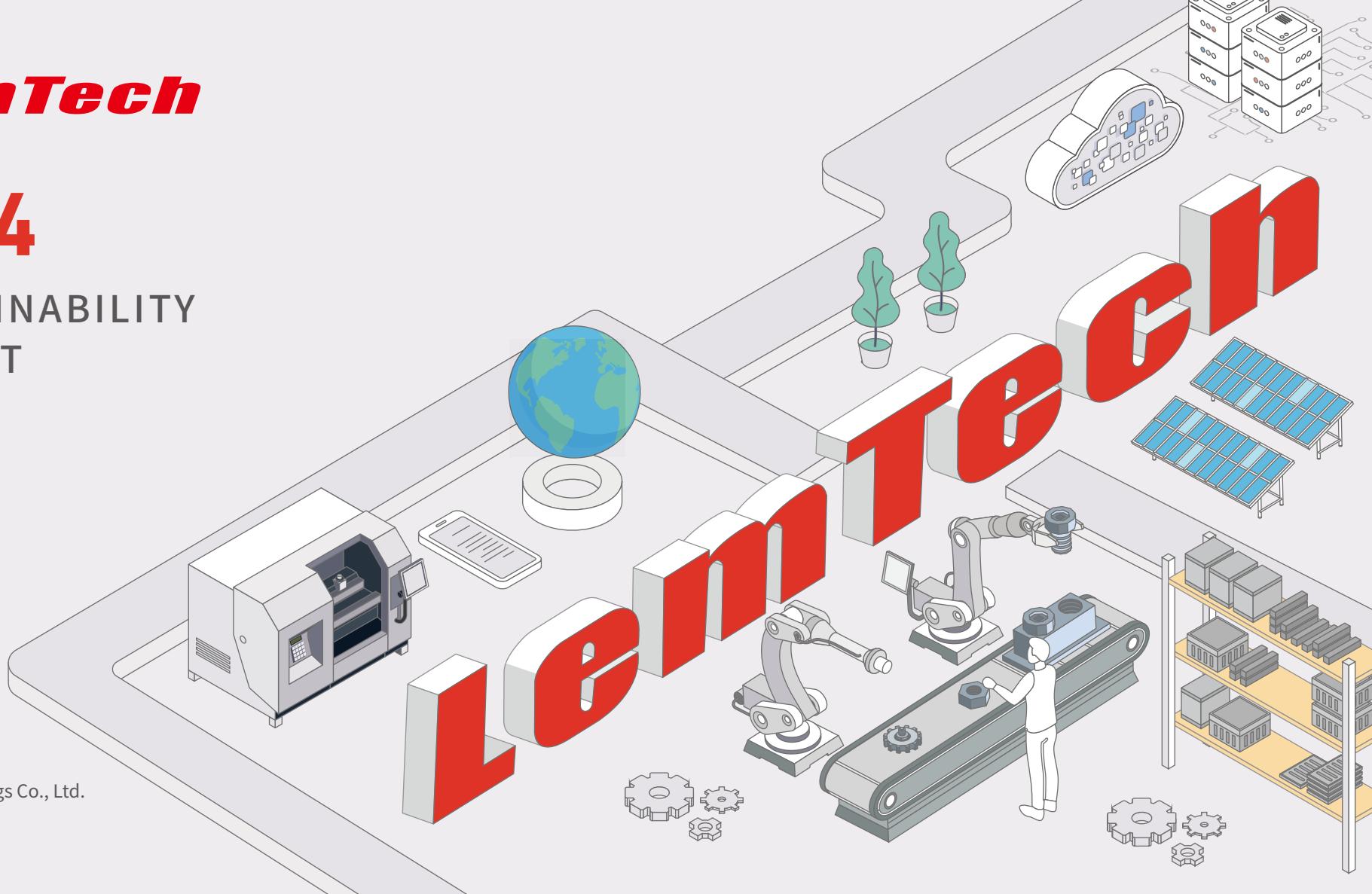


LemTech

2024

**SUSTAINABILITY
REPORT**



Stock code:4912

Lemtech Holdings Co., Ltd.

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About This Report

LemTech Holdings Co., Ltd. (hereinafter "LemTech Holdings," "LemTech Group," "the Company," "LemTech," or "we") is pleased to compile and Issue our inaugural Sustainability Report for 2024 (hereinafter referred to as 'this Report') in 2025. This Report aims to provide stakeholders invested in LemTech Holdings with a comprehensive overview of our sustainability governance, environmental stewardship, and social commitment, demonstrating our ongoing dedication to advancing material sustainability topics.

Reporting Period

This Report covers the period from January 1 to December 31, 2024. Significant events occurring outside this timeframe are explicitly noted in relevant sections. This is the Company's first Sustainability Report, with no restatements required for prior years. It is published on August 21, 2025. The Company will issue annual Sustainability Reports hereafter to address stakeholder expectations regarding transparency and sustainable development.

Reporting Scope / Entities

Aligned with the GRI Standards, this Report discloses the Company's performance across economic, environmental, and social material topics. The reporting scope encompasses LemTech Holdings Co., Ltd. and its controlled subsidiaries: Lemtech Precision Material (China) Co., Ltd., Lemtech Electronics Technology (Changshu) Co., Ltd., and Kunshan Lemtech Slide Technology Co., Ltd. These entities represent our primary operational sites and form the core disclosure boundary for consolidated data reporting.

The sustainability reporting boundary differs slightly from financial reporting. Certain subsidiaries remain excluded due to either immature data collection mechanisms or limited operational scale. We plan to progressively expand coverage as operations mature, enhancing disclosure completeness and consistency. Financial data derives from consolidated financial statements; methodologies for non-financial metrics are detailed in respective chapters. Any topic-specific deviations from the stated boundary are explicitly annotated to ensure transparent disclosure.

Subsidiary Reference Table

| Abbreviations Used | English Name |
|---|---|
| LemTech Holdings, Headquarters, LemTech | LemTech Holdings Co., Ltd. |
| Lemtech Precision Material | Lemtech Precision Material (China) Co., Ltd. |
| Lemtech Electronics | Lemtech Electronics Technology (Changshu) Co., Ltd. |
| Lemtech Slide Technology | Kunshan Lemtech Slide Technology Co., Ltd. |

Reporting Principles

This Report adopts the Global Reporting Initiative (GRI) Standards 2021, following GRI 1: Foundation Requirements to disclose material topics and sustainability performance. Prepared "with reference to the GRI Standards," it integrates stakeholder concerns and sector-specific sustainability trends.

Furthermore, this Report complies with Taiwan's "Regulations Governing the Preparation and Filing of Sustainability Reports by Listed Companies" and references international frameworks such as the SASB Standards to enhance disclosure robustness and forward-looking perspective.

External Assurance

To strengthen stakeholder trust in sustainability disclosures, the Company acknowledges the value of external assurance. This is integrated into our mid-to-long-term reporting strategy. We will progressively evaluate limited or reasonable assurance engagements with independent third parties, contingent on organizational maturity, disclosure scope readiness, and stakeholder needs.

The Sustainability Committee oversees report preparation and review, with the highest governance body (Board of Directors) regularly monitoring sustainability progress. Senior management participates in the identification of material topics and verification of data to ensure the accuracy and consistency of report contents. The Committee will propose external assurance frameworks for Board approval prior to implementation.

While this Report has not undergone third-party assurance, we remain committed to enhancing disclosure quality and will pursue independent verification to advance sustainability governance maturity and transparency.

Feedback

If you have any questions or suggestions regarding this report, please feel free to contact us through the following channels:

Contact Unit: Lemtech Holdings Co., Ltd. Sustainability Department
 Tel: 02-8684-1618 #383
 Email: allie.c@lemtech.com
 Company Website: <https://www.lemtech.com/tw/>

Message from Leadership

Chairman's Statement

Amidst evolving global geopolitical and economic dynamics in 2024, supply chain restructuring, climate risks, and regional conflicts have fundamentally reshaped the industrial landscape. Navigating this uncertain environment, LemTech Holdings demonstrated exceptional operational resilience and financial performance through prudent management strategies and agile adaptability.

Despite challenges, we achieved significant milestones: Group revenue increased by 24% year-on-year, with net profit rising 55% to NT\$402 million. These results reflect growing synergies from cost discipline, strategic investments, and market positioning. Concurrently, our optimized financial structure underscores our commitment to capital stability and business continuity.

These achievements validate our robust business model and long-term value orientation while establishing a foundation for advancing sustainability governance. This year, we formally established the Sustainability Committee, elevating ESG oversight to Board-level to institutionalize strategic frameworks and enhance execution capabilities.

Responding to global net-zero transition trends and heightened stakeholder expectations, we prioritize four key initiatives:

- Carbon Footprint Reduction: Enhancing energy efficiency through automated technologies and renewable energy adoption to lower GHG emissions;
- Human Capital Development: Implementing comprehensive programs covering occupational safety, benefits, career growth, and mental wellness to boost employee satisfaction and organizational cohesion;
- Corporate Citizenship: Strengthening community engagement, philanthropic initiatives, and ethical business practices;
- Information Security & Risk Management: Fortifying information security governance and enhancing operational stability and resilience.

Moving forward, we remain guided by our philosophy of "Prudent Operation, Innovative Advancement, and Shared Sustainability." By integrating global perspectives with local implementation, we will deepen technological advantages and responsible operations. We firmly believe that proactive environmental, social, and governance accountability is fundamental to sustainable growth. Together with all stakeholders, we will generate tangible value for society, the environment, and shareholders while advancing toward new horizons of enduring success.

**Chairman
Michael Hsu**



Statement by Group General Manager / Chair of Sustainability Committee

The complexity and uncertainty of the global macroeconomic environment continued to escalate in 2024, with volatile political and economic conditions interwoven, posing tangible challenges to industrial chains and global deployment strategies. Concurrently, climate pressures from greenhouse effects have accelerated global legislative momentum toward carbon reduction and net-zero targets, raising stakeholder expectations for LemTech's sustainability performance.

To address these imperatives, we established the Sustainability Committee to drive group-wide ESG strategy execution and enhance corporate governance maturity. Anchored in "Sustainability and Innovation," we embed this ethos across daily operations and decision-making.

Our GHG reduction journey includes implementing ISO 14064-1:2018 management systems since 2023, with third-party verification commencing at our largest facility in 2024—advancing toward scientifically rigorous carbon accountability. We further deployed automation technologies like in-mold tapping or in-mold riveting to optimize processes, boost efficiency, and reduce emissions.

To scale renewable energy, we installed 2,060 m² of rooftop solar power generation system at our flagship manufacturing site, generating approximately 1.6 million kWh annually. Group-wide water/energy conservation and paperless initiatives further advance our environmental goals.

Beyond environmental protection, our "people-centric" approach prioritizes occupational safety and employee wellbeing. In 2024, major production sites obtained ISO 45001 certification, ensuring health-compliant workplaces. We maintain legally aligned benefit systems adjusted per market benchmarks and implement annual training programs to enhance professional capabilities and team stability.

Fostering an inclusive culture, our largest facility features a 3,150 m² employee center with sports facilities, gyms, lactation rooms, counseling spaces, libraries, and 100-seat training halls. Through diversified training and exchange initiatives, we support employees' professional development and enhance physical/mental well-being, thereby strengthening collective cohesion and fostering a sense of belonging, ultimately cultivating a harmonious and stable workplace environment.

In terms of governance, we enhanced risk management frameworks, with subsidiaries adopting Responsible Business Alliance (RBA) standards and securing ISO 27001/TISAX certifications. Group-level risk assessments and contingency planning now regularly reinforce operational resilience.

