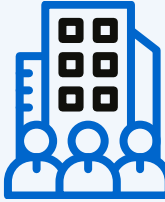

- Human Rights
- Occupational Safety and Health Management
- Human Resources Management
- Labor Relations
- Employee Diversity and Inclusion
- Social Participation




2.1.2 Value Chain and Material Issues GRI 3-2

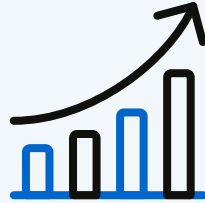


Based on the material sustainability issues, Solteam explicitly defines the significance, strategy, management policy, and long-term goals of each issue, follows up the level of target-achieving and the effectiveness of the promotion, and dynamically adjusts our sustainability management actions. Solteam also identifies the impact of each material issue on our value chain and simultaneously discloses the material topics in accordance with the GRI standards.


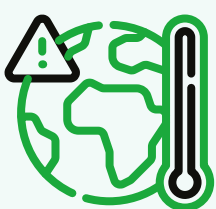


Compared with the previous reporting period, the topic of employee diversity and inclusion was added to the reporting period of 2024. In addition to our gradual emphasis on the adaptive development and recruitment of diverse talents and the continuous initiative of equality in employment, Solteam never stops assessing the feasibility of establishing factories in New Southbound countries to address the economic fluctuations of global sectors such as the US-China Trade War. Hence, it is inevitable for Solteam to gradually increase employee diversity in the future. The relevant impacts derived from employee diversity will become more significant.






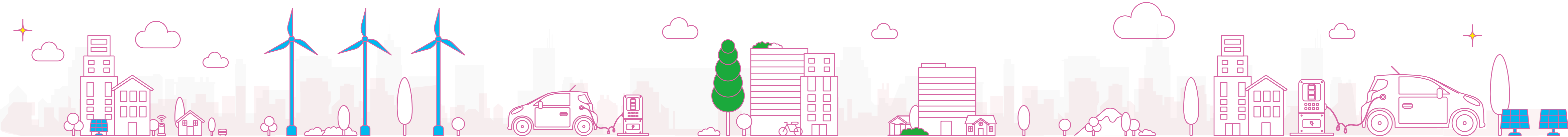
Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
<div></div> <div>Information Security Management</div>	Solteam has formulated the policy for information security management, ensuring the security of Company assets and customer data, enhancing the stability of the continuous business operation, and reduce potential information security risks.	■	■	■	<ul style="list-style-type: none">Periodically conduct vulnerability assessment and risk assessment; and identify potential security risks and vulnerability.Provide employees information security education and training to enhance information security awareness.Deploy advanced firewall, Intrusion Detection System (IDS), and Intrusion Protection System (IPS) to block malicious intrusion and attack.Comply with laws and regulations; and formulate system recovery plan.Periodically perform social engineering drills and attack simulation.	<ul style="list-style-type: none">Conducted the vulnerability assessment in 2024 and identified 31 items of high-risk vulnerability in the servers of the entire Group, to which the risk rectification has been completed.Organized online courses on information security for all employees in 2024 with a total of 653 participants and a total of 528.3 training hours.Periodical technical enhancement educational training for IT staff: A total of 6 technical employees participated and completed 51.5 hours of educational training in 2024.Continuously signed the renewal contracts for firewall, IDS, and IPS to keep the database of attack signature and virus signature update.Added to the system recovery plan that the Recovery Time Objective (RTO) and Recovery Point Objective (RPO) is to be done in one day.Performed a phishing drill once every half year for the entire Group, of which the hit rate was 15.6% for the first half year and 1.13% for the second half year; and conducted education and assessment for personnel who fell into victim to ensure there was no reoccurrence.There were no material incidents of information security in 2024.	Chapter 3: Ethical Corporate Governance
<div></div> <div>Corporate Governance</div>	Solteam will continue to fortify the corporate governance mechanism, internal control and auditing function, as well as the corporate culture to ensure a stable operation of the Company and achieve the goal of sustainable corporate governance; we will also disclose the relevant information on corporate governance in a transparent manner, so that shareholders can obtain consistent information immediately and accurately and ensure their rights and interests.	■	■	■	<ul style="list-style-type: none">Continuously examine the changes in the external operational environment, enhance internal management procedures, strengthen internal supervision as well as the transparency of information disclosed externally, and establish a greater communication platform for shareholders and investors to achieve an effective corporate governance structure.Set targets for the number of internal control and audits.	<ul style="list-style-type: none">Issued the 2023 Sustainability Report in Chinese and English.Set up an ESG section on the official website; and updated the Company's sustainability actions on an unscheduled basis.Participated in the 17th Taiwan Corporate Sustainability Awards (TCSA) and awarded a Bronze Award of the Corporate Sustainability Reporting Awards in the second category of Electronic Information Manufacturing Industry.Completed a total of 54 audit reports for the entire Group in the fiscal year of 2024, including 30 reports from the headquarters and 24 reports from individual subsidiaries, with the auditing items covering the regulatory audit items of the competent authorities, individual transactional cycle, operating management, and supervision of subsidiaries. The entire Group's self-evaluation of internal control has been completed.On November 8, 2024, the Board of Directors approved the addition of "Sustainability Information Management" as an exclusive chapter to the internal control system to regulate the preparation and accuracy of sustainability reports and external websites, which was also listed as annual audit necessary items by the Audit Office.	Chapter 3: Ethical Corporate Governance
<div></div> <div>Customer Relationship Management</div>	Solteam provides products and services with excellent quality to satisfy customers' needs and expectation. We also assess the implementation and the effectiveness of customer satisfaction surveys.	■	■	■	<ul style="list-style-type: none">Organize customer relationship activities on an unscheduled basis, including project discussion conferences, technical seminars, and email correspondence.Focus on the sustainability goals at customer end; and proactively cooperate with customers on the introduction of sustainability products.	<ul style="list-style-type: none">Cooperated with customers on the number of cases introduced in 2024 for the promotion of strategic sustainability goals.Engaged in the sustainability products supply chain at customers' end: 4 cases.Engaged in the new sustainable supply chain of industrial transition: 6 cases.Cooperated with customers on the promotion of strategic sustainability goals and the procedures of carbon reduction: 14 cases.Scored an average of 93.7 in the customer satisfaction survey in 2024.	Chapter 4: Safety and Customer Service Innovation

Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
<div></div> <div>Ethical Management and Business Ethics</div>	Solteam has established the "Ethical Corporate Management Best-Practice Principles" and the "Procedures and Guidelines for Ethical Corporate Management and Behavior" to regulate all business operations; and advocate the core values of corporate ethics as well as integrity with the concept of honesty, transparency, and accountability.		<div></div>		<div><div><div>■ Develop good behaviors among supervisors and employees at all levels by setting training and promotion goals.</div></div></div>	<div><div><div>■ Announced the "Ethical Corporate Management Best-Practice Principles" and the "Procedures and Guidelines for Ethical Corporate Management and Behavior" on the internal and official websites; and established a whistleblowing channel. No reports of whistleblowing were received in 2024.</div><div>■ Added employment contracts and work regulations to ethics-related clauses, which must be signed by all employees.</div><div>■ Made ethical management courses mandatory in the new employee orientation. A total of 594 individuals in the Group, with a total of 297 training hours, participated in the ethical management courses held in 2024.</div><div>■ The internal control audit in 2024 did not reveal any violation of ethical management.</div></div></div>	Chapter 3: Ethical Corporate Governance
<div></div> <div>Product Quality and Safety</div>	Solteam Group is dedicated to constantly improving quality, environment, health, and safety and providing products and solutions that comply with regulatory and safety requirements, which not only satisfies customers, but also minimizes the waste of resources and fulfills social responsibility.	<div></div>	<div></div>	<div></div>	<div><div><div>■ Formulate control plans and action plans according to quality policies.</div><div>■ Continually improve, research, and develop variance technologies; and minimize quality risks.</div><div>■ Strictly follow the requirements of quality standards.</div></div></div>	<div><div><div>■ Verified the product development process: Ensure the regulatory and customer safety requirements of the product output. For example, the Pen Injector Project went through product verification in accordance with the ISO 11608-1 standards; and the automotive parts went through project planning in accordance with the APQP, a set of universal sector standards.</div><div>■ Verification for material utilization: During the product development and production process, we require suppliers to provide test reports (including certifications for safety requirement) that comply with the laws and regulations, or international standards in order to ensure final product safety. For example, the components used in development projects will be accompanied with supporting documents such as material COA/SDS/REACH/RoHS/Technical Data Sheet/Inspection Records, etc.</div><div>■ Personnel Training: Including regulatory requirement, product function, and quality requirement.</div><div>■ Formulation of control plans: We formulate control plans for various Failure Mode and Effects Analysis (FMEA) that may occur during the production process and master the control measures of manpower, machinery, material, regulation, and environment in order to produce compliant products.</div><div>■ Established product recovery procedures in accordance with the requirements of competent authorities and customers; and settled the internal mission organization as well as operational guidelines.</div><div>■ There were no incidents of product recalls in the market.</div></div></div>	Chapter 4: Safety and Customer Service Innovation
<div></div> <div>Risk Management</div>	Solteam evaluates and control the material risks that we may face in the economic, environmental, and social aspect.	<div></div>	<div></div>	<div></div>	<div><div><div>■ Formulate the Group's risk management policy; establish the risk management organization, where the General Manager serves as the highest overseer of risk management, and the supervisors from each business units, functioning units, and regions serve as the frontliners of risk management, to detect, identify, evaluate, and formulate the relevant strategies; and review as well as monitor such at the operational meetings on a regular basis.</div></div></div>	<div><div><div>■ Solteam has formulated the Group's "Risk Management Policy" to serve as the highest guiding principle for the Company's risk management; and a chief corporate governance was assigned by the General Manager (the highest governance officer of risk management) on November 8, 2024 to present the implementation status of risk management to the Board of Directors.</div></div></div>	Chapter 5: Green Manufacturing

Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
<div><div>Economic Performance</div></div>	Creating Company values and enhance shareholders' equity.		■		<ul style="list-style-type: none">Committed to maintain the transparency of Company business; organize at least one investor conference per year apart from publicizing revenue reports every month; and hold one shareholders' meeting per year.Set up the investor area on the official website; and regularly update financial information, shareholders' meeting, and investor conference briefings for investors' reference.Disclose material information of the Company on Market Observation Post System. Shareholders and investors are able to be updated simultaneously regarding the Company's operational status through the provision of real-time information.	<ul style="list-style-type: none">Issued the 2024 consolidated and individual financial statements and annual report, which had been audited by CPAs.Issued the 2024 consolidated financial statements for each quarter, which had been audited by CPAs.Announced a total of 12 individual and consolidated revenue data per month.Announced a total of 27 pieces of material information.Held a shareholders' meeting per year.Held an investor conference per year.	Chapter 3: Ethical Corporate Governance
<div><div>Supply Chain Management</div></div>	Solteam has drawn up supplier management policy and evaluated our local procurement and our suppliers' environment as well as society, working hand in hand with our supplying partners towards a sustainable future.	■	■		<ul style="list-style-type: none">Draft management policies for suppliers' sustainability.Increase the signing rate of the Supplier Code of Conduct.	<ul style="list-style-type: none">The signing rate of "Supplier Code of Conduct for Sustainable Development" reached 92%.Distributed the "Supplier Sustainability Risks Assessment Questionnaire" to suppliers and had a response rate of 89%.The assessment percentage of tier 1 suppliers reached 98% and the percentage of on-site visits to tier 1 critical suppliers reached 96%.The percentage of the Group's local procurement was 47%.	Chapter 5: Green Manufacturing
<div><div>Innovation Management</div></div>	We improve the consumables turnover and the reuse of recycled materials and minimize the impact on the environment and the society through technological innovation, development of energy-saving products, and incorporation of green design into the product lifecycle.	■	■	■	<ul style="list-style-type: none">Technical advancement: Continuously encourage internal colleagues to proceed with projects of basic technical research apart from product development; and train their capabilities of report composition as well as presentation; hence, a certain number of research project reports are required to be completed every year.Intellectual property protection: Inspire colleagues to make patent applications to protect the intellectual property of the Company.Completion number of product development projects: Improve the efficiency of product development.Database development: Establish a selection guide of environmental substances to be used during the design process.	<ul style="list-style-type: none">Completed 46 projects in 2024.Completed 15 research projects in 2024.	Chapter 4: Safety and Customer Service Innovation

Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
<div></div> <div>Energy Management</div>	Reducing costing; elevating the competitive edges of the Company; minimizing environmental impacts; complying with corporate social responsibility; and leveling up Company image.		<div></div>	<div></div>	<ul style="list-style-type: none">Enhance energy efficiency; reduce energy consumption; lower energy costing; upgrade Company image; create competitive edges; and achieve the goals for environmental protection, energy conservation, and carbon reduction.	<ul style="list-style-type: none">Enhanced the efficiency in energy utilization; lowered energy costing; and reduced environmental pollution.The energy intensity in 2024 was 0.43 (GJ/product volume in thousand units).	Chapter 5: Green Manufacturing
<div></div> <div>Climate Risks</div>	A natural disaster response plan has been set up in view of the increasing frequency and severity of extreme climate, such as typhoons, rainstorms, droughts.		<div></div>	<div></div>	<ul style="list-style-type: none">Set up carbon-reducing targets based on the results of GHG inventories.	<ul style="list-style-type: none">Completed the GHG inventories in 2024 for Taiwan headquarters, the Dayuan factory, and the East-China factory, which were assured by a third party.Identified the risks and opportunities related to climate change.	Chapter 5: Green Manufacturing
<div></div> <div>Human Rights</div>	In order to fulfill corporate social responsibility and safeguard employees' basic human rights and the related interests.		<div></div>		<ul style="list-style-type: none">Follow the International Human Rights Conventions; protect our colleagues' freedom of association; do not discriminate against employees on the basis of gender, age, marital status, race, and political party; and prohibits child labor.Endeavor to build a friendly and equal workplace; and provide employees with salaries and benefits that meet or even exceed the minimum regulatory requirements.Promote a clear understanding of employees' rights and the Company's human rights policy.	<ul style="list-style-type: none">Solteam has the work regulations and the related human resources management rules in place to protect the interests and rights of employees. The work regulations explicitly state that employers shall not discriminate against applicants or employees because of their gender in the course of recruitment, screening test, hiring, placement, assignment, evaluation and promotion.Set up a Stakeholders section under ESG on the official website where channels for communication and whistleblowing are provided.Complied with corporate social responsibility and ethical regulations, with no incidents of employing child labor as of 2024.Organized campaigns related to human rights annually. The theme for 2024 was "Anti-sexual harassment Announcement" with a total of 526 participants and a total of 263 hours.	Chapter 6: Diverse Social Inclusion
<div></div> <div>Occupational Safety and Health Management</div>	We ensure employees' health and safety in the work environment; through effective safety and health measures, reduce the occurrence of workplace accidents and occupational diseases; minimize the risks of employee injury or illness; and protect the physical and mental health of employees.	<div></div>	<div></div>		<ul style="list-style-type: none">Implement risk evaluation management, safety educational training, protection of employees' health and safety in compliance with the Regulations of Occupational Safety and Health Management.Carry out health check-ups for employees as required by law.Employ external doctors for on-site service once every two months and external nurses 6 times a month to assist in the implementation of labor health service, physical and mental health protection measures, and provision of health consultation for employees.	<ul style="list-style-type: none">There was no material occupational safety incident in 2024.Implemented the labor health service and the protection measures for physical and mental health in accordance with the law; cooperated with occupational safety and health, human resources management, and the visits by personnel from the relevant government departments.Provided health consultation for 62 employees in 2024.	Chapter 6: Diverse Social Inclusion

Material Issues	Meaning to Solteam	Value Chain			Sustainability Strategy	Actual Performance and Contribution	Corresponding Chapter
		Upstream	Organization	Downstream			
<div></div> <div>Human Resources Management</div>	The remuneration and welfare system of Solteam is well-established. We have formulated diverse talent recruitment programs, educational training, and career development projects to facilitate and implement the employee diversity and equality.	■	■	■	<ul style="list-style-type: none">■ By means of industry-academia collaboration, we transform the academic researches to industrial momentum and deploy talents in the market in advance to elevate the overall competitiveness of the Company.■ Continuously identify and cultivate key talents; fortify the organization's capabilities by diverse talent development programs; and implement the strategy of "Appropriate talents for appropriate positions."■ Offer advantageous compensation and welfare programs; provide careers and environments with sustainable development to attract and retain outstanding talents.	<ul style="list-style-type: none">■ Unremittingly promoted employee educational training with a total of 1,310 training participants and a total of 21,071 hours in 2024.■ Reached 100% in the percentage of performance interviews.■ Distributed NT\$32,205 thousand as employee compensation in compliance with the Company's Articles of Incorporation.■ Encouraged employees to proactively enhance their language skills; and provided foreign language allowances.	Chapter 6: Diverse Social Inclusion
<div></div> <div>Labor Relations</div>	We respect the labor relations management to ensure that the Company is averted from risks of professional brain drain, labor-management confrontation, insufficient teamwork, and inability to garner consensus; and to minimize the operational risks to the Company brought by labor relations.		■		<ul style="list-style-type: none">■ Provide employees with salaries and benefits that meet or even exceed the minimum regulatory requirements.■ Provide diverse channels for employees to express their opinions.	<ul style="list-style-type: none">■ Provided employees with salaries and benefits that meet or even exceed the minimum regulatory requirements. In 2024, the salaries of employees exceeded the minimum wage required by law.■ Established a Careers section on the official website where Solteam's Compensation & Benefits as well as the Learning and Development are explained; and set up a Stakeholders section under ESG on the official website where channels for communication and whistleblowing are provided.	Chapter 6: Diverse Social Inclusion
<div></div> <div>Employee Diversity and Inclusion</div>	We embrace diverse cultures, attract talents worldwide, offer equal employment opportunities, and unceasingly ensure that there are no incidents in violation of fair employment.		■		<ul style="list-style-type: none">■ Explicitly stipulate diversity and inclusion policies to ensure equal treatment to all employees and to prohibit discrimination.■ Organize cross-cultural cooperation training to assist the team in achieving more efficient collaboration.	<ul style="list-style-type: none">■ Continuously employed employees of various nationalities, disabled conditions, and ethnic minorities.	Chapter 6: Diverse Social Inclusion



2.2 Stakeholder Communication

GRI 2-29

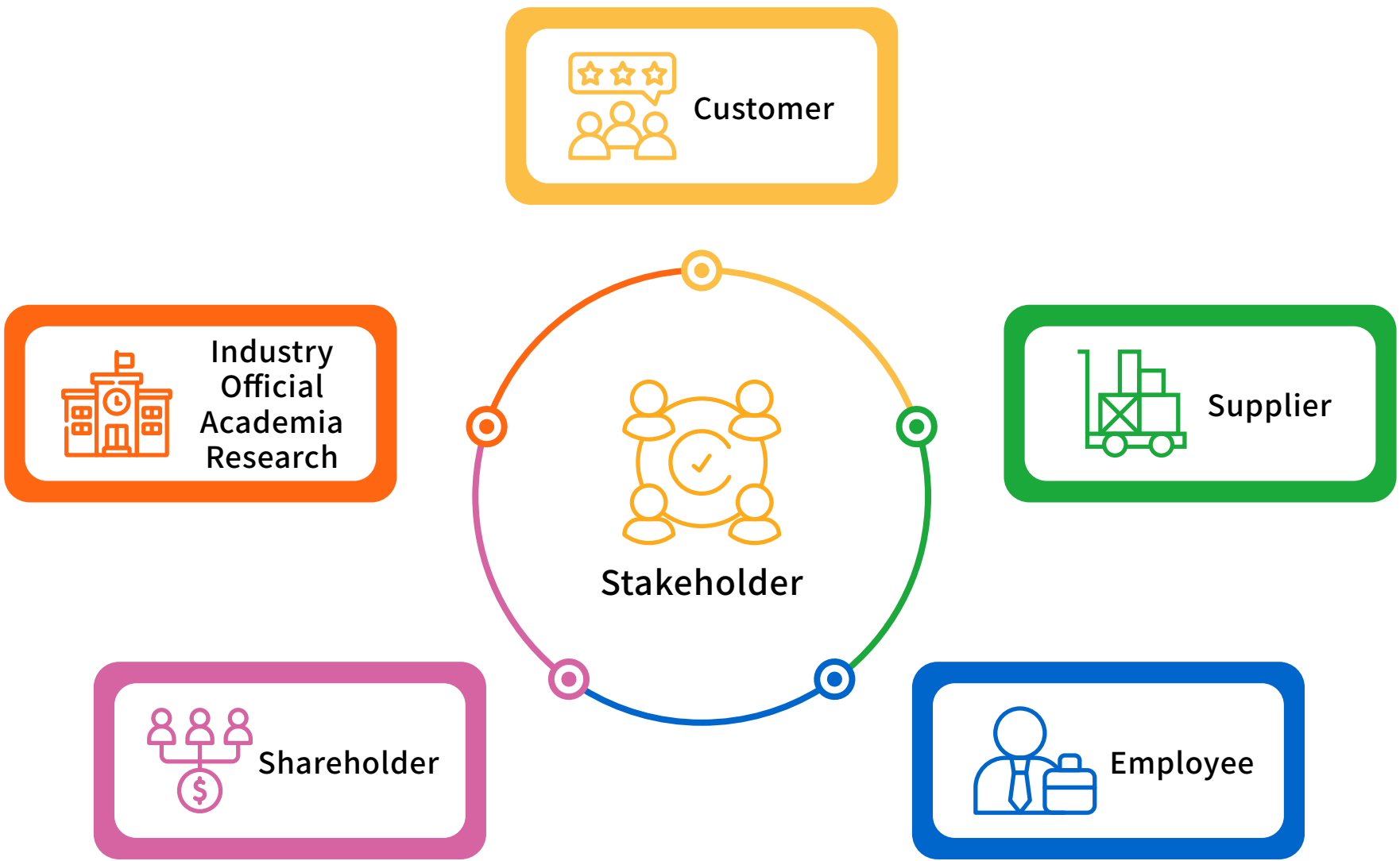
Solteam upholds a stable and steadfast business philosophy and values the rights as well as interests of all stakeholders. We have established transparent, open, and effective communication channels with a trustworthy and reliable attitude.

2.2.1 Communication Channels and Response Methods

Stakeholder Communication

Solteam facilitates the approachability, transparency, timeliness, integrity, and interactivity of information communication through the Company website and the sustainability website. From here we collect feedback from all parts of the world as the basis of constant improvement and enhancement of effective communication.

Solteam communicates actively and directly with stakeholders through a variety of channels. For example, opinions are interchanged through labor meetings, investor conferences, and exchange of visits. We collect opinions by anonymous questionnaires to safeguard the privacy of stakeholders and to reflect the most factual expectations towards Solteam.



Customers

Meaning of Stakeholders to Solteam:

Customers are the foundation of Solteam's sustainable development; whereas Solteam is an important partner in customers' sustainable supply chain. Solteam communicates with customers with an honest and pragmatic attitude to enhance customer satisfaction, build customers' trust in us, and march towards the direction of sustainability.

Issues of Concern:

- Product Quality and Safety
- Customer Relationship Management
- Corporate Governance
- Occupational Safety and Health Management
- Energy Management
- Climate Risks
- Economic Performance
- Innovation Management

Communication Frequencies and Channels

Unscheduled

- Meetings (Face-to-face, video meetings, and telephone calls)
- Email correspondence
- On-site visits to customers
- Company website (customer inquiry email)
- Social media: LinkedIn

Scheduled

- Biannual customer assets inventory, verification, and contact for maintenance status
- Annual customer satisfaction surveys on the top 20 customers in terms of the annual turnover in the previous fiscal year
- Annual assessment on customer evaluation system
- Annual online or face-to-face supplier conferences
- Annual auditing visits by customers
- Biennial customer audits and inspections

2024 Communication Accomplishments

- Unscheduled telephone and video conferences, email correspondence, and customer visits to maintain good interaction and relationships.
- Organized unscheduled technical seminars according to the needs of customers and projects, of which the contents of were mostly focused on the combination of product techniques and applications.
- Set up the Company's official website and service mailbox to receive customers' inquiries in a timely manner, which upon receipt shall be forwarded to the corresponding industry supervisors for further handling based on the contents of inquiries and shall be initially responded to within three days.
- Gained an average score of 93.7 in 2024 for customer satisfaction surveys.
- Completed 13 annual customer audits and inspections in 2024, of which the evaluation results indicated the compliance of Solteam's overall performance with the required level for qualified suppliers or excellent suppliers.
- Completed 4 assessments of customer evaluation system in 2024, of which the evaluation results indicated the compliance of Solteam's overall performance with the required level for qualified suppliers or excellent suppliers.
- Participated in 2 Supplier Conferences organized by customers.
- Completed auditing visits by customers in 2024.
- Completed a total of 2 times of customer assets inventory, verification, and contact for maintenance status.
- Held one to four online meetings for customer product development per month according to project schedules.
- Visited the potential customers in Korea, India, Italy, and Spain for product specification discussions and new product demonstrations.



Suppliers

Meaning of Stakeholders to Solteam:

Providing Solteam with the materials for our production, suppliers are not only a crucial support for us, but also partners in jointly building a sustainable value chain.

Issues of Concern:

- Ethical Management/Business Ethics
- Product Quality and Safety
- Occupational Safety and Health Management
- Supply Chain Management
- Product Lifecycle Management

Communication Frequencies and Channels

Unscheduled

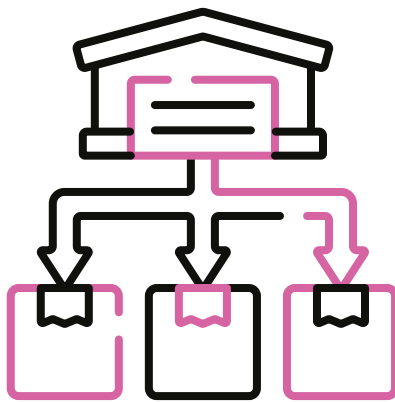
- On-site auditing and guidance for suppliers
- Official website and external communication mailbox
- Technology sharing and visits

Scheduled

- Communication via weekly telephone calls, fax, emails, and communication software
- Annual selection of supplier evaluation

2024 Communication Accomplishments

- Communicated regularly through unscheduled telephone calls, fax, emails, and communication software to maintain good interaction and relationship.
- In 2024, Solteam Group's percentage of tier 1 supplier inspection was 98%, the percentage of actual visit to tier 1 suppliers was 96%, and the percentage of actual visit to high-risk suppliers was 100%.
- Unscheduled on-site auditing, inspection, and guidance on suppliers to ensure their product quality and operating status.
- Unscheduled updates on the official website and external communication mailbox to timely respond to relevant demands.



Employees

Meaning of Stakeholders to Solteam:

Talents are the important assets of Solteam as well as the most significant factor to our core competitiveness. By providing a comprehensive salary, welfare, and training system, we develop the potentials of our employees. Simultaneously, our continuous and good communication also helps enhance the teamwork and the corporate recognition of our employees; therefore, maximizing the operational performance.

Issues of Concern:

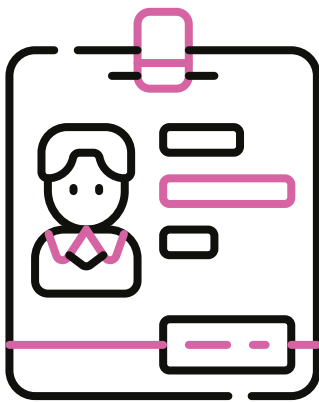
- | | |
|-----------------------------------|---|
| ▪ Human Rights | ▪ Labor Relations |
| ▪ Human Resources Management | ▪ Occupational Safety and Health Management |
| ▪ Information Security Management | ▪ Employee Diversity and Inclusion |

Communication Frequencies and Channels

- Handling employee-related matters through the Human Resources Department
- Information announcements on the bulletin board
- Whistleblowing and complaint mailbox
- Explicit employee-related rules and regulations and post of such information on the Company's intranet.
- Signing of personal data protection act/non-disclosure agreements upon onboarding
- Organizing group insurance sessions annually
- Organizing unscheduled educational training
- Conducting performance evaluation interviews annually
- Holding the Employees Welfare Committee meetings every two months

2024 Communication Accomplishments

- Conducted 1 performance evaluation interview with every employee annually.
- Held 4 labor-management meetings in 2024.
- Educational Training: Organized the relevant training according to the annual plan.
 - » A total of 1,310 person/time in 2024
 - » A total of 21,071 training hours in 2024





Shareholders

Meaning of Stakeholders to Solteam:

Solteam has always emphasized on investor relations. In addition to disclosing financial information in a transparent manner, we also have a complete spokesperson mechanism in place. In the event of a material matter, we are able to disclose the concerning information to investors just in time, ensure the timeliness and transparency of the disclosure of material information, and guarantee the rights and interests of investors.

Issues of Concern:

- Ethical Management/Business Ethics
- Corporate Governance
- Risk Management
- Climate Risks
- Economic Performance

Communication Frequencies and Channels

Unscheduled

- Investor section on the Company website
- Market Observation Post System
- Telephone calls or email communication

Scheduled

- Monthly announcement of financial performance
- Quarterly announcement of financial statements
- Annual shareholders' meetings
- Annual investor conferences

2024 Communication Accomplishments

- Issued the 2024 consolidated and individual financial statements, which had been audited by CPAs, and annual report.
- Issued the 2024 consolidated financial statements for each quarter, which had been audited by CPAs.
- Announced a total of 12 individual and consolidated revenue data per month.
- Announced a total of 27 pieces of material information in 2024.
- Held the shareholders' meeting on June 25, 2024.
- Held the investor conference in September, 2024.
- Unscheduled responses to calls and letters from investors and shareholders more than 50 times.
- Continuously update the ESG section to the official website: Content including Environment, Sustainable, Governance, Sustainable supply chain, Stakeholder Engagement and Questionnaire.



Industry-Official-Academia-Research

Meaning of Stakeholders to Solteam:

Solteam is able to combine academic research capacity to continuously improve product technology through industry-academia collaboration. In the meantime, we create a stable employment for the young by means of employment bonus while realizing a win-win situation of facilitating innovative development in the industry as well as increasing employment rate.

Issues of Concern:

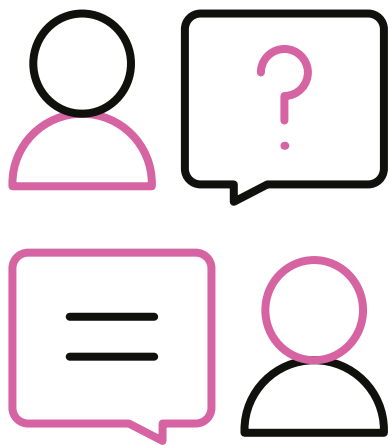
- Human Rights
- Social Participation
- Employee Diversity and Inclusion

Communication Frequencies and Channels

- Unscheduled updates on the official website and external communication mailbox
- Unscheduled telephone interviews

2024 Communication Accomplishments

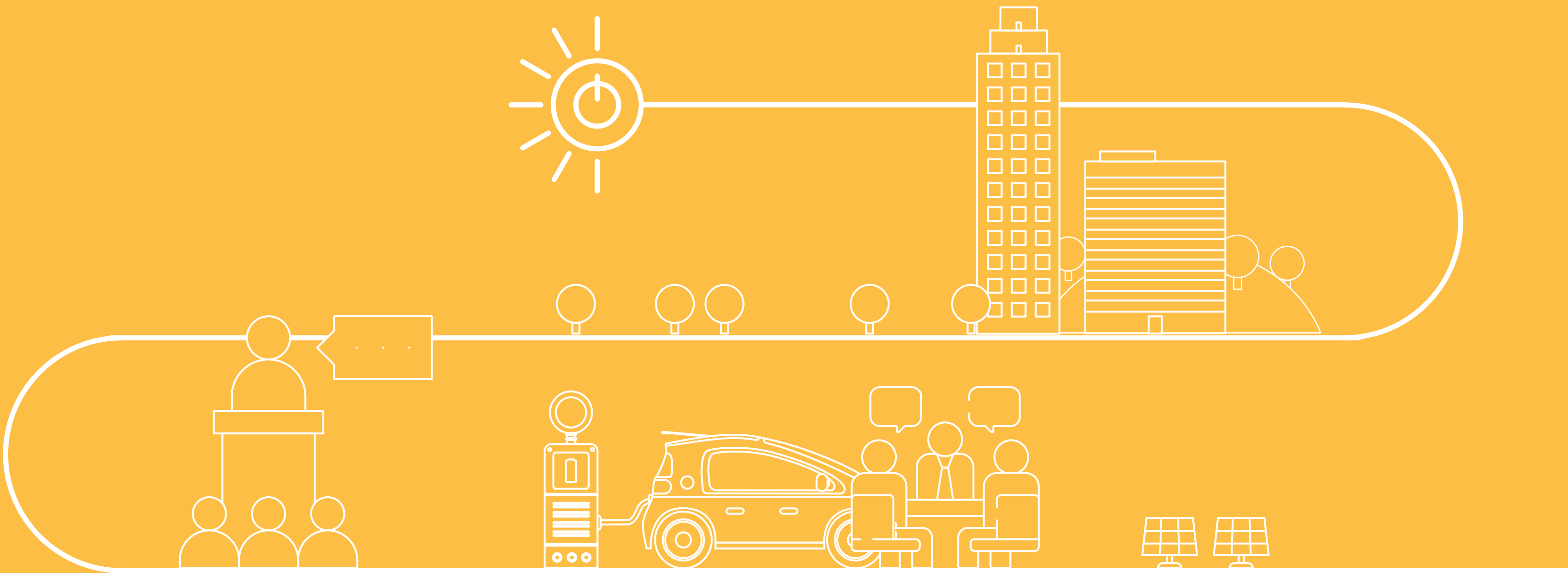
- Communicated via unscheduled telephone calls and mail correspondence.
- Participated in the NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance-Various Corporate and policy seminars.
- Participated the industry-academia alliance of Yuan Ze University.
- Joined the 2024 ESG & Sustainability Initiative held by E.Sun Bank.



Chapter

3



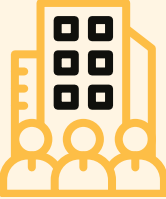




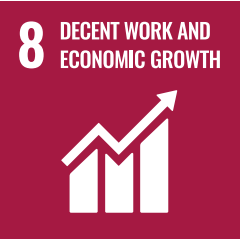
Ethical Corporate Governance


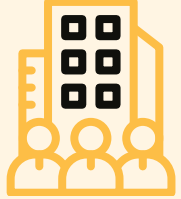




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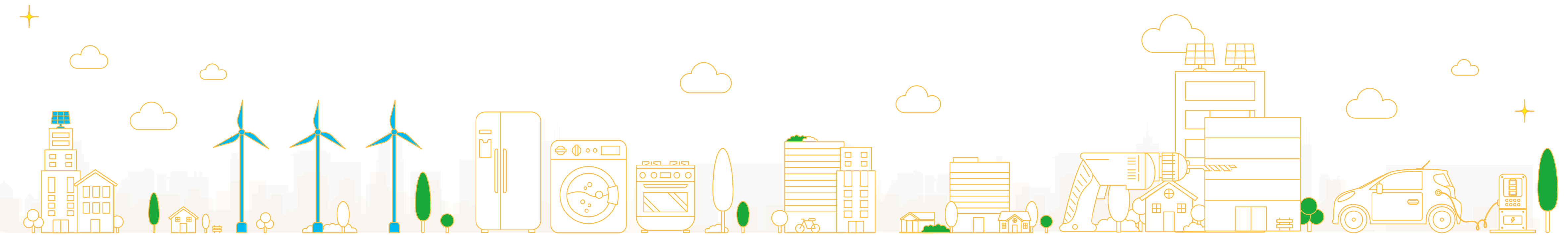
GRI 3

Material Topics	Objectives for 2025 (Short-term)	Objectives for 2027 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
<div></div> <div>Information Security Management</div>	<ul style="list-style-type: none">To introduce digital tools and enhance information security management.To strengthen information security protection.To continuously upgrade the information security awareness of all colleagues across the Group.To continuously cultivate information security talents.	<ul style="list-style-type: none">To build an information security control dashboard and incorporate at least 5 information security indicators.To establish an information security risk assessment platform.To continuously strengthen information security protection.To continuously upgrade the information security awareness of all colleagues across the Group.To continuously cultivate information security talents.	<ul style="list-style-type: none">To promote the digitalization and automation of information security management and implement information security management.To actively participate in external collaborative cyber defense platforms and organizations to strengthen the overall protection capability.To continuously upgrade the information security awareness of all colleagues across the Group.To continuously cultivate information security talents and build an excellent information security team.	<div></div>
<div></div> <div>Corporate Governance</div>	<ul style="list-style-type: none">To reach the group of 21% to 35% in the Corporate Governance Evaluation.Target number of internal control and audit for the entire Group: More than 50 cases/year.	<ul style="list-style-type: none">To upgrade to the group of 6% to 20% in the Corporate Governance Evaluation.Target number of internal control and audit for the entire Group: More than 50 cases/year.	<ul style="list-style-type: none">To upgrade to the group of 6% to 20% in the Corporate Governance Evaluation.Target number of internal control and audit for the entire Group: More than 50 cases/year.	<div></div>
<div></div> <div>Ethical Management/ Business Ethics</div>	<ul style="list-style-type: none">To reach 100% target completion rate for training and promotion.To arrange training sessions, promotion themes, and courses every year.			<div></div>
<div></div> <div>Economic Performance</div>	<ul style="list-style-type: none">To continuously increase revenues and profits.	<ul style="list-style-type: none">To promote multiple improvement plans, including factory automation, streamlined processes, enhanced production efficiency, and optimized factory constitution.	<ul style="list-style-type: none">To reinforce core values to customers and consolidate our position in key components.	<div></div>

Material Topics	Objectives for 2024	Achieved or Not	Achievement Status in 2024
<div></div> <div>Information Security Management</div>	<ul style="list-style-type: none">To advance and optimize information security measures as well as systems; to cultivate professional IT staff; and to raise employees' awareness towards information security.	<div>Achieved</div> <ul style="list-style-type: none">To advance and optimize information security measures as well as systems; to cultivate professional IT staff; and to raise employees' awareness towards information security.	<ul style="list-style-type: none">Completed 13 information security work projects.Trained information technology engineers for a total of 51.5 hours.Accumulated 528.3 hours of information security education and training on all colleagues across the Group.
<div></div> <div>Corporate Governance</div>	<ul style="list-style-type: none">To upgrade the score group of the Corporate Governance Evaluation.To proactively attend evaluations related to corporate sustainability and to improve constantly based on the evaluation feedback.To reach more than 50 cases/year of internal control and audit for the entire Group.	<div>Achieved</div> <ul style="list-style-type: none">To upgrade the score group of the Corporate Governance Evaluation.To proactively attend evaluations related to corporate sustainability and to improve constantly based on the evaluation feedback.To reach more than 50 cases/year of internal control and audit for the entire Group.	<ul style="list-style-type: none">Ranked in the group of 21% to 35% among the TPEX-listed market in the Corporate Governance Evaluation results; and ranked in the group of 11% to 20% among the TWSE- and TPEX-listed companies with a capital under NT\$5 billion.54 cases of internal control and audit for the entire Group.
<div></div> <div>Ethical Management/ Business Ethics</div>	<ul style="list-style-type: none">To reach 100% target completion rate for training and promotion.To arrange training sessions, promotion themes, and courses every year.	<div>Achieved</div> <ul style="list-style-type: none">To reach 100% target completion rate for training and promotion.To arrange training sessions, promotion themes, and courses every year.	<ul style="list-style-type: none">The Company has formulated the Ethical Corporate Management Best-Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which have been posted on the Company's intranet and official website for stakeholders' reference.Our labor contracts and work rules have explicitly stated the ethical terms and conditions. 100% of new employment hires signed labor contracts.The completion rate of ethical management course for new hires was 100%.A total of 594 individuals in the entire Group participated in the ethical management courses (excluding orientation training for new hires).No whistleblowing incidents involving violation of ethics were received in 2024.No illegal incidents or violations of ethics were found during the internal control audits in 2024.
<div></div> <div>Economic Performance</div>	<ul style="list-style-type: none">To advocate sustainable operations as the core belief; and to create economic performance every year.	<div>Achieved</div> <ul style="list-style-type: none">To advocate sustainable operations as the core belief; and to create economic performance every year.	<ul style="list-style-type: none">The revenue in 2024 grew by 27.67%.