LemTech remains steadfast in advancing "environmental and social accountability" through continued investments in ecological protection, labor rights, and governance. We will uphold sustainability commitments through Board effectiveness, transparency, and corporate citizenship to deliver enduring stakeholder value.

As the Chair of Sustainability Committee, I am confident that our "Sustainability, Innovation, and People-Centric" principles will position LemTech as a resilient, responsible industry leader—forging a better world for future generations.

**Group General Manager
Ricky Eu**



01

Corporate Profile & Vision

Our actions

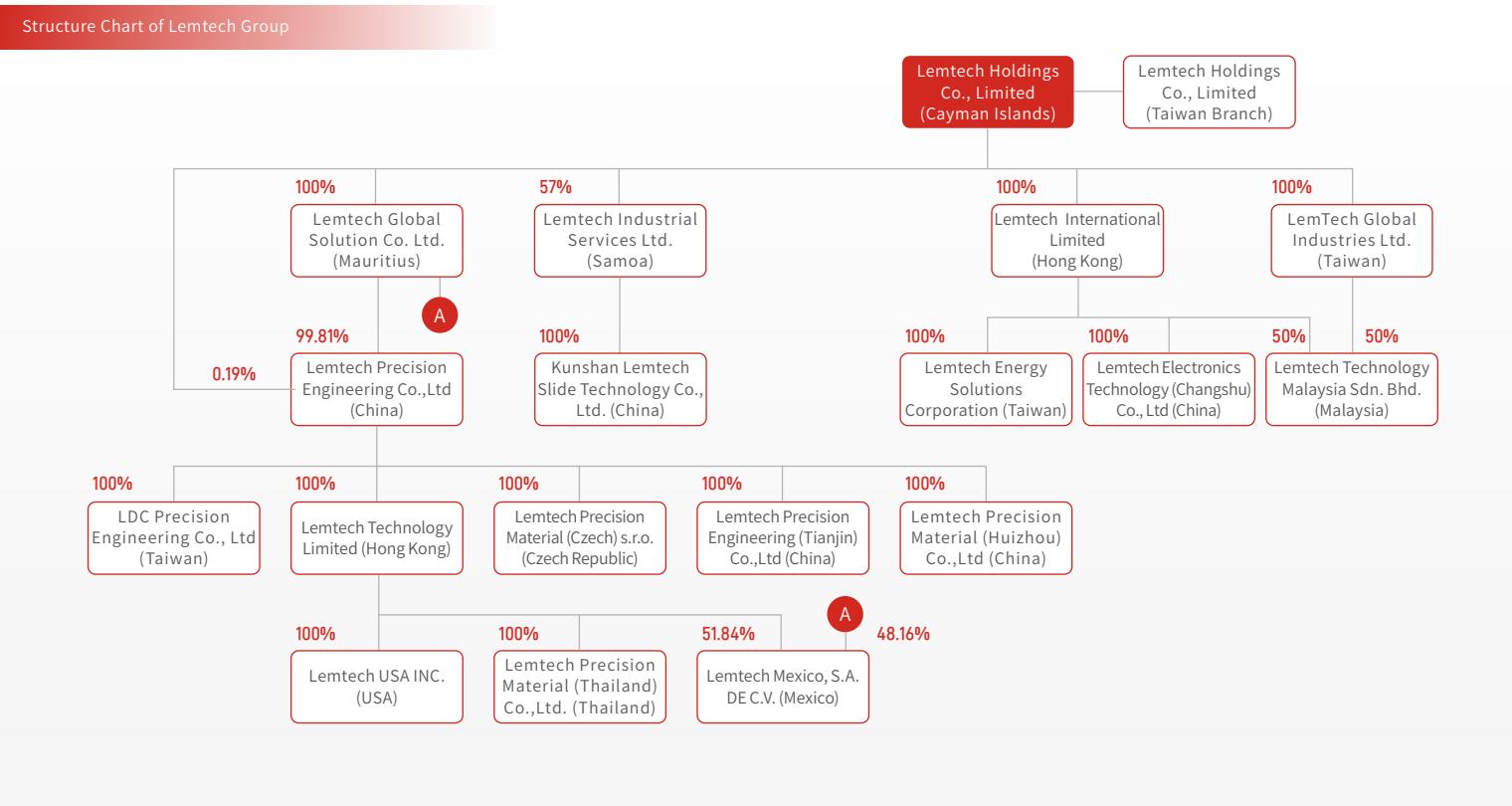
- 1.1 Company Overview
- 1.2 Corporate History
- 1.3 Vision & Mission
- 1.4 Sustainability Highlights



1.1 Company Overview

LemTech Holdings Co., Ltd. (hereinafter "the Company") is a publicly listed company incorporated under the Company Act of the Republic of China (Taiwan), trading on the Taiwan Stock Exchange (Stock Code: 4912). As a private enterprise, our principal shareholders include founders and institutional investors. The Company operates in compliance with ROC regulations and is governed by the Securities and Exchange Act and relevant commercial statutes.

To align with operational strategies and market demands, we continue to expand our global footprint across Europe, America, and Asia, enhancing international competitiveness. Headquartered in Taiwan, the Company maintains legally established subsidiaries and operational bases in Mainland China, Hong Kong, Thailand, Malaysia, Czech Republic, and Mexico, with a representative office in the United States. Each entity operates as an independent separate legal entity under local jurisdiction while adhering to corporate governance oversight from the parent company.



1.2 Corporate History



2015

May

Listed on the Taiwan Stock Exchange on May 21, 2015.



2016

April

Established the subsidiary "LemTech Industrial Services Ltd." in Samoa as an operational management entity.

April

Renamed "Kunshan LemTech" to "Kunshan LemTech Precision Material Co., Ltd."

May

Formed the joint venture "LemTech AMP Limited (Seychelles)" with Chenglun Enterprise Co., Ltd. to market innovative fire extinguishers and composite highway guardrails.

May

Renamed "Super Solution Co., Ltd." to "LemTech Global Solution Co., Ltd."

July

Renamed "Kunshan LemTech Precision Engineering Co., Ltd." to "LemTech Precision Material (China) Co., Ltd."

August

Established subsidiaries "Kunshan LemTech Slide Technology Co., Ltd." and "New Fortune Global Limited" to diversify product offerings and accelerate server market expansion.

September

Founded subsidiary "LemTech Precision Material (Czech) s.r.o." in the Czech Republic to enhance global presence and tax efficiency.

2017

November

Commencement of operations at the renovated Phase II facility of LemTech Precision Material (China) Co., Ltd.

November

Acquired land in Huaya Section, Guishan District, Taoyuan, and initiated factory construction to mitigate production concentration risks.

November

LemTech Global Solution Co. Ltd. acquired a 50% equity stake in Jimo LemTech (Taiwan) to align with strategic development plans.



2019

January

Established a Taiwan branch to support business expansion needs.

January

Invested in electroplating provider "Zhenjiang Emtron Surface Treatment Technology Co., Ltd." to stabilize automotive parts supply chains and improve margins.

June

Founded subsidiary "LemTech Cooling System Limited" in Hong Kong to optimize corporate structure for future scalability.

July

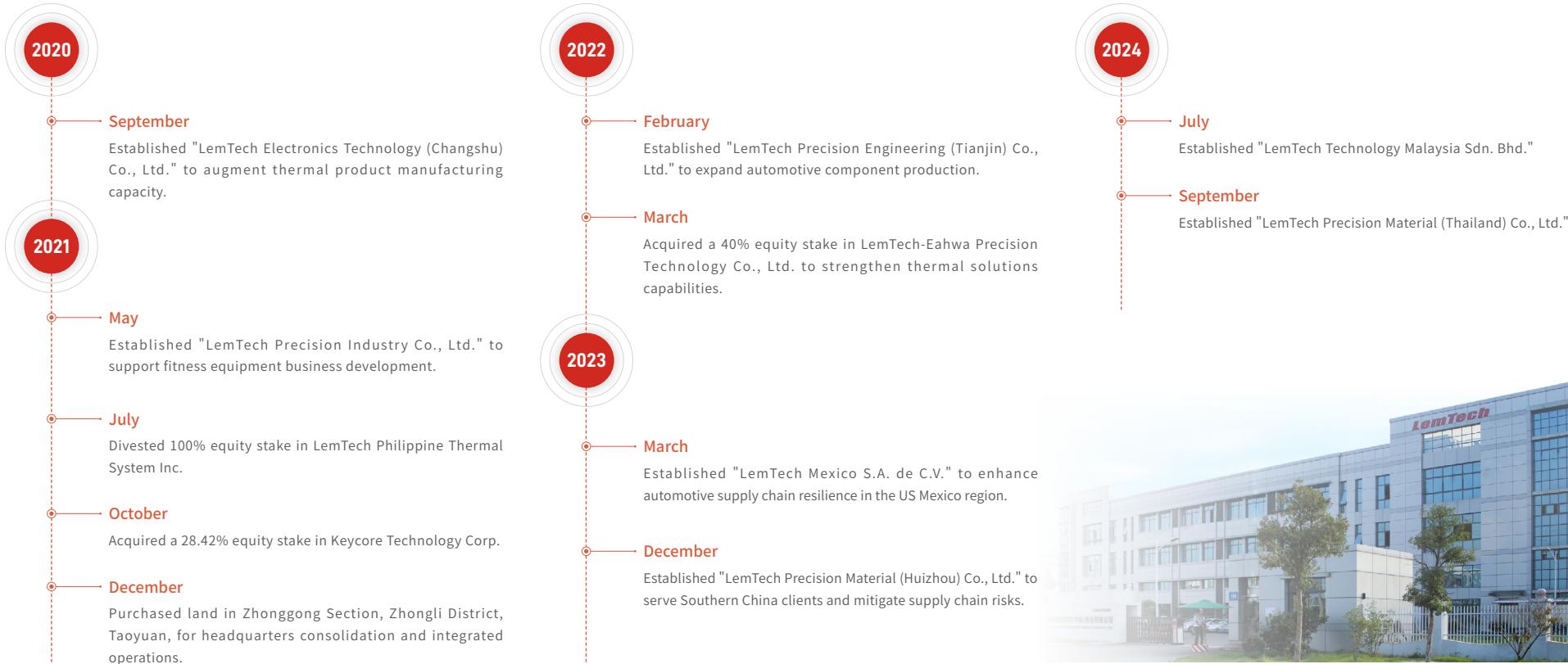
Established "LemTech Philippine Thermal System Inc." in the Philippines as part of global footprint expansion.

July

Completed equity transfer of "LemTech Energy Solutions Corporation," integrating it as a Group subsidiary.

October

Formed subsidiary "Kunshan LemTech Electronics Technology Co., Ltd." given the Group's organizational structure and strategic planning for thermal solutions businesses.



1.3 Vision & Mission

Our philosophy, embodied in our name "LemTech", signifies unity of purpose and shared values – committing to pioneering engineering capabilities and manufacturing excellence. We believe steadfast collaboration and ethical foundations enable sustainable growth amid market volatility, fulfilling our promise of exceptional quality and enduring development.

Guided by six core values, we establish our operational principles and sustainability foundation:



1.4 Sustainability Highlights

| Category | Highlight | Description |
|--|----------------------------|---|
|  Environment | Solar Power Implementation | Since 2023, LemTech Group has deployed solar energy systems to advance green manufacturing and low-carbon transition. Current solar generation meets approximately 20% of electricity demand at our largest production site, strengthening energy autonomy and emission reduction. |
| | Environmental Investment | In 2024, the Group invested NT\$3 million in environmental initiatives, including impact assessments, pollution prevention, and green infrastructure development, demonstrating proactive commitment to ecological sustainability. |
|  Social | Employee Center | Constructed a 3,150 m ² employee center with NT\$8.4 million investment, featuring training facilities, lactation rooms, counseling spaces, and fitness areas to enhance employees' sense of belonging and team cohesion. |
| | Local Procurement | Achieved 82% local procurement rate at China facilities. By prioritizing regional suppliers, we strengthen supply chain partnerships, stimulate local economies, and significantly reduce carbon footprint in logistics, advancing sustainable procurement and low-carbon operations. |

| Category | Highlight | Description |
|--|------------------------------------|--|
|  Social | Employee Satisfaction | Employee satisfaction reaches 86%, demonstrating continuous improvements in workplace environment, benefits systems, and internal communication channels. The Group is committed to fostering a friendly, open, and attractive corporate culture that enhances staff engagement and retention, thereby strengthening organizational cohesion and competitive advantage. |
|  Governance | Enhanced Sustainability Governance | In 2024, Lemtech Group formally established the Sustainability Committee, chaired by the general manager with senior executives as committee members. This governance body coordinates corporate sustainability strategies and target-setting. Simultaneously, a dedicated Sustainability Department was created to serve as the cross-departmental coordination and execution hub, ensuring concrete implementation of sustainability initiatives across operational management systems. |
|  R&D | Client Recognition | LemTech Precision Material received awards from key clients including: <ul style="list-style-type: none"> · TSUBAKI Automotive: Excellence in Supply Award, Quality Achievement Award · BorgWarner Turbo Systems: Premier Quality Award · Minth Group: Business Collaboration Award · BorgWarner MS: Supplier Quality Excellence Award · ZF Group: Cost Optimization & Strategic Partnership Award |
| | R&D Investment | In 2024, reporting entities under Lemtech Group achieved a total R&D investment of NT\$197 million, maintained a 137-member R&D team, and secured 274 cumulative patents, demonstrating robust technological innovation capabilities. Dedicated green R&D funding exceeded NT\$26 million, strategically focused on energy conservation, material optimization, and process efficiency enhancement. These initiatives continuously strengthen sustainable design competencies and low-carbon manufacturing capacities, advancing the dual strategic imperatives of corporate innovation transformation and environmental responsibility. |

02

Sustainability Governance & Strategy

Our actions

- 2.1 Sustainability Strategy & Pillars
- 2.2 Sustainability Governance Structure
- 2.3 Stakeholders & Material Topics



2.1 Sustainability Strategy & Pillars

LemTech Group is committed to becoming a forward-looking and resilient global leader across three synergistic core businesses: Automotive & Precision Stamping, Advanced Thermal Solutions, and Assembly & Integration, synergistic development in these three major areas continuously strengthens overall competitiveness. We proactively assess our operations' societal and environmental impacts, implementing concrete measures to mitigate risks while generating positive value.

Within manufacturing, we advance technical capabilities through automation and green process optimization to reduce ecological footprints. For human rights and governance, we enforce responsible supply chain management and labor protection systems to safeguard stakeholder rights. Furthermore, our high-efficiency thermal management products enhance energy efficiency for global server, telecommunications, and EV industries, creating tangible socioeconomic value.

Our phased sustainability vision and strategy are structured as follows:

| Planning Horizon | Vision & Strategy |
|------------------------|--|
| Short-term (1-3 years) | Establish foundational ESG governance through group-wide GHG inventories, sustainable supply chain initiatives, and comprehensive sustainability training. |
| Mid-term (3-5 years) | Implement carbon management/reduction plans, strengthen cybersecurity frameworks, deepen supply chain due diligence, and expand social engagement. |
| Long-term (5+ years) | Advance toward net-zero emissions, scale global sustainability footprint, and enhance human rights diligence & climate risk management. |

Major achievements in 2024

During the reporting period, LemTech accomplished the following:

Commenced ISO 14064-1 GHG inventories at major operational sites.

Operationalized the Sustainability Committee with formal material topic identification processes.

Achieved 100% supplier commitment to RBA Code of Conduct at LemTech Electronics.

Completed full replacement of diesel forklifts with electric alternatives at LemTech Precision Material.

Challenges & Forward Focus (2025-2030)

While navigating macroeconomic volatility, supply chain instability, and early-stage carbon management resource constraints, we prioritize:

Developing comprehensive carbon management systems and reduction roadmaps.

Enhancing sustainable supply chain audits and responsible sourcing.

Strengthening human rights risk identification and mitigation protocols.

Elevating disclosure transparency through GRI Standards and SASB frameworks.

However, the company also faces challenges such as global macroeconomic fluctuations, supply chain stability management, human resource and systems establishment issues during the initial phase of carbon management initiatives, and will continue strengthening its response capabilities.

LemTech remains steadfast in integrating prudent governance with proactive action, driving industry innovation while advancing social prosperity and environmental stewardship.



2.2 Sustainability Governance Structure

LemTech Holdings formally established its Sustainability Committee in 2024 under the Board of Directors, the company's highest governance body, with the group general manager serving as Chairperson. This demonstrates senior management's commitment to sustainability priorities. The Committee was established in accordance with the Corporate Governance Practice Code and Sustainability Practice Guidelines, functioning as the core entity for sustainability governance and decision-making. It oversees the formulation and implementation of group-wide strategies across environmental, social, and governance (ESG) dimensions.



The Sustainability Committee comprises three members, including one Director, all possessing specialized expertise in sustainability. The Committee is responsible for formulating sustainability policies, developing annual action plans, monitoring implementation progress, reviewing sustainability reports, promoting and overseeing sustainability-related systems and disclosures, and finally, submitting regular reports on key achievements and advancements to the Board of Directors.

To enhance execution and deepen the professional division of labor, the Sustainability Department was established in 2024 with executive authority to implement ESG initiatives. Four cross-functional units enable specialized focus:

Corporate Governance Unit

Regulatory compliance, remuneration policies, training, and stakeholder engagement

Social Initiatives Unit

Human rights policies, community relations, and value chain communications

Environmental Sustainability Unit

Environmental management systems, climate response, and resource efficiency

Disclosure Management Unit

Sustainability data consolidation, management, and transparency assurance

Concurrently, the Sustainability Committee established the Sustainability Information Management Procedures and Sustainability Report Compilation and Verification Protocols to implement robust sustainability information management and disclosure mechanisms. This strengthens group-wide ESG risk management and external communication, fulfilling commitments to stakeholder transparency and sustainability accountability.

The Board of Directors conducts annual reviews and provides guidance on sustainability action plans and impact management execution. In 2024, three dedicated briefing sessions were held to report sustainability progress and carbon inventory results. The Board mandated quarterly tracking and performance reporting for material topic implementation items. Through this institutionalized governance framework and execution mechanism, sustainability development receives formal Board oversight while being operationally driven by management, collectively building a forward-looking, responsible, and resilient sustainability foundation.

The Board retains ultimate approval authority for sustainability report content. It reviews the appropriateness of material topic selection and verifies the completeness and relevance of disclosed information. Day-to-day supervision and review of sustainability matters are delegated to the Sustainability Committee, while the Sustainability Department executes material topic identification, significance analysis, ESG data collection, and draft integration, forming the foundational work for report compilation.

The Company's sustainability report compilation process comprises the following key steps:

Data Consolidation and Draft Preparation

The Sustainability Department consolidates environmental, social, and governance data from all operational units, integrates material topic identification outcomes, and completes the preliminary report draft.

Sustainability Committee Deliberation

The Sustainability Committee reviews material topic determinations and disclosure content, proposing amendments and supplementary input.

Board Ultimate Approval

The finalized version incorporating revisions is submitted to the Board of Directors for comprehensive review and approval, ensuring alignment with corporate governance principles and stakeholder disclosure expectations.

Through this multi-tiered review process, LemTech guarantees the sustainability report demonstrates informational transparency, accuracy, and responsiveness. Sustainability disclosure is formally integrated into the corporate governance structure, continuously strengthening communication channels and trust foundations with stakeholders.

2.3 Stakeholders and Material Topics

2.3.1 Stakeholder Identification and Engagement Approach

LemTech values communication and interaction with stakeholders, recognizing them as indispensable partners for sustainable business operations. Guided by the Global Reporting Initiative (GRI) Standards and the AA1000 Stakeholder Engagement Standard (AA1000 SES), we have established a stakeholder engagement policy. Through institutionalized mechanisms, we identify key stakeholders and develop diversified communication channels to understand their concerns, respond to expectations, and incorporate their feedback into materiality analysis and sustainability management strategies.

We employ AA1000 SES's five dimensions – Accountability, Influence, Urgency, Diverse Perspectives, and Dependency – as the basis for stakeholder identification. This framework identifies primary stakeholder categories including: employees, shareholders and investors, clients, suppliers, and non-profit organizations/communities. These categories are reviewed and updated annually by the Sustainability Committee to reflect evolving operational contexts and external priorities.

The core objectives of stakeholder engagement include: gaining in-depth understanding of expectations regarding the Company's operations, governance, products, and sustainability issues; utilizing insights to identify material topics and adjust sustainability strategies; strengthening trust relationships and corporate transparency; and proactively identifying risks and collaboration opportunities.

Tailored to different stakeholder attributes and interaction needs, we implement diversified engagement methods including: employee interviews and communication meetings, annual supplier interviews and audits, client feedback mechanisms, regulatory and industry association participation, and industry-academia collaborations. Simultaneously, during material topic assessment, sustainability report compilation, and policy formulation stages, we proactively collect and integrate stakeholder input to ensure the engagement process demonstrates substantive participation, responsiveness, and representativeness.

| Stakeholder | Key Concerns | Engagement Methods & Frequency | Key Outcomes |
|--|--|---|---|
|  Employees | <ul style="list-style-type: none">Employment relationsWorkplace safetyHealth & wellbeing | <ul style="list-style-type: none">1-2 annual satisfaction surveysAd hoc interviews & trainingQuarterly labor-management meetingsAnnual health screenings | <ul style="list-style-type: none">86% satisfaction rate (2024)Labor-management meetings held per regulation100% completion of occupational health exams |

| Stakeholder | Key Concerns | Engagement Methods & Frequency | Key Outcomes |
|---|--|---|--|
|  Shareholders & Investors | <ul style="list-style-type: none"> Financial performance Corporate governance R&D & innovation | <ul style="list-style-type: none"> Annual general meeting Annual investor conference Weekly investor meetings (calls/video) Dedicated IR contact on corporate website | <ul style="list-style-type: none"> 1 AGM conducted 1 investor conference; 59 material disclosures |
|  Clients | <ul style="list-style-type: none"> Customer service Corporate governance Product quality Information security | <ul style="list-style-type: none"> Weekly client meetings Monthly site visits 1-2 annual satisfaction surveys Daily calls/email communication | <ul style="list-style-type: none"> 94% satisfaction rate |
|  Suppliers | <ul style="list-style-type: none"> Sustainable sourcing Corporate governance Client relations R&D & innovation | <ul style="list-style-type: none"> Ad hoc audits & interviews Ongoing calls/email Monthly/annual evaluations | <ul style="list-style-type: none"> 448 suppliers risk-assessed & audited 338 suppliers signed CoC/RBA agreements |
|  NGOs/Communities | <ul style="list-style-type: none"> Philanthropy & volunteering Talent attraction/retention | <ul style="list-style-type: none"> Annual industry-academia projects Ongoing engagement through daily interactions and project-based dialogues to deeply understand practical needs in areas such as educational resources, underserved communities, and infrastructure development, while supporting activities aligned with public-benefit objectives | <ul style="list-style-type: none"> Month-long corporate internship program Annual public benefit budget supporting local welfare, schools & educational infrastructure |

2.3.2 Material Topic Identification and Impact Analysis

Our company established an impact-based materiality analysis process in accordance with GRI 3: Material Topics (2021) of the GRI Universal Standards 2021. Through comprehensive collection and consolidation of internal and external information, we identified 21 potential sustainability topics. After evaluating the scope and severity of our operational activities and business relationships' impacts on economic, environmental, and human rights domains, we ultimately determined 13 topics as material for the 2024 Sustainability Report. The topic identification and prioritization results were reviewed and approved by senior management. The materiality analysis process is outlined below:

Identifying Material Topics

1. Industry Attribute Analysis: Examined the manufacturing industry's characteristics and sustainability focus areas, incorporating benchmark material topics from the sector as the foundation for topic identification.
2. Sustainability Topic Identification: Evaluated potential risks and opportunities by referencing stakeholder feedback, global frameworks (e.g., GRI Universal Standards, UN SDGs), industry standards, and peer benchmark practices, in addition to significant positive/negative events that have actually occurred. Comprehensively mapped sustainability topics relevant to company operations.