Management of Material Topics	To practice corporate sustainability and promote Solteam's environmental, social and economic progress and sustainable development, we have gradually planned and established the sustainable development policy in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the sustainable development roadmap.			
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Specific Action Plan
<div><div>Information Security Management</div></div>	<ul style="list-style-type: none">(+) Stable Company operations(-) Hacker Threats(-) Breach of customer and other confidential data	<ul style="list-style-type: none">Implementing information security; and preventing information security systems from unauthorized access, leakage, damage , and falsification.Strengthening information security training to raise employees' awareness and professional skills of information security.Preparing for emergency response; formulating disaster recovery plans for critical core systems; and conducting drills for emergency response process every year.Exercising rapid damage recovery to ensure continued operational viability of critical businesses.	<ul style="list-style-type: none">Regularly promoting information security and organizing education training on information security as well as social engineering drills to raise employees' awareness towards information security and reduce hacking risks.Receiving notification letters from information security intelligence organizations to be warned of possible information security risks in advance.Defining the level of data confidentiality to avoid illicit usage. Confidential files shall be encrypted and cannot be accessed without authorization.Continuously updating the information security equipment, such as firewalls, intrusion detection protection, and spam filtering systems.Regularly performing disaster recovery drills to ensure that the recovery system can be quickly restored to normal or acceptable operating levels in the event of a disaster.Planning for system-wide vulnerability assessment and regular risk evaluation.	<ul style="list-style-type: none">Sending out phishing emails every half year. Whoever clicks the links in the emails are considered victims of the phishing emails.Regularly conducting information security education and training to enhance the skills of technical personnel.Reviewing the Company's information security for improvement or not according to the nonscheduled emails of intelligence provided by TW-CERT. Should it require improvement, the status shall be marked "pending." The annual completion rate: Pending ÷ Solved.Cooperating with the audit department for spot checks.Signing equipment maintenance contracts to keep the protection functions of equipment updated in a timely manner.Archiving relevant records and documents upon completion of disaster recovery drills.Archiving relevant records and documents upon completion of vulnerability assessments and risk assessments.
<div><div>Corporate Governance</div></div>	<ul style="list-style-type: none">(+) Stable Company operations(-) Operational impact resulted from regulatory costing and risks	<ul style="list-style-type: none">We endeavor to maintain the transparency of the Company's business. Shareholders and investors are able to be updated simultaneously regarding the Company's operational status through our provision of real-time information.	<ul style="list-style-type: none">Strengthening corporate governance and corporate social responsibility to enhance the quality of Solteam's business operations and to implement the spirit of corporate governance practices.Continuously reviewing changes in the external operating environment; enhancing internal management procedures; fortifying internal supervision and the transparency of external information disclosure; and establish a better platform for connecting with shareholders and investors, in order to achieve an effective corporate governance structure.	<ul style="list-style-type: none">Reinforcing the Company's ethical management policy in accordance with the contents of corporate governance assessment.Updating the internal control system in compliance with the law.
<div><div>Ethical Management/ Business Ethics</div></div>	<ul style="list-style-type: none">(+) Stable Company operations(-) Operational impact resulted from regulatory costing and risks(-) Customer churn	<ul style="list-style-type: none">Ethics-related clauses and the channel to file complaints are included in the business contracts. The contracts will be terminated immediately should there be any unethical conducts.	<ul style="list-style-type: none">Setting up projects to promote, train, and advocate ethical management to ensure that all employees are fully aware of it.Providing whistleblowing channels.Internal control audit by the Audit Office.	<ul style="list-style-type: none">The Sustainability Promotion Team continuously keeps tab on the implementation status and target achievement rate, and regularly discusses and track them in senior management meetings.
<div><div>Economic Performance</div></div>	<ul style="list-style-type: none">(+) Increasing net profit after tax(+) Taxation for social welfare(-) The Red Sea Crisis triggered the international economic crisis in 2024, resulting in turbulence in the maritime transport of enterprises.	<ul style="list-style-type: none">All material operational decisions shall comply with the laws and regulations in force and shall achieve a positive economic performance.	<ul style="list-style-type: none">Through the Group's strategic planning meetings, the management and supervisors from each unit jointly formulate the annual strategic objectives.Managing the achievement of annual strategic objectives and budget targets through internal management meetings.	<ul style="list-style-type: none">The management conducts monthly management meetings to review the status of production, sales, and profitability to ensure that the strategic objectives and budget targets of the Company are met.

Management of Material Topics		To practice corporate sustainability and promote Solteam's environmental, social and economic progress and sustainable development, we have gradually planned and established the sustainable development policy in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and the sustainable development roadmap.			
Scope of Material Topics		Impact	Policy Commitment	Specific Action Plan	Specific Action Plan
<div> Appeal Procedures</div>		<p>In order to protect the integrity, honesty, and uprightness of suppliers, partners, and customers, Solteam has set up the following "Methods and Channels for Complaints" to prevent unethical conduct such as accepting rebates and improper benefits:</p> <ul style="list-style-type: none">■ Solteam shall not accept complaints should they contain malicious attacks, falsehoods, no specific contents, no real name, or no contact information.■ Please specify the name, department, and title of the person being reported; and attach specific evidence such as receipts, contracts, letters, videos, and photos.■ Complaints shall be sent by email to sol_credit@solteam.com.tw or by post to the "Audit Office" at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.■ Please be assured that the identity of the whistleblower and the contents of the complaint are handled confidentially by the dedicated department in charge of complaint-handling within Solteam.■ Communications may be conducted immediately through social media.■ Contact may be made to Solteam by telephone at 03-3162168.			
<div> Stakeholder Engagement</div>		<p>We communicate and interact with stakeholders on a scheduled or non-scheduled basis. The interaction status is disclosed in the Sustainability Report and the sustainability website of Solteam. We also adjust Solteam's related strategies and goals based on the opinions received from stakeholders.</p>			



3.1 Corporate Governance Structure

Upholding an ethical business philosophy, Solteam continually strives to improves the policies of corporate governance and implements sustainable development step by step.

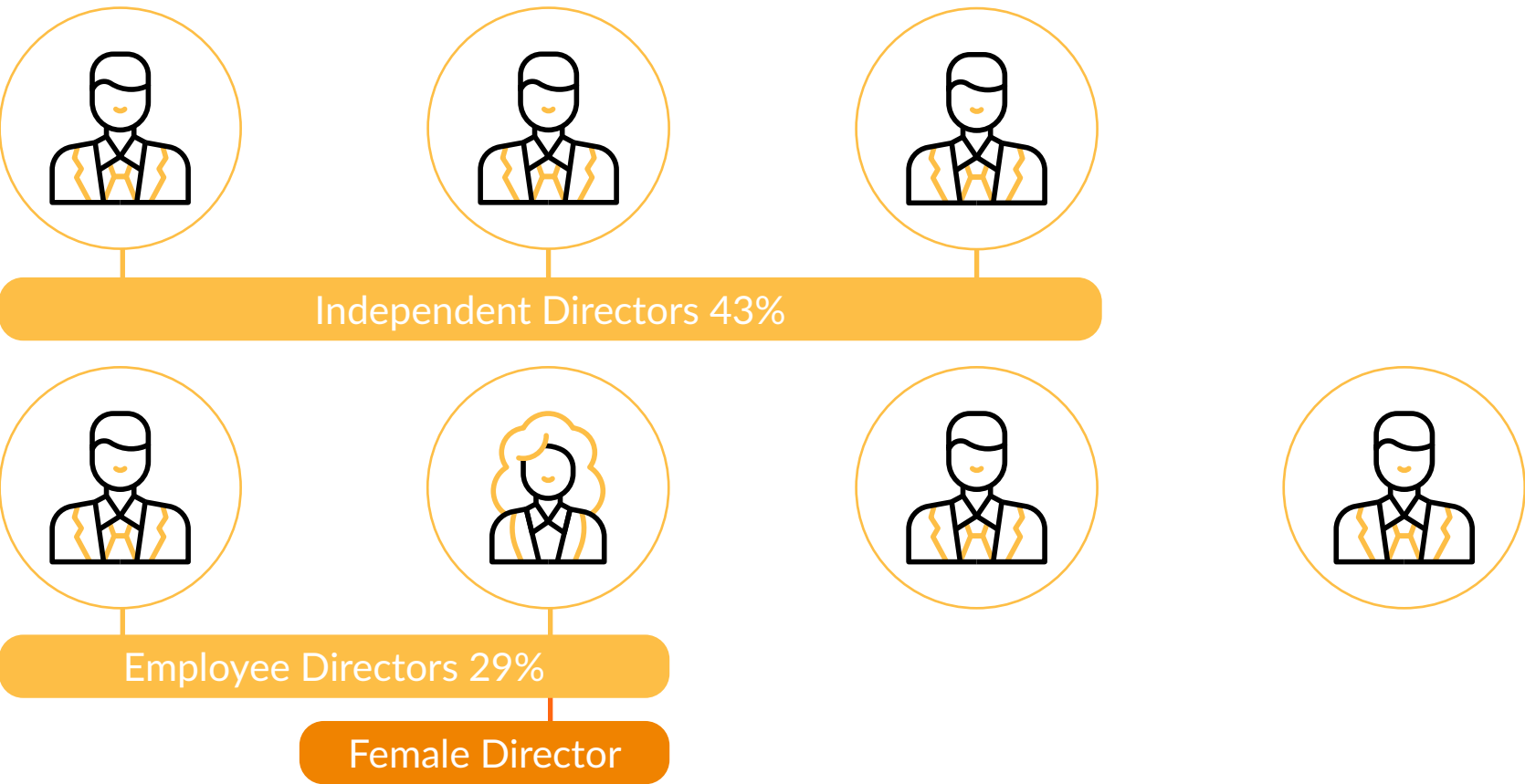
3.1.1 Composition and Implementation of the Board of Directors

Director Nomination and Election GRI 2-9 GRI 2-10

The structure of the Board of Directors is formulated by the Shareholders' meeting in accordance with the "Director Election Methods" and the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and determined by choosing an appropriate number of Board members, in consideration of the Company's business scale, the shareholdings of the major shareholders, and practical operational needs. The overall composition of the Board members is based on the Company's operating dynamics and development needs and the acquisition of professional knowledge and skills (including the professional knowledge and experience related to economic, environmental, and social issues) to perform their functions as directors and make substantial contributions to the Company's operations. During the two years before being elected or during the term of office, independent directors may not be related parties of the Company or any of its affiliates and may not be operating personnel in order to maintain independence.

Diversity and Independence of the Board of Directors GRI 2-9 GRI 2-11 GRI 2-12 GRI 2-14 GRI 2-15

Solteam's Board of Directors is the highest governing unit with the Chairman as the highest governance chief. The Board of Directors consists of 7 members who are all local citizens with different professional backgrounds in industries, academics, the law, etc. The structure of the Board of Directors is composed of 3 independent directors, accounting for 43% of the total number of seats of the Board of Directors, and 2 directors as employees, accounting for 29% of the total number of seats of the Board of Directors, respectively. None of the Board members has any of the conditions listed in Article 30 of the Company Act, nor does any of the directors have any relationship of spouses and relatives within the second degree of kinship, fulfilling the purpose of supervision. All decisions made by Solteam's Board of Directors in the fiscal year of 2024 followed the principle of recusal due to conflicts of interest.



Duties and Composition of Functional Committees GRI 2-9 GRI 2-10

The Remuneration Committee is to professionally and objectively evaluate the policies and systems for remunerations of the directors and managerial officers of the Company. Please refer to the Annual Report for its composition as well as implementation in details. In order to fortify the corporate governance and the sustainable operation, Solteam's remuneration system is determined in accordance with the laws and regulations, with reference to the remuneration policies of our peers, and the performance of managerial officers and directors.

The Audit Committee assists the Board of Directors in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices. Apart from monitoring the fair presentation of the financial statements and assessing the effectiveness of the internal control systems, the Committee also communicates regularly with the head of internal audit and the accountants in order to fulfill its responsibilities.

The Nomination Committee primarily adopts a professional and objective approach in formulating the criteria of professional knowledge, relevant skills, experience, gender, and the standards independence required for Board members and senior managerial officers, based on which it seeks, reviews, and nominates candidates for directorships and senior managerial positions.

Duties and Composition of Functional Committees

Solteam's Board members, convenor of the Remuneration Committee, and convenor of the Audit Committee evaluated the performance of the meeting proceedings of the Board of Directors and the functional committees for 2024 based on the following five perspectives. All of the evaluation results indicated full marks.

Board of Directors

- Participation in the operation of the company
- Improvement of the quality of the board of directors' decision making
- Composition and structure of the board of directors
- Election and continuing education of the directors
- Internal control

Functional Committees

- Participation in the operation of the company
- Awareness of the duties of the functional committee
- Improvement of quality of decisions made by the functional committee
- Makeup of the functional committee and election of its members
- Internal control



Please refer to the Corporate Governance section of the Company's website for the members composition, charters, and implementation status of the functional committees mentioned above and more information related to corporate governance.

https://www.solteam.com.tw/index.php?route=esg/esg&esg_id=21

3.1.2 Continuing Education of Directors and Supervisors GRI 2-17

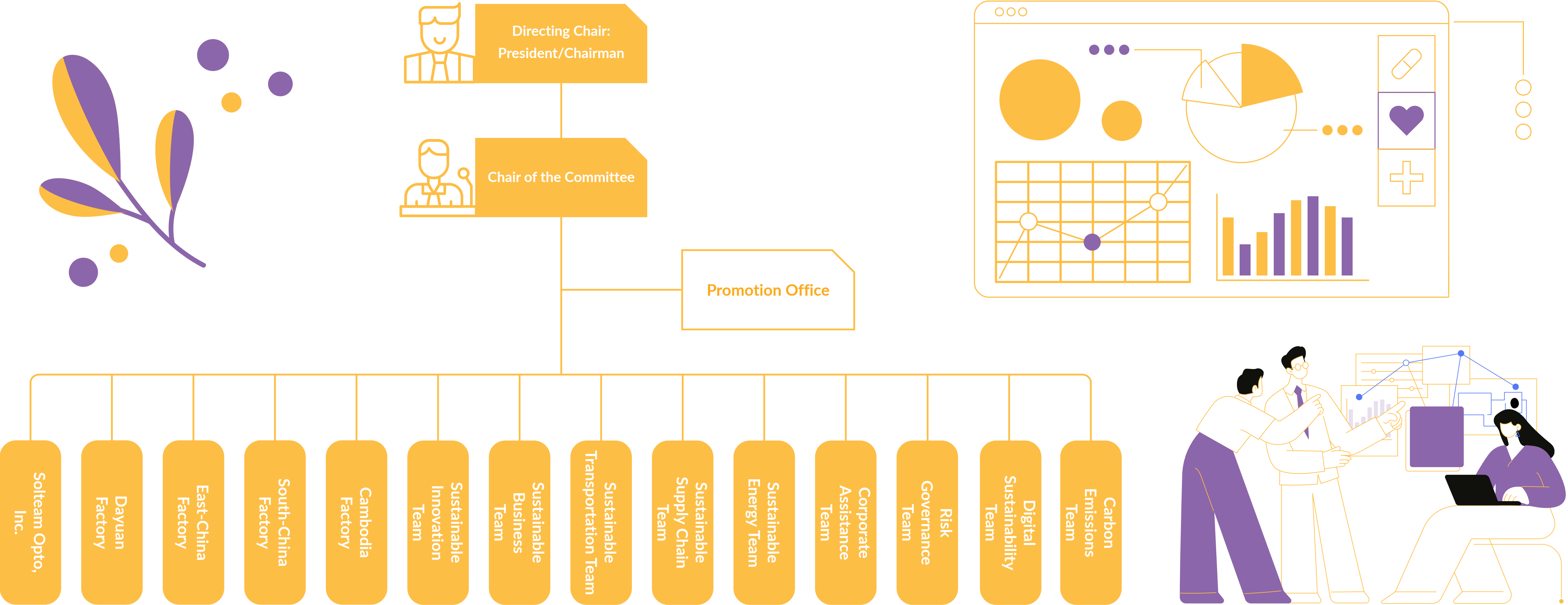
To continuously deepen the knowledge related to corporate governance, Solteam arranges director training courses every year, which not only assist directors in grasping the current regulations of corporate governance and sustainability trends, but also allows more interactive and communicative opportunities for directors to interchange diverse perspectives. Please refer to the Investor Section of the Company website and the Annual Report for details on the Continuous Education of Directors and Supervisors in 2024.

3.2 Corporate Sustainability Management

3.2.1 Sustainability Committee and Governance Structure GRI 2-9

In order to concretely practice corporate social responsibility, Solteam's Board of Directors adopted the "Sustainable Development Best Practice Principles," which clearly defines the following: (1)Exercise corporate governance, (2)Foster a sustainable environment, (3)Preserve public welfare, and (4)Enhance disclosure of corporate sustainable development information. The four primary principles serve as the highest guiding principles for promoting sustainable development. In addition, supervisors at the level of deputy general manager or above take up the roles of members in the "Sustainable Development Promotion Committee." The "Sustainable Development Office " has also been established, of which the staff is assigned by the Committee for the execution of sustainable development.

On August 8, 2024 and November 8, 2024, the members of the Solteam's Sustainable Development Office reported to the Board of Directors regarding the implementation of sustainability for 2024.



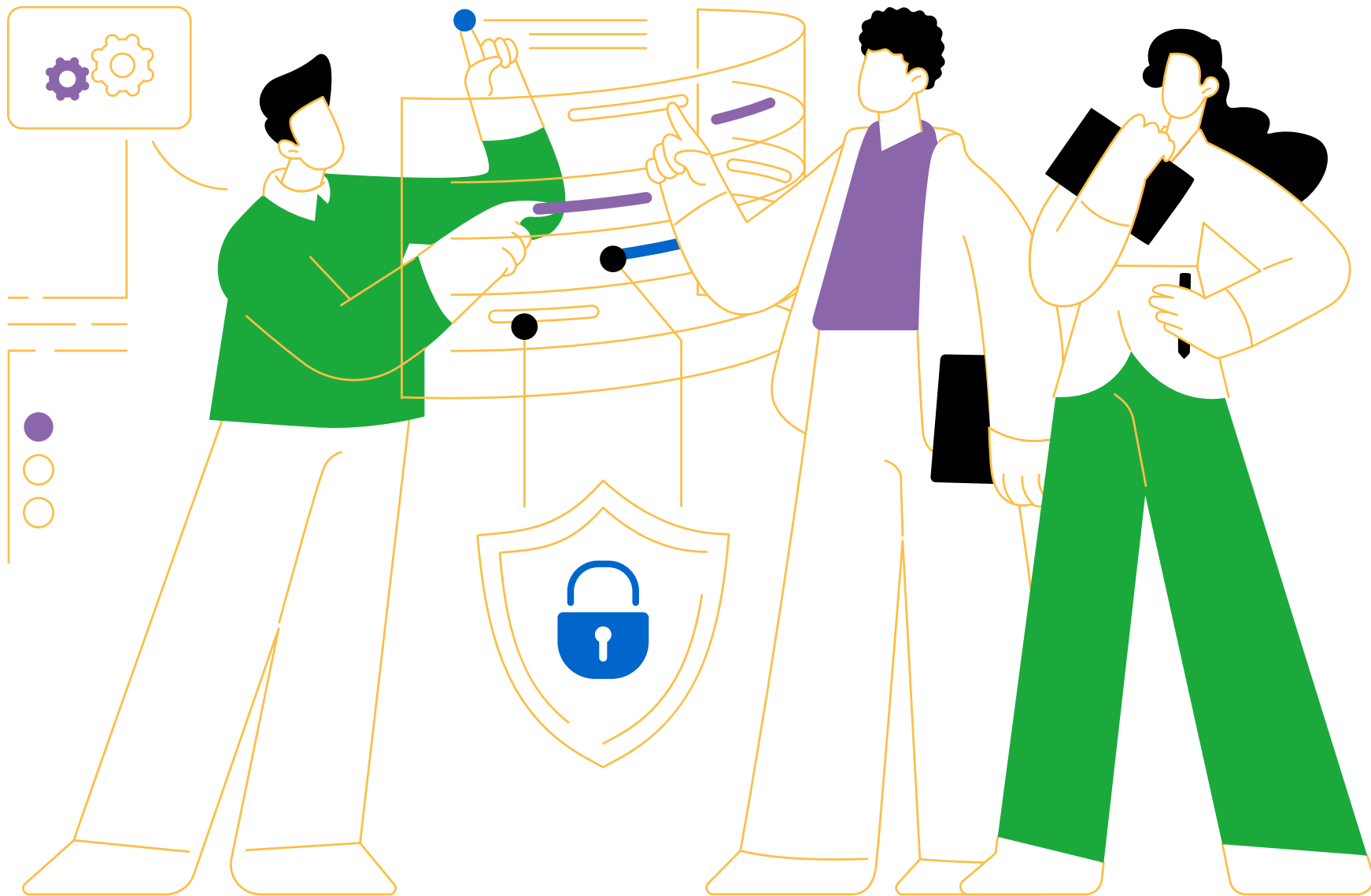
3.3 Risk Management

3.3.1 Risk Management GRI 2-16

Solteam's Board of Directors has approved the stipulation of the "Risk Management Policy for the Group of Solteam Incorporation." Through the identification, assessment, control, supervision, and communication of potential risks in a qualitative and quantitative management method, we minimize the various risks faced by the Company to a tolerable and controllable scope and use them as the basis for reference, attempting to reasonably achieve the Company's strategic objectives. Solteam Group has also established the Risk Management Committee, which reports to the Board of Directors annually regarding the Group's risk management operations.

Currently, Solteam's departments perform evaluations to determine whether there are operational risks or not. If a risk of greater impact on the Company is identified, a risk-tracking task force will be established. With the General Manager as the highest governor of risk management, the task force is composed of the supervisors from each department related to the identified risks. Targeting the risks, the task force will formulate corresponding policies and follow up the status regularly in order to minimize or mitigate the risk impact. When the level of impact has been leveled down to the Company's standards, the project will be submitted to the internal audit office for random inspection as well as periodical evaluation on the level of risk impact.

The risk management policy of Solteam specifies the responsible authority of each risk factor, which is in charge of the management procedures such as risk identification, risk assessment, risk control, risk supervision, and communication in order to clearly grasp the scope of each risk and take appropriate measures to ensure the proper management of the relevant risks. In the event of a cross-departmental or cross-factory crisis, the General Manager or his designee will take charge of directing and coordinating the matter.



Below are the risks identified by Solteam to have more significant impact on the Company's operations. Please refer to Chapter 5 for the details of the risks related to climate change.

Risk Type	Risk Impact	Countermeasures
Strategic Risks	<ul style="list-style-type: none">Impact on the Company's development due to the decision-making and execution of strategies.	<ul style="list-style-type: none">Annual strategic policy guidelines are jointly formulated by management and department heads through group strategy planning seminars.Annual strategic policies and goal achievement are managed through operational meetings.
Operational Risks	<ul style="list-style-type: none">Risks affecting operations due to significant capital expenditures.	<ul style="list-style-type: none">Procedures for conducting benefit evaluations for significant capital investments are stipulated in the fixed asset regulations.Significant capital investments are subject to review by the Audit Committee and approval by the Board of Directors.
Financial Risks	<ul style="list-style-type: none">Impact on the Company's profit and loss due to uncertainties caused by changes in interest rates and fluctuations in exchange rates.	<ul style="list-style-type: none">Monitor changes in the interest rate market, manage existing long-term and short-term borrowing positions, and reduce interest costs.Grasp the funding situation, control the funding level according to the annual budget demand, and reduce the cost of financing.Maintain good relationships with banks and strive for the best financing rates and deposit rates.Monitor daily fluctuations and information in the foreign exchange market, and evaluate the foreign exchange risks and changes in profits and losses generated by the Company's asset and liability positions.Reduce foreign exchange risks through planning of foreign currency assets and liabilities.
Hazard Event Risks	<ul style="list-style-type: none">Risks of emergencies such as accidents or disasters affecting the continuous operation of the Company.	<ul style="list-style-type: none">System operations and resource integration are implemented to ensure continuous operation in case of emergencies such as accidents or disasters, aiming for uninterrupted operation.Each factory and functional organization formulate emergency response and recovery plans for specific crisis events; and continuously improve response procedures and recovery strategies.
Regulatory Compliance Risks	<ul style="list-style-type: none">Risks of adjustments to the current operating status due to updates in regulations or penalties for non-compliance.	<ul style="list-style-type: none">Departments consolidate and update relevant regulations in accordance with legal requirements, and adjust internal regulations reasonably, such as arrangements for production and pollution prevention.

3.4 Regulatory Compliance

GRI 2-27

As Solteam operates across various countries, we need to keep abreast of the dynamics of overseas and domestic policy as well as regulatory changes. Therefore, we have appointed an external law firm to provide professional consultation and education training related to legal services in order to perfect the regulatory compliance system. Since 2022, Solteam's Audit Office has commenced its stipulation of regulatory compliance process and has included the same in the routinely auditing items every year.

Execution Projects	Execution Effects
	<div><div>Solteam Group's 《Regulatory Compliance System》 Process</div><div><div>Regulation Collection</div><div>Directory Establishment</div><div>Regulation Analysis</div><div>Countermeasures</div><div>Annual Review</div></div><div><div>Each Department</div><div>Each Department/Audit Office</div></div></div>
Regulatory Compliance System Process	
Regulation Collection	<div><div>Each department assigns dedicated personnel of regulatory compliance to establish specific legal search channels and look for as well as compile the latest regulations and letters.</div><div>» Currently the legal search channels include the websites of national laws and regulations database, competent authorities, relevant associations, chambers of commerce, etc.</div></div>
Directory Establishment	<div><div>We categorize the collected regulations and create a specialized directory of regulations in each department, including the subsidiaries and factories.</div><div>» Currently there are 17 regulation directories for headquarters and 24 for subsidiaries.</div><div>In 2024, the entire Group launched the Knowledge Management System (KMS), in which the common information is stored in the document management center. It includes a special folder for regulatory compliance, where departments of each factory can keep the relevant regulatory directory and important clauses in this folder for sharing purposes. If a new law is promulgated, we will identify the items related to Solteam after analyzing the terms and conditions and further follow up on whether corresponding countermeasures are required to be implemented, such as updates on the internal control procedures, to ensure the completeness of regulatory compliance.</div></div>
Regulation Analysis	<div><div>The dedicated personnel of regulatory compliance from each department are in charge of submitting new laws and regulations and designating the relevant personnel to confirm the regulatory compliance according to the category.</div><div>» All relevant departments followed the procedures to confirm the regulatory compliance of the added and amended regulations in 2024, such as the Amendments to the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace, the Regulations of the Maternity Health Protection at the Workplace, and the Necessary Depreciation and Expenses Standards of Property Lease.</div></div>
Countermeasures (Latest Legal News)	<div><div>Upon adding or updating ordinances, each department would conduct ordinance announcements and educational training as well as revise internal regulations. Should there be inconsistency or pending items in the amendment, regulation and letter confirmation forms will be filled out and marked as further follow-up.</div><div>» The Audit Office also pays attention to newly-added laws and regulations on a daily basis, and then refers them to the relevant departments to avoid omission of new laws and regulations.</div></div>

Execution Projects	Execution Effects
Annual Review	<div><div>The process for regulatory compliance system is included in the internal control audit routines and is reviewed during the cycle-auditing period.</div></div>

Based on Solteam's results of the risk assessments, the significant impacts on operations in the perspective of regulatory compliance were environmental laws and regulations, intellectual property rights, and safety regulations. The relevant impacts and responding procedures are detailed as below.

3.4.1 Compliance with Environmental Regulations

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The environmental compliance risks of the entire Group are summarized below:

Risk Type	Risk Impact	Countermeasures
<div>Air Pollution Control Act</div> <div>Waste Disposal Act</div> <div>Safety Regulations</div> <div>Fire Services Act</div> <div>Noise Control Act</div> <div>Act Governing Food Safety and Sanitation</div> <div>Water Pollution Control Act</div> <div>Prevention and Control of Atmospheric Pollution</div>	<div><div>The major environmental compliance risks come from the factory premises with production functions.</div><div>The office buildings are mainly used for administration, research, development, and design. Therefore, they were deemed no potential environmental risk in the assessment.</div><div>Since the medical materials factory has obtained the ISO-13485 and the GMP certifications from the Ministry of Health and Welfare, the potential environmental risk is considered relatively low after assessment. However, production and sales may be affected if the factory violates the ISO-13485 and the GMP certification.</div><div>If the waste in other factory premises is industrial waste, it should be removed pursuant to local regulations, or be cleared by a third-party company with an operating license, and be reported according to the regulations, which may be subject to fines for non-compliance. General or domestic waste should also be handled in accordance with local regulations.</div><div>Other emissions such as wastewater, waste gas, etc. must also be controlled in compliance with local emission standards; e.g., Jiangsu Integrated Emission Standard of Air Pollutants, and may be subject to fines if case of violation.</div><div>The manufacturing process and workplace are governed by local regulations, which require the installation of fire-fighting equipment and consideration of production safety.</div></div>	<div><div>1. The medical material factory adheres to the requirements of ISO-13485 and GMP of the Ministry of Health and Welfare.</div><div>2. Set up fire-fighting facilities and occupational safety and health units in accordance with fire-fighting laws and regulations.</div><div>3. Reasonably arrange production and pollution management programs in pursuant to laws and regulations.</div><div>4. Control emissions (wastewater, waste, noise, etc.) and dispose of them in compliance with local legal requirements, building management committees, and community regulations.</div><div>5. Regularly monitor compliance and conduct random inspections every year.</div></div>

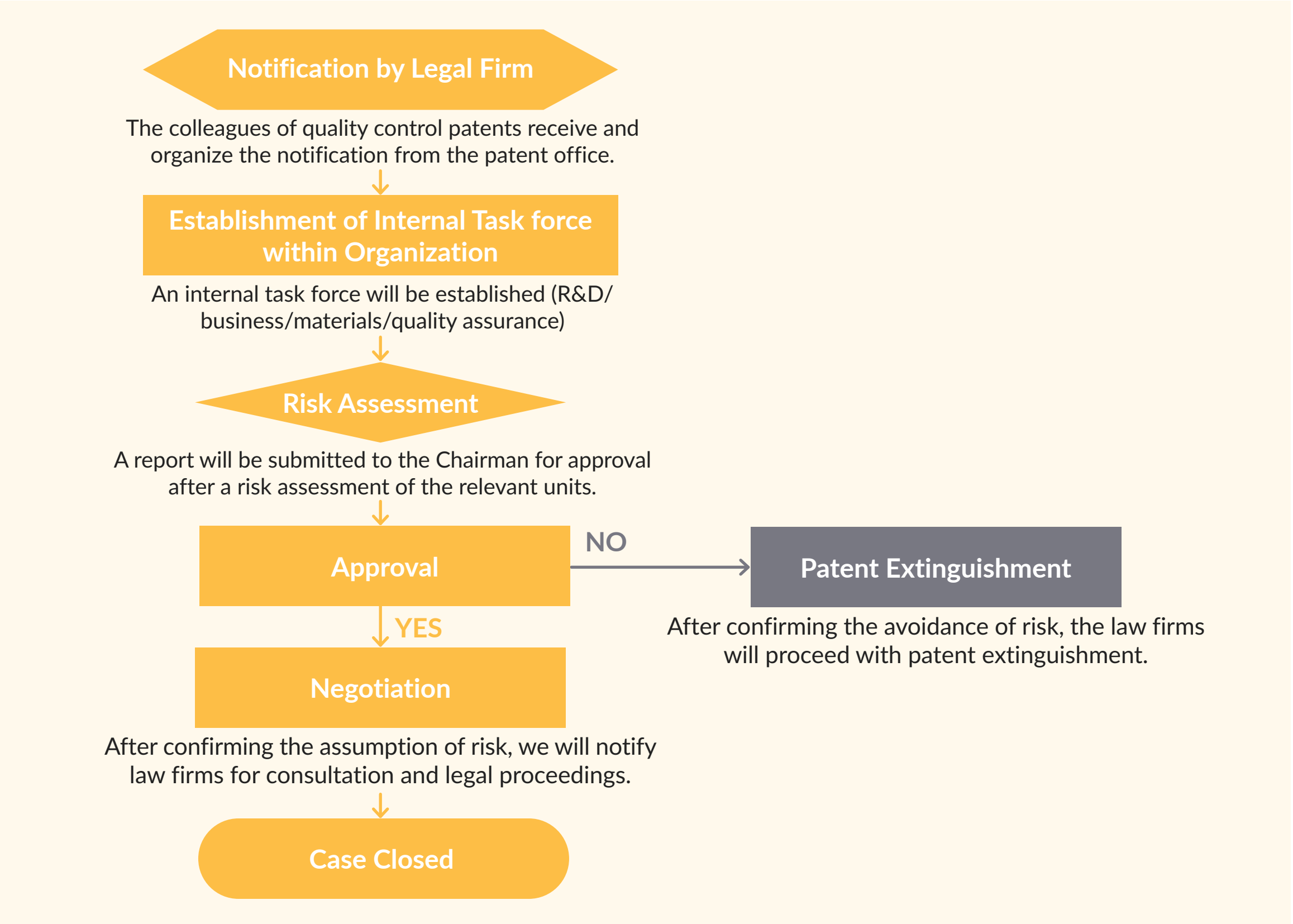
There was no violation against the local environmental regulations for the Solteam in the fiscal year of 2024.

3.4.2 Other Regulatory Compliance (Intellectual Property and Safety Regulations)

Solteam's products are primarily electronic components, which are sold to customers and then assembled into final products for the market. Therefore, Solteam pays close attention to how to cooperate with customers on the continuous development of products and the regulatory compliance with intellectual property rights. Moreover, the safety regulations of electronic products vary in different fields and countries and are the emphasis of Solteam's stakeholders and end consumers. Hence, Solteam has stipulated the following process for the compliance with intellectual property rights and safety regulations.

During the reporting period, Solteam did not have any significant instances of non-compliance with laws and regulations, nor was it required to pay fines.