Material Topic Impact Assessment

1. Stakeholder Feedback: Conducted questionnaire surveys with identified stakeholders to gather their level of concern and expectations regarding sustainability topics, assessing each topic's substantive impact on operations. A total of 939 valid questionnaires were collected in 2024, serving as key input for material topic identification and prioritization.
2. Operational Impact Severity: Management evaluated each topic's impact on LemTech's operations, considering positive/negative, potential/actual, and internal/external dimensions. Impact severity was determined to establish the relative significance of each topic to organizational operations, followed by prioritization.

Confirming and Prioritizing Material Topics

Our material topics were determined through comprehensive analysis integrating benchmark material topics from the industry, stakeholder concerns, management's operational impact assessments, and LemTech's sustainability strategy.

In 2024, we identified 13 material topics: Corporate Governance, Client Relationship Management, Product Safety & Quality, Technology R&D, Talent Development & Training, Talent Attraction & Retention, Energy Management, Waste Management, Human Rights & Labor Relations, Occupational Health & Safety, Diversity & Inclusion, Social Engagement, and Supplier Sustainability Management. Each topic underwent quantitative prioritization based on its impact severity on economic, environmental, and social dimensions (including human rights), as well as its influence across the value chain.

As this marks LemTech's inaugural sustainability report, no prior material topics exist for comparison. We will periodically review materiality analysis outcomes, adjusting disclosures according to operational strategies, regulatory changes, and societal trends to ensure representativeness and responsiveness. The table below presents prioritized material topics with corresponding GRI standards as this report's disclosure basis.

| Rank | Material Topic | Corresponding GRI Topic(s) |
|------|--------------------------------|--|
| 1 | Corporate Governance | Economic Performance (201)/ Anti-corruption (205)/ Anti-competitive behaviour (206) |
| 2 | Client Relationship Management | Customer Health and Safety (416)/ Marketing and Labeling (417)/ Customer Privacy (418) |
| 3 | Product Safety & Quality | Customer Health and Safety (416)/ Marketing and Labeling (417)/ Customer Privacy (418) |
| 4 | Technology R&D | LemTech Custom Topic |
| 5 | Talent Development & Training | Training and Education (404) |
| 6 | Talent Attraction & Retention | Market Presence (202)/ Employment (401)/ Labor/Management Relations (402) |
| 7 | Energy Management | Energy (302)/ Emissions (305) |

| Rank | Material Topic | Corresponding GRI Topic(s) |
|------|------------------------------------|--|
| 8 | Waste Management | Effluents and Waste (306) |
| 9 | Human Rights & Labor Relations | Non-discrimination (406)/ Freedom of Association and Collective Bargaining (407)/ Child Labor (408)/ Forced or Compulsory Labor 2016 (409) |
| 10 | Occupational Health & Safety | Occupational Health and Safety (403) |
| 11 | Diversity & Inclusion | Diversity and Equal Opportunity (405) |
| 12 | Social Engagement | Local Communities (413) |
| 13 | Supplier Sustainability Management | Procurement Practices (204)/ Supplier Environmental Assessment (308)/ Supplier Social Assessment (414) |

2.3.3 Material Topic Management

For the 13 material topics identified in 2024, LemTech implements corresponding management measures based on their actual and potential impacts on economic, environmental, and social dimensions (including human rights). These measures ensure sustainable enhancement of positive impacts while preventing or mitigating negative ones. Each topic has designated internal responsible units and management procedures. Concrete actions and performance tracking are implemented through integration with company policies and objectives. Our approach incorporates stakeholder feedback, with continuous optimization of management mechanisms through engagement platforms. Impact dimensions, management approaches, and tracking methods for each material topic are detailed in respective management policies throughout corresponding chapters.

03

Corporate Governance & Operational Resilience

Our actions

- 3.1 Introduction to LemTech
- 3.2 Corporate Governance Practices
- 3.3 Risk Management
- 3.4 Operational Excellence



Management Policies

| | Material Topics | Potential Impact & Scope of Influence | Policy Commitments | Action Summary | Performance Tracking & Stakeholder Engagement |
|--------------------------------|---|--|--|--|---|
| Corporate Governance | <ul style="list-style-type: none">Failure of Board functions (e.g., independent director resignations, low director attendance rates)Financial performance falling short of investor expectationsGeopolitical risks | <p>LemTech is committed to strengthening governance frameworks to protect shareholder rights, enhance Board functionality, improve information transparency, and advance stakeholder communication, continuously refining governance quality</p> | <ul style="list-style-type: none">Enhanced functional committee operations through establishment of Sustainability CommitteeRegular execution of internal auditsImplementation of annual budget review processesDiversified global manufacturing footprint with increased supply chain localization | <ul style="list-style-type: none">Internal audit findings regularly reported to independent directorsBoard self-assessment indicates strong performanceFinancial audits reveal no material anomaliesAdvanced global expansion with subsidiaries established in Thailand and Malaysia (2024) | |
| Client Relationship Management | <ul style="list-style-type: none">Inability to meet client demands due to production line relocationPerceived lack of professionalism in client-facing interfaces | <p>We uphold the principle of "Quality First, Service Foremost," dedicated to elevating client satisfaction while adhering to fair transaction standards to co-create sustainable value with clients</p> | <ul style="list-style-type: none">Established after-sales service protocolsConducted client satisfaction surveysImplemented key account revisit program | <ul style="list-style-type: none">Achieved 94% average client satisfaction rate (2024) | |
| Product Safety & Quality | <ul style="list-style-type: none">Product quality failing to meet client expectationsIncreased return rates due to quality defectsDeclined client satisfaction resulting from quality and communication issues | <p>We pledge to ensure product safety and reliability through rigorous quality management systems, implementing full-process quality control</p> | <ul style="list-style-type: none">Deployed QC systems with multi-point inspection regimesEnforced product traceability policies and anomaly reportingAdopted quality systems including ISO 9001 and IATF 16949 | <ul style="list-style-type: none">100% resolution of customer complaints received in 2024 | |

| Material Topics | Potential Impact & Scope of Influence | Policy Commitments | Action Summary | Performance Tracking & Stakeholder Engagement |
|------------------------------------|---|---|---|---|
| Technology R&D | <ul style="list-style-type: none">Insufficient R&D resource allocation and stagnated innovation capabilitiesProduct obsolescence leading to lost market opportunitiesR&D failures, patent disputes, or resource wastage | We commit to sustained investment in technological innovation, intensifying R&D momentum to drive product differentiation and process upgrades | <ul style="list-style-type: none">Annual allocation of dedicated R&D budgets focused on mold development, automation integration, thermal solutions, and automotive structural componentsClose collaboration with client technical teams to advance co-development initiativesProactive patent applications and adoption of advanced processes (e.g., in-mold tapping, in-mold riveting) | <ul style="list-style-type: none">Total R&D investment: ~NT\$190 million (2024) |
| Supplier Sustainability Management | <ul style="list-style-type: none">Supplier non-compliance with ESG requirementsAbsence of supplier decarbonization initiatives | We will progressively require suppliers to comply with fundamental principles including labor rights, environmental protection, occupational safety, and ethical operations. Supplier sustainability management policies must incorporate ESG considerations as baseline criteria for selection and collaboration | <ul style="list-style-type: none">Developed supplier selection and management systems with promotion of Corporate Social Responsibility Commitment LettersRegular document reviews and on-site audits for critical suppliers, with corrective action tracking mechanismsGradual integration of ESG performance metrics into procurement evaluations to elevate responsible supply chain standards | <ul style="list-style-type: none">100% supplier signatory rate to "Supplier CSR Commitment Letters" at LemTech Electronics by 2024 year-end75 new suppliers onboarded in 2024, all contracts incorporating environmental and labor requirement clauses |

3.1 Understanding LemTech

3.1.1 Products and Services

LemTech Group currently employs over 1,000 personnel across operations in Taiwan, China, Thailand, Malaysia, Czech Republic, Mexico, and the United States. The Group specializes in R&D, production, and sales of precision metal-stamped components. Core products include stamped automotive parts, electronic components, thermal management modules, and connected fitness equipment assemblies, while also providing complementary stamping die solutions for automotive and electronics manufacturers.



Taiwan

Taipei (Headquarters)
Taoyuan

China

Kunshan
Tianjin
Huizhou
Changshu

Czech Republic

Jihlava

Mexico

Querétaro

Thailand

Chonburi

Malaysia

Nilai

United States

San Jose

Following restructuring in 2024, LemTech Group now comprises three core divisions:

(Automotive & Precision Stamping) Division

APS

This division delivers one-stop metal stamping solutions for both traditional and new energy vehicles, covering safety systems, steering components, braking modules, battery enclosures, and sunroof assemblies. Leveraging over 20 years of die design expertise and automated production capabilities, it maintains an annual output exceeding 200 million pieces. Integrated quality systems and digital management (IATF 16949 + SAP/MES) ensure full-process traceability and delivery reliability. Serving global Tier-1 automotive suppliers from facilities in China, Czech Republic, Mexico, and Thailand, APS aims to be a strategic technology leader in automotive stamping.

(Advanced Thermal Solutions) Division

ATS

Focused on high-efficiency thermal management for computing, server, automotive electronics, and telecommunications equipment, ATS produces heat pipes, vapor chambers, heatsinks, and modular solutions. With comprehensive R&D, manufacturing, and testing capabilities, it masters high-precision processes and quality control protocols. Responding to escalating thermal demands in high-performance devices, the division actively develops novel materials and technologies for AI, IoT, and electric vehicle applications. Headquartered in Changshu, China, its products serve global markets through partnerships with leading electronics manufacturers.

(Assembly & Integration) Division

A&I

Specializing in R&D and manufacturing of high-performance server rails, structural components, and smart assembly modules, this division serves data centers, AI servers, communication equipment, and 3C electronics. Proprietary patents and in-house R&D capabilities combine with smart manufacturing processes to enforce precision and quality control from design through mass production. Operating from its Kunshan, China manufacturing hub, A&I delivers solutions across EMEA and APAC markets, positioning itself as a global leader in server infrastructure.

Product Quality

LemTech Group specializes in precision metal stamping components and die design/manufacturing. Our products serve critical industries including servers, telecommunications, automotive, thermal management, and electronics as intermediate structural components. While not directly reaching end consumers, their quality directly impacts equipment reliability and operational safety for clients. Substandard products may cause equipment failures, safety hazards, reputational damage, and potential operational losses. Inadequate raw material or process quality control may also lead to resource waste and environmental burdens.

To ensure quality stability and risk mitigation, LemTech implements quality management systems compliant with IATF 16949 and ISO 9001 standards. Our quality philosophy centers on "Customer Focus, Continuous Improvement, People-Centricity, and Excellence Pursuit." We establish internal protocols tailored to product characteristics and client requirements, covering process safety standards, regulatory compliance, anomaly response plans, and personnel training. The "zero-defect" principle drives preventive quality management.

In 2024, we achieved 100% health and safety risk assessment coverage for all core product categories, with key actions including:

Integrating mold safety, error-proofing design, material weldability, and joint stability considerations during design to reduce assembly/processing risks

Conducting full or sampled inspections pre-shipment to eliminate functional/structural defects

Implementing client-specified production controls: sharp-edge removal, hole chamfering, and safety-compliant packaging

Providing PPAP documentation for high-specification products (e.g., automotive structural components) to validate quality capabilities

Through 2024, LemTech recorded zero incidents of non-compliance with health/safety regulations or voluntary standards related to products/services. Moving forward, we will deepen collaboration with clients to enhance safety and environmental performance by incorporating advanced risk analysis and material alternatives during design, ensuring products meet high-safety, low-risk standards throughout processing, usage, and end applications, as well as advancing sustainable design objectives through quality excellence and risk minimization.

Quality Inspection and Testing

To meet customer quality requirements, LemTech products must pass relevant quality verification tests, ensuring compliance with specifications and customer quality standards before mass production. The company has established a comprehensive quality control system covering: incoming material inspection, in-process inspection, final inspection, quality improvement mechanisms, and quality objective tracking.



LemTech continuously enhances quality management effectiveness through regular internal audits and third-party certifications. The company employs multiple quality control tools, including First/Last Article Inspection, PPAP Submission during product introduction, Measurement System Analysis (MSA), and Process Capability Analysis, to improve process stability and verification efficiency while implementing preventive quality management.

To strengthen quality communication and feedback with customers, the Company mechanisms include monthly quality reports, non-conformance summaries, 8D Improvement Reports, and customer complaint analyses. For projects with stringent product safety requirements, dedicated personnel are appointed for project coordination and cross-departmental communication, ensuring prompt response and proper handling of customer needs.

Throughout 2024, LemTech experienced no major product quality incidents. Recognized for consistent quality performance and rapid response capabilities, multiple key customers rated LemTech as an outstanding supplier, honoring the company with awards including the Quality Excellence Award and Outstanding Supplier Award.

3.1.2 Customer Relationship Management

LemTech Group prioritizes building and maintaining trusted customer relationships. Through institutionalized processes and daily communication, we ensure continuous improvement in product quality and service, thereby enhancing customer satisfaction. The company has established clear internal control procedures to systematically manage and respond to customer feedback, complaints, and continuous improvement items.

Customer Satisfaction

Regarding service and feedback mechanisms, LemTech compiles monthly quality data, non-conformance statistics, and complaint analyses, proactively sharing these with customers for improvement reference. For product non-conformities, we immediately initiate the 8D Report process to identify root causes and implement preventive measures to avoid recurrence. For safety-sensitive projects, dedicated personnel are assigned for internal coordination and project management to ensure special customer requirements are fully addressed.

Additionally, we implement a structured Customer Satisfaction Survey System covering product quality, delivery timelines, and technical support. These surveys serve as the basis for evaluating overall service performance. In August and September 2024, LemTech received perfect satisfaction scores from two key customers, demonstrating strong recognition of our service quality. Overall, the 2024 customer satisfaction rate reached 94%. We conduct thorough analysis of feedback to drive continuous service improvements and responsive customer solutions.

Through varied customer communication channels and frequencies, we strive to understand customer needs and create greater value.

| | |
|----------|-------------------------------|
| Daily | Email and phone communication |
| Weekly | Customer meetings |
| Annually | Satisfaction surveys |
| Ad-hoc | Customer visits |

Privacy Protection

LemTech strictly adheres to internal privacy policies governing customer data, explicitly prohibiting secondary usage or unauthorized disclosure while continuously enhancing information security management. To safeguard customer information and trade secrets, our subsidiaries specializing in automotive and stamping operations maintain TISAX information security certification and execute Non-Disclosure Agreements (NDAs) with all customers, clearly defining confidentiality obligations for technical, operational, and personnel-related information. Our information security management system covers data access controls, trade secret identification, and incident response protocols, ensuring customer data protection throughout design, manufacturing, and delivery stages.

As of 2024, LemTech Group received no customer privacy-related complaints, investigations, or penalties from external stakeholders or regulators, and experienced no confirmed incidents of personal data leakage, loss, or unauthorized access.

Responsible Marketing

Regarding responsible marketing, LemTech Group's subsidiaries specializing in automotive and stamping operations have established Product Quotation Standard Operating Procedures. These include compliance reviews during quotation processes and mandatory employee training to prevent any deceptive, misleading, or customer rights-infringing practices in marketing activities.

Product and Service Information Labeling

Most LemTech products such as custom-developed metal components, molds, and heat dissipation modules, are not sold directly to consumers, thus exempt from public labeling requirements. Nevertheless, we provide necessary product information and management measures per regulatory and customer requirements, ensuring 100% of delivered products undergo material and quality compliance verification as specified. This includes:

- **Supplier and Material Sourcing:** Provision of material sources and supplier information upon request, particularly for conflict minerals or specialty alloys.
- **Restricted Substance Content:** Test reports or material declarations provided according to legal requirements.
- **Product Usage Safety:** Design-phase evaluation of risks (e.g., laceration hazards, assembly difficulties) with provision of assembly guidance when required.

Throughout 2024, LemTech Group recorded no verified incidents of non-compliance regarding product/service information labeling or marketing communications (including advertising, promotions, and sponsorships) with applicable regulations or voluntary standards.

3.1.3 Supply Chain and Value Chain Management

LemTech Group leverages core competencies in mold development, precision stamping, mechanical assembly, and thermal management modules to establish a vertically integrated manufacturing system spanning material procurement to finished product delivery. This system serves diverse sectors including servers, communications, automotive electronics, and new energy vehicles. Emphasizing responsible supply chain management, we categorize our value chain into three key segments: upstream, midstream, and downstream, collaborating with partners across all stages to achieve quality, efficiency, and sustainability objectives.



- Centered on metal raw materials and critical components, primarily covering high-performance metals such as aluminum, copper, stainless steel, and electrolytic plates, complemented by components including heat pipes, vapor chambers, plastic injection parts, and standard hardware. Suppliers predominantly from China, Taiwan, and other Asian regions maintain long-term partnerships focused on quality consistency, delivery control, and material traceability.
- To enhance sustainability management, LemTech is progressively implementing the Responsible Business Alliance (RBA) Code of Conduct, requiring key suppliers to sign commitment letters. Supplier selection systems and regular on-site audits enforce responsible procurement and risk control.



- LemTech possesses comprehensive midstream production capabilities encompassing core processes: mold design, metal stamping, CNC machining, in-die riveting, surface treatment, and smart assembly. Business units provide customized design and simulation analysis services by application field, with independent R&D capabilities for thermal modules, slide rail modules, and automotive structural components.
- Implementation of digital systems (MES, SAP) integrates process control, quality inspection, and logistics traceability to enhance manufacturing efficiency and delivery reliability. Leveraging automation upgrades and green process design, we enhance integration advantages at the midstream stage while continuously advancing process improvements and resource efficiency.



- Established stable partnerships with global leaders in server, communication, and automotive system manufacturing. Provide integrated solutions from component development to module assembly. We possess JDM/ODM development capabilities, enabling rapid response to customer requirements with customized thermal and mechanical designs to enhance overall product performance and market competitiveness.
- Beyond integrated production within the Group, we offer localized support and technical services to strengthen real-time global collaboration with customers. We are committed to creating end-user value downstream, assisting clients in achieving energy efficiency, performance upgrades, and sustainability goals.

Supplier Management

Our supplier management encompasses a comprehensive process from new supplier onboarding, evaluation and review, qualified supplier classification, monthly performance assessments, to annual risk evaluations and audits. This ensures suppliers possess capabilities for stable delivery, quality assurance, and responsible operations.



New Supplier Introduction

The responsible department conducts preliminary market research, formally submits an application post-investigation, and initiates qualification reviews and on-site audits upon approval. Audit components include:

Corporate Qualifications

Business licenses, pollutant discharge permits, environmental assessment reports

Quality Certification

Compliance with customer requirements, special process capabilities

Risk Assessment

Supply capacity evaluation, certification credentials, regulatory compliance

Qualified Supplier Management

LemTech categorizes qualified suppliers based on evaluation results, establishing a stable cooperative supplier list. We execute quality agreements and environmental/social responsibility documents with critical material suppliers and subcontractors.

Monthly Performance Assessment

Procurement and Quality Assurance departments conduct monthly evaluations across delivery timeliness, quality performance and responsiveness efficiency. Suppliers scoring below threshold receive corrective action requests. Persistent non-compliance triggers supplier replacement procedures to ensure supply chain quality.

Annual Risk Evaluation and Audit

The Materials Department conducts annual supplier risk classification (High/Medium/Low) based on annual/monthly performance scores, quality/environmental certifications, and regulatory compliance records. High-risk suppliers undergo biannual on-site audits. Medium-risk suppliers receive annual desktop or on-site audits. Sampling frequencies and tracking methods are adjusted according to risk levels.

Sustainable Supply Chain

LemTech Group prioritizes sustainability responsibilities within its supply chain, requiring collaborative suppliers to adhere to corporate social responsibility principles and environmental regulations. During initial supplier vetting and contract execution phases, we comprehensively implement the RBA Code of Conduct, covering four key dimensions: labor rights, occupational safety, business ethics, and environmental responsibility. Formal written commitments are obtained through signed agreements.

As of year-end 2024, LemTech engaged 448 active suppliers, with 338 suppliers (75.4%) having executed binding Code of Conduct documents explicitly committing to environmental and social standards. Additionally, certain suppliers maintain third-party management system certifications as follows:

Suppliers certified to environmental management systems
(e.g., ISO 14001): 71 (15.8%)

Suppliers certified to occupational health and safety systems
(e.g., ISO 45001): 10 (2.2%)

Suppliers certified to quality management systems
(e.g., ISO 9001): 155 (34.6%)

LemTech will progressively strengthen supplier screening and audit processes, extending compliance commitments to non-signatories while expanding on-site verification and risk assessment coverage. This initiative aims to enhance overall supply chain sustainability resilience and transparency.



- Conduct EHS (Environmental, Health, Safety) audits for new and periodically evaluated suppliers, assessing regulatory compliance and performance in environmental protection, occupational safety, fire protection systems, waste gas/water management, and labor rights.
- Supplier qualification evaluations incorporate verification of ISO 14001, ISO 45001, or equivalent environmental/OHS management certifications.
- Utilize RBA criteria as audit benchmarks, requiring suppliers to commit to Responsible Business Alliance standards.