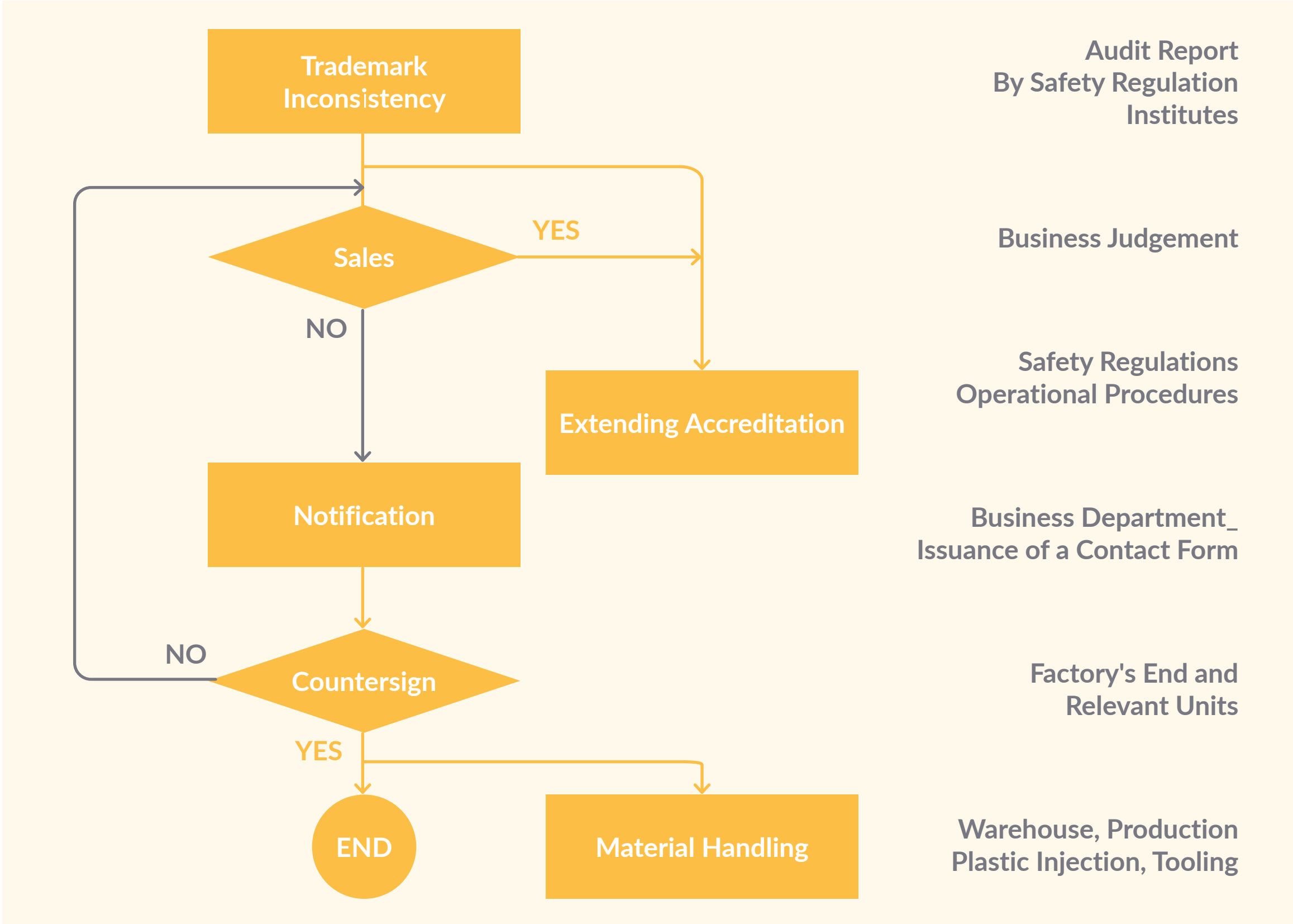
Intellectual Property



Safety Regulations

When a safety regulation organization discovers unaccredited products labeled with safety Regulation trademarks during factory inspection and issues a non-conformity:

1. The safety officer will notify the salesperson to evaluate whether the product still needs to be sold.
2. Not in sale--
 - » The salesperson will issue a contact form which shall be countersigned and processed by the factory as well as the relevant units for material handling.
 - » The safety personnel will follow the "Safety Regulation Standards" to perform product certification and additional reporting procedures.
3. In sale--The safety personnel will follow the "Safety Regulation Standards" to perform product certification and additional reporting procedures.



3.5 Ethical Corporate Management

3.5.1 Ethical Corporate Management

Formulation of Policies and Plans for Ethical Corporate Management

RT-EE-510a.1

The Board of Directors passed the Company's "Ethical Corporate Management Best-Practice Principles," the "Procedures and Guidelines for Ethical Corporate Management and Behavior," and the "Ethical Corporate Management Policy" that have been announced in the Company regulations, the Company's internal and official websites. The Board members and senior managerial officers of Solteam have signed the declaration for compliance of ethical corporate management. The Company upholds an ethical principle while conducting a stable and honest business. We do not participate in business activities attaching high risks of unethical conduct and enforce the relevant precautionary measures.

Fulfillment of Ethical Corporate Management

Solteam's fulfillment of ethical corporate management in 2024 is as follows:

- Prior to any commercial transactions, the Company takes into consideration the legality of our agents, suppliers, clients, or other trading counterparties and whether any of them are involved in records of unethical conduct, and shall avoid any dealings with persons so involved.
- Solteam has included ethical corporate management terms explicitly in commercial contracts and may at any time terminate the contracts should there be involvement in unethical conduct. The whistleblowing channels have also been clearly stated within the contracts.
- Should there be findings in matters where directors, managers, employees, or persons having substantial control over the Company violate ethical corporate management rules, such whistleblowing shall be voluntarily reported to the Audit Committee, managerial officers, chief internal auditors, or other competent supervisors.

In 2024, there were no findings of violation against ethical corporate management.



Please refer to the link below for more details about the Company's regulations and whistleblowing systems for ethical corporate management
https://www.solteam.com.tw/index.php?route=esg/esg&esg_id=21

3.5.2 Educational Training on Ethical Corporate Management

Educational Training Related to Ethical Corporate Management

Solteam arranges case-sharing courses related to trade secrets annually, which are conducted through face-to-face sessions or online videos. Additionally, the Company organizes courses related to ethical management irregularly with the themes covering ethical management policies, principles of ethical management, and guidelines for ethical management, so that our colleagues can better understand the Company's ethical management policies, preventive programs, operational procedures, and the consequences of violating ethical and integrity conducts, and that the concept of ethical management can be internalized into the corporate culture.

In order to strengthen ethical management, we have been implementing the promotion of ethical management and educational training since July 2020 (including new employee orientation and annual group-wide training). The courses are delivered by instructors through face-to-face sessions and video/audio recordings as teaching materials. The implementation status is reported to the Board of Directors annually. A total of 594 individuals participated in the most recent training program of ethical management in 2024 with a total of 297 training hours. Through educational training and cooperation with the Company's internal auditing and control system, employees are able to better understand the Company's ethical management policies, operating procedures, and the consequences of dishonest behavior, in order to implement the culture of ethical management.



3.6 Information Security

3.6.1 Information Security

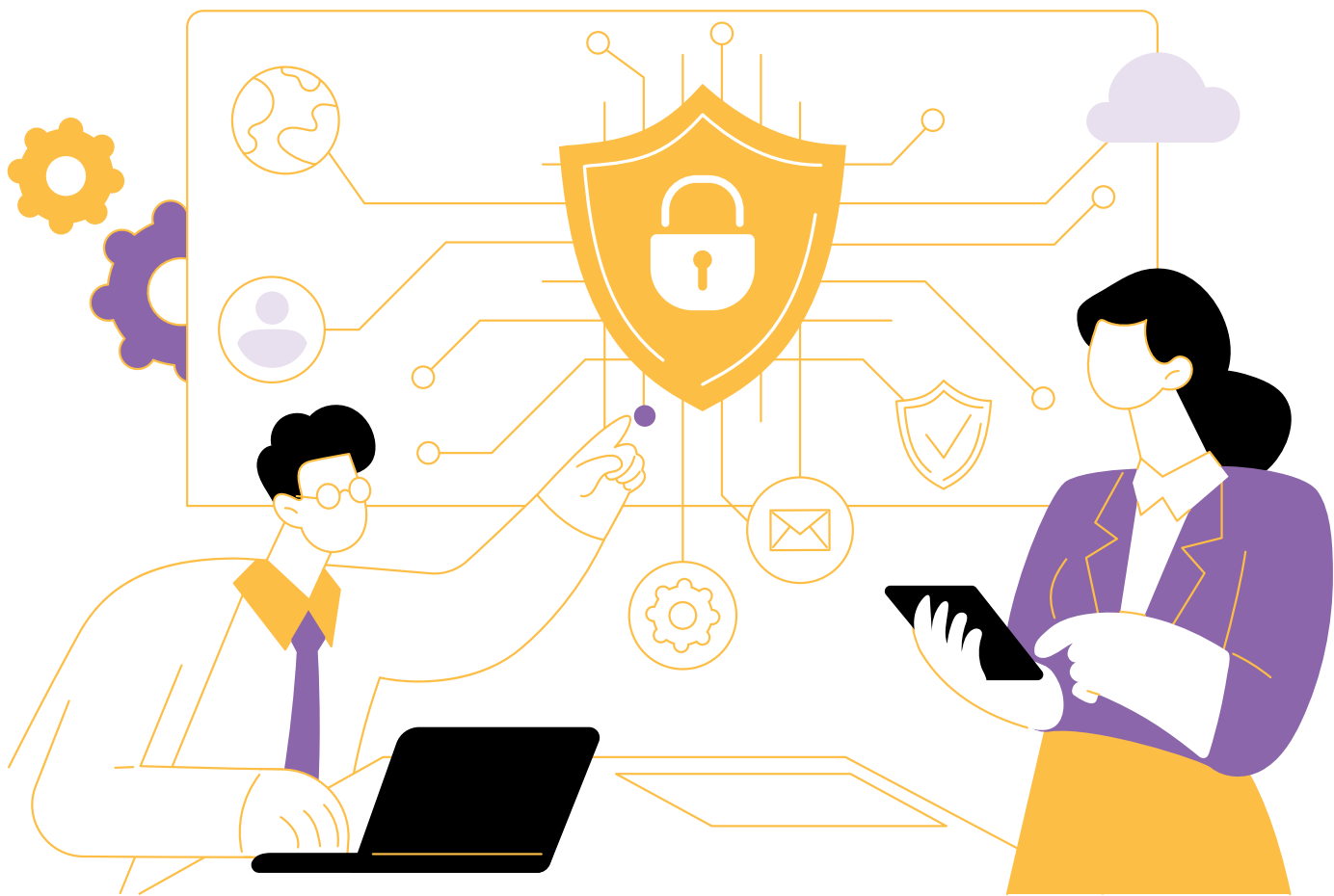
Governance Over Information Security

The world is continually exposed to increasingly severe cyberattack and data breach. Under the support of the Chairman, the Information Security Committee persists in deepening and consolidating the governance system for information security. With the joint efforts from the members of the highest level, we further optimize the information security structure to reduce information security risks in this digital era and upgrade our adaptability comprehensively.

In 2024, the Information Security Committee focused on strengthening the organization's resilience and continued to be guided by the Information Security Officer in developing information security policies, management objectives, and relevant measures as well as standards. Simultaneously, the Information Security Execution Team enhanced its early detection and response capabilities of emerging threats and concentrated on the changing dynamics of the external environment and internal risks. Targeting the identified risks, we conduct a deep analysis and take corresponding actions by priority.

Based on our sound foundation in the previous year, the Group further improves the advanced alerting and monitoring system to ensure a wider and deeper protection over important information. In the meantime, we have strengthened the information security awareness of all employees through the Learning Management System (LMS) to ensure that the information security culture is deeply rooted in their daily works.

Solteam Group did not have any incidents involving material information security in 2024, demonstrating the effectiveness and positive achievements of information security governance. The Group aligns its information security measures with the requirements of the laws and regulations and positively abides by the "Information Security Management Guidelines for TWSE/TPEX-listed Companies" to provide solid protection over digital safety for the Company's stable operations. Solteam Group will continue to deepen the information security governance and facilitate the sustainable development of the information security system.



Information Security Defense

Solteam Group formulated a comprehensive project for information security in 2024 to address the potential risks. Below are the primary information security measures in 2024:

Strategy	System	Plan
Information Security	<ul style="list-style-type: none">Information security risk assessmentInformation security management reviews	<ul style="list-style-type: none">To implement the classification requirement of confidential information and guidelines for basic information security protection.To perform risk assessment on information security to evaluate the potential risks.To carry out information security audits regularly and follow up on the improvement status of the audits.
Technological Application	<ul style="list-style-type: none">Cyber securitySystem securityData encryptionIdentification authentication	<ul style="list-style-type: none">To employ Unified Threat Management (UTM) equipment.To conduct vulnerability assessment.To develop system source code analysis by ourselves.To utilize e-data protection systems.To adopt the Multi-factor Authentication (MFA) for remote working.
Information Optimization	<ul style="list-style-type: none">Early warning of information security risksContinuous business operation and drillsRaising of employees' awareness for information securityFortification of wide area network hosts	<ul style="list-style-type: none">To analyze possible threats of existing equipment and adopt precautionary measures.To participate in external cyber-defense organizations.To hold disaster recovery drills regularly.To reinforce education and training on information security.To perform phishing email drills.To transfer the wide area network hosts to a Demilitarized Zone (DMZ).

Targeting the information systems, Solteam has also formulated the following defense plans:

1

Risk Rectification of Vulnerability Assessment:

With regular vulnerability assessment, we identify system vulnerabilities and weaknesses in a timely manner and make risk corrections to ensure the security and robustness of the Company's systems.

2

Server Disaster Recovery Drills:

Performing regular server disaster recovery drills ensures that the Company is able to quickly and effectively resume system operations in the face of a disaster and minimizes the losses caused by the disaster to a great extent.

3

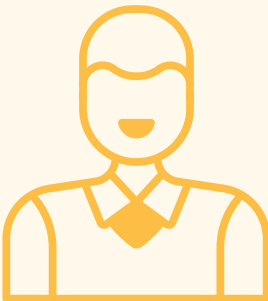
Source Code Analysis

It aims to enhance the safety of self-developed systems by running safety checks on the system code, which are patched by system developers in order to reduce the threats to the system brought by safety problems.

Specific Accomplishments

- The Company conducted two social engineering drills simulating a common social attack; that is, phishing emails, to enhance our colleagues' identification abilities. After the drills, in addition to conducting the information security advocacy for all colleagues, online video training courses were taken by colleagues who fell victim to phishing attacks.
- Striving for the reinforcement of our IT staff's expertise, each member of the information security team is required to attend at least 12 hours of external information security courses.
- The new employee orientation includes basic information security training. The existing employees are required to read at least one email per month on information security in order to strengthen their knowledge of information security and to nurture a correct concept of information security.
- We organized information security educational training through online and livestream courses including discussion on corporate integrity and information security, elaboration on information security and application, sessions for phishing emails, etc.

General Employees of the Entire Group



A total of **653** person/time completed the information security training with **528.3** hours.

A total of **5** video promotion courses on LMS.

IT Staff




A total of **6** person/time completed the information security training with **51.5** hours.

A total of **9** video promotion courses on LMS.

- The meetings of the Information Security Team are held quarterly to present the implementation progress as well as status of the annual plan for information security. The following table summarizes the execution plans and the contents thereof for the fiscal year of 2024:

1



LMS Educational Training for Employee Information Security


Contents of Plans

To upload information security promotion videos to the LMS and target equal to or more than 450 annual training hours for the Group.

Implementation Results

The Group's annual training hours in 2024 were 528.3, which has reached the target for the current year.

2



Phishing Drill

Contents of Plans

To perform phishing drills every half year with a victim target equal to or less than 3%.

Implementation Results

Two phishing drills were completed in 2024. The victim rate for the entire Group is as follows:
First Half Year 15.6% | Second Half Year 1.13%

Improvement Measures: To strengthen our colleagues' awareness of information security, those who fell victim to the phishing attacks were required complete the educational training by watching online video courses and passing the test. Given that the victim rate for the first half year was 15.6%, we added promotion courses on phishing emails and requested all colleagues to participate. Afterwards, we arranged re-examination for those who had fallen victim to the phishing attacks until they have all passed the tests.

Improvement Achievements: The victim rate for the second half year was reduced to 1.13%.

The rest of the annual execution projects, such as the information security audits, the data analysis for information security systems, and the risk evaluation for vulnerability scanning, were completed in 2024.

Chapter









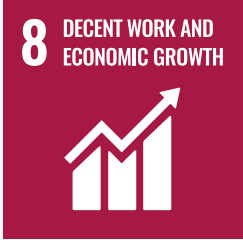
Safety and Customer Service Innovation









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GRI 2-26

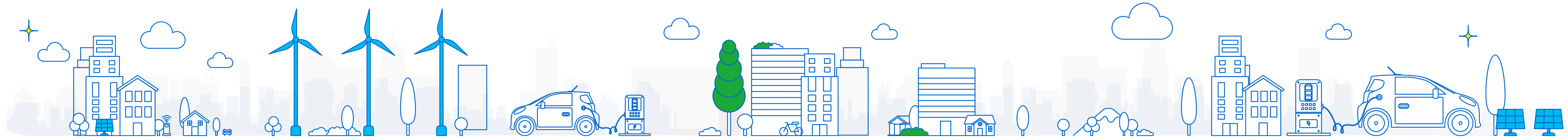
GRI 3

Material Topics	Objectives for 2025 (Short-term)	Objectives for 2027 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
<div><div>Product Quality and Safety</div></div>	<ul style="list-style-type: none">No complaint for material non-compliance with laws and regulations or product safety problems.To achieve various annual quality objectives.To promote digitalized quality monitoring.	<ul style="list-style-type: none">0 complaint for material quality abnormality.To establish a data platform of abnormal cases; and to minimize the occurrence of abnormality through cross-department and cross-industry learning.	<ul style="list-style-type: none">0 complaint for material quality abnormality.To strengthen the designing and supply chain management to eradicate risks of product safety.	<div></div>
<div><div>Customer Relationship Management</div></div>	<ul style="list-style-type: none">To attain at least 88 scores of service satisfaction rating from the top 20 customers.To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end; to cooperate with customers in promoting sustainable development as well as carbon reduction; and to accumulate at least 3 pieces of the above sustainable development products every year.	<ul style="list-style-type: none">To attain at least 90 scores of service satisfaction rating from the top 30 customers.To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end; to cooperate with customers in promoting sustainable development as well as carbon reduction; and to accumulate at least 5 pieces of the above sustainable development products every year.	<ul style="list-style-type: none">To attain at least 92 scores of the overall customer service satisfaction rating.To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end; to cooperate with customers in promoting sustainable development as well as carbon reduction; and to accumulate at least 8 pieces of the above sustainable development products per year.	<div></div>
<div><div>Innovation Management</div></div>	<ul style="list-style-type: none">More than 20 research projects per year.To apply for at least 6 or more patents per year.To develop at least 110 or more projects per year.	<ul style="list-style-type: none">More than 25 research projects per year.To apply for at least 8 or more patents per year.To develop at least 125 or more projects per year.	<ul style="list-style-type: none">More than 30 research projects per year.To apply for at least 10 or more patents per year.To develop at least 140 or more projects per year.	<div></div>

Material Topics	Objectives for 2024	Achieved or Not	Achievement Status in 2024
<div><div>Product Quality and Safety</div></div>	<ul style="list-style-type: none">0 complaint for material quality abnormality.To achieve annual quality objectives.	<p>Achieved</p> <ul style="list-style-type: none">0 complaint for material quality abnormality.To achieve annual quality objectives.	<ul style="list-style-type: none">No complaint for material non-compliance with laws and regulations or product safety problems.Achieved various annual quality objectives, including case number of internal and external abnormality control.The quality and environmental management systems continued to meet the requirements of third-party verification.
<div><div>Customer Relationship Management</div></div>	<ul style="list-style-type: none">To attain at least 88 scores of service satisfaction rating from the top 20 customers.To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end; to cooperate with customers in promoting sustainable development as well as carbon reduction; and to accumulate at least 3 pieces of the above sustainable development products every year.	<p>Achieved</p> <ul style="list-style-type: none">To attain at least 88 scores of service satisfaction rating from the top 20 customers.To enter the sustainability product supply chain and the new sustainability supply chain of industrial transition at customers' end; to cooperate with customers in promoting sustainable development as well as carbon reduction; and to accumulate at least 3 pieces of the above sustainable development products every year.	<ul style="list-style-type: none">Attained an average of 93.7 scores for customer satisfaction survey in 2024.Number of cases in cooperation of the strategic sustainable development at customers' end in 2024:<ul style="list-style-type: none">Entered the sustainability product supply chain at customers' end: 4 piecesNew sustainable supply chain of industrial transition: 6 piecesCooperated with customers in promoting sustainable development and carbon reduction: 14 pieces
<div><div>Innovation Management</div></div>	<ul style="list-style-type: none">More than 12 research projects per year.To apply for at least 5 or more patents per year.To develop at least 120 or more projects per year.	<p>Achieved</p> <ul style="list-style-type: none">More than 12 research projects per year.To apply for at least 5 or more patents per year. <p>Not achieved</p> <ul style="list-style-type: none">To develop at least 120 or more projects per year.	<ul style="list-style-type: none">22 research projects.7 patent applications.Only 100 projects were developed during the current period in order to meet customers' demand for project development.

Management of Material Topics				
Solteam's products are closely linked to safety. The implementation of product safety-related systems and the continuous innovation are the footstones of Solteam's sustainable development.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div></div> <div>Customer Relationship Management</div>	<ul style="list-style-type: none">■ (+)Proactively understanding customers' needs and providing solutions.■ (+)Elevating customer loyalty in order to increase market share in width and depth.■ (+)Recreating new opportunities for product development by providing products with new values and reduced carbon footprints in order to increase collaboration programs.	<ul style="list-style-type: none">■ We continue to focus on the sustainability goals at customers' end and take the initiative to cooperate with the introduction of customers' products of sustainable development.	<ul style="list-style-type: none">■ With "Achieving customer satisfaction" as the highest goal of our communication and service, we make necessary adjustments through regular reviews on the achievement status and continue to enhance the positive cycle of overall customer satisfaction.	<ul style="list-style-type: none">■ Conducting customer satisfaction survey annually.■ Developing a number of new cases related to sustainability in line with customers.
<div></div> <div>Innovation Management</div>	<ul style="list-style-type: none">■ (+)Stable product quality■ (+)Progress for new product development■ (+)Enhancement of product competitiveness	<ul style="list-style-type: none">■ Completing the product development within the required time frame in alignment with customers' needs.■ Continually encouraging colleagues to host innovative campaigns.■ Increasing the usage of environmental substances and optimizing the design to reduce waste.	<ul style="list-style-type: none">■ Technical advancement: Continuously encouraging internal colleagues to proceed with projects of basic technical research apart from product development and to train their capabilities of report composition as well as presentation with a certain number of research project reports required to be completed every year.■ Intellectual property protection: Inspiring colleagues to submit patent applications to protect the Company's intellectual property.■ Completion number of product development projects: Using all sorts of digital tools and platforms for assistance in progress and follow-ups on problems to improve the efficiency of product development.■ Database development: Establishing a selection guide of environmental substances to be used during the design process.	<ul style="list-style-type: none">■ Revising and compiling statistics on the indicating data according to the yearly situations.
<div></div> <div>Product Quality and Safety</div>	<ul style="list-style-type: none">■ (+)Stable product quality■ (-)Decreased revenue■ (-)Customer churn	<ul style="list-style-type: none">■ Cooperating with customers in product development and assisting in verification prior to the market launch.■ Overseeing production process.■ Monitoring production data and feedback from market after launch.	<ul style="list-style-type: none">■ Proposing quality policies, reviewing plans in accordance with project progress, and emphasizing product compliance with regulations as well as customer requirements to produce safe and reliable products.	<ul style="list-style-type: none">■ Ensuring product safety through implementing the following quality policies:<ul style="list-style-type: none">» Monitoring the product verification process for safety regulations or development verification; and regularly compiling the statistics of failed cases.» Supervising production process through quality weekly meetings, monthly meetings as well as management audits.» Overseeing the post-sales product information based on customer satisfaction, Scorecard, customer interviews, and other feedback data.

Management of Material Topics				
Solteam's products are closely linked to safety. The implementation of product safety-related systems and the continuous innovation are the footstones of Solteam's sustainable development.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div></div> <div>Appeal Procedures</div>	<ul style="list-style-type: none">■ To take good care of our customers' needs and ensure good product quality, Solteam offers the following complaint methods and channels:<ul style="list-style-type: none">» Solteam shall not accept complaints should they contain malicious attacks, falsehoods, no specific contents, no real name, or no contact information.» Please specify the name, department, and title of the person being reported; and attach specific evidence such as receipts, contracts, letters, videos, and photos.» Complaints shall be sent by email to sol_credit@solteam.com.tw or by post to the "Audit Office" at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.» Please be assured that the identity of the whistleblower and the contents of the complaint are handled confidentially by the dedicated department in charge of complaint-handling within Solteam.» Communications may be conducted immediately through social media.» Contact may be made to Solteam by telephone at 03-3162168.» The Company's official website > Contact Us > Click on the topic of "Products and related services" (One may directly contact the responsible personnel by clicking on the links.)■ Power Tool Industry: Zheng (head of division)■ Home Appliance: Lin (head of division)■ ICT: Zhang (manager) and Chen (manager)■ Medical Applications: Lee (manager)			
<div></div> <div>Stakeholder Engagement</div>	<ul style="list-style-type: none">■ The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis; discloses the interaction status in the Sustainability Report as well as on Solteam's sustainability website; and adjusts Solteam's relevant strategies and objectives based on the opinions of stakeholders.			



4.1 Customer Service

GRI 418-1

4.1.1 Customer Management Policy

With the increasing international competition in the industry, the rising awareness of sustainability has motivated the swiftness in the technological innovation and development of new products. Along with the rapid changes in customer demand, how to quickly grasp, react, and respond to customer needs has become one of the most important tasks for Solteam. Compared with profitability, Solteam emphasizes more on the collaborative relationship with customers. Therefore, it is an important goal for Solteam to be equipped with excellent and professional customer service capability and action, enhance the performance of new product development through collaboration, experience sharing, and technical exchange, and become a strong and powerful support as well as a win-win partner for our customers.

Customer Service Action

Solteam provides single-contact service for key customers in order to minimize the inconvenience during customer communication. For potential customers, Solteam has set up a fixed service contact point on the official website and as well as the Linkedin site to receive customer inquiries in a timely manner and provide prompt solutions to their questions. Also, Solteam has a customer service team in place that is accompanied with dedicated communication windows at every stage of the process, including design, production, and testing, to provide the most instantaneous assistance and create the best customer service. Additionally, our management convenes regular project meetings to facilitate interaction and information exchange with customers. Moreover, Solteam maintains a smooth communication with customers, such as understanding and responding to customer requests in real time through scheduled telephone conferences, in order to promptly satisfy the changing needs of customers. Furthermore, Solteam conducts customer satisfaction surveys on a regular basis to better understand the needs of our customers, enable our prompt response and appropriate improvement adjustments, and help customers solve problems instantly. Solteam regards information security and confidential information of customers highly. Hence, the Company prudently enforces the protection system for the confidential information of customers and provides protection at the highest level, becoming the most trusted partner for customers.

Inquiry Handling Process

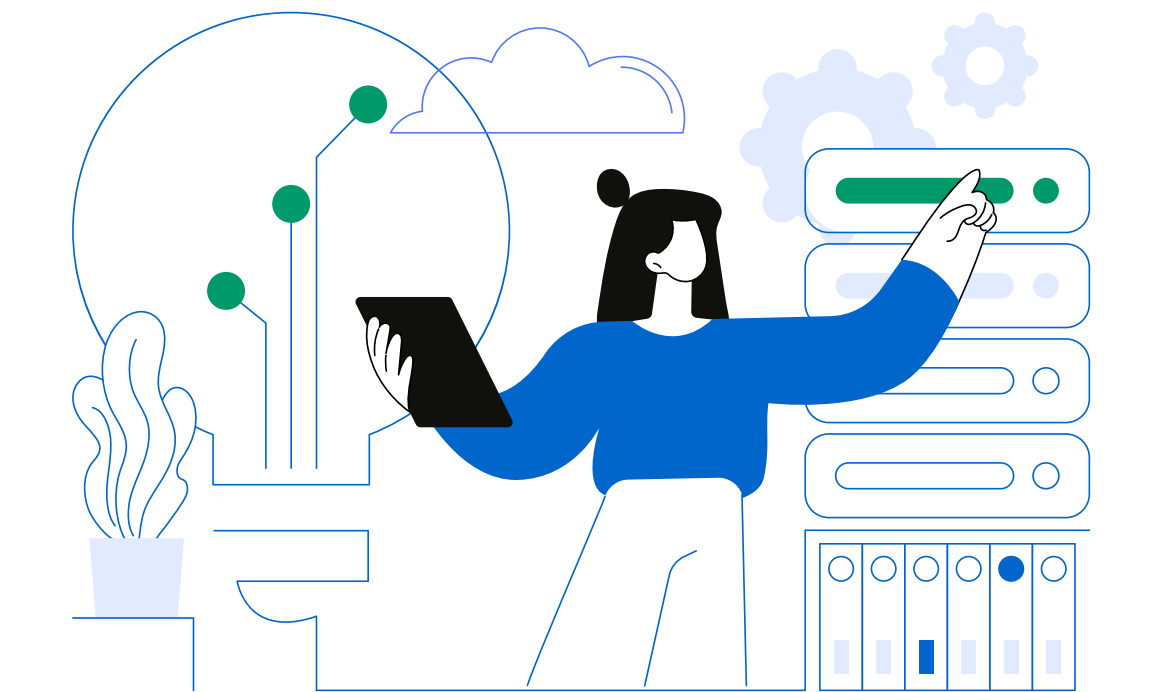




Solteam attended the COPHEX 2024 - Cosmetic, Pharmaceutical, Bio Process & Technology Exhibition held in Seoul, Korea.

The international event is jointly organized by pharmaceutical, chemical, and raw material manufacturers every year with participation of food manufacturers and pharmaceutical organizations. This event included the following: pharmaceutical and biopharmaceutical manufacturing, bioreactors, fermenters, separation, purification, concentration, measuring, sterilization, cleanrooms, filling, freeze dryers, equipment engineering, cosmetic manufacturing, and packaging inspection.

Attending the exhibition in Seoul not only helped Solteam expand its injector business and increase its recognition in Korea, but also offered a more direct perspective for customers in understanding the Company's products through the demonstration of our injector platforms and the one-on-one interviews with customers. This trip was even more beneficial for the Group to gather customer and peer information in Korea market.



Singapore International Water Week

To increase the brand exposure of Sbravo's water quality sensors, Solteam traveled to places overseas to participate in various international exhibitions in 2024. We were also invited by the Water Resources Agency of the Ministry of Economic Affairs to participate in the Singapore International Water Week. Solteam was honored to be one of the selected Taiwanese representatives to participate in the exhibition and has reached the milestone towards international development. Through the exhibition, Solteam was able to introduce our technology to the guests and demonstrate our determination and efforts in water quality protection. In the future, Solteam will continue to innovate and refine its technology to tailor international demands and contribute to sustainable development together with our global partners.



WETEX



Taiwan International Water Week



Taiwan Innotech Expo



KIWW 2024

Customer Privacy Protection

- In compliance with the "Trade Secrets Management System," documents and information related to customer privacy and internal customer management shall be in strict compliance with the authority settings and be accessed and used with restriction by powers.
- Warning labels shall be placed on electronic folders and paper files and non-business-related persons shall not be permitted viewing.
- One Group training course of trade secrets and ethical management shall be completed once a year.
- We regularly review the effectiveness and improvement measures of customer privacy protection.
- We set up a dedicated supplier management system and password protection system according to the customers portfolio.

Incidents of Customer Data Breach, Theft, or Loss : None in 2024

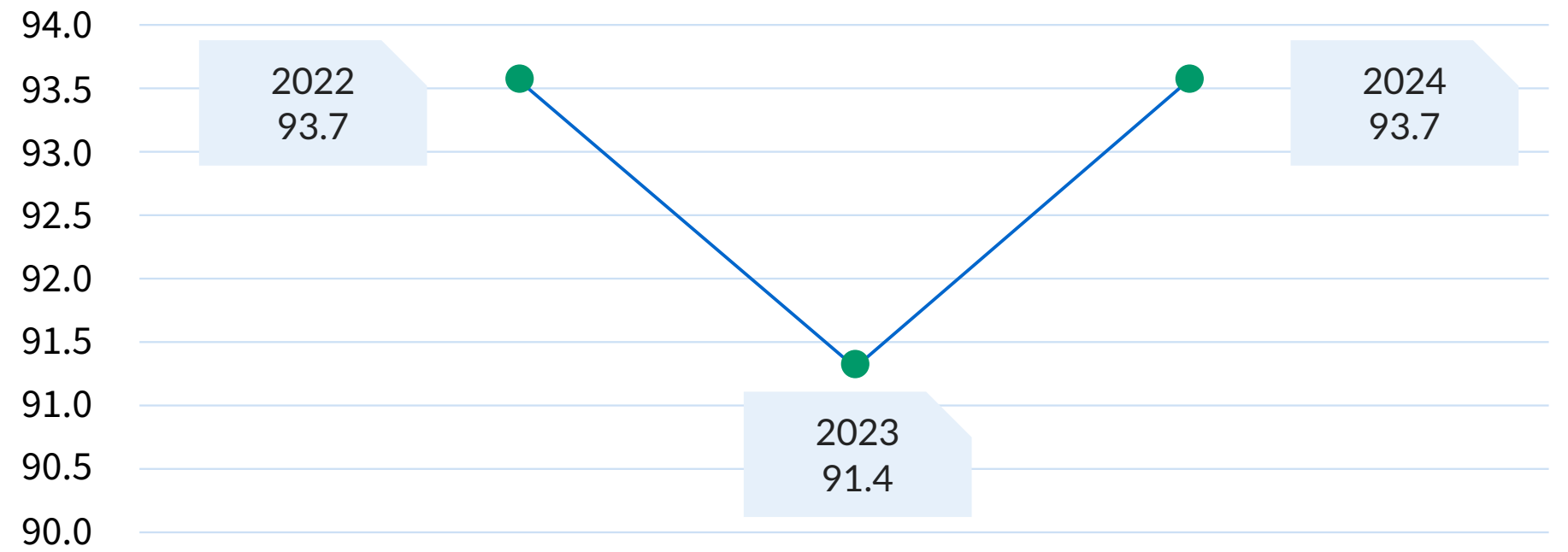
4.1.2 Customer Management Performance

Solteam upholds the goal of "Achieving customer satisfaction" for our communication with customers and takes customers' opinions as an important basis for the company's continuous product improvements and business services. Through customer feedback, we are able to better understand customers' demands and satisfaction level. Also, we make necessary adjustments through regular reviews on the achievement status and continue to enhance the positive cycle of overall customer satisfaction.

To achieve a steady growth in operational performance, innovate value-added products, and provide good customer service and high satisfaction, we plan short-, mid-, and long-term service satisfaction performance indicators to create maximum profitability and maintain a good customer relationship.

Every year, Solteam conducts customer satisfaction surveys on the top five customers in the medical instrument industry and the top twenty customers in non-medical instrument industry by annual revenue. The average customer satisfaction in 2024 was 93.7 scores.

Service Satisfaction Survey



4.2 Technological Innovation and Patent Deployment

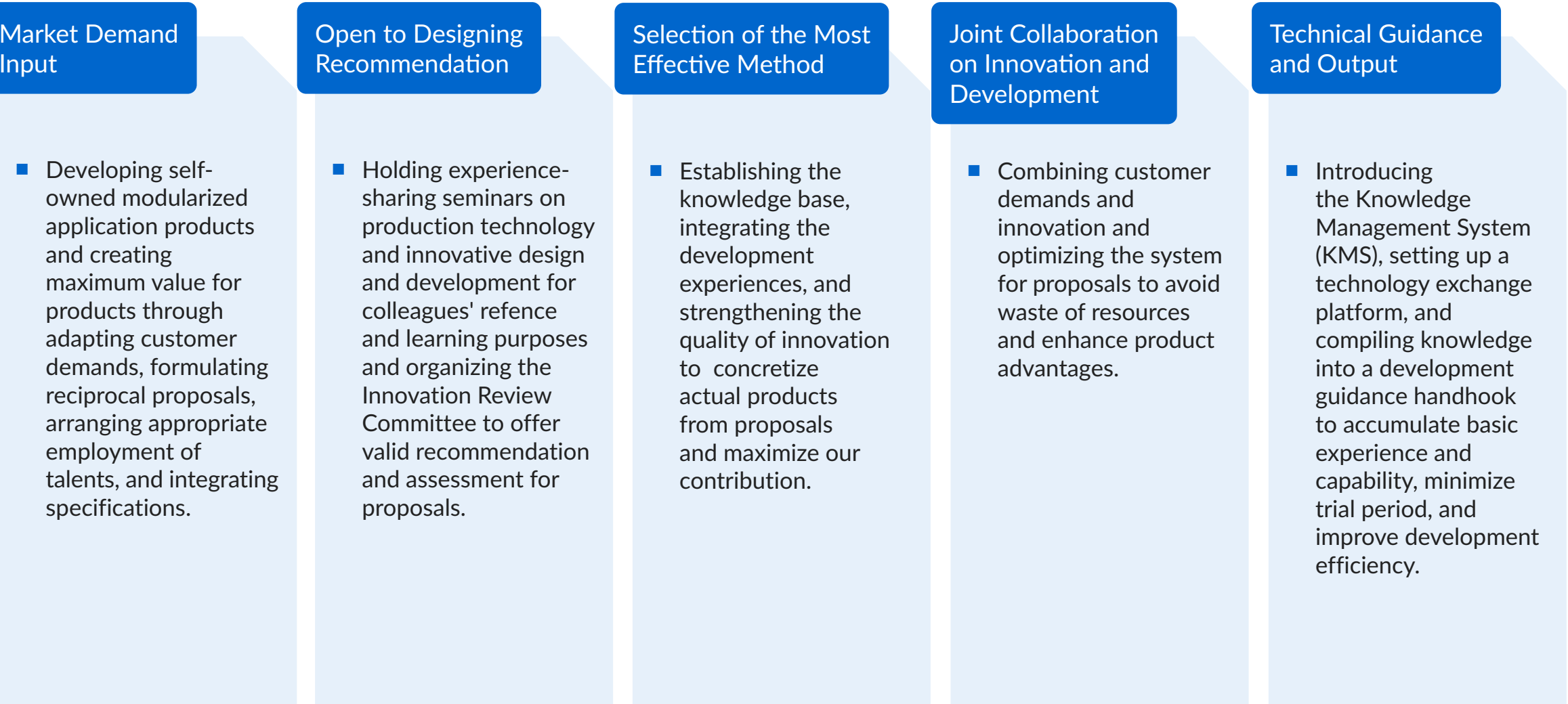
4.2.1 Technical Innovation

In order to provide customers with the best services and products of the highest quality, Solteam is fully aware of the importance of technological innovation and has developed a management system to encourage innovation among our employees. The Group's current business scope involves the power tools, white goods, new energy vehicles, AI application and energy storage, medical, environment and industries. Solteam has developed different innovation management systems for various industries due to the differences in the nature of the products and the R&D technologies. In addition, Solteam upholds the concept of manufacturing services and jointly researches and develops innovation along with customers according to their product needs.