- Procurement units conduct conflict mineral surveys for metal material suppliers to prevent minerals sourced through exploitative practices or human rights violations in our supply chain, fulfilling our commitment to responsible sourcing.
- Key suppliers must execute Non-Disclosure Agreements, Quality Agreements, Integrity Compliance Clauses, and Corporate Social Responsibility Commitments.



- Suppliers are required to sign the "Supplier CSR Commitment Letter" based on the Responsible Business Alliance (RBA) Code of Conduct.



- LemTech Group prioritizes supply chain localization and regional economic contribution. To support local economies and reduce environmental impacts from transportation, we actively implement local procurement strategies favoring regional suppliers.
- 2024 local procurement ratio reached 82% (calculated by spend volume, with "local suppliers" defined as those registered within the same municipality as our facilities). Future improvements will refine regional classifications and expand statistical parameters for enhanced disclosure accuracy.



- Suppliers failing management system standards, audit requirements, or persistent monthly assessment failures undergo corrective guidance or replacement procedures to ensure supply chain quality and risk control. Client-designated suppliers require written approval before termination.

LemTech Group continues strengthening sustainable supply chain risk management. For suppliers with actual or potential adverse environmental/social impacts, we implement risk identification and improvement mechanisms through code of conduct commitments, documentation reviews, and preliminary on-site visits. In 2024, 75 new suppliers within the reporting scope completed risk assessments per internal procedures.

While comprehensive environmental impact assessments weren't fully implemented in 2024, our China subsidiary conducted preliminary checks of new suppliers' environmental permits, emission controls, and hazardous waste management capacity. Identified risks include heavy metal wastewater discharge, VOC emissions, and improper hazardous waste storage. These suppliers are now on watchlists for prioritized audits. We monitor labor conditions, occupational safety, and ethical risks. Though full social audits aren't yet implemented, RBA Code compliance requires no child/forced labor and safe working environments. Suppliers with higher risk profiles (e.g., migrant labor, subcontracting) are flagged for enhanced monitoring.

No suppliers were terminated for environmental/social non-compliance during the reporting period. Our "Prevention First, Corrective Guidance Priority, Progressive Improvement" approach will gradually establish formal audit systems. Future measures based on severity may include supplier tier demotion, rectification deadlines, or contract termination.

3.1.4 Innovation and R&D

LemTech recognizes the critical importance of R&D innovation for enhancing corporate competitiveness and sustainable development. Technological innovation misaligned with market trends and sustainability requirements risks wasting R&D resources and developing products incompatible with environmental standards. Simultaneously, process improvements may entail economic impacts from high energy consumption or new equipment investments.

Subsidiaries specializing in automotive and stamping businesses commit to allocating over 3% of annual sales revenue to an R&D innovation fund. This investment prioritizes mold innovation, process optimization, and new technology adoption. We actively pursue patent protection for R&D outcomes and certification for high-tech products, aiming to achieve sustainability goals including increased production capacity, workforce optimization, and reduced energy consumption. Furthermore, several LemTech Group subsidiaries in China have secured the "High-Tech Enterprise" designation. This recognition reduces corporate income tax burdens through the commercialization of R&D results, demonstrating the integration of technological innovation into our business strategy.

LemTech's R&D process comprises six key stages:

| Budget Planning | Project Initiation | Development & Validation |
|--|---|--|
| Annual R&D projects and funding are centrally planned by the R&D Center. | Cross-departmental review teams conduct feasibility assessments; projects launch upon senior management approval. | The R&D Center leads design, manufacturing, testing, and benefit evaluation. |

| Commercialization | IP & Certification | Team Recognition | Labor Savings & Efficiency Gains |
|--|---|--|--|
| Successful projects are integrated into mass production or processes, driving VAVE (Value Analysis/Value Engineering) cost improvements. | Patent applications are filed, and High and New Technology products or enterprise certifications are pursued. | R&D personnel receive rewards based on annual assessed cost-saving benefits. | Implementation of automated loading/unloading CNC lathes, laser cutting equipment, feeding platforms, and robotic arms reduced manual intervention and enhanced process stability. |
| Process Integration | | | Mold design projects adopted single-step forming and integrated processing techniques, effectively reducing production steps and lowering energy consumption and material waste. |
| Safety & Low-Carbon Production | | | Adoption of electric hydraulic presses and enclosed processing equipment significantly decreased operational noise and oil mist emissions. |

In 2024, R&D projects encompassed thermal module design enhancements, in-die tapping/riveting mold development, and high-frequency/high-speed connector metal terminal process technologies. These initiatives effectively support the low-carbon and high-performance demands of the information technology and electric vehicle industries.

Green R&D

LemTech continuously advances green R&D activities centered on "energy saving, carbon reduction, efficiency enhancement, and process integration." We strive to minimize environmental impact during product design and manufacturing while improving energy and resource efficiency. LemTech prioritizes "Green Innovation" in R&D planning and process improvement initiatives, allocating dedicated annual funds for equipment upgrades and mold optimization projects to tangibly implement sustainable manufacturing.

In 2024, multiple VE (Value Engineering) and mold improvement projects were executed, targeting:

In 2024, LemTech introduced multiple CCD inspection systems and automated control equipment to improve product consistency and processing precision while reducing energy and consumable waste. The integration of automatic feeding modules and streamlined production lines further reduced workstation counts and lowered energy intensity per unit of output.

All green R&D investment projects are managed according to internal corporate systems. Proposals are jointly submitted, evaluated, and approved by the R&D Center and relevant departments, with energy-saving, consumption-reduction, and cost-saving benefits rigorously calculated. Upon project completion, technical units and manufacturing sites conduct joint validation, followed by continuous performance tracking and reporting. This data serves as a critical foundation for future investment and improvement decisions. Through the execution of green R&D projects, LemTech not only strengthens manufacturing competitiveness but also proactively addresses global sustainability priorities including carbon reduction, energy conservation, occupational safety, and ESG risk management. This demonstrates the company's commitment and proactive measures in driving its green transformation.

3.2 Corporate Governance Practices

3.2.1 Board of Directors and Functional Committees

Board Operations and Composition

LemTech firmly believes that sound corporate governance forms the cornerstone of sustainable corporate development. We are committed to establishing an effective corporate governance framework guided by the principles of protecting shareholder rights, strengthening Board functionality, respecting stakeholder interests, and enhancing information transparency. We progressively implement systems and measures to continuously improve the quality and effectiveness of corporate governance, thereby pursuing the maximization of shareholder value and the sustainable operation of the enterprise.

The Board of Directors is the Company's highest governing body, responsible for decision-making and oversight of overall corporate strategy, risk management, sustainable development, and stakeholder concerns. In 2024, the Company's Board held 6 meetings, with an average director attendance rate of 95.45%. For significant operational and sustainability-related matters, senior management regularly provides project reports and explanations to the Board or its functional committees. These reports cover strategic planning, risk management, sustainability policy implementation, and major issue management, maintaining smooth and effective communication channels. Details regarding communication mechanisms and Board participation are available in the "Corporate Governance Operations" and "Sustainable Development Initiatives" chapters of the Annual Report.

Director Nomination and Election

The nomination and election of the Company's Directors are conducted in accordance with the "Articles of Incorporation" and the "Director Election Procedures." A comprehensive candidate nomination system is adopted, and elections are carried out following relevant provisions of the Company Act to ensure an open, fair, and transparent process. The list of candidates, after careful consideration and review by major shareholders and the Board, is submitted to the Annual General Meeting of Shareholders for election. The final decision is made through a legal vote by all shareholders.

The Company's Articles of Incorporation stipulate a Board composition of five to ten Directors serving three-year terms. "Director Election Procedures" are established, and the "Corporate Governance Practical Code" outlines the diversity policy for Board composition. Based on operational characteristics and development needs, the Company defines the desired professional backgrounds, skills, industry experience, gender, age, and nationality for Directors to plan appropriate Board configuration and succession.

During the nomination and election process, LemTech values stakeholder expectations and comprehensively considers Board diversity, independence, and professional capabilities. Director candidates may be nominated by major shareholders, the Board, or qualified professional recommending bodies. Candidates undergo careful assessment based on the "Corporate Governance Practical Code" and the Company's internal diversity policy to ensure members possess suitable backgrounds, skills, and experience profiles. The Company also appoints Independent Directors as required by law to strengthen supervisory functions and enhance overall governance effectiveness.

At the Annual General Meeting of Shareholders held on June 18, 2024, the sixth term of Directors was elected, serving from June 18, 2024, to June 17, 2027. The sixth-term Board comprises 7 members, including 3 Independent Directors. Beyond core expertise in mold development for electronic components, the members' professional backgrounds encompass diverse fields including technology industries, strategic planning, financial accounting, law, and international markets.

Three Board members (42.86%) hold employee (including managerial) positions within the Company. Similarly, three members (42.86%) are Independent Directors. Regarding gender composition, there are 6 male Directors (85.71%) and 1 female Director (14.29%), achieving the Company's target of having at least one female Director. In terms of age structure, among the 7 Directors, 1 is aged between 30 and 50, while the remaining 6 are above 50 years old, with no Directors under 30. The overall age distribution is primarily middle-aged and senior, bringing substantial experience and professional depth.

The Company's Chairman is elected by the Board in accordance with the law. Internally, the Chairman presides over Board meetings; externally, the Chairman represents the Company in exercising statutory authority. The Chairman works closely with the General Manager to ensure the integration of strategic direction and operational execution, enhancing decision-making efficiency and implementation.

Detailed information regarding the Company's Board diversity policy, independence assessments, specific management objectives, and their achievement status is comprehensively presented in the Company Annual Report.

Director Conflict of Interest Management

LemTech has established the "Code of Ethical Conduct and Procedures" and the "Rules of Procedure for Board Meetings" as the basis for preventing conflicts of interest among Directors, senior executives, and internal personnel. Directors shall comply with Article 15 of the "Rules of Procedure for Board Meetings" regarding agenda items involving a conflict of interest with themselves or the legal entities they represent. They must disclose the material aspects of such interests at the relevant Board meeting. If there is a potential detriment to the Company's interests, they may not participate in the discussion or voting, must abstain during deliberation and voting, and may not exercise voting rights on behalf of other Directors. If a Director's spouse, relatives within the second degree of kinship, or a company under the Director's control has a material interest in a Board agenda item, the Director is deemed to have a personal interest in that matter.

To ensure the sound functioning of governance checks and conflict-of-interest avoidance mechanisms, LemTech has appointed three Independent Directors, accounting for 42.86% of the Board. This strengthens the Board's oversight and balance functions, with strict enforcement of recusal requirements for proposals involving conflicts of interest. Details of Directors' recusals in 2024 are disclosed in the LemTech's Annual Report.

Director Sustainability Training

To enhance Directors' knowledge and capabilities in legal, economic, environmental, social, and risk management issues, the Company arranges annual training programs for Directors. Topics in 2024 included "Corporate Sustainable Development and Lean Production" and "Implementing Corporate Sustainability: Legal Liability Case Studies under Taiwan's Gender Equality Trilogy Legislation." The average training hours per Director in 2024 was 6 hours.

Performance Evaluation of Directors, the Board, and Functional Committees

To strengthen the responsibility and effectiveness of the Board and its functional committees in corporate governance and sustainability oversight, LemTech Holdings conducts annual internal performance evaluations in accordance with the "Board and Functional Committee Performance Evaluation Procedures." These evaluations assess the overall functioning of the Board, the performance of individual Directors, and the effectiveness of each functional committee. The evaluation covers Directors' participation and performance in areas such as organizational strategy, operations, risk management, sustainability oversight, and internal control.