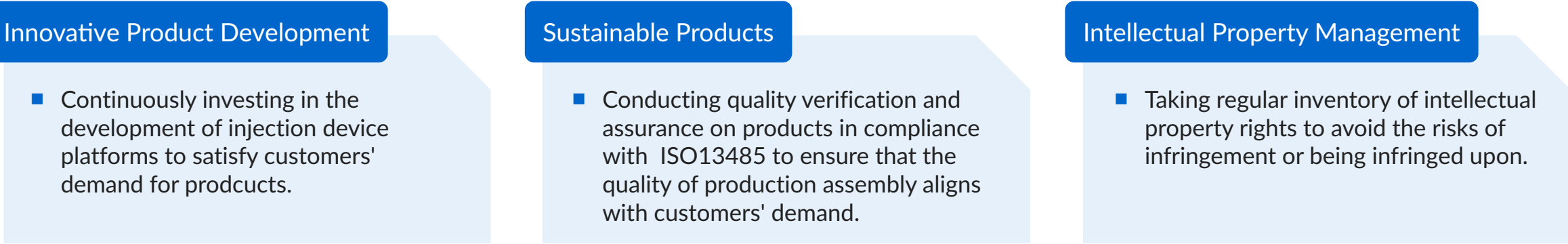
Innovation Management System

Power Tools, White Goods, New Energy Vehicles, AI Application and Energy Storage

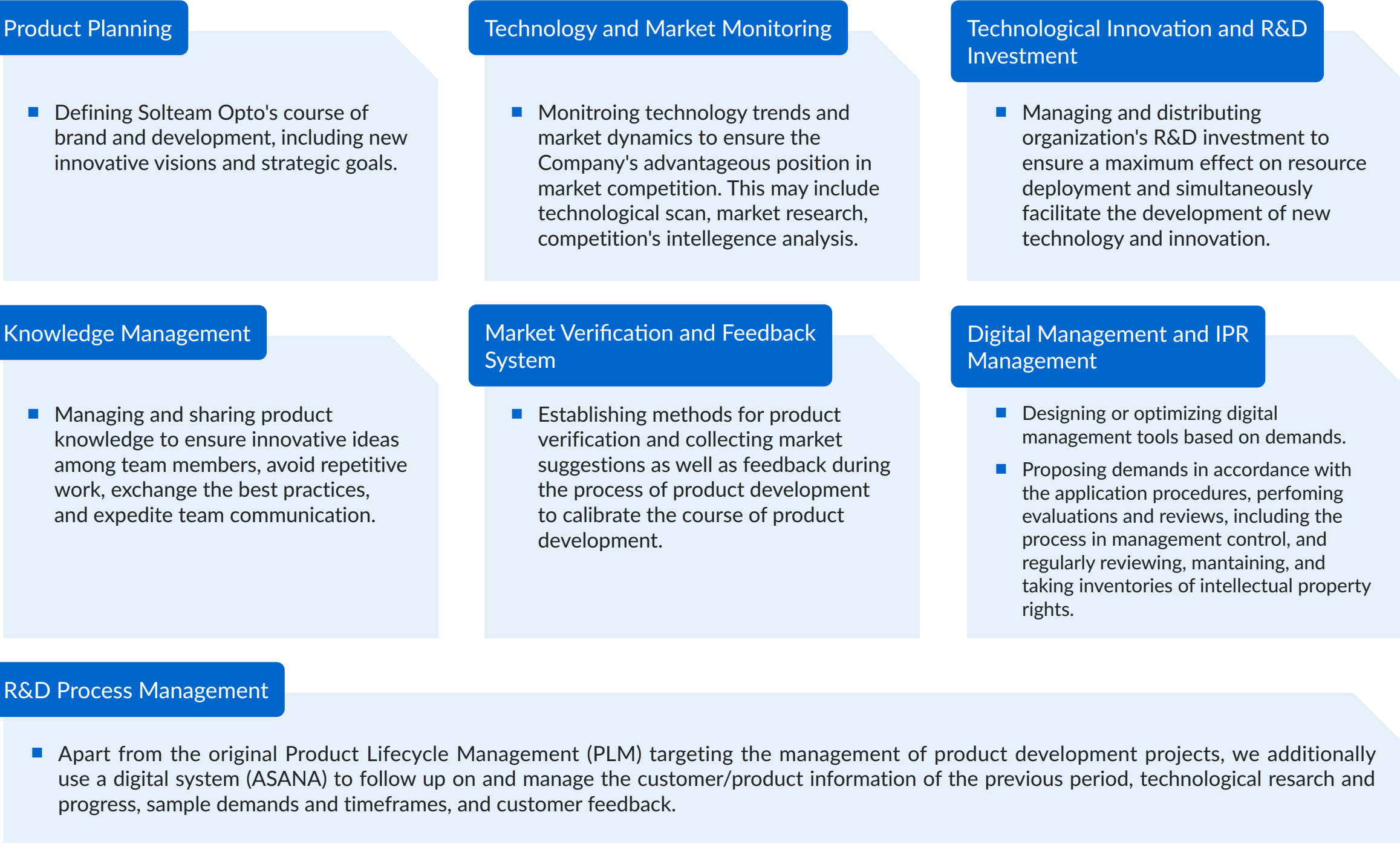
We have formulated rules for project contests and organized the Innovation Review Committee, which assesses various proposals and provides recommendation to strengthen the quality of innovation. Whoever passes the reviews shall be rewarded bonuses. The bonuses, which vary based on the scope and the contents of patents, are offered respectively after the management team assesses the proposals' level of contribution to the Company.



Medical Materials Industry



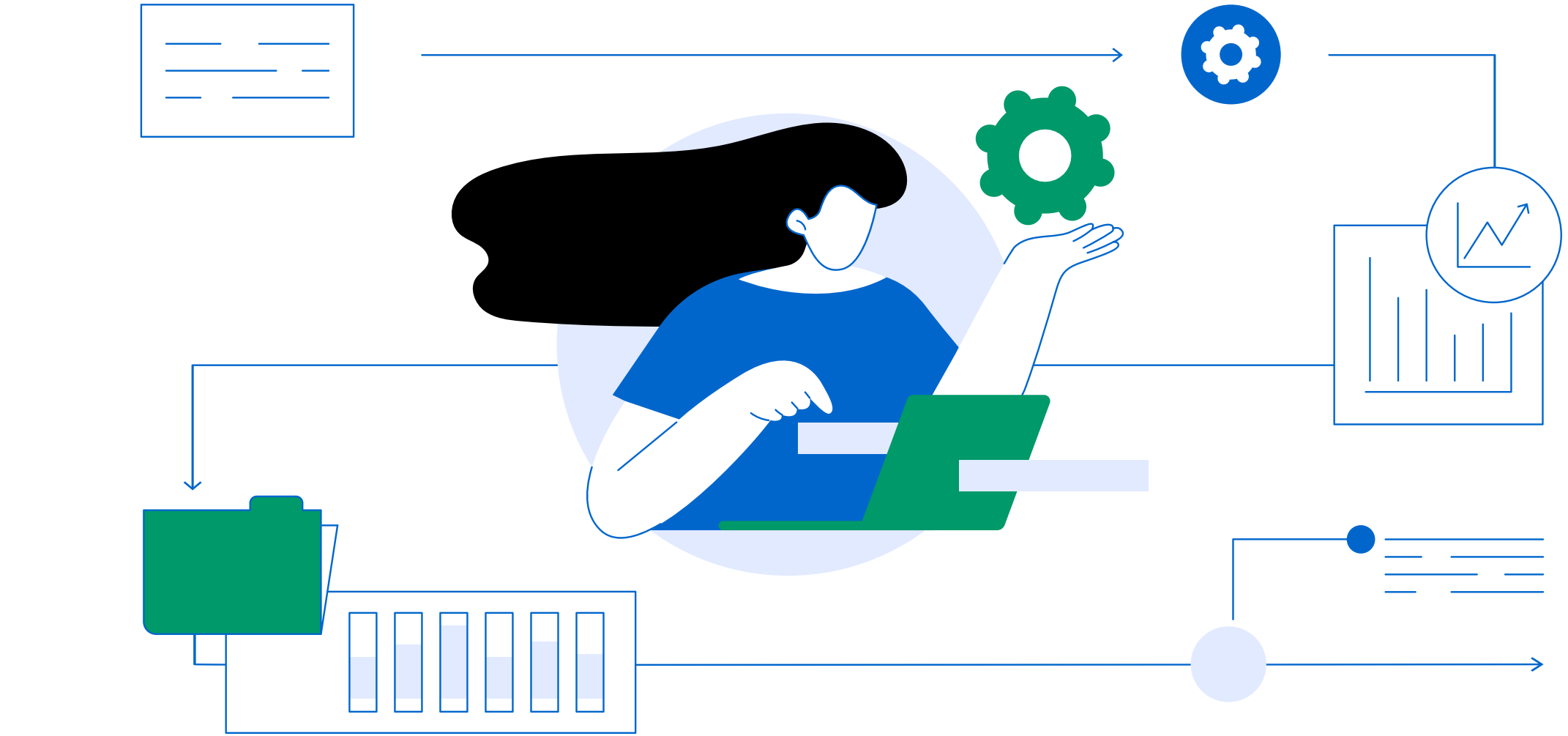
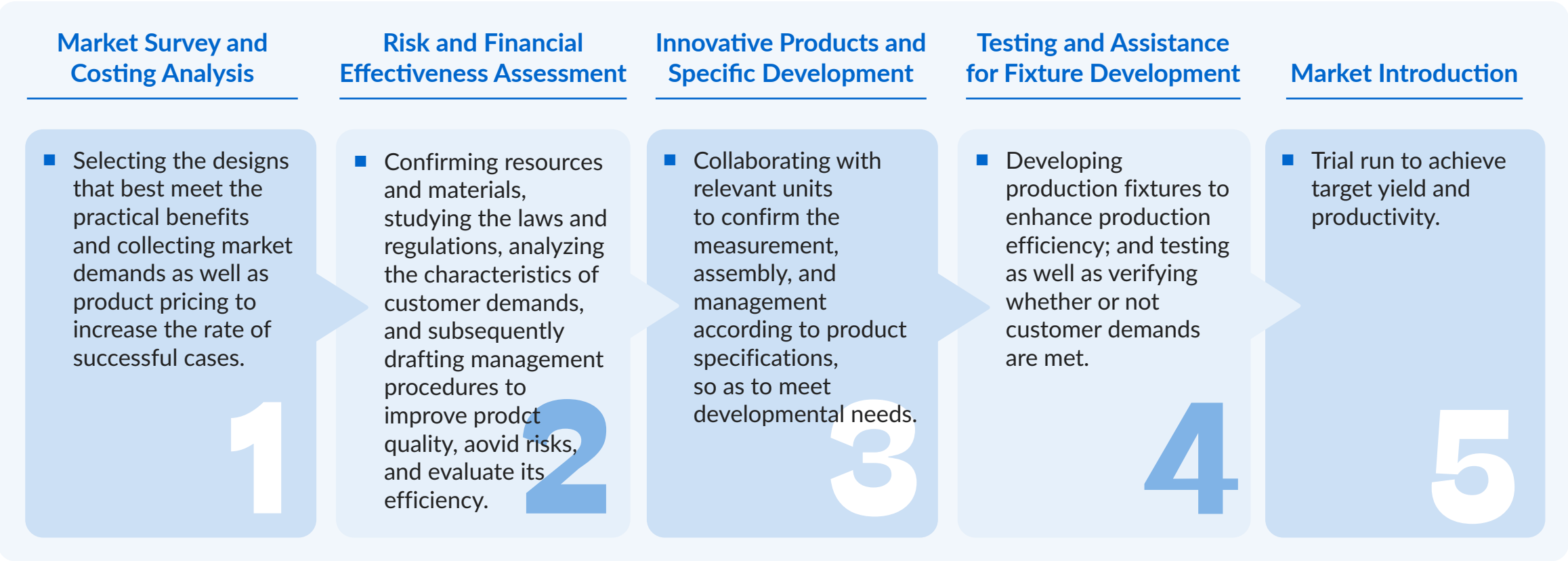
Environmental and Industry



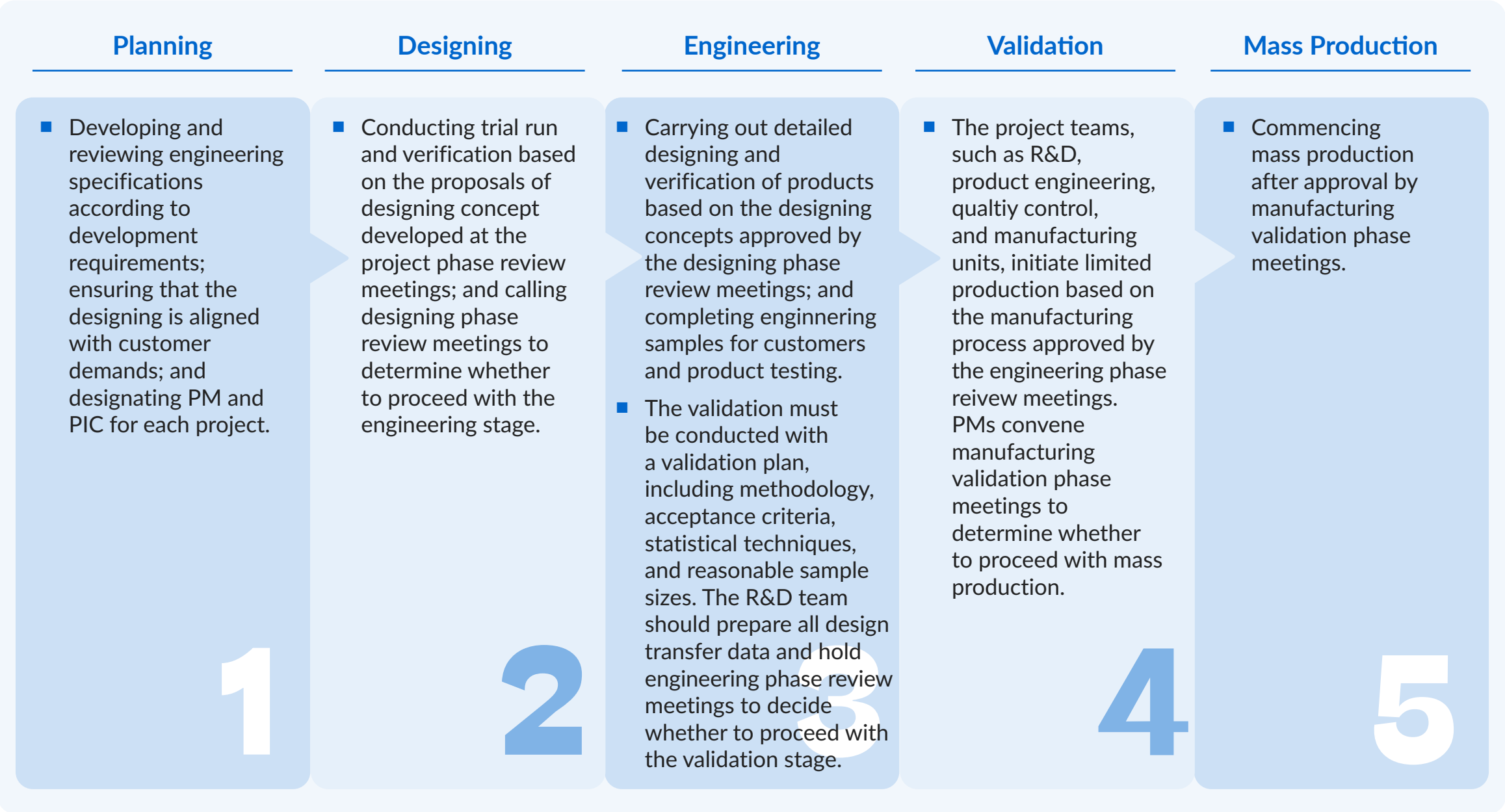
Aside from the above encouragement on innovative policies, Solteam also implements innovative technologies on new product development. We are able to follow the relevant procedures to complete product development if there is any demand from individual industries.

Innovation Management Process

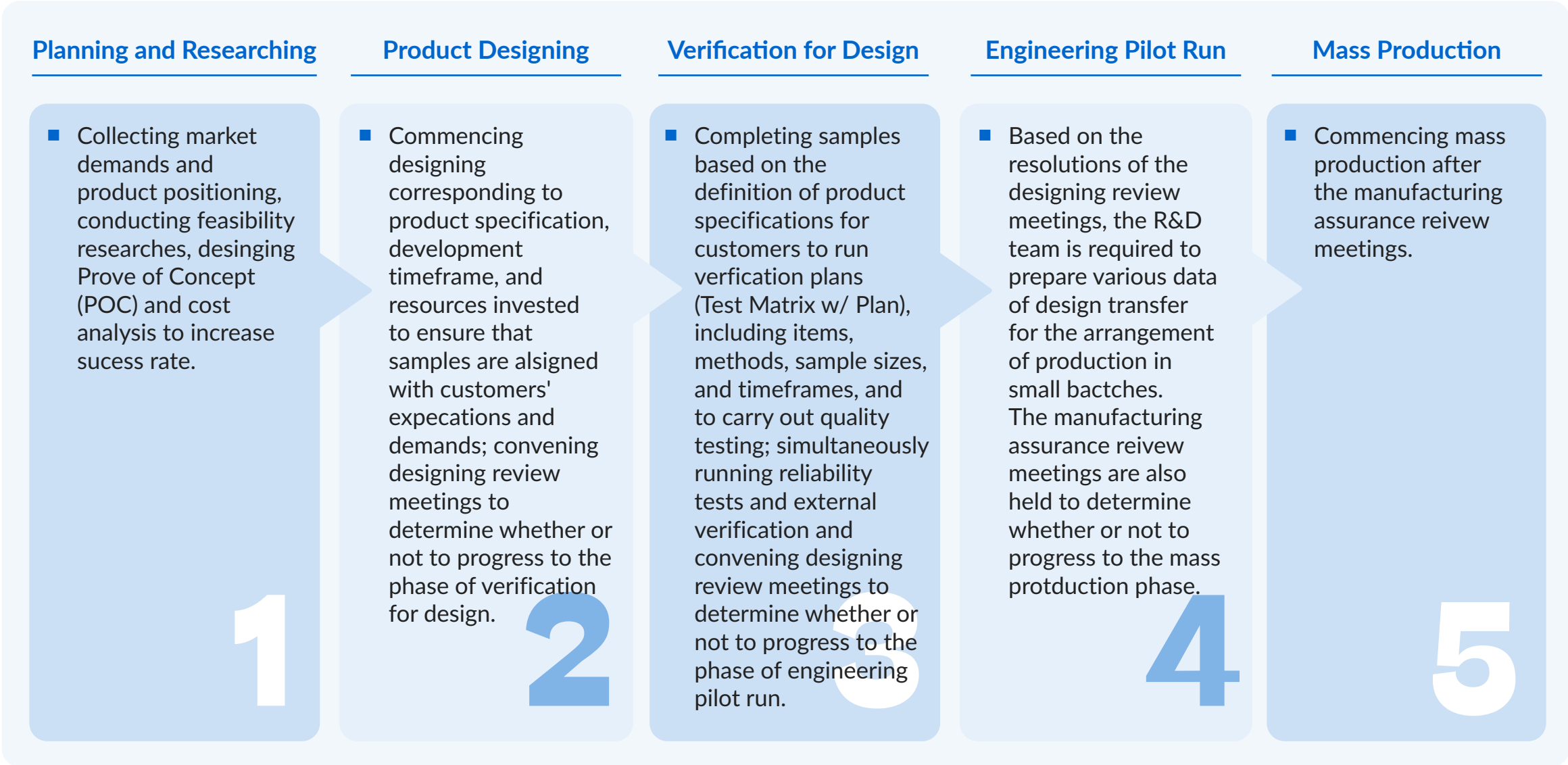
Power Tools, White Goods, New Energy Vehicles, AI Application and Energy Storage



Medical Materials Industry



Environment and Industries



Type of Industry	Vision	Goal		
		Short-term	Mid-term	Long-term
Power Tools, White Goods, New Energy Vehicles, AI Application and Energy Storage	<ul style="list-style-type: none">■ We continuously optimize the product design for our power tool products in order to enhance product reliability and to upgrade electric specifications in alignment with various market demands. In the meanwhile, we have introduced a modular design to enhance product reliability, reduce costs in repetitive development, and strengthen product competitiveness.■ For the white goods industry, we focus on the development of electromechanical module products and the accumulation of crucial core competencies to deploy related development resources in intelligent application technologies and build related product development capabilities.■ In the new energy vehicles industry, we specialize in the core abilities of embedding techniques, the enhancement of the parameter standardization for electroplating techniques, and the depth of the development technology for motor wiring panels products.■ In terms of AI application and energy storage, we focus on the high-standard requirements of data center servers and storage device connectors by leveraging our core capability and experience in "Initiate, Connect, and Deliver." We are committed to offering customers customized manufacturing experiences, realizing value transformation from conceptual design to results and comprehensively enhancing our service values.■ Number of Researches Projects: Continuously encouraging internal colleagues to proceed with projects of basic technical research apart from product development and to train their capabilities of report composition as well as presentation with a certain number of research project reports required to be completed every year.■ Intellectual Property Protection: Inspiring colleagues to submit patent applications to protect the Company's intellectual property.■ Completion number of product development projects: A control measure administered to improve the efficiency of product development.	Number of Patent Applications (cases/year)		
		3	4	5
		Number of Research Projects (cases/year)		
		15	15	15
		Number of Completed Development Cases (cases/year)		
		100	110	120
Medical Materials Industry	<ul style="list-style-type: none">■ R&D of Innovative Products: Continuously investing in the development and trial production of injection device platforms to satisfy customers' demand for products.■ Sustainable Products: Continually upgrading the designing/production of injection device platforms and the process for product validation.■ Intellectual Property Rights Management: Planning on, applying for, and strengthening the deployment of patents for injection device platforms.	Number of Patent Applications (cases/year)		
		2	3	5
		Number of R&D Project Presentations (cases/year)		
		2	3	5
Environment and Industry	<ul style="list-style-type: none">■ Developing water quality sensors and data analyzing systems for industrial use and building crucial core technologies with the relevant academic partners and industrial peers to realize Made-in-Taiwan industrial sensors and provide comprehensive solutions for continuous monitoring systems.■ Datafication is the core of AI. How to effectively collect and convert data into serviceable knowledge is our devoted direction for development.	Development of Sustainable Products		
		<ul style="list-style-type: none">■ Maintainable modularized design to prolong service life.■ Introducing AI elements, such as smart reporting/early alerting function/real-time monitoring and analysis/expanded data application, to minimize the use of consumables applied at the terminal end.	Using green materials, energy-saving technologies, and expert data systems.	New materials; innovative design and manufacturing.
		Number of Patent Applications (cases/year)		
		2	3	4
		Number of R&D Project Presentations (cases/year)		
		3	4	5

4.2.2 Patent Deployment

Upon obtaining the results of R&D innovations, Solteam will immediately apply for patents to guarantee the rights of both Solteam and our customers. The medical materials department, in particular. The reason for such rigorousness is that products will eventually be assembled with pharmaceutical products prior to the application of drug permit licenses from the competent authorities. Any infringement in medical materials will not only affect Solteam's own goodwill, but will also result in significant losses for our customers due to product recalls and re-development of medical materials. Therefore, Solteam handles patent-related issues with a prudent attitude.

In 2024, there were a total of 8 approved patent cases and 4 patent cases in progress of application. In the meanwhile, we have continued our effort in researching and obtaining relevant patents.

	2022	2023	2024
Number of Patents Added	11	2	8
Number of Patents with Application in Progress	5	8	4
Total	16	10	12
Description of Patents	<ul style="list-style-type: none">■ For automotive usage, the patents are mostly related to motor control module products of electric vehicles, including high-voltage connectors, electrode tips, conductive contacts, etc.■ In the field of medical instruments, the Reusable Pen Injector, the Disposable Pen Injector, and the Auto Injector platforms are the major patents.		
R&D Expenses (thousand)	266,467	196,163	249,353
Percentage of R&D Expenses to Revenue	4.55%	5.75%	5.73%

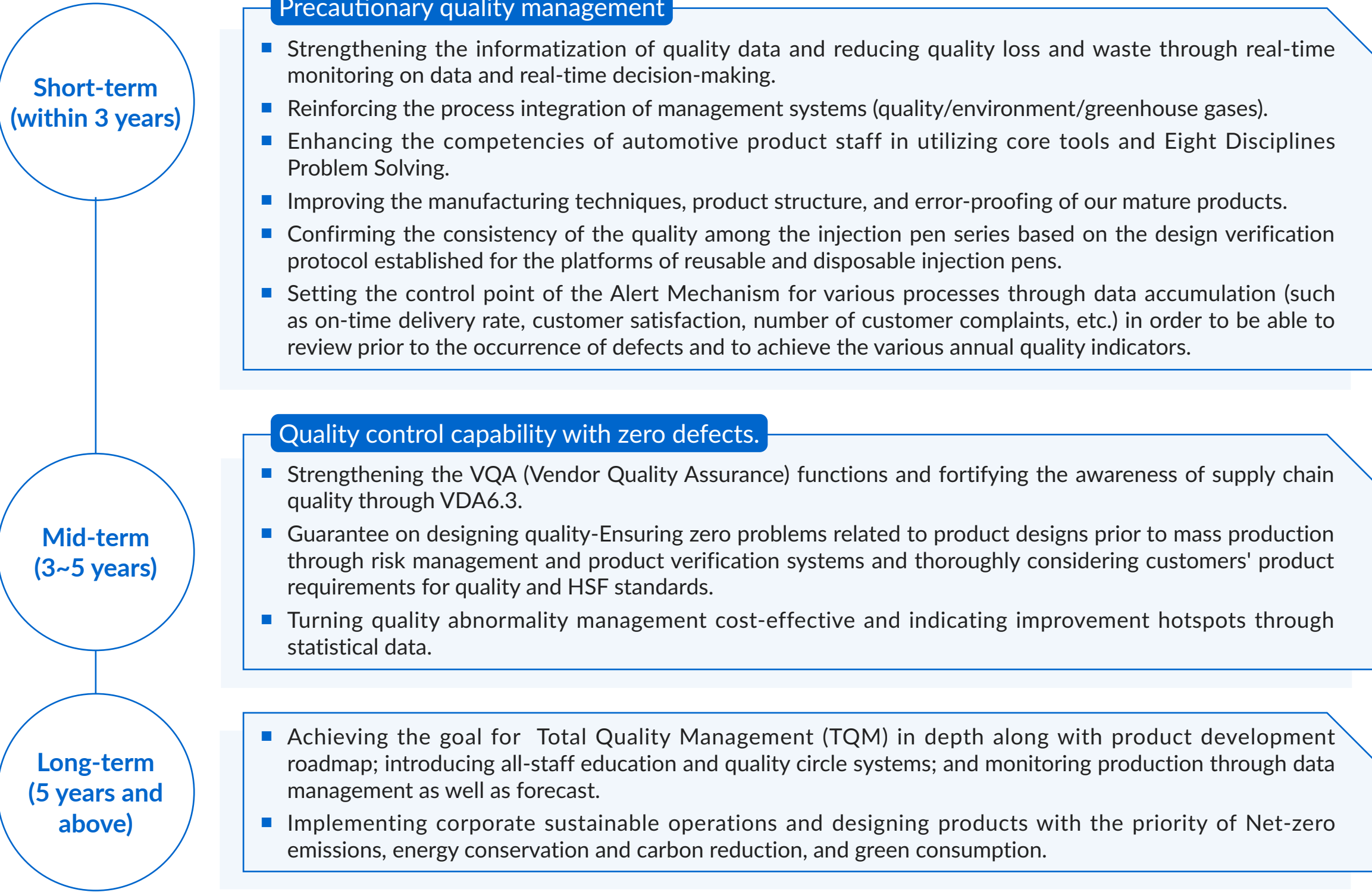
In recent years, Solteam has invested in technological transformation and innovation to improve product safety, tolerance, and service life. We not only cooperate with customers' demands, but also minimize the use of resources due to replacement.

4.3 Product Quality and Safety

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Solteam's products are closely linked to safety. How to master product quality control is the most important task of Solteam.

4.3.1 Product Quality and Safety



Solteam is capable of self-inspection as well as testing. Factories in Taiwan and overseas have passed the verification of IATF16949: 2016. Moreover, our overseas factories have all passed the ISO 9001: 2015 Quality Management Systems and the ISO 14001: 2015 Environmental Management Systems. Dayuan Factory, which mainly produces medical instruments, has passed the ISO 13485: 2016 Medical Devices Quality Management Systems Standards.

To meet customers' demand on delivery and quality, we provide accurate, reliable, and efficient quality production solutions and fast and comprehensive services. Not only all factories are configured with complete Service-Mount Technology (SMT) and Dual in Line Package (DIP) production lines, automatic glue injection, and automatic testing equipment, all production process are also integrated with Enterprise Resource Planning (ERP), Advanced Planning and Scheduling (APS), and Manufacturing Execution Systems (MES) in executing the planning of manufacture and production. Through systems we are able to provide real-time responses, improve production efficiency, shorten production cycles, and enhance our quality.

Year/Month of Approved Verification	Standards Followed	Subsidiary Factory
2023/2/23	South China IATF 16949: 2016 External Support Function	Taiwan Headquarters
2024/3/28	East China IATF 16949: 2016 External Support Function	Taiwan Headquarters
2024/3/28	IATF16949: 2016 Automotive Quality Management System	East China Factory
2024/6/24	ISO 9001: 2015 Quality Management Systems	East China Factory
2023/12/8	ISO 14001: 2015 Environmental Management Systems	East China Factory
2024/3/20	ISO 9001: 2015 Quality Management Systems	South China Factory
2024/3/20	ISO 14001: 2015 Environmental Management Systems	South China Factory
2023/2/23	IATF 16949: 2016 Automotive Quality Management System	South China Factory
2020/8/13	ATEX Certification Reassessment Audit-US_UL_QAR17.0017_03_003	South China Factory
2024/11/28	ISO 9001: 2015 Quality Management System	Cambodia Factory
2024/11/28	ISO 14001: 2015 Environmental Management Systems	Cambodia Factory
2024/10/8	ISO 13485: 2016 Medical Devices Quality Management Systems	Dayuan Factory
2022/12	Medical Device Quality Management System Regulations (April 14 th , 2021)	Dayuan Factory
2023/9/28	ISO 9001: 2015 Quality Management Systems	Solteam Opto, Inc.



IATF 16949 : 2016



ISO 9001 : 2015



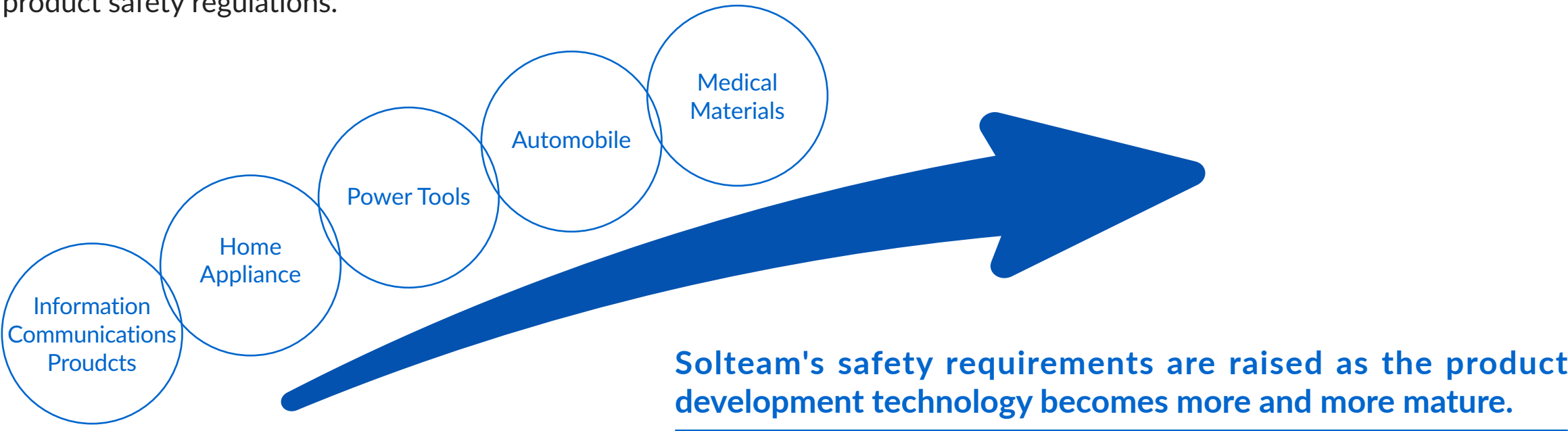
ISO 14001 : 2015



ISO 13485 : 2016

Quality Management

Ever since its foundation, Solteam's products at every stage have been closely linked to the safety of end-point customers. In recent years, Solteam have invested in industries with higher requirement for safety regulations. It is not only a demonstration of Solteam's capability in product research and development, but also a representation of our emphasis on product safety regulations.



To ensure that all product comply with the relevant safety regulations, Solteam's products have all passed the safety certification of the respective industries. Below is the status of the product certifications:

Safety Regulation Certificates

Domestic			Foreign	
4			199	
No.	Safety Regulation Certificate		Validity of Certificate	Product Type
1	ATEX	Atex Certification for the EU	February 2018~Continuous Maintenance	Switches
2	BSMI	Bureau of Standards, Metrology and Inspection, M.O.E.A, R.O.C.	March 2018~Continuous Maintenance	Aquarium lighting
3	CCC	China Compulsory Certification	January 2024~Continuous Maintenance	Plugs
4	CQC	China Quality Certification	December 2024~Continuous Maintenance	Switches
5	CSA	Canadian Standards Association	July 2020~Continuous Maintenance	Switches
6	CUL	UL Solutions	November 2024~Continuous Maintenance	Switches Automotive connectors Plugs and receptacles
7	ENEC	European Norms Electrical Certification	September 2024~Continuous Maintenance	Switches / plugs
8	IECEx	International Electrotechnical Commission Certification Body	February 2018~Continuous Maintenance	Switches
9	KC	Korea Certification for Electric Appliances Safety	November 2011~Continuous Maintenance	Switches / plugs
10	SAA	Standards Association of Australia	November 2017~Continuous Maintenance	Receptacles
11	TUV	TUV Rheinland	March 2024~Continuous Maintenance	Automotive connectors Plugs and receptacles
12	VDE	Verband Deutscher Elektrotechniker	February 2024~Continuous Maintenance	Plugs
13	VPC	Voluntary Product Certification Mark by the BSMI, Taiwan	January 2024~Continuous Maintenance	Plugs

Customer Appeal and Handling System

Solteam has been upholding the policies of "Maintaining and Continuously Improving the Effective Quality Management System" and "Improving the Quality of Products and Processes to Achieve Customer Satisfaction" as the basis for the Company's long-term development. Hence, in addition to understanding the needs of customers through satisfaction surveys, we also have a comprehensive tracing system in place for customer complaints to ensure that they are properly handled and resolved.

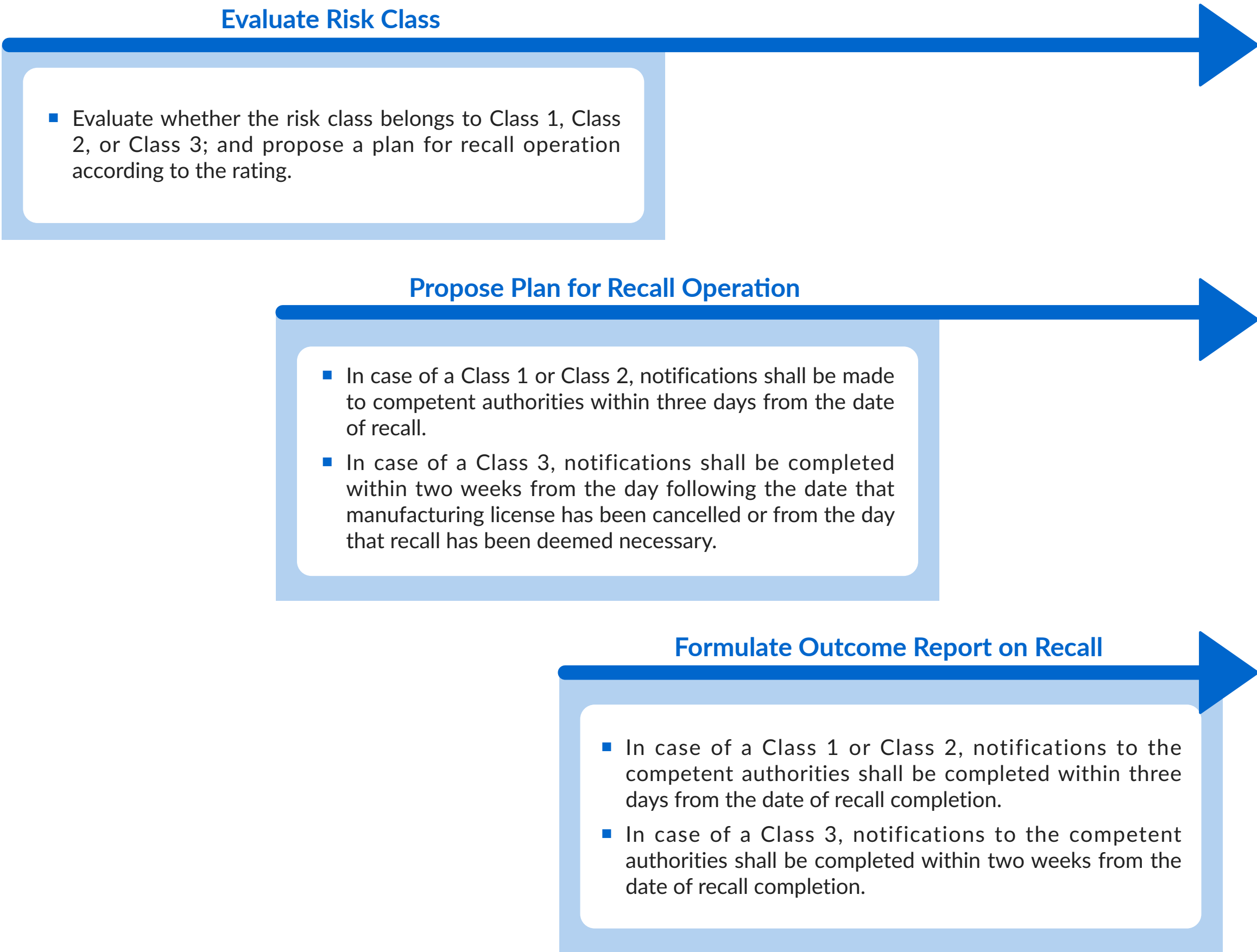
Upon receipt of customer feedback, Solteam will first collect defective products and their related information for preliminary evaluation and visit the customer's location to confirm the situation when necessary. Then, a short-term response within three working days and a long-term countermeasure within five working days will be proposed. (For medical material products, we shall respond to the customer within 24-48 hours depending on the severity of the problem.) After the initial evaluation, we will define whether the customer's feedback is a complaint or an appeal, which will then be handled in accordance with our standard operating procedures.

Handling of Customer Complaint Cases



There was a total of 75 customer complaints in 2024.

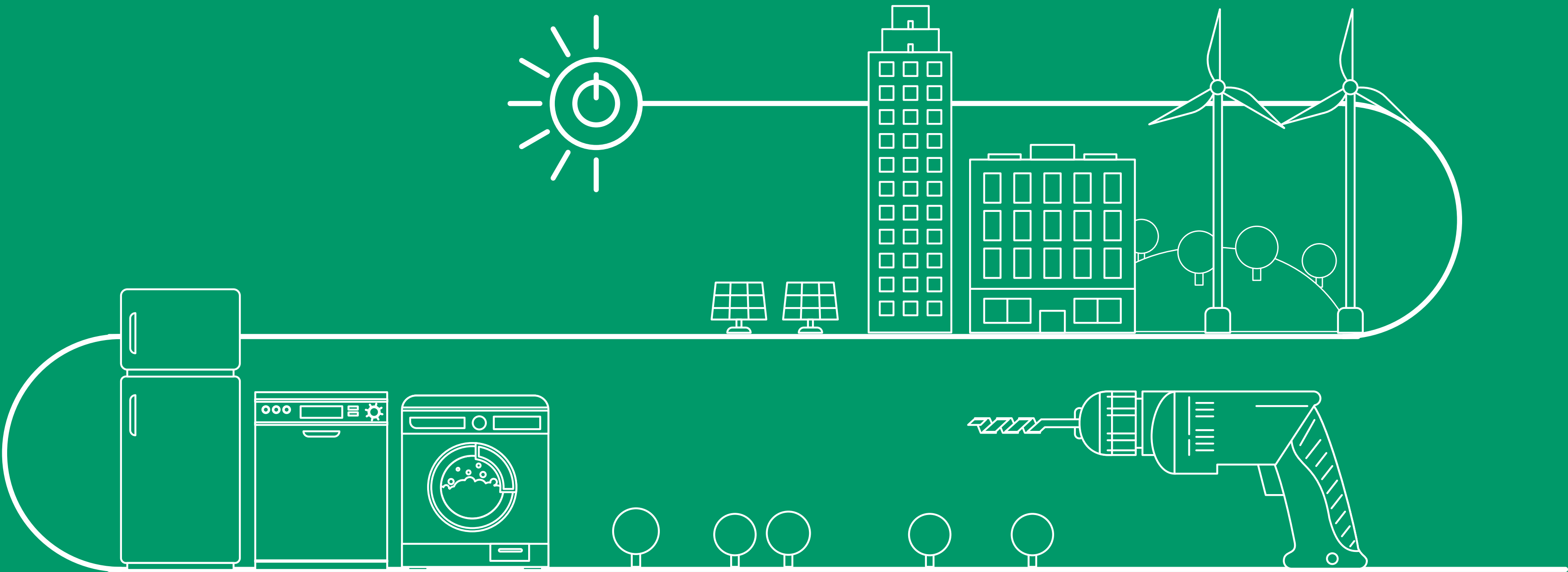
Should a complaint case require a product recall, the Company will first evaluate the risk to human health of the product to be recalled, propose a plan for recall operation plan, formulate an outcome report on recall upon completion of the recall operation, and report to the competent authorities within the deadline.



There was no product recall in 2024.

Chapter






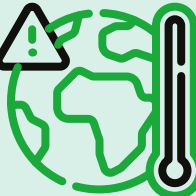






Green Manufacturing



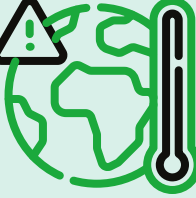





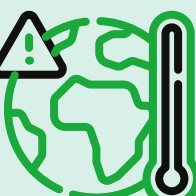

5.1 Climate Risks and Governance	55
5.2 Environmental Management	56
5.3 Sustainable Supply Chain	60



GRI 2-26

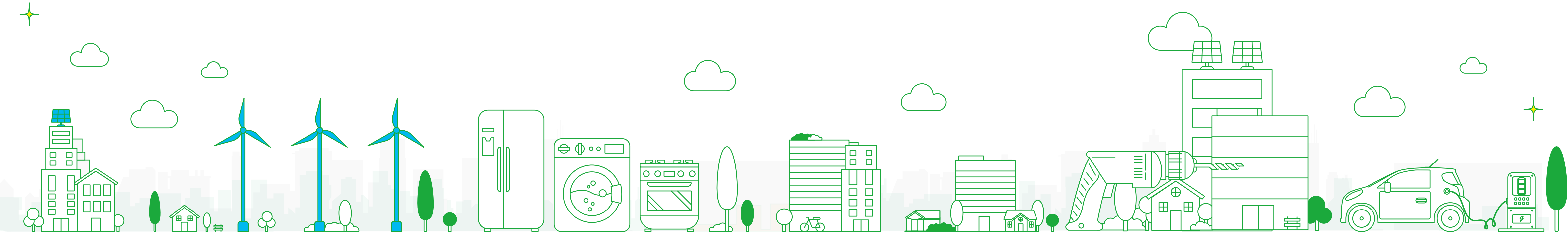
GRI 3

Material Topics	Objectives for 2025 (Short-term)	Objectives for 2027 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
<div></div> <div>Energy Management</div>	<ul style="list-style-type: none">To classify energy inventories and discuss effective improvements.To plan on the improvements of the energy efficiency of equipment.	<ul style="list-style-type: none">To reduce the GHG emissions density by 1%, compared with that in the baseline year (2022).	<ul style="list-style-type: none">To reduce the GHG emissions density by 3%, compared with that in the baseline year (2022).	<div></div>
<div></div> <div>Risk Management</div>	<ul style="list-style-type: none">There were no risks jeopardizing sustainable operations in 2024.			<div></div>
<div></div> <div>Climate Risks</div>	<ul style="list-style-type: none">To complete climate risk assessment; and to take inventory on corporate GHG emissions.To keep promoting the GHG reduction program.	<ul style="list-style-type: none">To set a reduction target for the Group and commence reduction plans.	<ul style="list-style-type: none">To set a reduction target for the Group and commence reduction plans.	<div></div>
<div></div> <div>Supply Chain Management</div>	<ul style="list-style-type: none">To reach 92% signing rate of the Supplier Code of Conduct.To reach 48% of local procurement percentage.	<ul style="list-style-type: none">To reach 94% signing rate of the Supplier Code of Conduct.To reach 49% of local procurement percentage.	<ul style="list-style-type: none">To reach 95% signing rate of the Supplier Code of Conduct.To reach 50% of local procurement percentage.	<div></div>

Material Topics	Objectives for 2024	Achieved or Not	Achievement Status in 2024
<div></div> <div>Energy Management</div>	<ul style="list-style-type: none">■ To take a group-wide inventory on energy utilization; and to improve the energy efficiency of equipment.■ Promotion and educational training on energy conservation and carbon reduction.	<p>Achieved</p> <ul style="list-style-type: none">■ To take a group-wide inventory on energy utilization; and to improve the energy efficiency of equipment.■ Promotion and educational training on energy conservation and carbon reduction.	<ul style="list-style-type: none">■ Took a group-wide inventory on energy utilization.■ Promotion and educational training on energy conservation and carbon reduction.■ Set power-saving targets for each electricity account number and implemented measures for power-saving incentives to motivate colleagues in promoting "Energy-saving for All and Love for the Earth."
<div></div> <div>Risk Management</div>	<ul style="list-style-type: none">■ To annually review the risks faced by the Company in accordance with the Group's risk management policy, including the strategic, operational, financial, hazard event, and compliance aspects, through internal management meetings and occasional projects to minimize various risks faced by the Company to a bearable and controllable scope.	<p>Achieved</p> <ul style="list-style-type: none">■ To annually review the risks faced by the Company in accordance with the Group's risk management policy, including the strategic, operational, financial, hazard event, and compliance aspects, through internal management meetings and occasional projects to minimize various risks faced by the Company to a bearable and controllable scope.	<ul style="list-style-type: none">■ There were no risks jeopardizing sustainable operations in 2024.■ The General Manager, the highest governor of risk management, appointed the Corporate Governance Officer to report on the execution of risk management to the Board of Directors on November 8, 2024.
<div></div> <div>Climate Risks</div>	<ul style="list-style-type: none">■ To complete climate risk assessment; and to take inventory on corporate GHG emissions.■ To keep promoting the GHG reduction program, e.g., a Vegetarian Day every month.	<p>Achieved</p> <ul style="list-style-type: none">■ To complete climate risk assessment; and to take inventory on corporate GHG emissions.■ To keep promoting the GHG reduction program, e.g., a Vegetarian Day every month.	<ul style="list-style-type: none">■ Completed the 2024 GHG inventories in Taiwan headquarters, Dayuan factory, East China factory, and Solteam Opto.■ Obtained the third-party assurance for the 2024 GHG inventories in Taiwan headquarters, Dayuan factory, and East China factory.■ Offered vegetarian lunchboxes for colleagues to order on the second Wednesdays each month.
<div></div> <div>Supply Chain Management</div>	<ul style="list-style-type: none">■ To reach 70% signing rate of the Supplier Code of Conduct.■ To reach 44% of local procurement percentage.	<p>Achieved</p> <ul style="list-style-type: none">■ To reach 70% signing rate of the Supplier Code of Conduct.■ To reach 44% of local procurement percentage.	<ul style="list-style-type: none">■ Reached 92% signing rate of the Supplier Code of Conduct.■ Reached 47% of local procurement percentage.

Management of Material Topics				
In light of the rapid changes within the modern environment, Solteam has set up policies to evaluate and control the material risks that we may face in the economic, environmental, and social aspects. By preparing ourselves to counteract any of the risks at any time, we not only reduce costs, but also fulfill our part in environmental sustainability and implement the sustainable goals for green manufacturing.				
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div></div> <div>Energy Management</div>	<ul style="list-style-type: none">■ (+) Cutting down on production costs and potential carbon fees■ (+) Reducing GHG emissions■ (+) Aligning with customers' needs to elevate customer satisfaction■ (-) Possible increase in operating costs due to inappropriate management	<ul style="list-style-type: none">■ Minimizing energy consumption and reducing energy costs to enhance energy efficiency.■ Upgrading Company image; creating competitive edges; and achieving the goals for environmental protection, energy conservation, and carbon reduction.	<ul style="list-style-type: none">■ Reducing energy costs and minimizing environmental pollution to enhance energy efficiency.	<ul style="list-style-type: none">■ Taking group-wide GHG inventory, setting up goals for energy efficiency enhancement; and assessing the achievement status using energy intensity.
<div></div> <div>Risk Management</div>	<ul style="list-style-type: none">■ (-) Business interruption■ (+) Effective risk management	<ul style="list-style-type: none">■ Formulating the Group's risk management policy; establishing the risk management organization, where the General Manager serves as the highest overseer of risk management, and the supervisors from each business units, functioning units, and regions serve as the frontliners of risk management, to detect, identify, evaluate, and formulate the relevant strategies; and reviewing as well as monitoring such at operational meetings on a regular basis.	<ul style="list-style-type: none">■ The "Group's Risk Management Policy" is the highest guiding principle of the Company's risk management. The General Manager (highest supervisor of risk management) assigned the corporate governance officer to report the implementation of risk management to the Board of Directors at least once a year.	<ul style="list-style-type: none">■ Each responsible unit is to exercise risk controls over the risks faced by their daily operations, respectively.■ Cross-department or cross-factory risk assessment is to be conducted in the event of a critical incident involving cross-departments or cross-factory premises. The General Manager or his designee will take charge of directing and coordinating the matter, identifying the feasible strategy for preventive crisis, and drafting the handling procedures as well as recovery schemes for the crisis.
<div></div> <div>Climate Risks</div>	<ul style="list-style-type: none">■ (+) Mitigation of climate change■ (+) Effective employment of energy resources■ (+) Effective management of GHG emissions	<ul style="list-style-type: none">■ Setting up carbon-reducing goals based on the results of GHG inventory.■ Aligning with the requirements from the government and the collaboration requests from other corporate stakeholders in order to cope with climate change altogether.	<ul style="list-style-type: none">■ Setting up carbon-reducing goals based on the results of GHG inventory.	<ul style="list-style-type: none">■ Assessing the risks of climate change based on future climate, policies, and Company development.
<div></div> <div>Supply Chain Management</div>	<ul style="list-style-type: none">■ (+) Stable operation of the supply chain■ (-) Prolonged lead time due to geopolitical or other risks.	<ul style="list-style-type: none">■ Drafting management policies related to supplier sustainability and increasing the signing rate of Supplier Sustainable Development Code of Conduct.	<ul style="list-style-type: none">■ Conducting supplier audits.■ Signing the "Hazardous Substance Free (HSF) Agreement" and the "Declaration of Environmental Substances Management."Implementing local procurement.	<ul style="list-style-type: none">■ Performing scheduled or unscheduled audits on suppliers to inspect the normal operations of suppliers.■ Accessing to the list of supplier's monthly quality status from the quality assurance unit, so that the purchasing staff may assess whether to continue our partnership according to suppliers' scores and ratings.

Management of Material Topics	In light of the rapid changes within the modern environment, Solteam has set up policies to evaluate and control the material risks that we may face in the economic, environmental, and social aspects. By preparing ourselves to counteract any of the risks at any time, we not only reduce costs, but also fulfill our part in environmental sustainability and implement the sustainable goals for green manufacturing.			
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div></div> <div>Appeal Procedures</div>	<p>Solteam has set up the following "Methods and Channels for Complaints" to prevent unethical conduct such as acceptance of rebates and improper benefits:</p> <ul style="list-style-type: none">■ Solteam shall not accept complaints should they contain malicious attacks, falsehoods, no specific contents, no real name, or no contact information.■ Please specify the name, department, and title of the person being reported; and attach specific evidence such as receipts, contracts, letters, videos, and photos.■ Complaints shall be sent by email to sol_credit@solteam.com.tw or by post to the "Audit Office" at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.■ Please be assured that the identity of the whistleblower and the contents of the complaint are handled confidentially by the dedicated department in charge of complaint-handling within Solteam.■ Communications may be conducted immediately through social media.■ Contact may be made to Solteam by telephone at 03-3162168.			
<div></div> <div>Stakeholder Engagement</div>	<p>The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis; discloses the interaction status in the Sustainability Report as well as on Solteam's sustainability website; and adjusts Solteam's relevant strategies and objectives based on the opinions of stakeholders.</p>			



5.1 Climate Risks and Governance

TCFD Governance

TCFD、GRI 2-13、GRI 201-2

Solteam's quality assurance unit has set up the ISO-14064-1 Greenhouse Gases Inventory Team, introduced the greenhouse gas inventory project in 2022, completed the inventories and third-party verification in Taiwan (the headquarters and Dayuan factory) and East China factory, and initiated a digitalized carbon platform in 2024 for the execution of inventories. As for climate-related risk assessment, currently each department evaluates the possible risks and discusses them in management meetings. Then, upon approval of the Chairman, a task force is set up based on the degree of risk impact which consists of the General Manager, as the highest supervisor of risk management, and the managerial officers at the level of deputy general manager. The task force follows up on the risk impact at their monthly meetings, regularly reports to the Board of Directors, and, until the risks have been mitigated to a bearable range, transfers the projects to the internal auditing department for further follow-up. Solteam plans to establish the Climate Change Task Force within three years from now. In addition to inventories and tracing on possible risks and opportunities, the team will assess the financial impact resulted from the relevant risks and opportunities, and formulate carbon-reducing roadmaps as well as net-zero goals based on the status of greenhouse gas emissions. The Task Force will present its findings to the Sustainable Development Committee on a quarterly basis and report the progress to the Board of Directors annually.

TCFD Strategy/Risk Management

Through the TCFD framework, Solteam's Sustainable Development Office collects relevant information from each department to identify climate-related risks and opportunities, and evaluates the likelihood of the occurrence of impacts, the degree of impacts, and the significance of the impacts, which serves as the basis for the subsequent climate risk management. Subsequently, in accordance with the risk management system, the Task Force assesses and formulates contingency plans as well as management objectives, and reports to the Board of Directors in accordance with the risk management procedures.

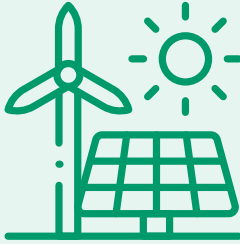
The transitional risks for the current fiscal year were managed by dedicated personnel in each department. External professionals were consulted when necessary. The physical risks were managed through regular drills in accordance with emergency response measures. Opportunities were identified through the daily interactions between the business/R&D units and customers for a better grasp on the development tendency of future industries. The assessment of climate-related risks and opportunities is regularly discussed in management meetings to enhance cross-departmental collaboration, cope with the impact of climate risks, and seize opportunities immediately.

Aspect		▲ Risk/ ○ Opportunity	Likelihood of Impact Occurrence	— Negative/ + Positive Financial Impact	Impact Level	Management and Countermeasures	Connection with Material Topics
Transitional Risk	Policies and Regulations	▲ General environmental regulations ▲ Air pollution control ▲ Uncertainty due to new regulations or lack of regulations ▲ Cap and Trade/emissions trading ▲ Carbon tax/carbon fees ▲ Product labeling regulations and standards ▲ Fuel tax/energy tax	Likely	- Increase in operating costs generated by compliance and declaration - Renewal or replacement of existing equipment due to policy changes - Fines resulted from non-compliance or omitted dclaration - Additional taxation - Increase in expenses on R&D and manufacturing process optimization - Increase in education and training costs	Medium to Low	■ Entrusting a third-party organization to conduct inspections of waste gas and wastewater in factory premises on a regular basis. ■ Handling waste by a third-party professional manufacturer. ■ Designating a third-party professional for guidance to formulate a greenhouse gas reduction plan and implement the relevant measures. ■ Actively participating in external seminars and courses to enhance relevant knowledge and skills.	3.4 Regulatory Compliance 5.2 Environmental Management 5.3 Sustainable Supply Chain 4.2 Technological Innovation and Patent Deployment
	Market	▲ Increase in raw material costing ▲ Changes in customer behaviors ▲ Growing concerns from stakeholders	Most Likely	- Increase in invested costs(energy and raw materials) and increase in costs due to operational strategy adjustments - Uncertainty in customers' questionnaires and evaluations related to sustainability - Decrease in the demands for existing products due to changes in consumers' preference	Medium to High	■ Stable R&D capacity every year. ■ Continuously communicating with customers to understand the needs of customers and industries. ■ Regularly participating in exhibitions to understand the tendency as well as technology in the industry. ■ Improving the performance on sustainability questionnaires.	4.1 Customer Service 4.2 Technological Innovation and Patent Deployment
Physical Risk	Immediate Effects	▲ Increasing frequency in extreme climate incidents, such as typhoon, flood, and drought	Unlikely	- Inaccessibleness by personnel, interruptions of raw material transport, etc	Medium to Low	■ Assessing the efficiency of establishing power generation and water storage equipment and maintaining them on a regular basis.	5.2 Environmental Management 5.3 Sustainable Supply Chain
	Long-term Effects	▲ Extreme rainfall or changes in the pattern of rainfall ▲ Energy scarcity due to extreme weather	Likely	- Decrease or interruption in production capacity due to difficulty in obtaining water or energy - Increase in capital expenditures such as the purchase of generators or water storage equipment	Medium		
Opportunity	Resources Efficiency	○ Recycle and reuse ○ Use of a production model with a higher efficiency ○ Regular discussion about transportation methods and adjustments on shipping routes	Somewhat Likely	+ Minimizing scrapes to reduce production costs + Optimizing manufacturing process and enhancing the employment efficiency of energy resources to increase income + Centralized delivery to reduce operating costs	Medium	■ Mixing virgin materials with regrind materials and putting them into production after being verified their stability. ■ Enhancing production efficiency. ■ Encouraging innovation to improve energy efficiency.	5.2 Environmental Management 5.3 Sustainable Supply Chain 4.2 Technological Innovation and Patent Deployment
	Product and Service	○ Product R&D, innovation, and customization ○ Technological assistance during customer transitions	Most Likely	+ Satisfying customer demands by researching, developing, or improving products to increase revenue + Meeting the requirements of climate adjustments through new resolutions in order to increase revenue + Solving customers' problems through provision of technological assistance in order to increase revenue	Medium to High	■ Stable R&D capacity every year. ■ Continuously communicating with customers to understand the needs of customers and industries. ■ Regularly participating in exhibitions to understand the tendency as well as technology in the industry.	4.1 Customer Service 4.2 Technological Innovation and Patent Deployment
	Opportunity	○ Launch to the market of new products ○ Partnership opportunities with new customers	Most Likely	- Entering new and emerging markets to increase revenue - Expanding the probability of market scale - Customers' vendor selection standards improves the sustainability performance. Failure to align with customers' standards may result in suspended partnership and declined revenues	Medium to High	■ Continuing technological innovation and launching to the electric vehicles market. ■ Continuously communicating with customers to understand the needs of customers and industries.	4.1 Customer Service 4.2 Technological Innovation and Patent Deployment

5.2 Environmental Management


Environmental sustainability is one of the major concerns for Solteam in the supply chain. In addition to complying with relevant regulations and aligning with international standards, it is also a crucial issue to achieve the net-zero goal with our customers. Therefore, with the belief of manufacturing services, Solteam aims to manage the energy and resource usage as well as the emission and waste treatment of the headquarters and each factory with higher standards, and considers the following items in our operational activities and decision-making to minimize the impact of operation-related activities on the society and the environment.

Reducing the energy and resource consumption during the course of production and service.




1

Maximizing the usage of recyclable resources.



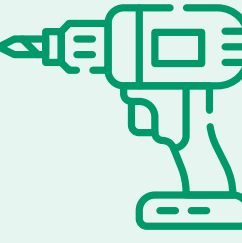
2

Enhancing the recyclability and reuse of products and the relevant raw materials.



3

Improving and purchasing new equipment to minimize energy and resources consumption as well as pollutant emissions.



4

Environmental Management Policy (Amount: NT\$ Thousand)			
	2022	2023	2024
Expenses on Air Pollution Management ^{Note}	82	89	141
Expenses on Wastewater Management	466	406	406
Expenses on Waste Management	1,359	672	806

Note: The expenses for air pollution management in the previous years included the capital expenditures such as the purchase, maintenance, and reformation of equipment related to air pollution. To express in consistency, the expenses for air pollution management starting from the current year only include the expenses for exhaust inspection and the replacement of absorbent consumables such as activated carbon and filter cotton.

5.2.1 Energy

GRI 302-1

GRI 302-2

GRI 302-3

GRI 302-4

GRI 302-5

SASB-RT-EE-130a.1

Solteam actively promotes energy conservation and carbon reduction, carries out basic operations such as GHG emissions inventory and registration, and requests all employees to implement the same. Apart from setting power-saving targets for each electricity user, we also put power-saving incentive measures into practice as motivation for our colleagues to promote the campaign of "Promotion of Energy-saving for All and Love for the Earth."

Additionally, Solteam has introduced the ISO14064-1 greenhouse gases inventory. The year for the most recent inventory and assurance data is 2024 with Taiwan headquarters, Dayuan factory, Solteam Opto, and East China factory as the scope of inventory. Adhering to the philosophy of manufacturing service industry, the Company actively responds to the possible impacts of climate change and greenhouse gas emissions and fulfills social responsibilities to maintain our advantages in the industry and achieve the sustainable development goals. In the meantime, we also remind employees to save energy, reduce carbon emissions, and cherish energy in daily operations, jointly contributing our part for the environment.

Solteam has promoted the following policies in recent years in order to accomplish the goals of energy conservation and reduction on greenhouse gas emissions :

Energy-saving Measures	Execution Methods
Promotion of Energy-saving for All and Love for the Earth	An incentive mechanism is formulated where bonuses are distributed based on power-saving ratios. Those colleagues with more significant power-saving efficiency are invited to share their power-saving achievement, so that others may observe and follow the example of energy-saving.
Equipment Synchronization	Equipment immediately stops running when the power supply is turned off to avoid equipment idling and reduce energy consumption.
Fixed Time and Temperature	Avoiding additional energy consumption through time setting and temperature control.
Auto Lighting Control	Adapting an auto lighting control to the outdoor lighting at night to achieve energy-saving effect.
Replacement of Equipment	Replacing old equipment and planning for equipment integration to optimize the use of energy consumption.
Installment of Air Circulator	Utilizing air circulators with air conditioning to enhance cooling effect.
Review on Monthly Electricity Bills	In case of an unusual electricity bill, relevant units will analyze the reasons for abnormality and address them with improvement plans.
Earth Hour Lights Out for One Hour	Turning off the lights for one hour at noon every day as a practical response to energy conservation and carbon reduction.
Replacement of Refrigerant Air-Conditioning with Water-Cooled Air-Conditioning	Replacing old air-conditioning with new and water-cooled ones to reduce electricity consumption and minimize the usage of fluorocarbons (refrigerant).
Deployment of Production Schedules	Reducing unnecessary overtime working to lessen the running time of air compressors.
Greening and Tree-planting	Leading our colleagues to plant trees within the factory premises every year to green the environment of the factory.
Regular Inspection and Improvement on Outdoor Lighting	Performing exhaust pipe inspections regularly during the production of automobiles to reduce the waste arisen by pipeline leakage; and gradually replacing outdoor lighting with those with solar energy storage functions to implement energy conservation and carbon reduction.

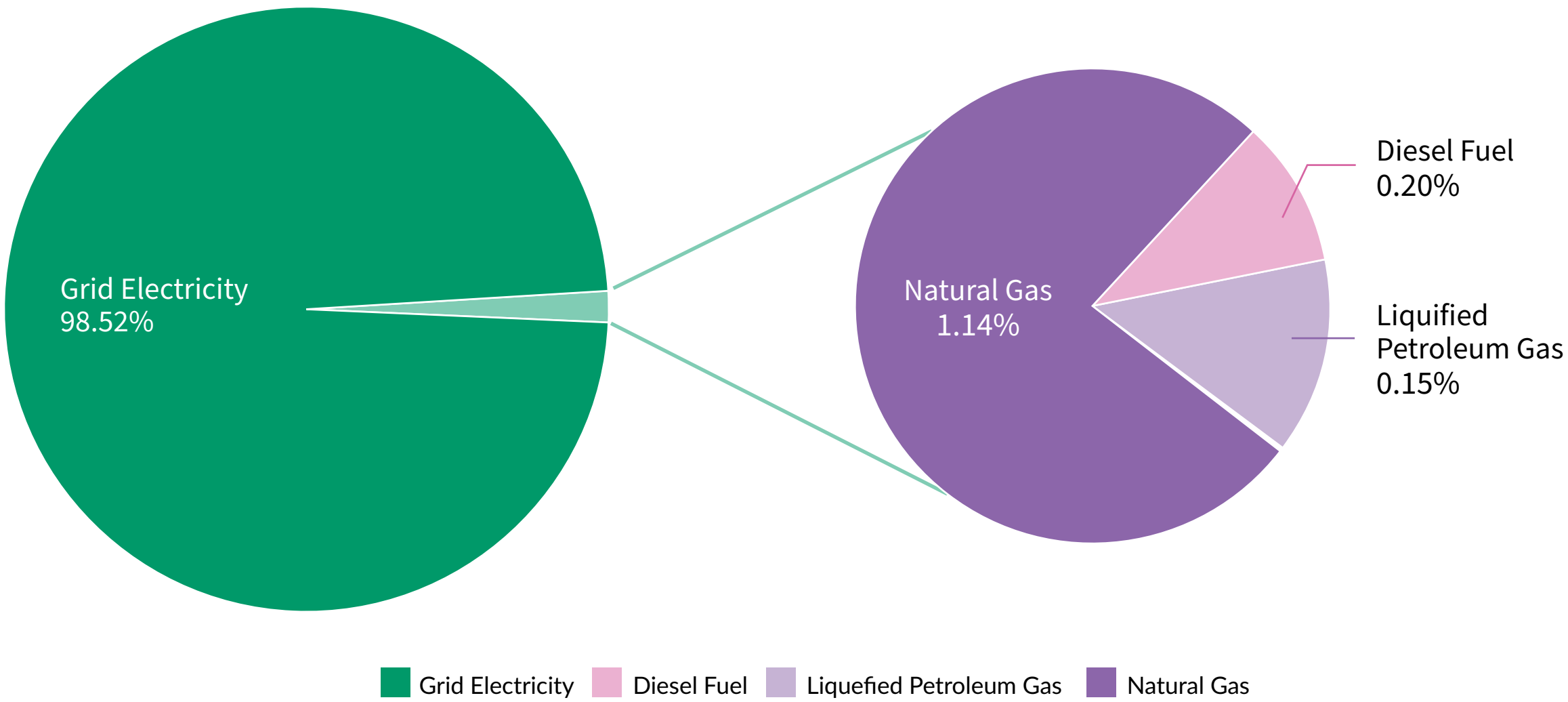
Energy Consumption

Solteam's energy consumption by regions in 2024 is as follows:

	Taiwan	China	Asia-Pacific
Purchased Energy (GJ)	3,934.646	43,596.564	6,225.509
Diesel Fuel (GJ)	3.216	105.437	-
Liquefied Petroleum Gas (GJ)	-	54.639	24.985
Natural Gas (GJ)	-	620.270	-
Total	3,937.862	44,376.909	6,250.494

Note: The heating value factor for the conversion is derived from the Net Calorific Value of Energy Products. The conversion for diesel fuel volume and weight is based on the factors in the Petroleum Products Conversion Table by the Energy Administration.

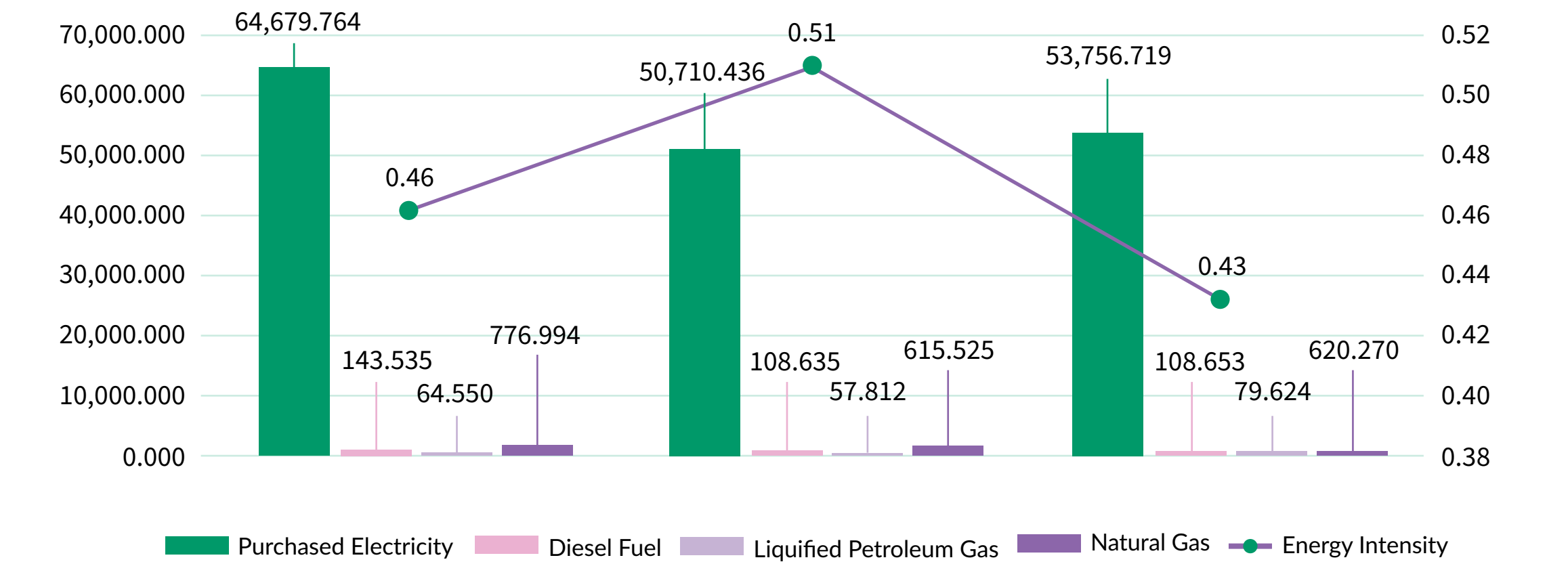
2024 Energy Consumption Percentage



Solteam's energy consumption for the entire Group from 2022 to 2024 is as follows:

	2022	2023	2024
Purchased Energy (GJ)	64,679.764	50,710.436	53,756.719
Diesel Fuel (GJ)	143.535	108.635	108.653
Liquefied Petroleum Gas (GJ)	64.550	57.812	79.624
Natural Gas (GJ)	776.994	615.525	620.270
Total	65,664.843	51,492.408	54,565.265
Intensity Value (production volume (in thousand units))	142,754	99,858	126,825
Energy Intensity (GJ/production volume (in thousand units))	0.46	0.51	0.43

Energy consumption from 2022 to 2024



Solteam's energy intensity in 2024 showed a slight decrease, compared with the base year (2022). The reason is that the energy-saving policies have shown success in turn, which further results in a decrease of energy intensity. In the future, we will keep monitoring and formulating other energy-saving measures to improve the efficiency of energy usage and achieve energy conservation as well as carbon reduction.

5.2.2 Greenhouse Gas Emissions

GRI 305-1

GRI 305-2

GRI 305-3

GRI 305-4

GRI 305-5

2024 Inventory

Solteam has adapted ISO14064-1 for the inventory of greenhouse gas emissions since 2022. An internal inventory was completed in June 2023; whereas a third-party verification was completed in September 2023. Solteam plans to conduct an inventory annually and a third-party verification semi-annually. From 2027 onwards, third-party verification will be conducted annually.

This year, Solteam continued to implement ISO14064-1 for the inventory of greenhouse gas emissions in 2024. The scope of the current inventory mainly includes the headquarters, the Dayuan factory, and the East China factory; whereas the category of the inventory covers categories 1 to 2. In the future, we will draft and formulate reduction scheme for greenhouse gases, plans on the relevant goals, encourage energy-saving proposals in all factory premises, and keep moving towards 2050 Net-zero Emissions.

Greenhouse Gases	2022		2023		2024		
Factory	Solteam's Headquarters and Dayuan Factory	East China Factory	Solteam's Headquarters and Dayuan Factory	East China Factory	Solteam's Headquarters and Dayuan Factory ^{Note 1}	Solteam Opto, Inc.	East China Factory ^{Note 1}
Category 1	71.7936	74.9204	70.7330	82.4187	77.1585	12.8242	115.5686
Category 2	205.8371	3,776.0862	197.9567	2,550.3318	491.6890	48.4957	3,172.9234
Subtotal	277.6307	3,841.0066	268.6897	2,632.7505	568.8475	61.3199	3,288.4920
Total	4,118.6373		2,901.4402		3,918.6594		
Intensity Value (production volume)	142,754		99,858		126,825		
Intensity of Greenhouse Gas Emissions	0.0289		0.0291		0.0309		

Note: The unit for greenhouse gas emissions is metric ton (CO₂e).

Note 1: Obtained assurance from a third-party institute.