The Company conducts an internal evaluation annually, coordinated by an impartial internal unit with no conflicts of interest. In accordance with internal procedures, the Company evaluates the need to engage an external independent institution or experts every three years to conduct a Board performance evaluation, with the aim of enhancing objectivity and reference value. Evaluation results are submitted to the Board for review in the first quarter of the following year and disclosed in the Company Annual Report to enhance transparency.

The 2024 Director performance evaluation was conducted via self-assessment. The overall converted score was 96.857 points (on a 100-point scale), indicating high self-recognition and positive evaluation by Directors regarding their fulfillment of duties. Performance evaluations of the Board and functional committees were conducted by the Finance and Accounting Department in accordance with the Company's established procedures. The assessment scope covered the overall functioning of the Board and the practical operations of the Audit Committee and Compensation Committee. Based on statistical compilation of scores, the performance scores for the Board, Audit Committee, and Compensation Committee were 96.735 points, 93.03 points, and 93.33 points (100-point scale), respectively. The overall results indicate that the corporate governance system is operating effectively, with Directors and committee members fulfilling their duties and exercising their professional responsibilities. Detailed evaluation results and implementation status of the Board and its functional committees are provided in the relevant sections of the Annual Report.

Compensation Policy for the Board and Senior Management

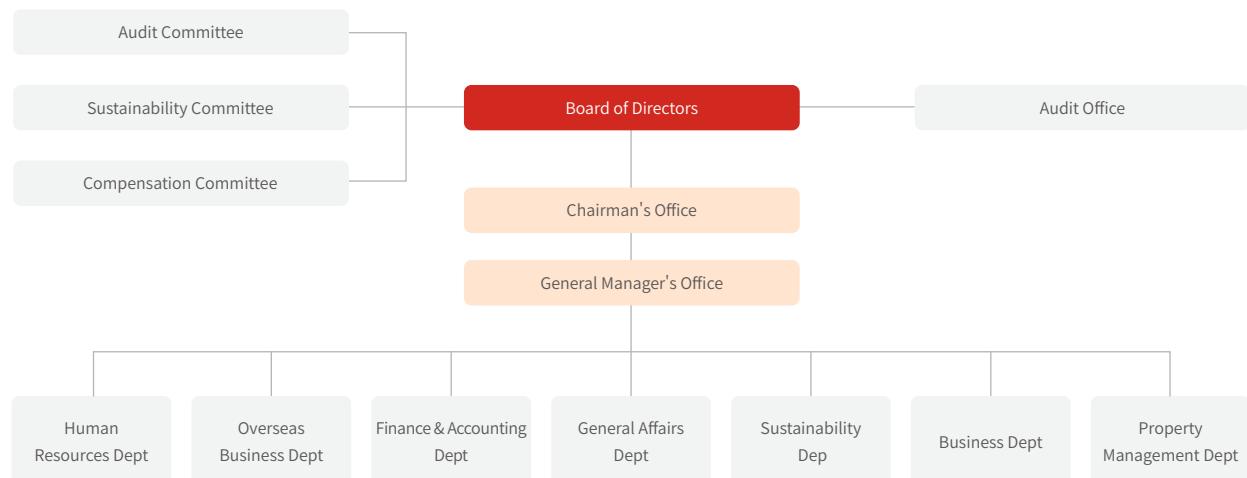
In accordance with the Company's Articles of Incorporation, relevant Cayman Islands laws and regulations, and listed company governance standards, the Company may allocate up to 2% of the current year's distributable earnings for Director remuneration. Distribution is reasonably allocated after comprehensive consideration of the Company's operational results and individual Directors' contributions. Relevant distribution proposals are resolved by the Board, submitted to the Shareholders' Meeting for approval, and the Chairman is authorized to determine the distribution schedule based on actual circumstances.

Senior executives'/managers' compensation includes fixed salaries, remuneration for concurrently held employee positions, holiday bonuses and employee profit-sharing applicable to their rank, as well as insurance and pension plans compliant with Company regulations and laws. Senior executives who concurrently serve as Directors may also participate in Director remuneration distribution as stipulated in the Articles of Incorporation. Their overall compensation is reviewed and recommended by the Compensation Committee based on individual performance, responsibilities, and market benchmarks, and is executed upon Board approval. The Company currently does not offer sign-on bonuses or recruitment incentives and has not yet established clawback provisions. However, we will continuously reference domestic and international corporate governance trends to explore the feasibility of incorporating such mechanisms.

The Company's compensation design adheres to the principles of market competitiveness and incentive effectiveness. It is currently based primarily on overall corporate performance and individual achievements. While economic, environmental, and social goals have not yet been formally incorporated into the compensation formulas for Directors and senior management, the Company is progressively exploring the inclusion of sustainability performance and KPI attainment in the annual evaluation criteria for senior executives. We will refer to material topics disclosed in the Sustainability Report and stakeholder expectations to explore feasible mechanisms linking compensation to sustainability performance.

Compensation Determination Process

The compensation system for Directors and senior management of LemTech Holdings is governed by the "Director Compensation and Remuneration Allocation Procedures" and the "Articles of Incorporation." Proposals are reviewed by the Compensation Committee and resolved by the Board of Directors. The Company has established a Compensation Committee in compliance with regulations, comprising three members who are all Independent Directors. The committee maintains full independence and exercises its authority under the prudent manager principle, holding 4 meetings in 2024. The Compensation Committee is responsible for formulating and periodically reviewing performance evaluation and compensation systems for Directors and managers. Review criteria include compensation structure, reward standards, performance measurement dimensions, and their linkage to risk control and corporate sustainability strategies. Evaluations consider individual performance, industry compensation benchmarks, corporate operational results, and future risk rationality.



Functional Committees

The Board has established three functional committees: Compensation Committee, Audit Committee, and Sustainability Committee.

Operations are summarized below. Please refer to our company's annual report for detailed information.

| Committee | Duties | Members | Attendance | Key Resolutions |
|--------------------------|---|---|------------|---|
| Compensation Committee | <ul style="list-style-type: none"> Formulate/review performance evaluation and compensation policies for Directors/managers. Evaluate compensation rationality based on individual performance, corporate results, industry benchmarks, and risk considerations. Avoid excessive risk-taking in the pursuit of rewards, and reasonably plan the ratio and timing of variable compensation disbursements. | Independent Director Mr. Cheng Jih-hsin Independent Director Mr. Wang Chi-chuan Independent Director Ms. Hsieh Yi-lin | 100% | <ul style="list-style-type: none"> Employee/Director remuneration allocation New personnel appointments Year-end bonus proposals for managers |
| Audit Committee | <ul style="list-style-type: none"> Oversee fair presentation of financial statements; appoint/dismiss auditors; ensure auditor independence/performance. Monitor effective internal control implementation. Supervise compliance with laws/regulations and management of existing/potential risks. | Independent Director Mr. Cheng Jih-hsin Independent Director Mr. Wang Chi-chuan Independent Director Ms. Hsieh Yi-lin | 100% | <ul style="list-style-type: none"> Annual/quarterly financial reports Major investment proposals Internal audit execution plans Internal control procedure amendments |
| Sustainability Committee | <ul style="list-style-type: none"> Establish CSR/sustainability goals; develop management policies and implementation plans; track execution progress/effectiveness. | Chairman Mr. Hsu Chi-feng Group General Manager Mr. Eu Han-huat Senior Finance Manager Ms. Chien Yi-ling | 100% | <ul style="list-style-type: none"> Sustainability initiatives progress Election of Chair/Convener |

3.2.2 Integrity Management and Regulatory Compliance

Integrity Management

LemTech upholds the principles of "Fairness, Honesty, Trustworthiness, and Transparency" in driving integrity management. Clear systems and implementation mechanisms are established at both headquarters and subsidiary levels to prevent fraud, strengthen ethical culture, and align with sustainable governance objectives. Headquarters has formulated the "Corporate Governance Practical Code" and "Code of Ethical Conduct and Procedures," explicitly requiring directors, managers, and all employees to adhere to anti-corruption principles, prohibition of improper benefits, conflict-of-interest disclosure, and management of political contributions and charitable donations. These systems encompass internal control design, supplier relationship management, and stakeholder communication. Directors and senior executives must sign commitment statements and regularly undergo integrity management training.

Subsidiaries have established "Business Ethics Control Procedures" and "Operational Integrity Control Procedures" tailored to local operations, expressly prohibiting employees from accepting or offering bribes, private benefits, illegal gifts, or improper entertainment. Employees are required to sign "Employee Integrity Agreements." Violations are subject to disciplinary actions and referral mechanisms. For cooperative suppliers, we promote the signing of "RBA (Responsible Business Alliance) Commitment Letters" to jointly foster responsible business conduct.

Anti-Corruption

Regarding anti-corruption risk assessment, the Company has not yet implemented a unified cross-site risk identification mechanism. However, Chinese subsidiaries have incorporated high-risk control guidelines into their systems. We will continue strengthening the comprehensive risk management framework and integrate anti-corruption training programs. Currently, Chinese subsidiaries require signed employee declarations and disseminate integrity policies through meetings and electronic communications. During the reporting period, LemTech Group received no validated cases of fraud or integrity violations. Our China operations maintain a whistleblowing channel via email and mobile reporting, with commitments to protect whistleblower identities and prevent retaliation. Other regions will implement comparable transparent and traceable reporting mechanisms to enhance governance consistency.

Regulatory Compliance

In 2024, LemTech incurred no significant regulatory violations, including no fines or non-monetary sanctions from authorities, and no penalties payable for current or prior years. Material violations are determined through internal compliance and risk management systems, evaluating whether violations involve core regulations (e.g., environmental protection, labor safety, integrity management, human rights, financial disclosure), significantly impact operations, finances, or corporate reputation, or result in substantial fines or administrative penalties.

Furthermore, as of this reporting period, LemTech Group is not involved in any litigation related to anti-competitive practices, monopolies, or antitrust violations, nor has it concluded any such legal actions. We strictly prohibit market segmentation, price monopolies, or other anti-competitive behaviors in compliance with local regulations. Compliance culture is reinforced through system design and training to ensure fair market order.

To ensure regulatory compliance is embedded in daily operations, the corporate governance unit oversees all compliance management activities. Through internal audits, executive training programs, and systematic policy reviews, it mitigates regulatory risks and strengthens a culture of compliance.

Grievance Redress and Reporting Mechanisms

LemTech recognizes the potential material impacts of corporate activities on the environment, society, and human rights. We commit to implementing appropriate remedial measures for verified adverse impacts directly or indirectly caused or contributed to by the Company. Depending on circumstances, we will proactively execute or collaborate with relevant stakeholders on improvement and compensation initiatives. Where negative impacts on employees, supply chain workers, the environment, or communities are confirmed, corresponding measures shall be provided, including remediation, consultation, improvement, or reasonable compensation, in accordance with the Code of Ethical Conduct, Human Rights Policy, and Occupational Health and Safety Standards. Relevant systems or operational procedures will be revised to prevent recurrence. Remedial actions may include personnel sanctions, operational adjustments, enhanced risk controls, or restorative compensation based on impact severity.

The Company has established internal grievance reporting and whistleblowing systems. Employees may report human rights violations, workplace misconduct, or improper behavior through HR contacts, anonymous suggestion boxes, or dedicated email channels. Additionally, external stakeholders (e.g., supplier employees, community residents) may submit concerns via the contact mechanism on our corporate website. All complaints undergo initial intake and documentation by relevant departments, with escalation to the Human Resources Department or Sustainable Development Committee as warranted. Investigations and follow-up actions are initiated based on the nature and severity of each case.