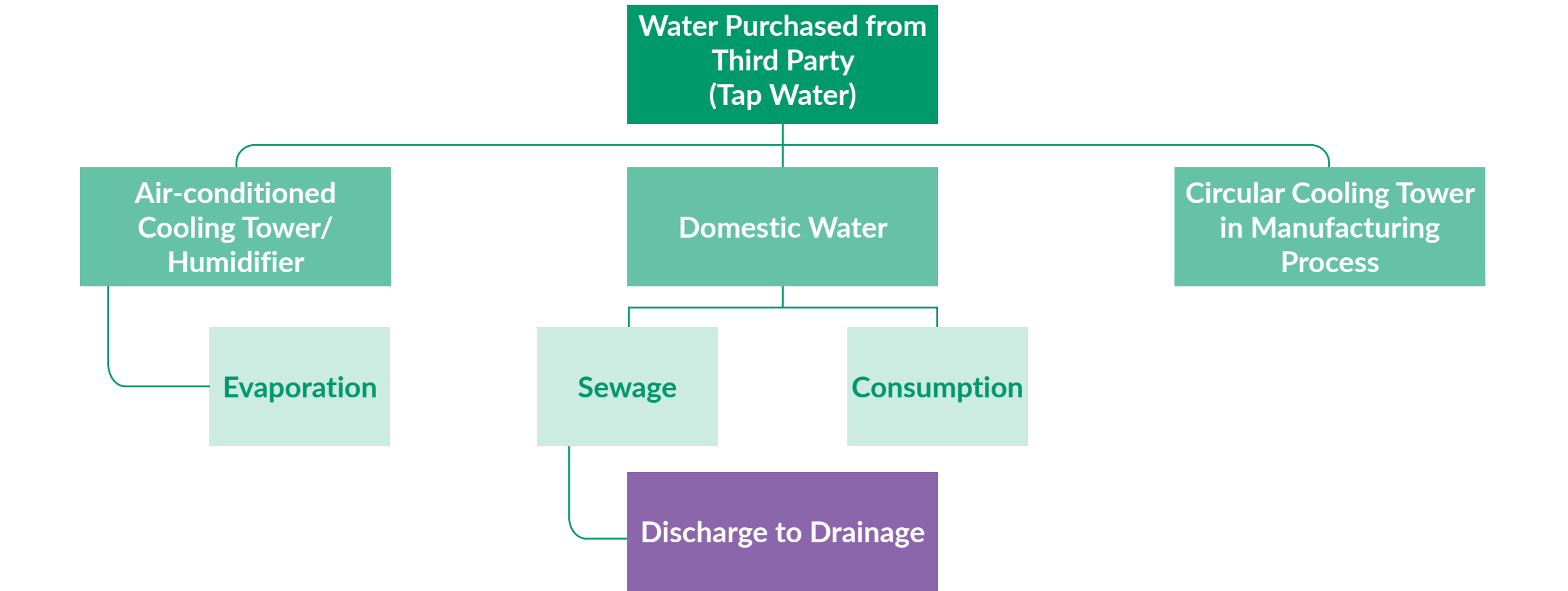
5.2.3 Water

GRI 303-1

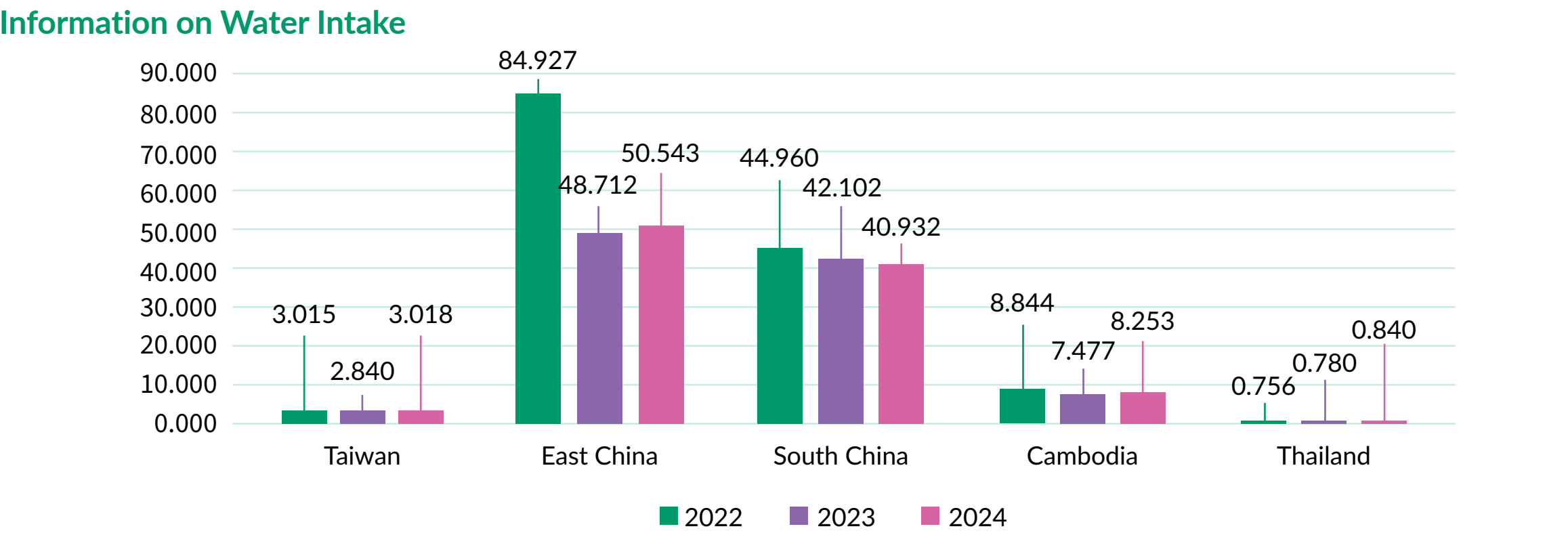
GRI 303-2

GRI 303-3

Solteam's products are primarily electronic parts and components and does not involve in water consumption on large scale in the production. Therefore, Solteam is not considered a major water consumer. In addition to the domestic water consumption required during operations, the major water consumption comes from the closed cooling towers used in the manufacturing process, air-conditioned cooling towers, and humidifiers. Hence, our goal for water resources management focuses on domestic water conservation.



The water resources of each factory are taken from local water treatment plants. With our evaluation on the World Resources Institute's Aqueduct Water Risk Atlas, the factories in Taiwan are located in the low-risk zone of water stress; the South China factory is located in the medium-risk zone of water stress; the East China factory, Cambodia factory, and Thailand factory are located in the high-risk zone of water pressure. The information on water intake of each factory is as shown below.



Note 1: The regions in Taiwan include the headquarters, Dayuan factory, and Solteam Opto.

Note 2: The measurement unit is megaliter.

Solteam currently promotes the following water-saving measures:

Promotion of Water Conservation

Posting cautionary signs about water usage to remind our colleagues of avoidance of wasting water resources.

Statistics of Water Consumption

Calculating water consumption per capita on a monthly basis; and, if it exceeds the target consumption, assembling the relevant departments to discuss improvement plans.

Water Recirculation

Introducing water recirculation for areas with higher water consumption and improving operations to achieve water-saving effects.

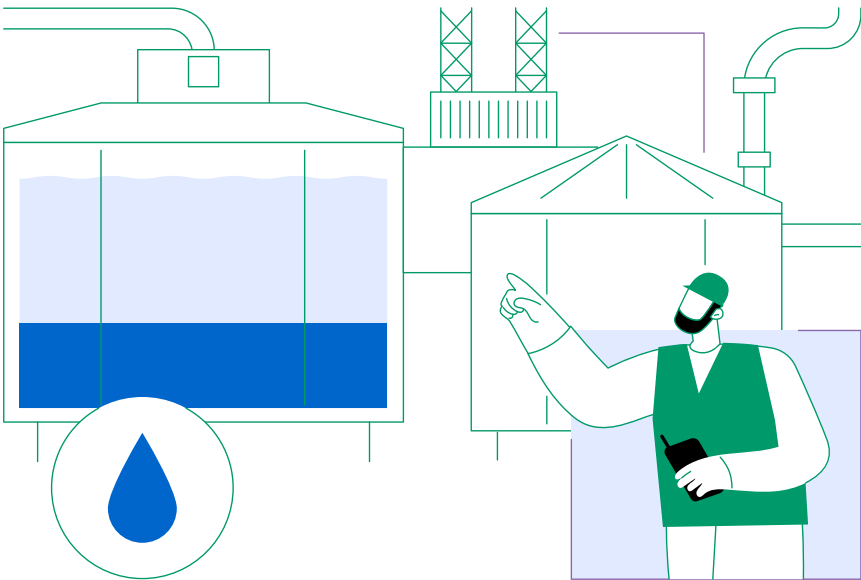
Installment of Cooling Towers

Operating in a cyclic manner to prevent water content from evaporation.

Wastewater Treatment

Only domestic wastewater was discharged from Solteam's factories, which was treated and discharged in accordance with local laws and regulations. In 2023, all factory premises did not violate any laws or regulations of wastewater treatment or environmental protection. The drainage-related measures implemented during the current year is as follows:

- Installing water quality auto testing devices to air-conditioned cooling towers; and performing drainage replacement when the water quality exceeds the standard value.
- Polishing and cleansing wastewater; collecting wastewater on a fixated spot once every month; and handing over to a third party for treatment before discharging in compliance with the laws and regulations.
- Domestic water is filtered and discharged through septic tank. The water quality is also monitored by the system at the exit end of the treatment plant.



5.2.4 Waste Management

GRI 306-1

GRI 306-2

GRI 306-3

GRI 306-4

GRI 306-5

SASB-RT-EE-150a.1

SASB-RT-EE-150a.2

The waste generated by Solteam in the course of the operation mainly consists of domestic waste and a small amount of general industrial waste, which are removed and declared in accordance with the waste disposal regulations stipulated by the governments of the countries in which the factories are located. Some of the waste is hazardous industrial waste, which is disposed of in accordance with the relevant laws and regulations, and is transported by professional vendors with operating permits.

Additionally, since plastic granules are used for injection during parts of the manufacturing process, our treatment approach for the scrapes generated from the process is to recycle and mix them with virgin materials in a certain proportion, evaluate the stability in laboratories, and put them into the production process, so as to minimize the generation of waste.

Solteam's waste treatment in the recent three years is as follows:

Unit: Ton

Type of Waste	Item	Fiscal Year		2022		2023		2024	
		Type of Waste Treatment		On-site	Off-site	On-site	Off-site	On-site	Off-site
General Industrial Waste	Total Amount of Other Treatment Methods of General Industrial Waste (recycled)			-	-	-	-	-	1.700
	Total Amount of Other Treatment Methods of General Industrial Waste (non-recycling)			-	351.280	-	172.400	-	73.010
Hazardous Industrial Waste	Total Amount of Incineration of Hazardous Industrial Waste (non-energy recycling)			-	67.630	-	24.364	-	18.540

Note: As Thailand factory was added to the current report, the scope of information for the previous fiscal years was adjusted to show the information of Thailand factory for easy comparison purposes.

Definitions for Recycling Treatment are as follows:

- Preparation for Reuse: Recycled waste is inspected, cleaned or repaired to be reused for its original purpose.
- Recycling: Through immediate treatment, recycled waste is made into recycled materials.
- Other Recycling Treatment: Any recycling method other than the two mentioned above is classified as other recycling treatment.

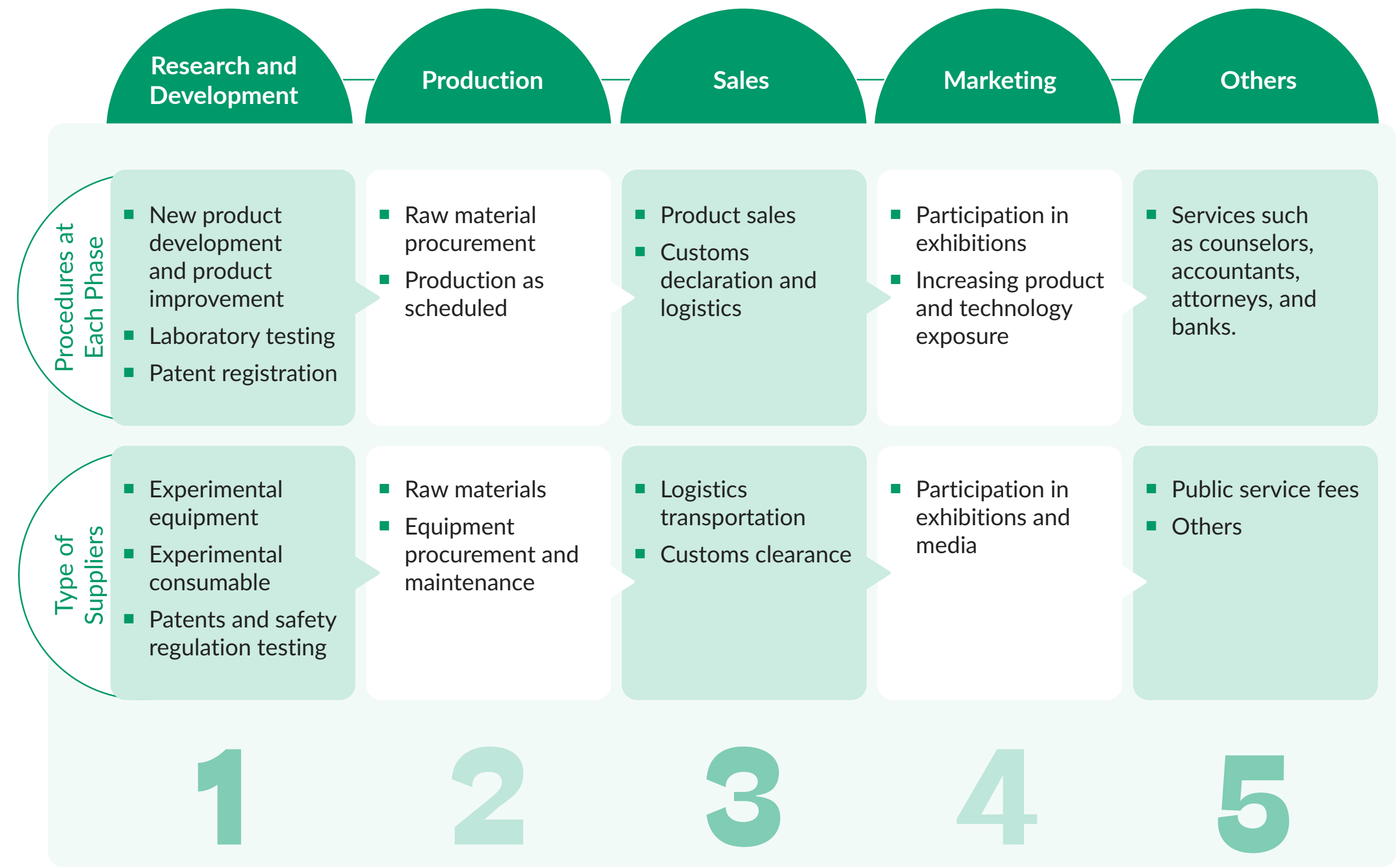
Definitions for Non-recycling Treatment are as follows:

- Incinerated Energy Recovery: Waste is treated by incineration after exit from the factory, which includes energy recovery.
- Incinerated Non-energy Recovery: Waste is treated by incineration after exit from the factory, which does not include energy recovery.
- Landfill Treatment: Wastes is directly disposed of through landfill without being treated by incineration after exit from the factory.
- Other Treatment Methods: Any treatment method other than the three mentioned above is classified as other treatment method.

5.3 Sustainable Supply Chain

5.3.1 Sustainable Supply Value Chain

Suppliers are Solteam's important partners in maintaining a sustainable operation. In response to the ever-changing international situation, Solteam has established a tenacious supply value chain and formulated a comprehensive series of supply chain management policies. Solteam's supply value chain in 2024 is presented as follows:



GRI 414-2

Affected by the international situation as well as climate change in recent years, the instability of raw materials supply has been drastically increased. To prevent delayed delivery due to unstable supply of raw materials, which may further affect the Company's goodwill, Solteam actively develops secondary suppliers and establishes a substitute material system. We also adjust the safety stock replenishment system in a timely manner to keep the supply chain transparent and diversified and to minimize the risk of supply chain disruption.

5.3.2 Management Policy and Risk Assessment for Supply Chain

GRI 308-1 GRI 308-2 SASB-RT-EE-440a.1

Supply Chain Management

Solteam understands that a company must consider the effect and impact of operating strategies on the society and the environment in the course of pursuing sustainable growth. With that in mind, Solteam has established the "Supplier Sustainable Development Code of Conduct" and requested our suppliers to sign the Code. In the meantime, we have also included suppliers' level of compliance with this Code of Conduct in one of the major assessment items as the basis of procurement decisions, hoping to contribute our efforts in the sustainability visions together with suppliers.

The suppliers' signing rate of the "Supplier Sustainable Development Code of Conduct" for the entire Group reached 92% in 2024.

Solteam's "Supplier Sustainable Development Code of Conduct" includes human rights issues, occupational safety, health, and hygiene, as well as environmental protection issues. A detailed description is as follows:

Human Rights Issues

The labor issues of Solteam's "Supplier Sustainable Development Code of Conduct" were formulated in accordance with the "Code of Conduct of the Responsible Business Alliance" and with reference to the "United Nations Guiding Principles on Business and Human Rights," the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work," and the "Universal Declaration of Human Rights." Suppliers promise to safeguard the human rights of labors in accordance with the standards universally recognized by the international community.

Occupational Safety, Health, and Hygiene

Suppliers should be aware that, apart from reducing the occurrence of occupational injuries and diseases as possible, creating a safe and healthy work environment helps enhance product and service quality, production stability, and labors' loyalty as well as morale. Additionally, suppliers should be aware that the continuous investment and education in labors are the key to identifying and solving health and safety problems in the workplace.

Environmental Protection Issues

Suppliers should be aware that acknowledging the responsibilities of environmental protection is a necessary part in producing world-class products. Suppliers should identify the environmental impact in their manufacturing and operational processes and ensure their minimum damage to the earth. Moreover, suppliers should reduce the adverse effects caused by the said course on the community, environment, and natural resources to protect public health and safety.

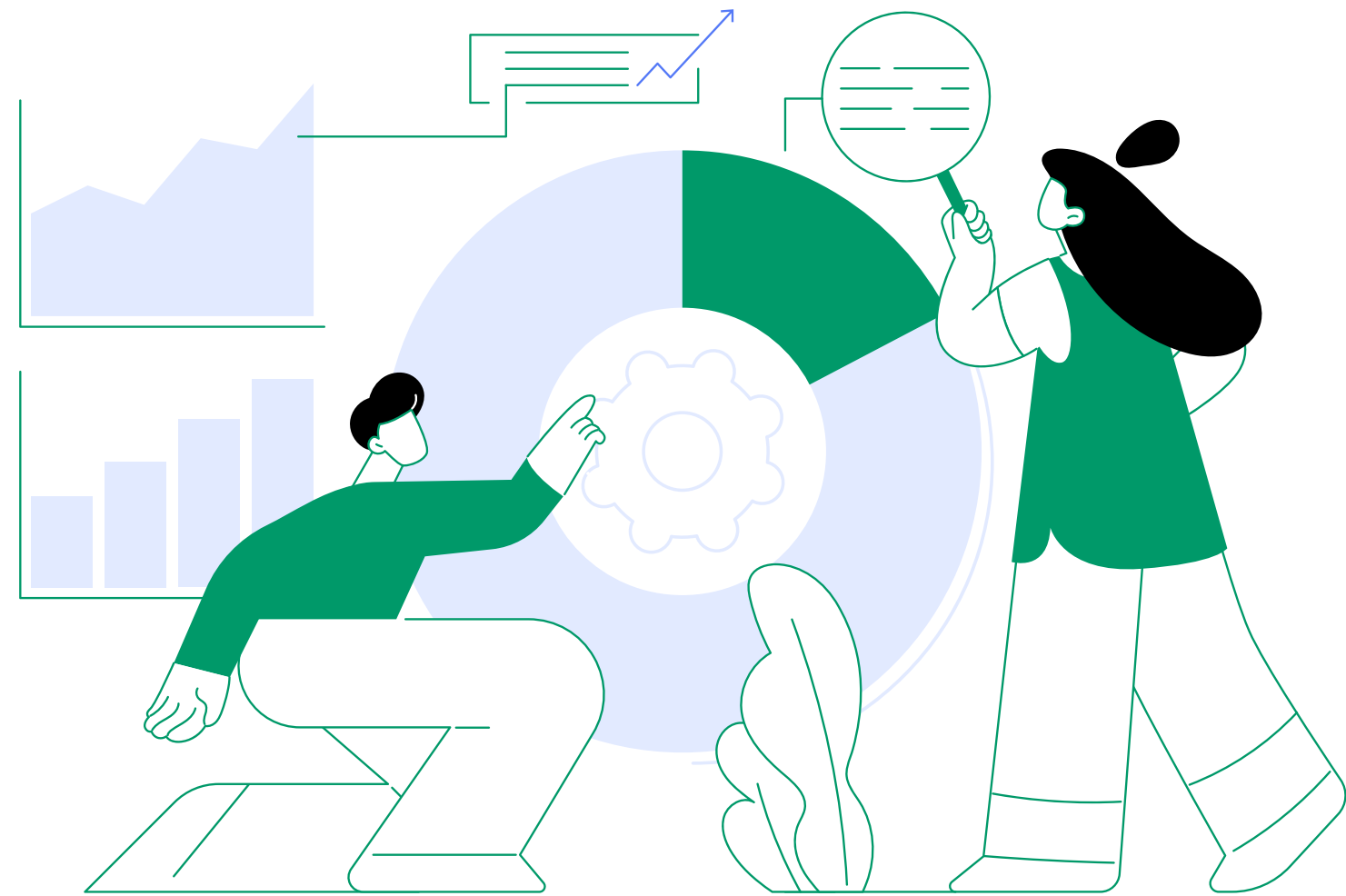
Risk Assessment

On the way to the development of a sustainable supply chain, Solteam continues to assess and control the supply chain risks according to risk categories.

The categories of supply chain risks in 2024 are as follows:

- Risk of supply chain disruption
- Costing risk
- Procurement risk
- Quality risk
- Risk of market competitive conflicts
- Risk of organization's internal operation and process
- Risk of natural and environmental factors

To reduce the impact of the above risks and the supply chain disruptions on the Company's operations, it is necessary to avoid single-source procurement when selecting suppliers, and to select the most suitable partner by consulting, comparing, and negotiating with various parties in terms of price, cost, technology, quality, and service.



5.3.3 New Supplier Selection and Assessment

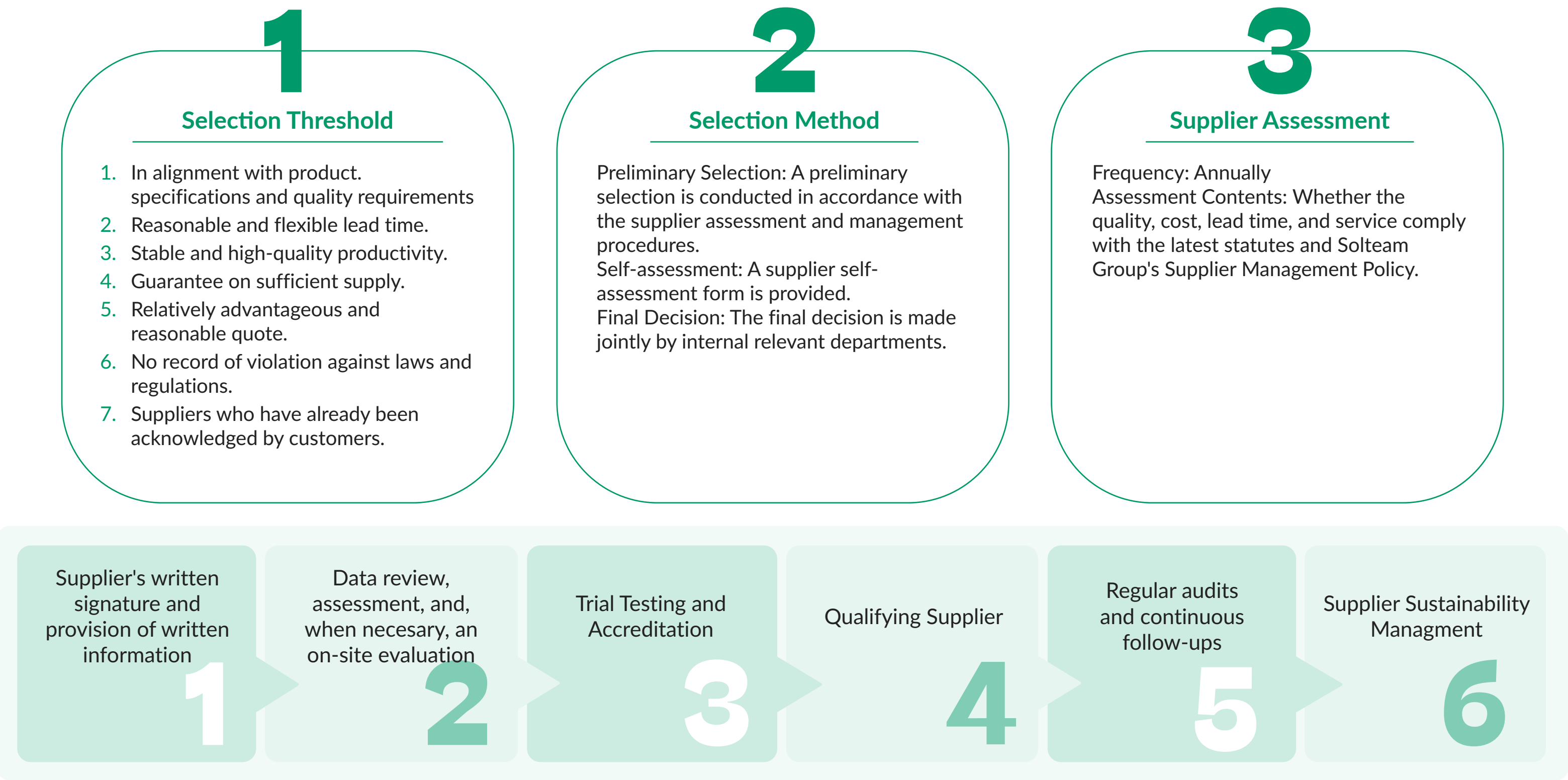
During the selection of potential suppliers, those that are suitable will be made into a list. Then, a comprehensive parts risk assessment will be conducted by the R&D and Quality Assurance Departments; whereas a supplier risk assessment will be conducted by the Procurement Department. After a joint evaluation, a target supplier will be selected and the relevant evaluation information will be obtained from the supplier.

The new supplier's information is reviewed and evaluated by Purchasing, R&D, and Quality Assurance. Then, the Quality Assurance Department reviews the evaluation results to determine if the new supplier meets Solteam's supplier standards, and upon approval register it in the Qualified Supplier List.

Prior to formal procurement, we conduct price inquiry, price comparison, and price negotiation procedures according to the internal control process. After confirming the purchasing vendor, we sign a quality agreement and an integrity commitment with the vendor, and carry out the final approval procedures according to the approval process for components, and conduct regular audits as well as follow-up on the vendor after commencement of the transaction.

When selecting a supplier for a transaction, who is not directly designated by the customer, Solteam not only considers its production capacity, pricing conditions, and quality, but also evaluates its risk of material disruptions and the management system. Designated or not, it is necessary to confirm whether the supplier has any record of violation of laws and regulations, including violation of human rights issues (including labor disputes), occupational safety, health and hygiene, as well as environmental protection.

The detailed process for the supplier selection and assessment in 2024 is as below:



5.3.4 Supplier Assessment and Performance

To effectively control supplier risks, Solteam's Material, Quality Assurance, Manufacturing, and Research and Development Departments conduct regular supplier assessment every year, including supplier self-assessment and on-site inspections. The assessment also covers supplier qualification checks, such as system certification and internal management, etc. The Group's assessment process in 2024 is as follows:

Assessment Criterion	<div><div></div>Product quality and improvement on abnormality: Delivered products must comply with requirements.</div> <div><div></div>Lead time: Performance on lead time schedules and excess freight.</div> <div><div></div>Supplier's timeliness for abnormality handling: Such as duplication, return and exchange, improvement measures, etc.</div> <div><div></div>Supplier's capability of manufacturing technology, service cooperation, and ability of spontaneity to customer complaints.</div> <div><div></div>Compliance with HSF(Hazardous Substances Free) and sustainable operation.</div>
Assessment Method	<div><div>1.</div> Vendors are to fill out the supplier assessment survey reports.</div> <div><div>2.</div> An on-site inspection is conducted after a written review.</div>
Assessment Frequency	New Suppliers: An on-site inspection or a written review, in principle. Existing Suppliers: As scheduled in the suppliers' annual audit plan.
Assessment Results	In 2024, 92 suppliers of the Group were scheduled for assessment and 90 suppliers were actually assessed, representing a ratio of approximately 98%.

The scope of the actual visits covers supplier system certification and internal management measures, including procurement and incoming material management, process management, shipment management, warehouse management, environmental substance control, as well as relevant documentation.

Management Item	Audit Status in 2024	Estimated Target for the Next Year
Ratio of Audits on Tier 1 Suppliers	98%	89%
Ratio of On-site Inspections on Tier 1 Crucial Suppliers	96%	95%
Ratio of On-site Inspections on High-risk Vendors	100%	90%

5.3.5 Local Procurement

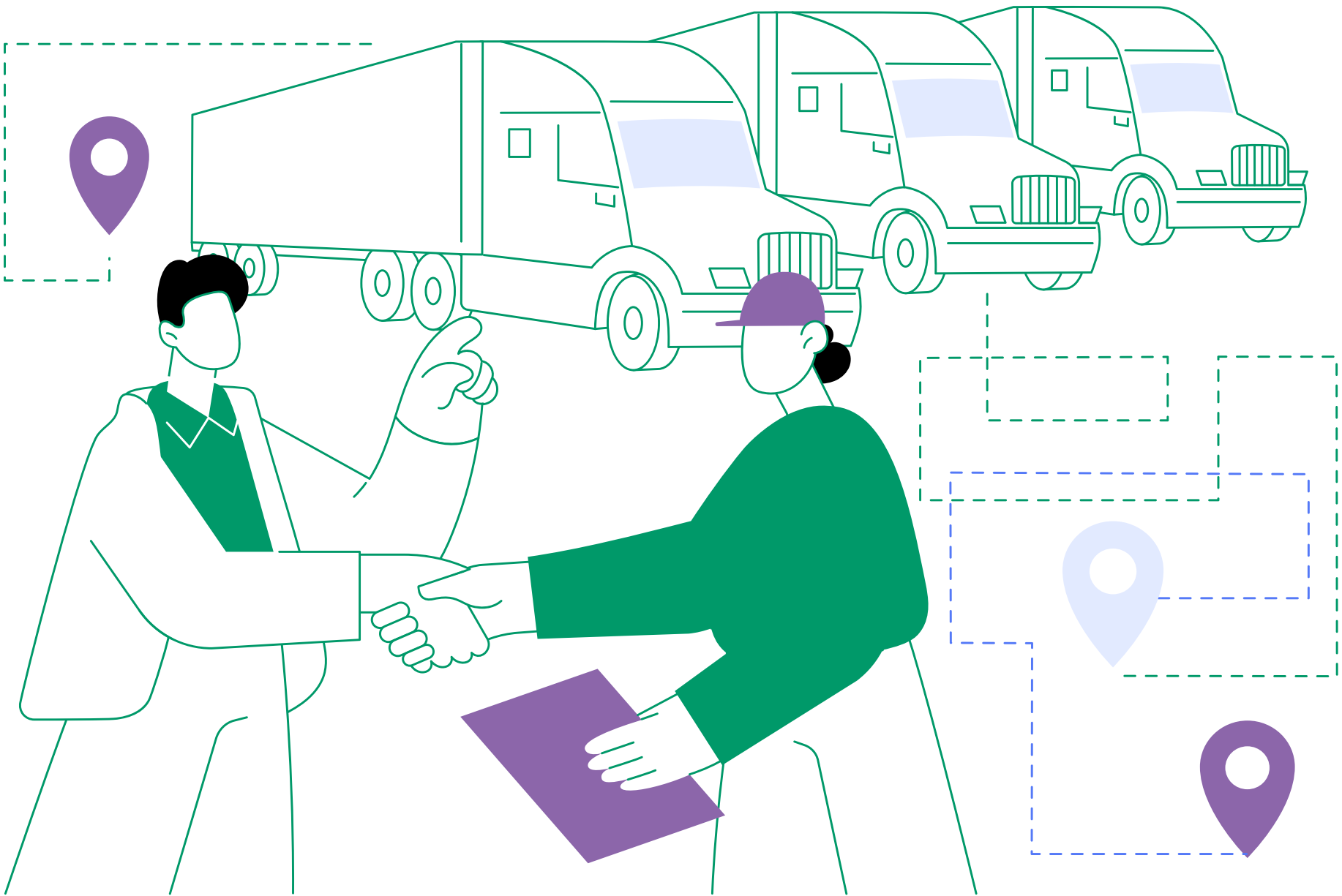
GRI 204-1

For Solteam, suppliers located in the same country as the factories are considered as local suppliers. Solteam's main operating production premises are located in China, Cambodia, and Taiwan, etc. In addition to price, cost, technology, quality, and service, short chain (prioritizing local supply chain) is also an important consideration when choosing a partner supplier. Short-chain supply can significantly shorten transportation routes, save transportation time, reduce carbon emissions, and thus take us towards the goal of net zero. We continuously and actively improve the resilience of our supply chain to march towards sustainability and contribute our part to the planet hand in hand with suppliers.

The amount of local procurement in 2023 is as follows:

Unit: NT\$ Thousand

Item	2024	Percentage of Procurement in Current Fiscal Year
Amount of Local Procurement	1,277,008	47%
Amount of Non-local Procurement	1,440,782	53%
Amount of Procurement for the Entire Year	2,717,790	100%



Chapter



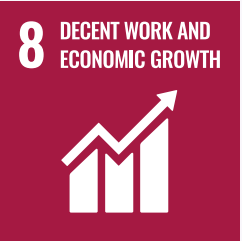






Diverse Social Inclusion












6.1 Manpower Capital	68
6.2 Social Welfare Activities	75




GRI 2-26

GRI 3

Material Topics	Objectives for 2025 (Short-term)	Objectives for 2027 (Mid-term)	Objectives for 2030 (Long-term)	Corresponding SDGs
<div></div> <div>Human Resources Management</div>	<ul style="list-style-type: none">To provide sufficient professional training for the talents required by Solteam at the present stage in order to strengthen their abilities and Solteam's competitiveness in the industry.	<ul style="list-style-type: none">To keep deploying future talents of various occupations, and to facilitate the connection between industry and academia.	<ul style="list-style-type: none">To continuously invest in talent recruitment and training development, and attract as well as retain excellent talents with competitive remuneration and welfare.	<div></div> <div></div> <div></div>
<div></div> <div>Human Rights</div>	<ul style="list-style-type: none">To continually implement the Code of Conduct – Responsible Business Alliance (RBA), relevant international covenants, and local statutes.To implement human rights policy without any violation of human rights.	<ul style="list-style-type: none">To build a diverse, equal, inclusive, and respectful work environment to enhance employ loyalty.No violation of human rights.	<ul style="list-style-type: none">To keep achieving the goal of no violation against human rights.	
<div></div> <div>Employee Diversity and Inclusion</div>	<ul style="list-style-type: none">To formulate policies of Diversity, Equality, and Inclusion (DEI).To raise employees' awareness through corporate promotional seminars.	<ul style="list-style-type: none">To arrange for training, promotional topics, and courses.Employee diversity and equality.Talent attraction and retention.	<ul style="list-style-type: none">To arrange for training, promotional topics, and courses.Employee diversity and equality.Talent attraction and retention.	
<div></div> <div>Labor Relations</div>	<ul style="list-style-type: none">To establish diverse communication channels.No incidents of labor dispute and violation of labor statutes.	<ul style="list-style-type: none">No incidents of labor dispute and violation of labor statutes.	<ul style="list-style-type: none">Diversified employee care and welfare activities.No incidents of labor dispute and violation of labor statutes.	
<div></div> <div>Occupational Safety and Health Management</div>	<ul style="list-style-type: none">To accumulate less than 15 occupational safety accidents in the year.To provide labors the necessary safety and health protection pursuant to the provisions of Occupational Safety and Health Act.To prevent the risk of occupational accidents due to unsafe behaviors and condition by implementing the work safety procedures.	<ul style="list-style-type: none">To accumulate less than 12 occupational safety accidents in the year.To ensure that the equipment and environment of the workplace comply with the regulations; and to provide education and training on labor safety and health as well as disaster prevention, including work safety procedures and information on possible hazards.	<ul style="list-style-type: none">To accumulate less than 6 occupational safety accidents in the year.To promote the Occupational Safety and Health Management Systems and the Environmental Management Systems; to enforce the management cycle of safety and health planning, auditing, and improving; to implement a comprehensive safety and health management; and to create a safe and comfortable working environment.	<div></div>

Material Topics	Objectives for 2024	Achieved or Not	Achievement Status in 2024
<div></div> <div>Human Resources Management</div>	<ul style="list-style-type: none">To provide sufficient professional training for the talents required by Solteam at the present stage in order to strengthen their abilities and Solteam's competitiveness in the industry.	<div>Achieved</div> <ul style="list-style-type: none">To provide sufficient professional training for the talents required by Solteam at the present stage in order to strengthen their abilities and Solteam's competitiveness in the industry.	<ul style="list-style-type: none">Continuously promoted employee educational training with a total of 1,310 person/time and 21,071 hours in 2024.
<div></div> <div>Human Rights</div>	<ul style="list-style-type: none">To continually implement the Code of Conduct – Responsible Business Alliance (RBA), relevant international covenants, and local statutes.To implement human rights policy without any violation of human rights.	<div>Achieved</div> <ul style="list-style-type: none">To implement human rights policy without any violation of human rights.	<ul style="list-style-type: none">No incidents in violation of human rights.
<div></div> <div>Employee Diversity and Inclusion</div>	<ul style="list-style-type: none">A material topic added to the current period.		<ul style="list-style-type: none">No complaints.
<div></div> <div>Labor Relations</div>	<ul style="list-style-type: none">To establish diverse communication channels.No incidents of labor dispute and violation of labor statutes.	<div>Achieved</div> <ul style="list-style-type: none">To establish diverse communication channels. <div>Not achieved</div> <ul style="list-style-type: none">No incidents of labor dispute and violation of labor statutes.	<ul style="list-style-type: none">2 cases of punishment by the competent authorities due to violation of the Labor Standards Act.Targeting the punishment, Solteam has immediately made reviews and improvements, reinforced educational training and the propaganda of laws and regulations, and enhanced system optimization to implement regulatory compliance and to prevent from reoccurrence.
<div></div> <div>Occupational Safety and Health Management</div>	<ul style="list-style-type: none">To accumulate less than 18 occupational safety accidents in the year.To provide labors the necessary safety and health protection pursuant to the provisions of Occupational Safety and Health Act.To prevent the risk of occupational accidents due to unsafe behaviors and condition by implementing the work safety procedures.	<div>Achieved</div> <ul style="list-style-type: none">To accumulate less than 18 occupational safety accidents in the year.To provide labors the necessary safety and health protection pursuant to the provisions of Occupational Safety and Health Act.To prevent the risk of occupational accidents due to unsafe behaviors and condition by implementing the work safety procedures.	<ul style="list-style-type: none">Diplomates in occupational medicine visited the factory once every 2 months for 2 hours each time.Occupational health nurses visited the factory 6 times every month for 2 hours each time.The diplomates in occupational medicine and the occupational health nurses provided service to a total of 62 employees.No incidents of occupational safety.A total of 16 people participated in the recurrent training of occupational safety and health.

Management of Material Topics	Talents are an important capital of Solteam and the footstone of the Company's stable and sustainable operation. In addition to placement and pick, talent retention has always been an important task for corporate sustainable operation. The department heads and the Human Resources Department must build a structure for retaining and nurturing talents, establish a better personnel management system and measures, and improve the management capabilities of supervisors in order to retain key talents for the Company and to achieve the goal of corporate sustainable development.			
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div></div> <div>Occupational Safety and Health Management</div>	<ul style="list-style-type: none">(+) Creation of a safe workplace(-) Occupational Safety Hazard	<ul style="list-style-type: none">We arrange safety and health education and training for our employees through unscheduled physical or online courses or external training. In addition, we require our contractors to present their training materials following the "Safety and Health Management Procedures for Contractors" to ensure the safety and health of our employees within the Company.	<ul style="list-style-type: none">Conducting assessments and planning, as appropriate, with identifying and controlling hazards as the purpose.Performing environmental risk assessments regularly.Immediately following up on, reviewing, and improving incidents involving occupational safety and health.Implementing the Labor Health Services and Protective Measures for the Physical and Mental Health of Laborers in accordance with the law; and cooperating with the visits by personnel of occupational safety and health, human resources management, and relevant government departments.	<ul style="list-style-type: none">Number of incidents involving occupational safety and health.
<div></div> <div>Human Rights</div>	<ul style="list-style-type: none">(+) Enhancement of stakeholders' trust	<ul style="list-style-type: none">Fulfilling corporate social responsibility and safeguarding the basic human rights as well as relevant interests of employees.	<ul style="list-style-type: none">Following the International Human Rights Conventions; protecting our colleagues' freedom of association; no discrimination against employees on the basis of gender, age, marital status, race, and political party; and prohibiting child labor.Endeavoring to the establishment of a friendly and equal workplace; and providing employees with salaries and benefits that meet or even exceed the minimum regulatory requirements.Promoting a clear understanding of employees' rights and the Company's human rights policy.	<ul style="list-style-type: none">Implementing human rights policy with zero violation of human rights.Complying with the Code of Conduct – Responsible Business Alliance (RBA), relevant international covenants, and local statutes.
<div></div> <div>Employee Diversity and Inclusion</div>	<ul style="list-style-type: none">(+) Diverse perspectives(+) Increase in sources of talents(-) Communication challenges brought by different languages	<ul style="list-style-type: none">Providing employees with a safe and comfortable communication environment and establishing open appeal channels and explicit handling principles.	<ul style="list-style-type: none">Adding diversity to the composition of employees and offering corresponding treatment and benefits.Encouraging employees from different cultural backgrounds to express ideas and propose suggestions.	<ul style="list-style-type: none">Number of complaints related to employee diversity and inclusion.Diversity and equality among employees.Talent attraction and retention.
<div></div> <div>Human Resources Management</div>	<ul style="list-style-type: none">(+) Complete talent cultivation system(-) In the face of talent shortage	<ul style="list-style-type: none">Transforming the academic researches to industrial momentum and deploying in talent market in advance to elevate the overall competitiveness of the Company.Continuously identifying and cultivating key talents; fortifying the organization's capabilities by diverse talent development programs; and implementing the strategy of "Appropriate talents for appropriate positions."Offering advantageous compensation and welfare programs; providing careers and environments with sustainable development to attract and retain outstanding talents.	<ul style="list-style-type: none">Talent cultivation system.New employee orientation.Industry-academia collaboration.	<ul style="list-style-type: none">Employee education and training achievements.Establishing innovative and diverse channels for recruitment.

Management of Material Topics	Talents are an important capital of Solteam and the footstone of the Company's stable and sustainable operation. In addition to placement and pick, talent retention has always been an important task for corporate sustainable operation. The department heads and the Human Resources Department must build a structure for retaining and nurturing talents, establish a better personnel management system and measures, and improve the management capabilities of supervisors in order to retain key talents for the Company and to achieve the goal of corporate sustainable development.			
Scope of Material Topics	Impact	Policy Commitment	Specific Action Plan	Assessment Method
<div><div>Labor Relations</div></div>	<ul style="list-style-type: none">(-)In the face of talent shortage	<ul style="list-style-type: none">Continuing to establish more comprehensive employee care and welfare.Respecting labor relations management to ensure that the Company is averted from risks of professional brain drain, labor-management confrontation, insufficient teamwork, and inability to garner consensus and to minimize the operational risks to the Company brought by labor relations.	<ul style="list-style-type: none">Diverse and smooth communication channels for employees' rights and interests to be exchanged.Proper employee care systems.Diversified employee care and welfare activities.	<ul style="list-style-type: none">Employee suggestions box.
<div><div>Appeal Procedures</div></div>	<p>Solteam has set up the following "Methods and Channels for Complaints" to prevent impairment of employees' rights and interests and to timely assist with employees' demands:</p> <ul style="list-style-type: none">Solteam shall not accept complaints should they contain malicious attacks, falsehoods, no specific contents, no real name, or no contact information.Please specify the name, department, and title of the person being reported; and attach specific evidence such as receipts, contracts, letters, videos, and photos.Complaints shall be sent by email to sol_credit@solteam.com.tw or by post to the "Audit Office" at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.Please be assured that the identity of the whistleblower and the contents of the complaint are handled confidentially by the dedicated department in charge of complaint-handling within Solteam.Communications may be conducted immediately through social media.Contact may be made to Solteam by telephone at 03-3162168.			
<div><div>Stakeholder Engagement</div></div>	<p>The Company communicates and interacts with stakeholders on a scheduled and non-scheduled basis; discloses the interaction status in the Sustainability Report as well as on Solteam's sustainability website; and adjusts Solteam's relevant strategies and objectives based on the opinions of stakeholders.</p>			

6.1 Manpower Capital

Talents are the most important assets and the competitive advantages of Solteam. With the employment principle of meritocracy, suitability, and appropriateness, talents are able to fully demonstrate their expertise and bring their skills into full play. Treating employees as family, Solteam's goal in talent cultivation is not only to allow employees work peacefully and care-free, but also to thrive with the Company and march towards sustainable operations.

6.1.1 Employee Recruitment, Compensation, and Welfare

GRI 2-7

GRI 2-8

GRI 2-30

GRI 401-1

GRI 401-2

GRI 401-3

GRI 402-1

GRI 405-1

RT-EE-000.B

Solteam abides by the labor laws and regulations in each global location of the Company while eliminating any aggression upon human rights in order to create a diversified, open, and equal working environment and to fulfill the responsibility in human rights protection. We treat every employee with equal acceptance and respect, and emphasize the uniqueness and individual strengths of each employee, which empowers Solteam's sustainable growth in the industry.

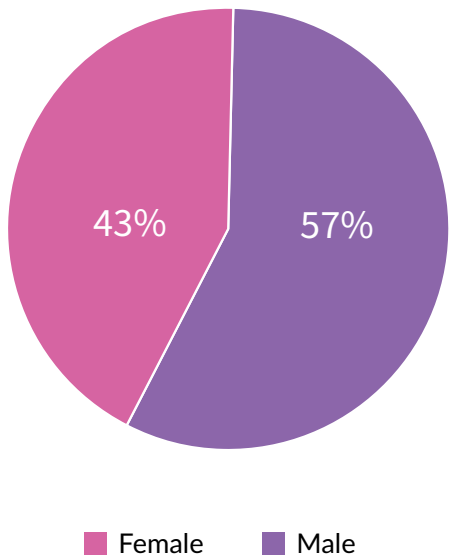
Manpower Structure

The Company has been consistently recruiting and retaining outstanding talents over the years to maintain stability in our workforce structure, while also implementing diverse talent development programs. We conduct pre-employment training and internal work guidance for new employment hires in accordance with employee training regulations to provide them with the skills required for their jobs. Also, we promote excellent and competent talents with a fair, open, and impartial promotion system. Additionally, during the course of recruitment and appraisal, Solteam does not discriminate ethnicity, color, age, gender orientation, race, disability, pregnancy, religion, political affiliation, union membership, or marital status.

Statistics on the Nature of Employees^{Note}

In 2024, the total number of workers of the entire Solteam Group was 2,451, of which 1,406 (57.36%) were male and 1,045 (42.64%) were female, with an average ratio of men to women and a balanced development of gender. The proportion of female executives in the management was 36.71%, which shows that we talents were appointed by meritocracy and that fair development opportunities were entitled for all regardless of gender. The proportion of new male and female employees accounted for 62.68% and 37.32%, respectively, demonstrating Solteam's emphasis on protecting gender equality in employment and creating fair competition as well as development opportunities. Moreover, a total of 2 physically and mentally challenged employees were hired at the end of 2024 in accordance with the provisions of the "People with Disabilities Rights Protection Act."

Note: The number of employees in Taiwan include Solteam (incl. Dayuan) and its subsidiary (Solteam Opto, Inc.); whereas the Asia-Pacific refers to Asian regions including the operating locations in South-East Asia, except for Taiwan and China.



Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Nature of Employees	Male			Female		
Fixed Term Contracts	-	288	342	2	226	160
Non-fixed Term Contracts	147	14	-	118	13	-
Total	147	302	342	120	239	160
Full-time	147	297	342	118	238	160
Part-time	-	5	-	2	1	-
Total	147	302	342	120	239	160

Statistics on Employees and Non-Employee Workers

Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Nature of Workers	Male			Female		
Employees	147	302	342	120	239	160
Non-employee ^{Note}	-	615	-	-	526	-
Total Number of Workers	147	917	342	120	765	160

Note: Primarily agency workers.

Statistics on New Hires

Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Gender	Male			Female		
Age						
Under 30 Years Old	6	56	237	4	27	107
30-50 Years Old	12	107	104	15	107	42
50 Years Old and Above	2	5	-	2	5	6
Total	20	168	341	21	139	155

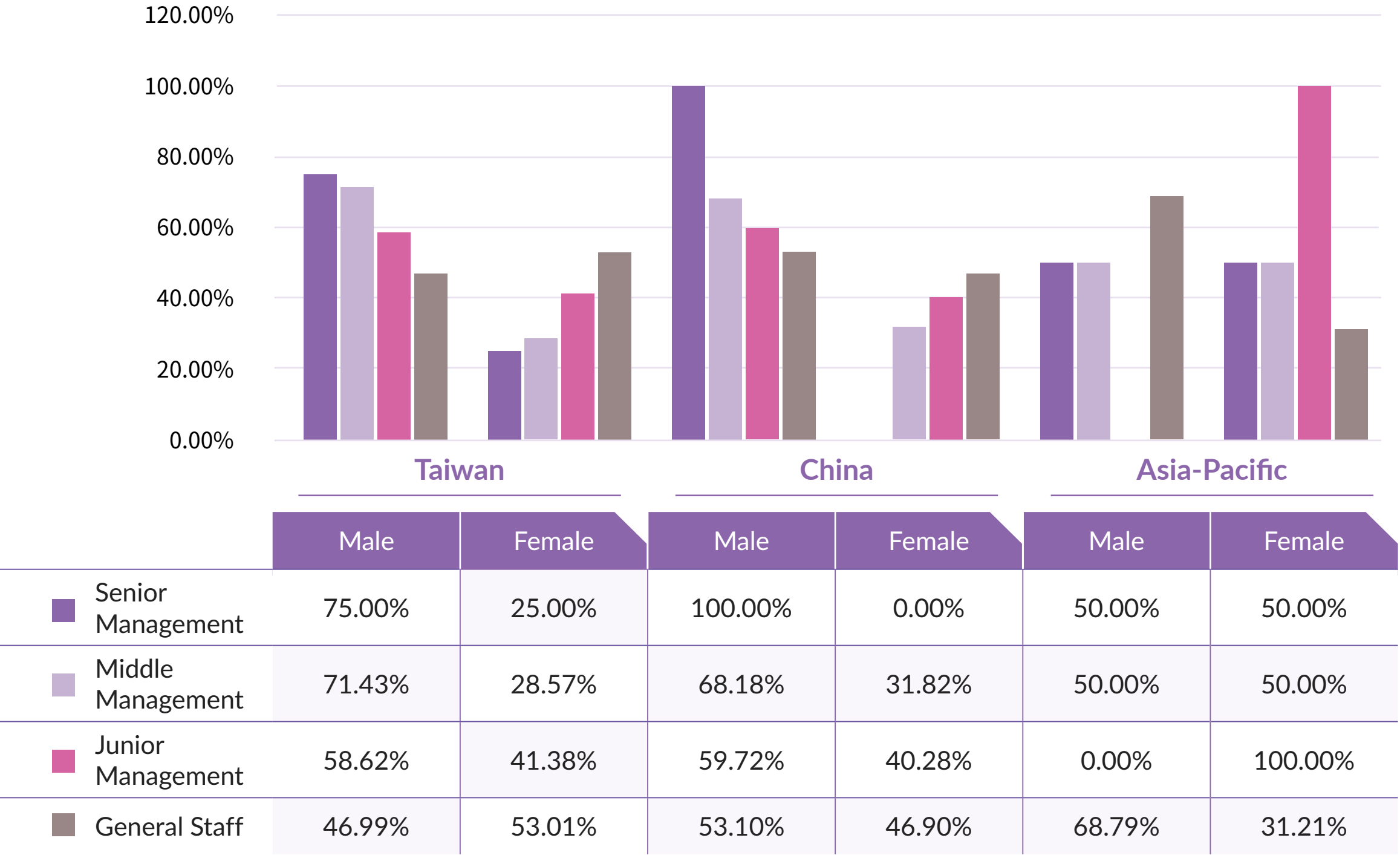
Statistics on Employee Turnover

Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Gender	Male			Female		
Age						
Under 30 Years Old	-	30	189	1	23	72
30-50 Years Old	5	44	76	2	36	21
50 Years Old and Above	-	-	1	2	2	1
Total	5	74	266	5	61	94

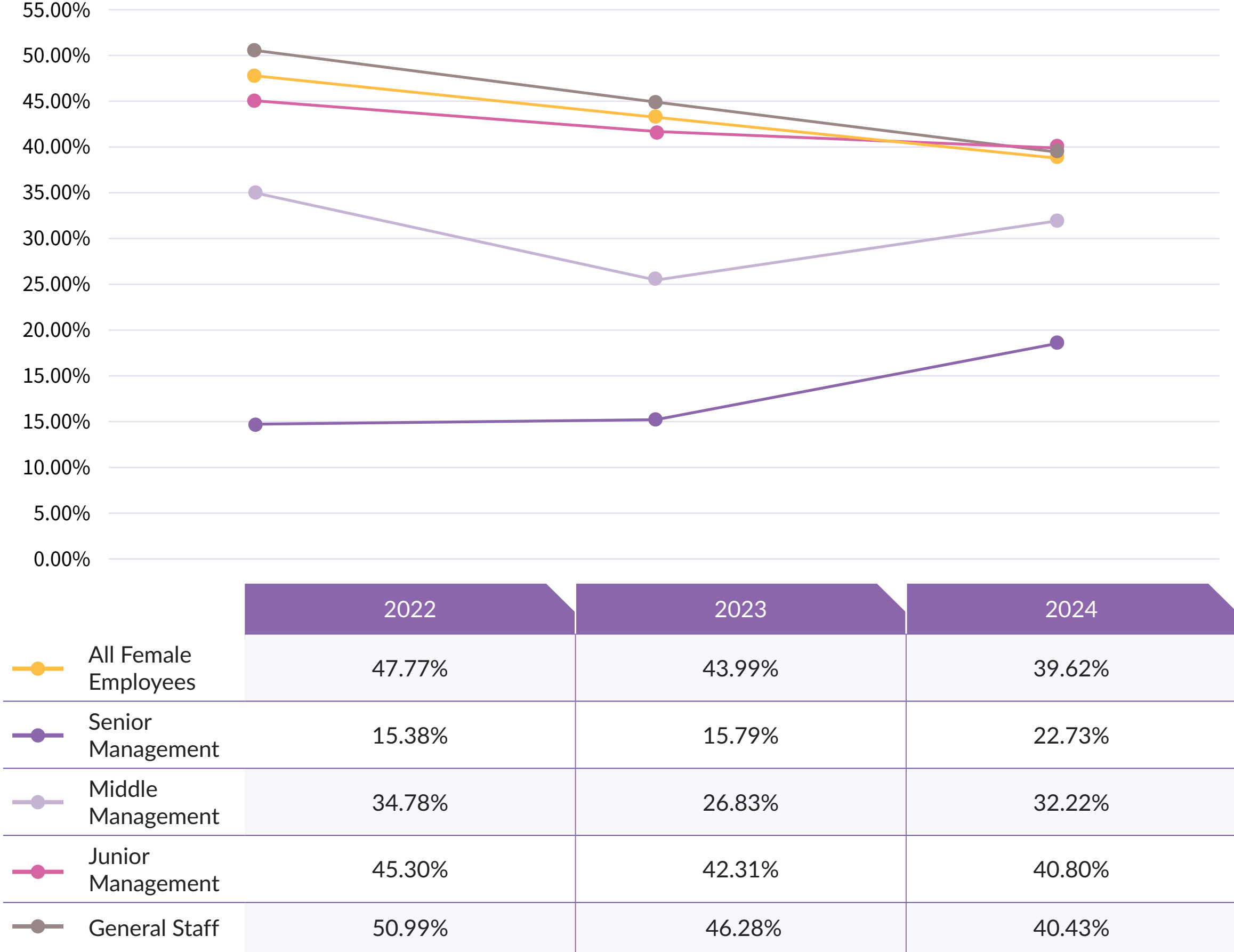
Employee Structure

Regions	Taiwan	China	Asia-Pacific	Taiwan	China	Asia-Pacific
Gender	Male			Female		
Job Rank						
Senior Management	12	4	1	4	-	1
Middle Management	40	15	6	16	7	6
Junior Management	17	86	-	12	58	1
General Staff	78	197	335	88	174	152
Total	147	302	342	120	239	160

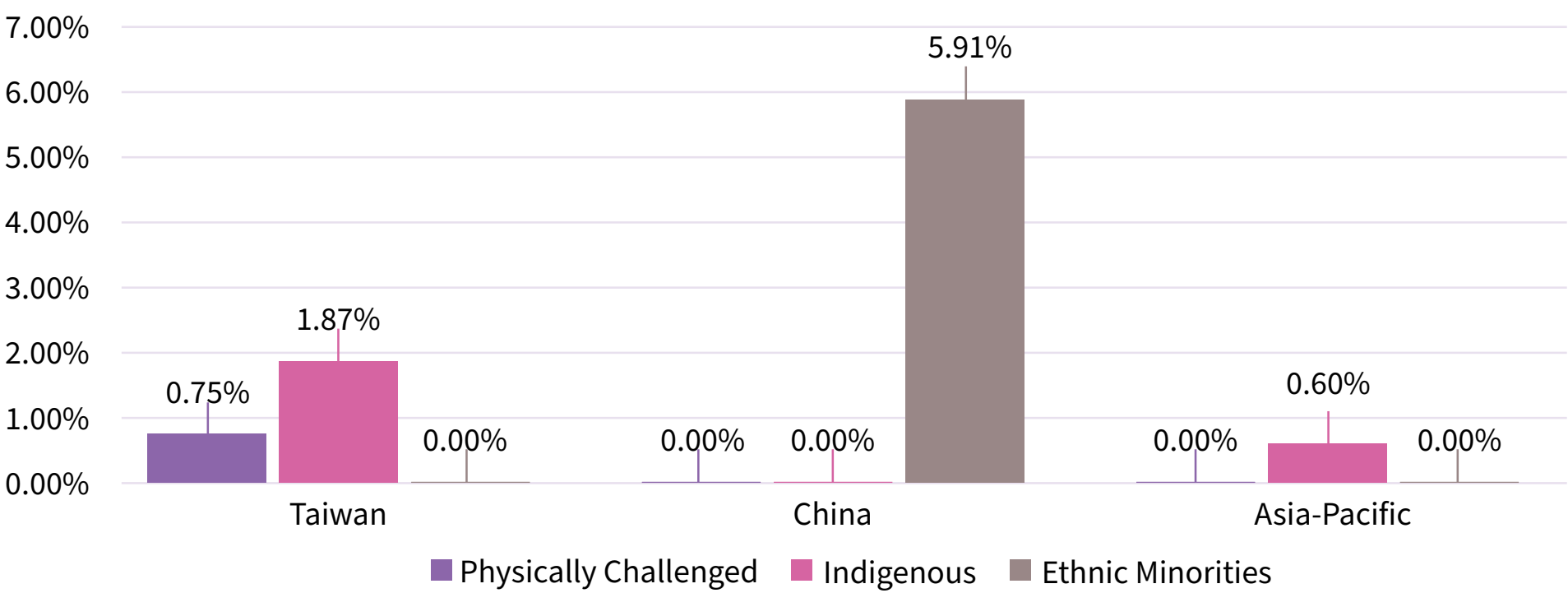
Employee Job Ranks and Distribution by Regions



Percentage of Female Employees



Diverse Employee Composition



Type of Identity	Taiwan		China		Asia-Pacific	
	Number of Employees	Ratio	Number of Employees	Ratio	Number of Employees	Ratio
Physically Challenged	2	0.75%	-	0%	-	-
Indigenous	5	1.87%	-	0%	3	0.60%
Ethnic Minorities <small>Note</small>	-	-	32	5.91%	-	-
Total	7	2.62%	32	5.91%	3	0.60%

Note: Except for the Han Chinese, all other ethnic groups in China are considered ethnic minorities.



Employee Benefits

Talents are the most important assets for Solteam. In order to attract, motivate, and retain outstanding talents, Solteam offers a variety of benefits that satisfies the needs of our employees.

Solteam has the "Employee Welfare Committee" in place that convenes meetings regularly to discuss about employee benefits and supervise the employment of the benefit bonuses. Employees may apply for various benefit allowances through the online system. Additionally, Solteam has set up the "Solteam Employee Stock Ownership Trust" program, in which every employee is eligible to participate. Employees may choose a fixed amount per month, within a certain quota, to be appropriated. Then, the Company contributes an amount of bonus at a certain percentage based on the said employees' appropriation to purchase Solteam's stocks in a dollar-cost-averaging manner. This way, employees become the shareholders of Solteam to jointly share the fruit of operational performance. In the meanwhile, it raises employees' attention to the Company's long-term operational goals as well as growth, boost employees' enthusiasm and teamwork at work, and enhance the protection of employees' retirement life.

Comprehensive Coverage to Keep Employee Minds from Worries

In order to help employees better manage their physical health, we have been organizing employee health check-ups as required by law. At the same time, the Company also covers the expenses of labor insurance, national health insurance, and occupational hazard insurance coverage along with monthly contribution to employee pensions. In addition, we also offer group insurance for our employees to include the coverage for life insurance, accident insurance, medical insurance, and cancel insurance so as to make the overall protection more comprehensive and allow employees to keep their minds from worries.

Different Subsidies to Satisfy Different Needs of Employees

We are aware that life is unpredictable and anything might happen, which is why in addition to various bonuses and subsidies such as congratulatory gifts for marriage, maternity subsidies, education scholarship for our colleagues and their children, hospitalization grants, funeral and bereavement subsidies, and gifts for housewarming. We strive to offer suitable aid to employees at the appropriate occasions. Moreover, we also provide bonuses for festivals, the Labor's Day, and employee birthdays to express our gratitude to our employees for their diligent contribution to the Company.

Work-Life Balance

In addition to the statutory leaves, in order to enable our colleagues to take care of their families and work, Solteam provides a flexible shift system, whereby our colleagues can flexibly choose their own shifts according to their own and family circumstances. Furthermore, the Employee Welfare Committee also organizes company trips or travel subsidies on a yearly basis so that all employees can relax through such activities and resources and return to their posts with full energy. Solteam has also established policies related to unpaid leaves to jointly create a friendly and nurturing work environment.

Employee Remunerations

To attract, motivate, and retain excellent talents, the Company annually adjusts salaries, distributes employee remunerations, and year-end bonuses based on the Company's profit-making and employees' performance. We also provide incentive mechanisms such as various welfare measures and foreign language allowance.


The remuneration variations and incentive system is as follows:

Employee Remuneration/Year-end Bonus



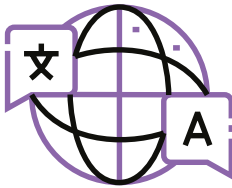
According to the Company's compensation structure, which consists of fixed salary and variable salary, the Company determines the remunerations based on the job responsibilities within the Company and the degree of contribution to the Company. The Company's remuneration procedures not only consider the Company's overall operating performance and the future development of the industry, but also reflect individual performance and contribution when granting the remuneration.

Proposal Bonus



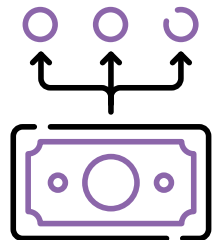
To encourage our colleagues in diverse thinking, if a proposal for breakthroughs in research and development technology, optimization of administrative processes, etc. is approved by the direct supervisor, a bonus will be awarded to the proposer in accordance with the incentive scheme.

Foreign Language Allowance



To encourage our employees in the advancement of foreign language abilities, we follow the implementation procedures for foreign language allowances and provide foreign language allowances for those who have obtained language certificates a certain level of proficiency.

Employee Remuneration



Solteam has stipulated in the Articles of Incorporation that 3% to 10% of the net profit before tax shall be contributed to employees' remunerations if the Company makes profits in that year. In 2024, Solteam contributed 7.5% of the net profit before tax, which accrued to NT\$32,205 thousand, as employees' remunerations. In June 2025, the Shareholders' Meeting approved an amendment to the Articles of Incorporation stating that no less than 5% shall be allocated out of the said 3% to 10% of net profit before tax to serve as the compensation distributions for non-executive employees.

The employee benefits for the most recent three years are summarized below:

Unit: NT\$ Thousand

Item	2022	2023	2024
Compensation Expenses	224,619	183,487	241,674
Director Remunerations	18,637	7,745	15,667
Post-retirement Benefits	10,103	10,296	10,053
Labor and Health Insurance Expenses	17,610	18,781	18,938
Share-based Payment	-	5,278	-
Total of Employee Benefits Expenses	270,969	225,587	286,332

Note: The information is based on the Solteam Group (headquarters and Dayuan factory).

Salary of Non-management Full-time Employees

GRI 2-21

In 2024, there were 189 full-time non-management employees in Solteam with an average annual salary of NT\$1,046 thousand and a salary median of NT\$929 thousand. The numbers were calculated in accordance with the regulations of the Taiwan Stock Exchange, which excludes executive officers (managers) and employees eligible for exemption. For those not employed by the Company for a full year, the data is prorated, and the profit-sharing amount is on a profit-year basis. The main reason for the increase in non-management salaries in 2024, compared to that in previous fiscal years, is that Solteam takes the performance and contribution level of employees as the reference for the raise in their salaries every year as well as the performance bonus and employee compensation based on the operating conditions of the previous fiscal year (2023).

Value \ Year	2022	2023	2024
Number of Persons	204	208	189
Average	975	861	1,046
Median	827	763	929

Solteam emphasizes on the communication with employees and conducts performance evaluation interviews with all employees every year. In 2024, the interview rate was 100%. Although there is no collective agreement (e.g., unions) yet, we still encourage employees to reflect their personal needs through interviews or complaint mailboxes and put forward relevant suggestions through labor-management meetings. In the event of alternation in the rights and interests of employees due to significant operational changes where a labor contract requires termination, such matters shall be handled in accordance with the local policies and regulations of each factory.

6.1.2 Employee Education and Training

GRI 404-1

GRI 404-2

GRI 404-3

Solteam has a long-term plan for the training of employees' professional capabilities. In addition to the training of professional and managerial skills, Solteam also trains our colleagues to communicate and collaborate with overseas clients face-to-face in order to broaden the international perspective and increase the experience of international cooperation. Besides, Solteam encourages colleagues to take the initiative in strengthening their foreign language skills and provides foreign language allowances as a reward for those who have obtained foreign language certification and applied their foreign language expertise to work. Colleagues can discuss with their supervisors to draw up their own education and training programs based on their current abilities and work objectives and strengthen their professional and technical skills through practical experience, peer exchanges, teaching by senior colleagues and supervisors, and course sessions. Moreover, Solteam also has an education and training platform where learning resources are uploaded for employees to learn freely. The course contents contain not only professional and technical training, but also soft skills development.

In 2024, Solteam's colleagues participated in the education and training held by external organizations, including courses related to sustainability and expertise. The statistics on the training hours are listed below:

		2022	2023	2024
Management Level	Male (Hour)	1,267	1,163	3,490
	Female (Hour)	590	786	2,134
	Total Hours Spent by the Management Level	1,857	1,949	5,624
	Total Number of the Management Level	136	242	286
	Average Training Hours of the Management Level	13.65	8.05	19.66
Non-management Level	Male (Hour)	3,835	2,749	8,350
	Female (Hour)	2,245	2,621	7,097
	Total Hours Spent by the Non-management Level	6,080	5,370	15,447
	Total Number of the Non-management Level	459	1,311	1,024
	Average Training Hours of the Non-management Level	13.25	4.10	15.08

6.1.3 Employee Health Care

GRI 403-2

GRI 403-3

GRI 403-4

GRI 403-6

GRI 403-8

GRI 403-9

GRI 403-10

Personal Health Management

In Taiwan, Solteam provides complimentary health checkups for all employees every three years, of which the results of the health checkups are analyzed by on-site physicians and registered nurses. Those who have higher health risks are given health consultation and further follow-ups by on-site medical practitioners. In Cambodia, the health checkup is conducted once every two years by arranging physical examination for employees at partner hospitals.

In China, we conduct annual physical and health examination for employees who involve in chemicals, fumes, and noise projects and who take posts at welding, soldering, glue encapsulating, fumes, and injection molding. Additionally, we also arrange job-based and exit-employment physical examinations for new employee hires and employee turnover.




A total of 237 employees participated in the physical examination of Solteam Group in 2024.

On the other hand, Solteam has an occupational physician and a nurse practitioner required by law to assist in grading employee health risks, arranging health consultations for high-risk cases, detecting potential risks in the working environment, and providing improvements for the working environment. The occupational physician visits Solteam's headquarters and Dayuan factory once every 2 months for 2 hours each time; whereas the occupational nurse practitioner visits the factories 6 times per month for 2 hours each time. A total of 62 employees were served by occupational physicians and nurse practitioners in 2024.

Fostering Psychological Health

On the visits to the factories every week, professional registered nurses provide complimentary psychological and health services with proper privacy protection to relieve employees' physical and mental stress. Employees can make appointments for one-on-one individual counseling with the professional registered nurses directly, of which the costs are fully covered by the Company with no limit on the number of times. Solteam is dedicated to fostering the physical and mental health as well as the work-life balance of employees. By organizing diverse health and de-stress activities and courses for spiritual growth, we actively build a workplace with care and support. We encourage our colleagues to learn the methods of timely stress release and to further enhance their physical and mental well-being. The following activities were held in Taiwan headquarters and Dayuan factory in 2024 for our colleagues to sign up freely.

Solteam's courses of physical and mental health and work-life balance in 2024 are as follows:

		
Name of Educational Training	Duration of Course	Number of Participants
Stress and Emotion Regulation	3	16
Employee Care and Sensitivity Training	3.5	26
Empathy and Organizational Management	3.5	18
Eating Out and Stress Relief: Choosing the Right Foods to Make You at Ease	1	21
Strength and Cardio Exercise	9	180

6.1.4 Employee Occupational Safety

GRI 403-1

Solteam has set up a dedicated Health and Safety Unit as required by law, which is in charge of looking after labor's safety and health management, introducing appropriate management systems, discussing the precautions and improvements of environment safety, and coordinating as well as planning the regulations related to safety and health, in order to ensure our colleagues' safety in the workplace. Other than that, Solteam has also established a medical team to organize the participation in the on-the-job refresher training for first-aid personnel and occupational safety and health, and to obtain the relevant certification. In 2024, a total of 16 individuals participated in the training.

GRI 403-5

GRI 403-7

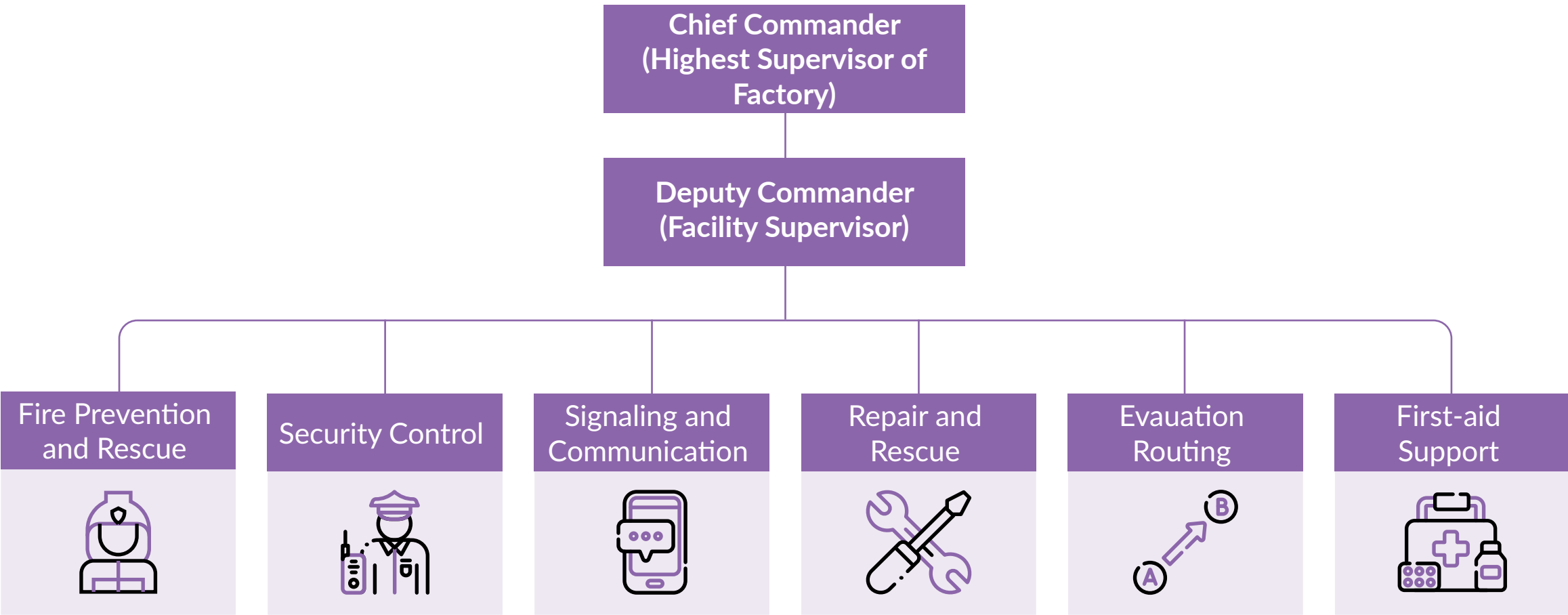
In order to guarantee the safety of workplace operations, all employees shall receive occupational safety education and training prior to employment or transfer. Additionally, Solteam arranges unscheduled safety and health education and training for relevant personnel, which includes not only internal physical training courses, but also online courses or participation in external training sessions, in order to strengthen employees' concept of workplace safety and minimize the risk of workplace safety. Moreover, Solteam conducts the workplace environmental monitoring once a year and provides personal protective equipment to employees in the positions involving occupational hazards in order to enhance workplace safety and avoid the possibility of occupational injuries. In 2024, there were no occupational safety incidents in the entire Group of Solteam.

In addition, Solteam includes the contractors, who operate within the work premises of Solteam, under the management of the "Contractor Construction Safety and Health Management Procedures" to ensure the safety and health of contractors' employees within the workspace.

Solteam holds fire drills once a year and fire prevention seminars twice a year to strengthen employees' adaptability to emergencies. To avoid disasters, Solteam also conducts regular inspections on various fire-fighting equipment, safety equipment, and disaster prevention equipment. A total of 304 people completed the training in 2024.

Moreover, Solteam carries out environmental disinfection semi-annually or annually in order to keep of various viruses and mosquitoes and minimize the risk of employee health and safety.

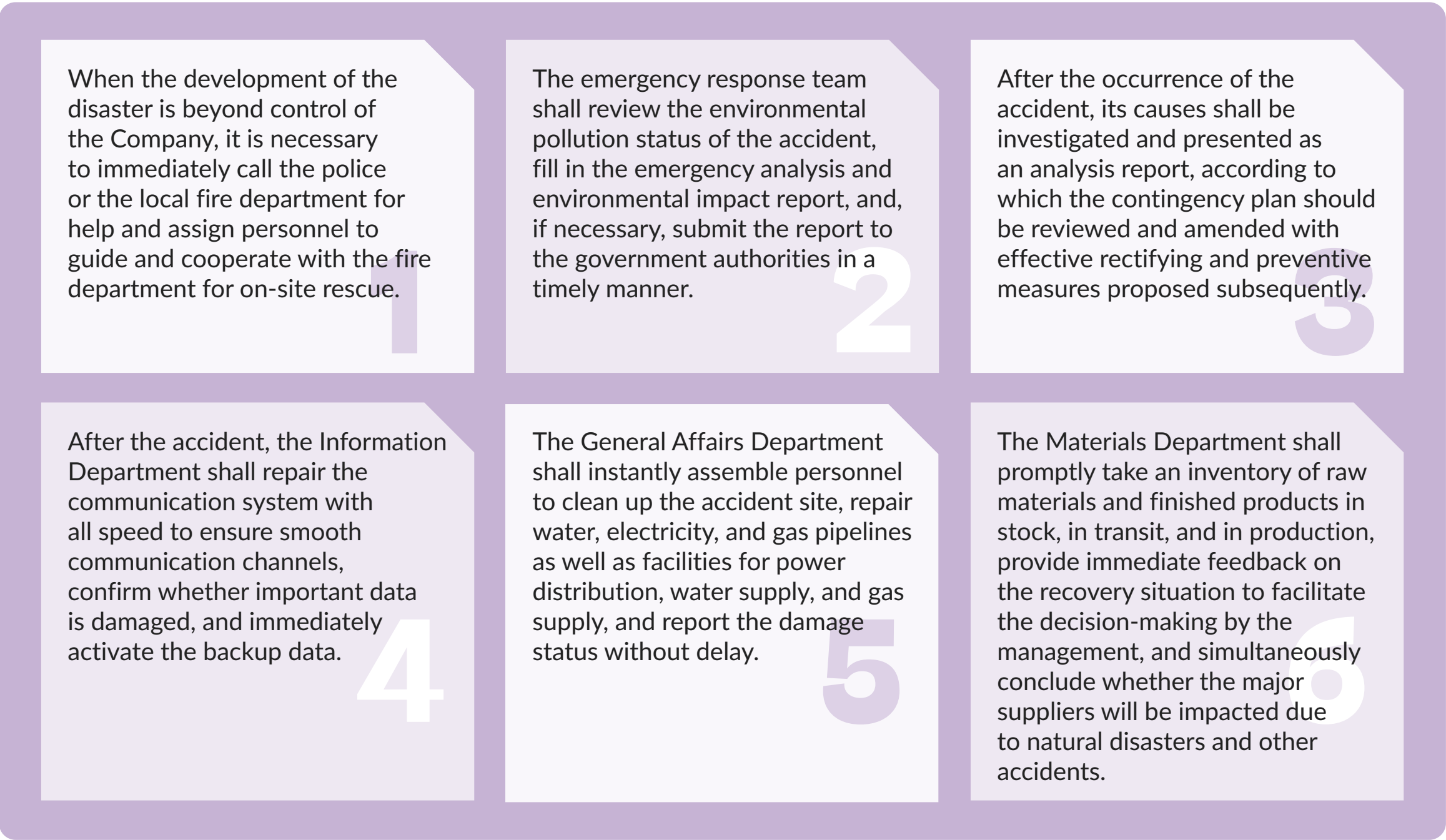
Emergency Response Team



Chain of Command for Emergency Response

Once a disaster is noticed, the duty supervisors and the emergency response commander shall be notified instantly. The commander shall assemble the members of the emergency response team to the scene immediately and organize a personnel evacuation from the disaster scene promptly, where the members of the emergency response team shall follow the command and perform their respective functions without delay to assist in the evacuation. After evacuating from the scene to the designated gathering point, a head count shall be conducted immediately and reported back to the emergency response commander. Upon completion of the evacuation, the emergency response team then immediately carries out fire rescue measures, disconnect the electric switches, and rescue important properties depending on the development of the disaster.

External Communication



Contingency Management

Contingency management is formulated targeting natural disasters, chemical leakage, communicable disease prevention, fire control, failure of critical equipment, production emergencies, and customer returns. Competent departments carry out contingency management according to each emergency and resume production at the earliest. Specific contingency management is as described in the "Emergency Response Control Procedures."

6.1.5 Human Rights

GRI 2-23

GRI 2-24

GRI 2-25

GRI 406-1

GRI 408-1

GRI 409-1

GRI 412-1

GRI 412-2

Solteam approves of and voluntarily complies with the internationally-recognized human rights standards and principles, including the spirit and basic principles of human rights protection as revealed in the "Universal Declaration of Human Rights," the "United Nations Global Compact," the "International Labour Conventions," and the "Code of Conduct – Responsible Business Alliance (RBA)." Our human rights policies are formulated in alignment with the guiding principles of the aforementioned norms to embody the responsibility of respecting and protecting human rights and adherence to the labor laws and regulations in each global location of the Company and to eliminate any aggression upon human rights. Furthermore, Solteam and partners such as suppliers build cooperation modes according to the "Supplier Sustainable Development Code of Conduct" to jointly follow and safeguard the rights of both parties in the aspects of labor, health and safety, environment, ethics, and management systems and to create a comfortable and healthy working environment.

The scope of Solteam's human rights policy, which is applicable to Solteam, its domestic and overseas subsidiaries, and other related corporate organizations with substantial control, is described below:



Human Rights on the Company Website
https://www.solteam.com.tw/index.php?route=esg/esg&esg_id=23

Solteam will regularly assess the level of human rights risks and will formulate improvement as well as reinforcement measures according to the level of risk. Solteam has also set up work-related regulations in accordance with the "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" in order to ensure the protection of employees' rights and to provide a workplace free of harassment. The relevant regulations are posted on the Company's intranet for employees' reading and inquiry at any time. In 2024, the completion rate of the educational training related to human rights completed by all employees was 100% with a total of 263 training hours. To ensure compliance with corporate social responsibility and ethical norms, there is no situation of forced labor, illegal human trafficking, and slavery within Solteam. When hiring employees, we also ensure that the ages of employees are aligned with the minimum working age required by the laws of the workspace and implement the stringent prohibition of child labor. Solteam never has any situations of child labor. In the future, we will continue to comply with the relevant regulations in order to protect the physical and mental health as well as the human rights of all employees.

Employee Appeal Policy

Solteam provides employees with various communication channels to ensure that all kinds of opinions are received in a timely manner. In full support of an open and transparent culture with morals and integrity, internal employees and external personnel are encouraged to report, in anonymous or named manners, any non-compliance with laws and regulations or Solteam's related policies through the relevant whistleblowing channels. This is to avert the occurrence of problems such as improper supervision, inequity, workplace sexual harassment, or other workplace suggestions, etc., to implement the Code of Ethical Conduct and the Ethical Corporate Management Best-Practice Principles established by Solteam, and to ensure the legitimate rights and interests of the whistleblower and the relevant personnel.

In 2024, one case of sexual harassment was raised through the appeal channel and filed for investigation. After investigation and interviews, collection of relevant supporting evidence, and joint examination and resolution by the Complaint Handling Committee, the individual of misbehavior in this case was punished according to the degree of violation. In addition, Solteam organizes unscheduled courses on gender equality and related topics to raise employees' awareness of gender equality and personal rights protection through education and training. Through a systematic management mechanism, Solteam provides employees with a quality working environment free from discrimination, bullying, and harassment.

Appeal Procedures and Channels

The name, department, and title of the whistleblower must be specified with specific evidence, such as receipts, contracts, letters, videos, and photographs enclosed in a complaint. Solteam shall fulfill the obligations of confidentiality and protection over the whistleblowers, the personnel involved in the investigation, and the contents of the investigation to ensure that whistleblowers and investigators are not treated unfairly. Please send complaints related to human rights (including sexual harassment, bullying, and discrimination) to hr.service@solteam.com.tw; and please send other complaints to sol_credit@solteam.com.tw or send by post to the "Audit Office" at the address of 7F-2-3, No. 888, Jingguo Road, Taoyuan District, Taoyuan City, R.O.C. 33051.

6.2 Social Welfare Activities

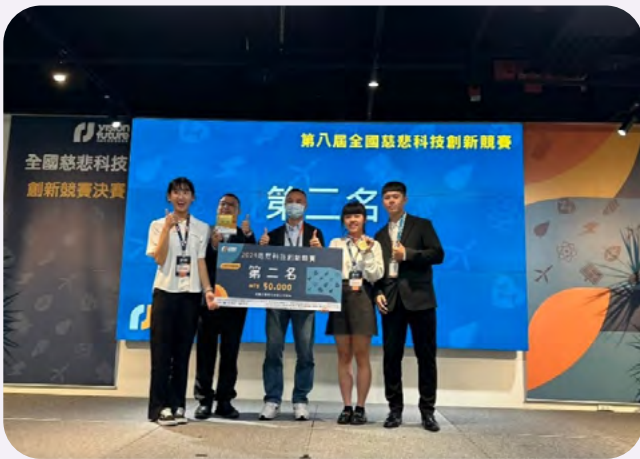
Solteam upholds "Plebeianized Management, Professional Leadership, Transparent Operations, and Focus on Environmental Protection" as our corporate philosophies in hopes that we are able to reach balance in the economic, environmental, and social development and achieve the goals for sustainable development. Hence, Solteam actively participates in social welfare and environmental protection campaigns, hoping to help the minority and solve the most demanded and pressing problems. In the meanwhile, we are giving Company earnings back to the society and the environment as our contribution to them and expressing the relevant ideas to our stakeholders, so as to create a virtuous cycle.

6.2.1 Social Welfare Activities

To realize the philosophy of giving back to the society and the environment, Solteam actively organized or participated various public welfare campaigns in 2024, demonstrating our understanding and accountability toward social responsibility and our specific commitment to sustainable development. These campaigns not only enhance social welfare, but also strengthen employees' teamwork, raise social awareness, and promote environmental and social care through participation. Furthermore, employees can experience a sense of joy and fulfillment in helping others.

Collaboration on the "National Compassionate Science and Technology Innovation Competition"

Since 2017, the Tzu Chi Foundation has organized the "FUN Big Vision, Thinking to the Future" youth innovation promotion project to provide the support and stage that young people need. In order to encourage young people to have the courage to pursue their dreams and practice themselves, the "National Compassionate Science and Technology Innovation Competition" is held. Not only does it guide young people aged between 18 to 35 to plant the idea of goodness and act on accordingly, but it also allows them to actually act on the initiative of global sustainable development. As of 2024, the competition has entered the eighth session and continues to encourage students from colleges and high schools to submit contributions. The competition continues its focus on environmental protection, and chooses charity or medical research as the theme of research and development. Participants are to give full play to philanthropy and creativity and develop environmentally-friendly, innovative, practical, friendly, approachable end products in alignment with the United Nations Sustainable Development Goals (SDGs). In that way, the influence of the competition can be maximized in order to solve problems related to charity or medical care and to finally create a more amicable, lovely, innovative, and humanistic social circle.



Collaboration on the "National Compassionate Science and Technology Innovation Competition"

Small Donations

Hand in hand with employees, vendors, and customers, Solteam delivers love and care to every corner of the world in need. We make unscheduled donation in the forms of invoices and changes to the Maria Social Welfare Foundation in support of the four major services provided by the Foundation for the mentally and physically challenged in the areas of nutrition, medical care, education, and employment.

By setting up donation boxes for love, we encourage employees to participate in environmental protection and caring activities for the underprivileged and nurture a more humanistic corporate culture within Solteam to achieve co-prosperity among the Company, employees, society, and environment.

In addition, Solteam also actively participates in folk activities and makes regular donations to temples every year, which continuously demonstrates Solteam's commitment to social responsibility.

TPEX Family Joins Hands in Support of 1919 Food Bank

In 2024, Solteam continued to respond to the Joins Hands in Support of 1919 Food Bank by donating 1,275 kilograms of rice to help economically disadvantaged families. Through the volunteer service of rice-packing, employees were able to participate in the rice-packing process in person and work with their family members for the common good. We also look forward to bringing more positive influences on the society and the community through the volunteer activities.



Pictures of the Campaign "TPEX Family Joins Hands in Support of 1919 Food Bank"

Responding to the Child Sponsorship of the Reindeer Children Home and Visiting Local Orphanages

In 2024, Solteam, hand in hand with our employees, actively responded to the Child Sponsorship of the Reindeer Children Home, which aims to care for children who have lost their parents or have been abused. Through our donations to two children's sponsorships every year, Solteam not only provides material support, but also hopes to bring positive influence on the life of these children.

Kind Garden

The Kind Garden is an organization that shelters the physically and mentally challenged and provides education, training, and medical services to help cultivate their capabilities to earn a livelihood on their own and to enter employment successfully.

Solteam arranged for a Family Day activity in the Kind Garden in 2024, during which the physically and mentally challenged became pastry chefs and taught participants to make delicious cakes. The activity not only demonstrated their professional skills, but also allowed every participant to experience their values and contribution. Moreover, Solteam also encouraged employees to purchase pastries from the Kind Garden in support of its philosophy with concrete actions, so as to spread greater love and care, bringing light to each other's life, and illuminate the darkness we all share. Aside from Family Day, Solteam has also donated to support the Kind Garden's program on fortification of fire prevention equipment. This program will greatly upgrade the safety within the Kind Garden and allow its residents to live in carefree.

6.2.2 Social Influence

While participating in the public welfare activities mentioned above, Solteam also persists in investing resources to focus on assisting specific organizations and giving back to particular communities every year. With an effective resources deployment, Solteam can not only solve the current demands, but also facilitate the sustainable development of these groups.

Concrete Actions in Support of Social Enterprise

Expressing gratitude through gift-giving during festivals has become a common practice in the society nowadays. Solteam chooses to cooperate with social enterprises and public welfare organizations when purchasing gifts. This act is not only about giving gifts to important people, but also about making each gift a direct contribution to the society, exerting a greater social influence, and giving back to the society through practical actions. In the future, Solteam will keep upholding the idea of "A drop of water given in need shall be returned with a burst of spring" and striving to spread warmth to every corner of the society. Such commitment is not only our fulfillment of social responsibilities, but also concrete embodiment of humanistic care. We turn every holiday into an opportunity to express love and hope and make more people to feel cared and supported.

In 2024, Solteam ordered the "Love · Blooming Charity Gift Box" from Rivon for the Mid-Autumn Festival, with a total amount of NT\$121,800. Rivon will donate 3% of the sales proceeds to the Taiwan Fund for Children and Families as a fund for the care and education of underprivileged children. This contribution not only conveyed the holiday blessings, but also carried the concern for the society. Solteam hopes that everyone can do their part to fill the world with more love and care, so that every child can be a unique and shining star. This is not only a wonderful expectation for the future, but also a persistent commitment to the society.



Pictures of the Campaign "Love · Blooming Charity Gift Box"

One Small Step to Achieve a Giant Leap for the Community

To encourage our colleagues to participate in public welfare activities, Solteam offers official leave or compensatory leave depending on the type of activities. Solteam firmly believes that, through our own persistence and actions, a small force can gradually change the world.

In 2024, Solteam not only organized a mountain cleaning activity to encourage everyone to be part of the practical actions of environmental protection, but also gained spiritual healing as well as a deeper understanding on the concept of "Lucid Waters and Lush Mountains are Invaluable Assets." In addition, we organized the Happy Farm Competition which has created a farm with a variety of vegetables.

Moreover, we continue to organize the Vegan Day monthly to support the concept of a green home and promote green vegetables diets, and advocate a healthy, environmentally friendly, and low-carbon lifestyle. Furthermore, our colleagues participate in blood donation after work in daily life. Not only does it make our bodies healthier, but it also makes every endeavor to save lives.

These seemingly insignificant efforts have accumulated their social influence in every unnoticed corner.



Pictures of the Second Happy Farm Competition

Industry-academia Collaboration

The spirit of industry-academia collaboration is to satisfy or create the needs of enterprises through the abundant capacities of research and development in the academia, to establish an interactive platform for close resource integration under the guidance of the government or non-government organizations, to accelerate the replenishment of professional engineers and high-value-added talents spanning numerous industrial fields with the ability of software and hardware integration and practical skills, and to promote the development of industrial innovation.

No.	Collaborating Party	Collaboration Project and Mode
1	NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance	Through the collaboration and participation of alliance partners and members, we established a credible learning and sharing platform and strengthened the digital transformation as well as the capability of sustainable operations among Taiwanese industries and enterprises in order to upgrade corporate competitive edges.
2	Industry-Academia Alliance for Business Development of Yuan Ze University	
3	Ming Chuan University	Colleagues were invited to serve as part-time instructors to develop the skills and knowledge required for the future and to realize the goal of integrating learning and use.
4	Taoyuan City Industrial Association	We provided various corporate talents training, occupational safety and health certificates, and training consulting services.
5	Department of Conscription Administration, Ministry of the Interior	With advanced planning of research and development deployment as well as early intake of quality research and development talents, we are able to pioneer in industrial development.
6	Buddhist Tzu Chi Charity Foundation	We sponsored the "National Compassionate Science and Technology Innovation Competition," which focuses on environmental protection and chooses charity or medical research as the R&D theme. Participants were to give full play to philanthropy and creativity and inject new blood of creativity into research and development, and stimulate endless innovative thinking.

NTU TPIDC Digital Transformation and Sustainable Development Industry-University Alliance/
Industry-Academia Alliance for Business Development of Yuan Ze University

In 2024, Solteam participated in NTU's Digital Transformation and Sustainable Development Industry-university Alliance and Yuan Ze University's Industry-Academia Alliance for Business Development, hoping to establish a credible learning and sharing platform through the collaboration and participation of the alliance partners as well members, to strengthen the digital transformation and sustainable management capabilities of Taiwanese industries and enterprises, and to enhance corporate competitive advantages. In 2024, Solteam's senior executives participated in the following industry-academia alliance activities:

Name of Activity	Hours of Activity	Number of Participants	Total Hours of Participation
Business and Policy Seminar	22.5	16	49
Business Leadership and Legacy	3	2	6
Business and Policy Seminar-Company Visits	2.5	1	2.5
2024 Industrial Innovation and Transition Summit	3	2	6

By participating in the activities mentioned above, Solteam not only enhances our development and promotion of the knowledge as well as the methodologies regarding digital transition, sustainable development, and strategic innovation, but also accelerates the Company's digital and green transition. Moreover, Solteam is able to upgrade the market competitiveness of both the industry and the Company through academic seminars, practical sessions, project forums, and the relevant talent cultivation and training. Last but not least, the industry-academia collaboration promotes the interaction, observation, and learning of academic and practical knowledge among industries, the government, the academia, and research institutes; and provides business opportunities to expedite industrial upgrading.



Ming Chuan University

In order for students to receive both academic and industry experience in the learning course of product design, Ming Chuan University has recruited industry professionals as part-time instructors in sophomore's mandatory course on basic product design and junior's mandatory course on product design, bringing practical experiences into the curriculum. Our colleagues of the Mechanical Design Department possess rich experience in product design and have participated in the basic product design courses in person for nearly three years, from which the students have benefited greatly. Additionally, the mode of industry-academia collaboration facilitates the partnership between universities and enterprises, setting a foundation for the nurture of more talents with practical capability and innovative spirit.



Our colleagues of the Mechanical Design Department demonstrate the mechanical design and operating principles of various products in the practical exhibition.



Our colleagues of the Mechanical Design Department instruct in the theoretical knowledge related to basic mechanical design in the classroom.

Solteam has always believed the philosophy that "What is taken from the society should also be used in the society" and made every endeavor to actively participate in social care activities as well as giving back to the society. Although Solteam is not able to benefit everyone in the society, we still do our utmost to help those who are in need, regardless of the collective, individuals, ethnic groups, or categories. In the years to come, Solteam will continue our efforts in creating a greater and more positive social influence to turn every endeavor into an opportunity for transformation and to bring more hopes and illumination to the community.



Chapter

Appendix



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7.1 GRI Index and Relevant Data

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 2: General Disclosures 2021				
GRI 2-1	The organization and its reporting practices	Organizational details	1.1 Corporate Sustainability Strategy and Vision	6
GRI 2-2		Entities included in the organization's sustainability reporting	Foreword	2
GRI 2-3		Reporting period, frequency and contact point	Foreword	2
GRI 2-4		Restatements of information	1.5 Restatements of information	12
GRI 2-5		External assurance	Foreword	2
GRI 2-6	Activities and workers	Activities, value chain and other business relationships	1.1 Corporate Sustainability Strategy and Vision	6
GRI 2-7		Employees	6.1 Manpower Capital	68
GRI 2-8		Workers who are not employees	6.1 Manpower Capital	68
GRI 2-9	Governance	Governance structure and composition	3.1 Corporate Governance Structure	29
			3.2 Corporate Sustainability Management	30
GRI 2-10		Nomination and selection of the highest governance body	3.1 Corporate Governance Structure	29
GRI 2-11		Chair of the highest governance body	3.1 Corporate Governance Structure	29
GRI 2-12		Role of the highest governance body in overseeing the management of impacts	3.1 Corporate Governance Structure	29
GRI 2-13		Delegation of responsibility for managing impacts	3.1 Corporate Governance Structure	29
GRI 2-14		Role of the highest governance body in sustainability reporting	3.1 Corporate Governance Structure	29
GRI 2-15		Conflicts of interest	3.1 Corporate Governance Structure	29
GRI 2-16		Communication of critical concerns	3.3 Risk Management	31
GRI 2-17		Collective knowledge of the highest governance body	3.1 Corporate Governance Structure	29

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 2-18	Governance	Evaluation of the performance of the highest governance body	3.1 Corporate Governance Structure	29
GRI 2-19		Remuneration policies	3.1 Corporate Governance Structure	29
GRI 2-20		Process to determine remuneration	3.1 Corporate Governance Structure	29
GRI 2-21		Annual total compensation ratio	6.1 Manpower Capital	68
GRI 2-22	Strategy, policies and practices	Statement on sustainable development strategy	Foreword	2
GRI 2-23		Policy commitments	6.1 Manpower Capital	68
GRI 2-24		Embedding policy commitments	6.1 Manpower Capital	68
GRI 2-25		Processes to remediate negative impacts	6.1 Manpower Capital	68
GRI 2-26		Mechanisms for seeking advice and raising concerns	Foreword	2
			Chapter 3 Ethical Corporate Governance	24
			Chapter 4 Safety and Customer Service Innovation	37
			Chapter 5 Green Manufacturing	50
			Chapter 6 Diverse Social Inclusion	63
GRI 2-27		Compliance with laws and regulations	3.4 Regulatory Compliance	32
GRI 2-28		Membership associations	1.4 External Initiatives	12
GRI 2-29	Stakeholder engagement	Approach to stakeholder engagement	2.1 Materiality Analysis	14
GRI 2-30		Collective bargaining agreements	6.1 Manpower Capital	68
GRI 3: Material Topics 2021				
GRI 3-1	Material Topics	Process to determine material topics	2.1 Materiality Analysis	14
GRI 3-2		List of material topics	2.1 Materiality Analysis	14
GRI 3-3		Management of material topics- Ethical Management/Business Ethics	Chapter 3 Ethical Corporate Governance	24

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 3-3	Material Topics	Management of material topics- Economic Performance	Chapter 3 Ethical Corporate Governance	24
GRI 3-3		Management of material topics- Corporate Governance	Chapter 3 Ethical Corporate Governance	24
GRI 3-3		Management of material topics- Information Security Management	Chapter 3 Ethical Corporate Governance	24
GRI 3-3		Management of material topics- Customer Relationship Management	Chapter 4 Safety and Customer Service Innovation	37
GRI 3-3		Management of material topics- Product Quality and Safety	Chapter 4 Safety and Customer Service Innovation	37
GRI 3-3		Management of material topics- Innovation Management	Chapter 4 Safety and Customer Service Innovation	37
GRI 3-3		Management of material topics- Risk Management	Chapter 5 Green Manufacturing	50
GRI 3-3		Management of material topics- Supply Chain Management	Chapter 5 Green Manufacturing	50
GRI 3-3		Management of material topics- Energy Management	Chapter 5 Green Manufacturing	50
GRI 3-3		Management of material topics- Climate Risks	Chapter 5 Green Manufacturing	50
GRI 3-3		Management of material topics- Human Resources Management	Chapter 6 Diverse Social Inclusion	63
GRI 3-3		Management of material topics- Human Rights	Chapter 6 Diverse Social Inclusion	63
GRI 3-3		Management of material topics- Labor Relations	Chapter 6 Diverse Social Inclusion	63
GRI 3-3		Management of material topics- Occupational Safety and Health Management	Chapter 6 Diverse Social Inclusion	63
GRI 200: Topic-Specific Standards Disclosure-Economy				
GRI 201-1	Economic Performance: 2016	Direct economic value generated and distributed	1.1 Corporate Sustainability Strategy and Vision	6
GRI 201-2		Financial implications and other risks and opportunities due to climate change	5.1 Climate Risks and Governance	55
GRI 201-3		Defined benefit plan obligations and other retirement plans	2024 Financial Statements	NA
GRI 300: Topic-Specific Standards Disclosure-Environment				
GRI 302-1	Energy: 2016	Energy consumption within the organization	5.2 Environmental Management	56
GRI 302-2		Energy consumption outside of the organization	5.2 Environmental Management	56

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 302-3	Energy: 2016	Energy intensity	5.2 Environmental Management	56
GRI 302-4		Reduction of energy consumption	5.2 Environmental Management	56
GRI 302-5		Reductions in energy requirements of products and services	5.2 Environmental Management	56
GRI 303-1	Water and Effluents: 2018	Interactions with water as a shared resource	5.2 Environmental Management	56
GRI 303-2		Management of water discharge-related impacts	5.2 Environmental Management	56
GRI 303-3		Water withdrawal	5.2 Environmental Management	56
GRI 305-1	Emissions: 2016	Direct (Scope 1) GHG emissions	5.2 Environmental Management	56
GRI 305-2		Energy indirect (Scope 2) GHG emissions	5.2 Environmental Management	56
GRI 305-3		Other indirect (Scope 3) GHG emissions	5.2 Environmental Management	56
GRI 305-4		GHG emissions intensity	5.2 Environmental Management	56
GRI 305-5		Reduction of GHG emissions	5.2 Environmental Management	56
GRI 305-6		Emissions of ozone-depleting substances (ODS)	Not applicable as there is no such matter.	-
GRI 305-7		Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable as there is no such matter.	-
GRI 306-1	Waste: 2020	Waste generation and significant waste-related impacts	5.2 Environmental Management	56
GRI 306-2		Management of significant waste-related impacts	5.2 Environmental Management	56
GRI 306-3		Waste generated	5.2 Environmental Management	56
GRI 306-4		Waste diverted from disposal	5.2 Environmental Management	56
GRI 306-5		Waste directed to disposal	5.2 Environmental Management	56
GRI 308-1	Supplier Environmental Assessment: 2016	New suppliers that were screened using environmental criteria	5.3 Sustainable Supply Chain	60
GRI 308-2		Negative environmental impacts in the supply chain and actions taken	5.3 Sustainable Supply Chain	60

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 400: Topic-Specific Standards Disclosure-Society				
GRI 401-1	Employment: 2016	New employee hires and employee turnover	6.1 Manpower Capital	68
GRI 401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.1 Manpower Capital	68
GRI 401-3		Parental leave	6.1 Manpower Capital	68
GRI 402-1	Labor / Management Relations: 2016	Minimum notice periods regarding operational changes	Should the rights of our colleagues be affected due to material operational changes, Solteam shall handle such matter pursuant to Article 11 or the provisions of Article 13 of the Labor Standards Act.	-
GRI 403-1	Occupational Health and Safety: 2018	Occupational health and safety management system	6.1 Manpower Capital	68
GRI 403-2		Hazard identification, risk assessment, and incident investigation	6.1 Manpower Capital	68
GRI 403-3		Occupational health services	6.1 Manpower Capital	68
GRI 403-4		Worker participation, consultation, and communication on occupational health and safety	6.1 Manpower Capital	68
GRI 403-5		Worker training on occupational health and safety	6.1 Manpower Capital	68
GRI 403-6		Promotion of worker health	6.1 Manpower Capital	68
GRI 403-7		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.1 Manpower Capital	68
GRI 403-8		Workers covered by an occupational health and safety management system	6.1 Manpower Capital	68
GRI 403-9		Work-related injuries	6.1 Manpower Capital	68
GRI 403-10		Work-related ill health	6.1 Manpower Capital	68
GRI 404-1	Training and Education: 2016	Average hours of training per year per employee	6.1 Manpower Capital	68
GRI 404-2		Programs for upgrading employee skills and transition assistance programs	6.1 Manpower Capital	68
GRI 404-3		Percentage of employees receiving regular performance and career development reviews	6.1 Manpower Capital	68
GRI 405-1	Diversity and Equal Opportunity: 2016	Diversity of governance bodies and employees	6.1 Manpower Capital	68
GRI 405-2		Ratio of basic salary and remuneration of women to men	Not disclosed yet	-

Disclosed Item	Description		Disclosing Chapter /Description	Page No.
GRI 406-1	Non-discrimination: 2016	Incidents of discrimination and corrective actions taken	6.1 Manpower Capital	68
GRI 408-1	Child Labor: 2016	Operations and suppliers at significant risk for incidents of child labor	6.1 Manpower Capital	68
GRI 409-1	Forced or Compulsory Labor: 2016	Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.1 Manpower Capital	68
GRI 412-1	H u m a n R i g h t s Assessment: 2016	Operations that have been subject to human rights reviews or impact assessments	6.1 Manpower Capital	68
GRI 412-2		Employee training on human rights policies or procedures	6.1 Manpower Capital	68
GRI 412-3		Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	5.3 Sustainable Supply Chain	60
GRI 414-1	S u p p l i e r S o c i a l Assessment: 2016	New suppliers that were screened using social criteria	5.3 Sustainable Supply Chain	60
GRI 414-2		Negative social impacts in the supply chain and actions taken	5.3 Sustainable Supply Chain	60
GRI 418-1	Customer Privacy: 2016	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer Service	42

7.2 SASB Index and Relevant Data

Upon inquiry using the [SICS® look-up tool](#) of the SASB, Solteam falls in the category of Electrical & Electronic Equipment under Resource Transformation. The information required to be disclosed is detailed in the following table.

Topic	Code	Metric	Category	Disclosure Chapter	Description	Page No.
Energy Management	RT-EE-130a.1	(1)Total energy consumed(GJ)	Quantitative	5.2 Environmental Management	54,565.265 (GJ)	56
		(2)percentage grid electricity(%) and	Quantitative	5.2 Environmental Management	53,756.719/54,565.265=98.52%	56
		(3)percentage renewable(%)	Quantitative	5.2 Environmental Management	Renewable energy was not used.	56
Hazardous Waste Management	RT-EE-150a.1	Amount of hazardous waste generated(T) and percentage recycled(%)	Quantitative	5.2 Environmental Management	18.540 metric tonnes of hazardous waste and 0% of percentage recycled	56
	RT-EE-150a.2	Number and aggregate quantity of reportable spills(kg) and quantity recovered(kg)	Quantitative	-	Not applicable as there is no relevant matter.	-

Topic	Code	Metric	Category	Disclosure Chapter	Description	Page No.
Product Safety	RT-EE-250a.1	Number of recalls issued and total units recalled	Quantitative	-	Not applicable as there is no relevant matter.	-
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety.	Quantitative	-	Not applicable as there is no relevant matter.	-
Product Lifecycle Management	RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	-	Not applicable as Solteam's products are not terminal products.	-
	RT-EE-410a.2	Percentage of eligible products(%), by revenue, certified to the Energy Star® Standards	Quantitative	-	Not applicable as Solteam's products are not terminal products.	-
	RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Quantitative	-	Not applicable as Solteam's products are not terminal products.	-
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	5.3 Sustainable Supply Chain	Affected by the international situation as well as climate change in recent years, the instability of raw materials supply has been drastically increased. To prevent delayed delivery due to unstable supply of raw materials, which may further affect the Company's goodwill, Solteam actively develops secondary suppliers and establishes a substitute material system. We also adjust the safety stock replenishment system in a timely manner to keep the supply chain transparent and diversified and to minimize the risk of supply chain disruption. To reduce the impacts of supply chain risks and supply chain disruptions on the Company's operations, we must avoid single-source procurement as much as possible when selecting suppliers; and make inquiries, comparisons, and negotiations in various perspectives such as price, cost, technology, quality, and service before selecting the most suitable partners.	60
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	Discussion and Analysis	5.3 Sustainable Supply Chain	Formulating regulations related to ethical corporate management; and requesting the Board members as well as senior managerial officers to sign the declaration for compliance of ethical corporate management. Requesting suppliers to sign the "Supplier Sustainable Development Code of Conduct."	60
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	-	Not applicable as there is no relevant matter.	-
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	-	Not applicable as there is no relevant matter.	-
Activity Metrics	RT-EE-000.A	Number of units produced by product category	Quantitative	-	(1) Electronic Control Units: 104,202 thousand units. (2) Variable Frequency Control Units: 22,623 thousand units.	-
	RT-EE-000.B	Number of employees	Quantitative	6.1 Manpower Capital	A total of 2,451 workers in the entire Group	

7.3 Article 4 of Taipei Exchange "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" –

Table 1-8 and Table 1-14 Sustainability Disclosure Indicators – Semiconductor Industry, Computer and Peripheral Equipment Industry, Electronic Components Industry, Electronic Access Industry, and Other Electronics Industry.

Number	Indicator	Type of Indicator	Annual Disclosure
1	Total energy consumed, percentage grid electricity, and percentage renewable	Quantitative	Total energy consumed: 54,565.265GJ Percentage grid electricity: 98.52% Percentage renewable: No renewable energy was used.
2	Total water withdrawn and total water consumed	Quantitative	Total water withdrawn: 103.586 megaliter Total water consumed: Solteam's water consumption was mainly domestic use. The volume of water discharged was estimated at 0.8 times of the water intake. The total water consumed was approximately 20.717 megaliter.
3	Amount of hazardous waste generated and percentage recycled	Quantitative	Amount of hazardous waste: 18.540 metric tonnes Percentage recycled: 0%
4	Description of the types, the number of people, and the ratio of occupational disasters	Quantitative	There were no incidents of occupational safety in 2024.
5	Disclosure of product lifecycle management: Including the weight of discarded products and electronic waste and the percentage recycled	Quantitative	Not applicable as there were no related incidents.
6	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Affected by the international situation as well as climate change in recent years, the instability of raw materials supply has been drastically increased. To prevent delayed delivery due to unstable supply of raw materials, which may further affect the Company's goodwill, Solteam actively develops secondary suppliers and establishes a substitute material system. We also adjust the safety stock replenishment system in a timely manner to keep the supply chain transparent and diversified and to minimize the risk of supply chain disruption. To reduce the impacts of supply chain risks and supply chain disruptions on the Company's operations, we must avoid single-source procurement as much as possible when selecting suppliers; and make inquiries, comparisons, and negotiations in various perspectives such as price, cost, technology, quality, and service before selecting the most suitable partners.
7	Total monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	There were no monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations in 2024.
8	According to the production category, the main product output	Quantitative	Please refer to the Annual Report of Shareholder Meetings for details.

7.4 Third-party Verification



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English Translation of a Report Originally Issued in Chinese

**Independent Accountant's Assurance Report on Solteam Incorporation
Greenhouse Gas (GHG) Statement**

Solteam Incorporation

We have undertaken a reasonable assurance engagement of the accompanying GHG statement of Solteam Incorporation (including the Head Office, Dayuan factory and Solteam Electronics (Suzhou) Co., Ltd.) ("Solteam") for the period from 2024/1/1 to 2024/12/31, comprising the Emissions Inventory.

Regarding GHG statement of Solteam's, please refer to appendix A.

Solteam's responsibility for the GHG Statement

Solteam is responsible for the preparation of the GHG statement in accordance with ISO International Standards ISO 14064-1:2018 ("ISO 14064-1:2018") published by International Organization for Standardization. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the The Norm of Professional Ethics for Certified Public Accountant of the Republic of China issued by the National Federation of CPA Associations of the R.O.C., which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies TWSQM1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Our Responsibility

Our responsibility is to express an opinion on the GHG statement based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements* (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether the GHG statement is free from material misstatement.

A reasonable assurance engagement undertaken in accordance with ISAE 3410 involves performing procedures to obtain evidence about the quantification of emissions and related information in the GHG statement. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error. We have considered internal controls relevant to Solteam's preparation of the GHG statement. A reasonable assurance engagement also includes:

- Assessing the suitability in the circumstances of Solteam's use of ISO 14064-1:2018 as the basis for the preparation of the GHG statement;
- Evaluating the appropriateness of quantification methods and reporting policies used, and the reasonableness of estimates made by Solteam; and
- Evaluating the overall presentation of the GHG statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Reasonable Assurance Opinion

In our opinion, Solteam's GHG statement for the period from 2024/1/1 to 2024/12/31 is presented, in all material respects, in accordance with ISO 14064-1:2018.

Ernst & Young

May 20, 2025

Taipei, Taiwan, Republic of China

Notice to Readers:

The reader is advised that the assurance report has been prepared originally in Chinese. In the event of a conflict between the assurance report and the original Chinese version or difference in interpretation between the two versions, the Chinese language assurance report shall prevail.

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Appendix A:

Emissions	t-CO ₂ e/year	Proportion (%)
Category 1: Direct GHG emissions and removals	193.5155	5.27
Direct emissions from stationary combustion	0.3284	0.01
Direct fugitive emissions from the release of GHGs in anthropogenic systems	182.3620	4.97
Direct emissions from mobile combustion	10.8251	0.29
Category 2: Indirect GHG emissions from imported energy	3,477.1192	94.73
Indirect emissions from imported electricity	3,477.1192	94.73

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