Beyond standard grievance procedures, the Company implements remediation and prevention through:



Periodic supplier audits and on-site inspections issuing corrective action notices with deadlines for violations (e.g., non-compliant labor conditions, RBA standard breaches), including assistance in developing improvement plans when necessary



Regular labor-management meetings establishing direct communication channels with worker representatives for timely issue resolution



Immediate remediation and pollution control coordinated with authorities upon environmental incidents



Cross-departmental reviews and process corrections for internally identified systemic risks

In the event of severe violations or safety incidents, investigations and disciplinary actions shall be initiated in strict adherence to internal control procedures, subject to assessment, actively engage with affected parties regarding remediation plans.

LemTech values stakeholder engagement and will collect feedback on mechanism usability through stakeholder consultations, supplier interviews, and surveys to optimize system design. Initial enhancements will increase process transparency and develop external partner usage guidelines to broaden accessibility and trust.

The corporate governance unit regularly analyzes complaint volume, resolution timelines, and closure rates, reporting significant case progress to the Sustainable Development Committee. In 2024, no cases requiring remediation mechanisms were recorded (e.g., material human rights violations, significant environmental damage, or supply chain accountability failures). However, minor cases regarding working condition improvements and process communication were resolved through labor-management meetings and managerial interviews, resulting in departmental procedure enhancements. We remain committed to improving redress systems while strengthening employee and external stakeholder engagement to ensure accountable responses to all impacts.

3.3 Risk Management

3.3.1 Risk Management and Governance

LemTech adheres to principles of prudent operations and sustainable development, establishing and continuously enhancing risk management systems to methodically address internal/external environmental changes and potential operational risks. This strengthens the Group's resilience against uncertainties. Regular operational risk assessments classify and track risks impacting operational stability and stakeholder interests (e.g., EHS compliance, information security, business continuity, workforce changes).

The Board of Directors holds ultimate responsibility for risk management, with all Directors possessing enterprise risk identification and management capabilities. The Board authorizes the Audit Committee to oversee the implementation of risk management mechanisms. An independent Internal Audit unit conducts verifications per annual audit plans, covering process effectiveness, system implementation, and internal control adequacy. Audit results are reported to the Board and Audit Committee, requiring corrective actions for anomalies with follow-up reviews. Departments also conduct self-assessments to strengthen frontline risk identification and organizational resilience.

| Risk Category | Risk Item / Scenario | Responsible Unit | Risk Mitigation & Response |
|------------------|---|---|---|
| Operational Risk | Raw material price volatility & supply chain risks <ul style="list-style-type: none"> Supplier-located governmental environmental policies have curtailed raw material production capacity, resulting in material shortages and price inflation, thereby constraining the company's output and increasing production costs Geopolitical instability causing price fluctuations | Supply Chain Dept. | <ul style="list-style-type: none"> Implement diversified procurement to consolidate material demand; proactively identify alternative materials and suppliers to establish resilient supply sources Maintain safety stock; monitor markets; improve the bargaining power of raw materials and products to flexibly adapt to production and sales demands Employ multimodal logistics for flexible adjustment of material and product flows |
| | Human resources risks <ul style="list-style-type: none"> Labor disputes affecting retention and reputation Aging demographic structure and industrial landscape, causing wage competitiveness to lag behind industry peers and competitors | HR Dept. Admin Dept. Operations Units | <ul style="list-style-type: none"> Ensure HR practices comply with international standards/local laws Maintain open labor-management communication channels Increase automation to optimize manpower demand, and improve production efficiency Offer competitive compensation and career development to retain talent and recruit |
| | Environmental & occupational safety risks <ul style="list-style-type: none"> Emergency incidents (fire, explosion) harming personnel/environment Industrial waste impacting communities/employees Inadequate controls causing injuries/financial losses | Admin Dept. Operations Units | <ul style="list-style-type: none"> Implement ISO 14001 & ISO 45001 systems, urge group enterprises to implement various energy-saving, carbon reduction, and waste reduction actions and hazard prevention measures to reduce the occurrence of disasters Implement professional and compliance training programs to enhance employee EHS awareness and ensure certified qualifications for operational procedures and hygiene licenses. Conduct health promotion initiatives with activity subsidies to foster a healthy workplace |

| Risk Category | Risk Item / Scenario | Responsible Unit | Risk Mitigation & Response |
|-----------------------------|---|---|---|
| Financial Risk | Exchange rate volatility <ul style="list-style-type: none"> Central bank policies causing currency fluctuations | Finance & Accounting Dept. | <ul style="list-style-type: none"> Monitor exchange rate fluctuations. It adjusts foreign currency holdings based on actual funding requirements and exchange rate trends Formulate hedging strategies and executes hedging operations using instruments such as forward exchange contracts |
| Information Risk | Cybersecurity risks <ul style="list-style-type: none"> Inadequate cybersecurity architecture design and insufficient controls over systems, equipment, networks, and privacy management increase susceptibility to system breaches and operational disruption risks | IT Management Dept. | <ul style="list-style-type: none"> Implement the ISO 27001 Information Security Management System to integrate and strengthen information security mechanisms Enforce information security education, training, and simulated drills to enhance cybersecurity awareness and emergency response capabilities A dedicated Information Security Manager and personnel are appointed to oversee cybersecurity protection duties |
| Compliance & Integrity Risk | Regulatory compliance <ul style="list-style-type: none"> Non-compliance with regulatory requirements (e.g., labor laws, corporate governance statutes, securities regulations) by enterprises or employees generates material operational risks | Admin Dept. Operations Units | <ul style="list-style-type: none"> Establish comprehensive internal regulations that clearly define operational procedures. These are reinforced through effective internal control systems and a whistleblower mechanism to ensure both corporate operations and employee conduct remain legally compliant Maintain real-time monitoring of legislative updates, with regular participation in regulatory briefings and training sessions organized by competent authorities. Internal education programs and legal compliance audits are conducted periodically to guarantee full adherence to applicable laws Special emphasis is placed on promoting integrity management and intellectual property protection, including mandatory ethics training programs and the execution of compliance pledge agreements |
| Other Risks | Climate change risks <ul style="list-style-type: none"> Net-zero emissions mandates across jurisdictions constrain corporate carbon allowances, disrupting raw material supplies and elevating operational costs while impairing production capacity Countries develop carbon tax/fee systems to increase operational costs for businesses Mandatory GHG inventory and verification reports requirements Extreme weather and climate events (heatwaves, droughts, floods, storms) increase agricultural production volatility and reduce cultivated acreage, causing product demand fluctuations. These climate disruptions also threaten feedstock supply stability and undermine production continuity | Sustainable Development Committee Operations Units | <ul style="list-style-type: none"> Strengthen decision-making operations management in production, processes, business models, and supply chains to promptly address various impacts arising from climate change Formulate group-wide greenhouse gas inventory and verification plans, accelerating sustainability talent development. Subsidiaries are progressively implementing ISO 14064-1 greenhouse gas inventory standards with third-party verification, while establishing carbon inventory systems and compliance management mechanisms Set water conservation targets through measurement and reduction initiatives to mitigate future water resource challenges Establish energy-saving goals by expanding self-consumed renewable energy facilities and increasing renewable energy utilization rates Develop waste reduction targets and implement reduction plans (including source reduction, exploring recycling potential for scrap materials/waste) to decrease waste generation and carbon emissions during waste processing |

3.3.2 Information Security Management

Information Security Policy

To safeguard information security throughout LemTech's product/service development, production, and delivery processes, prevent unauthorized access, alteration, misuse, or disclosure, and mitigate operational disruption risks from natural disasters or security incidents, we are committed to establishing and maintaining an Information Security Management System (ISMS). This ensures the confidentiality, integrity, and availability of critical information assets. All management measures comply with applicable regulations and customer requirements, while continuous improvements align with international standards like ISO/IEC 27001. These efforts strengthen external trust, fulfill commitments to customers and shareholders, and ensure stable, secure, and continuous core operations. In 2024, no major security incidents occurred, and no complaints regarding client privacy breaches or data loss were received.

We prioritize information security and client data protection. An ISMS compliant with ISO/IEC 27001 has been implemented and certified. To ensure effectiveness, the Company conducts at least one internal self-audit annually and one external audit by an impartial third party annually, and certificate revalidation every three years.

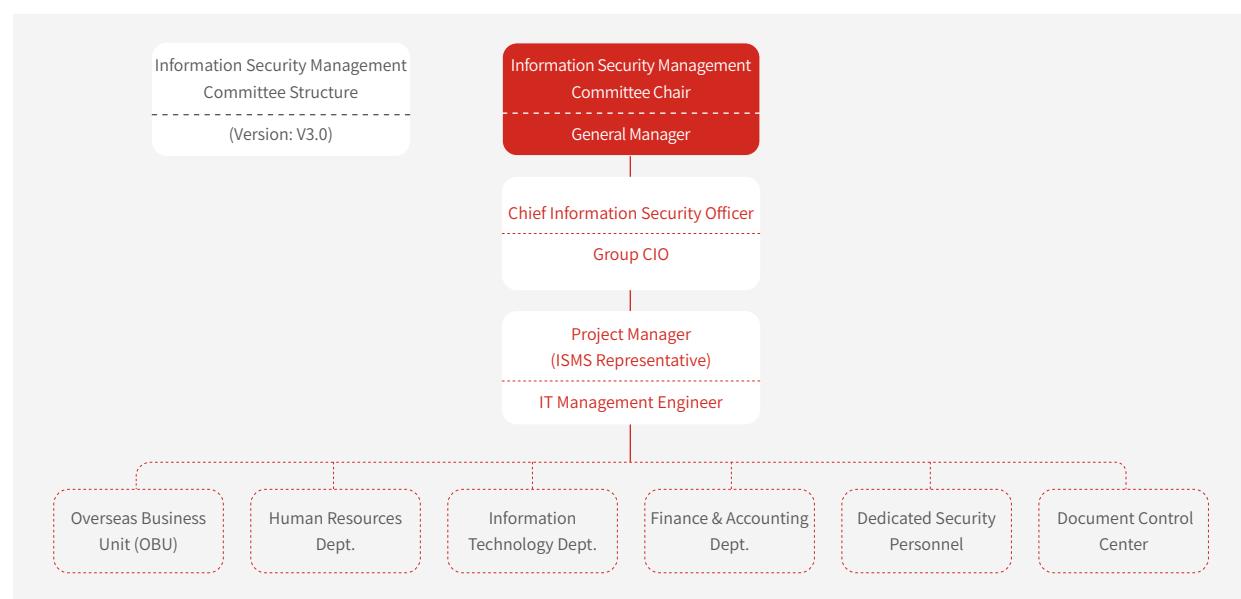
Current ISO/IEC 27001 certifications within the reporting scope:

| Company Name | Issuance Date | Expiry Date |
|--|---------------|-------------|
| LemTech Holdings Co., Ltd. | 2023/04/11 | 2026/04/10 |
| Lemtech Precision Material (China) Co., Ltd. | 2024/10/23 | 2027/10/22 |
| Kunshan Lemtech Slide Technology Co., Ltd. | 2024/03/13 | 2027/03/12 |

Information Security Organization

To fulfill ISO 27001 requirements, LemTech focuses on process standardization, regulatory compliance, and personnel training. This strengthens the security of data, information systems, equipment, and network communications, mitigating risks of information asset theft, misuse, leakage, tampering, or destruction caused by human error, malicious acts, or natural disasters. These measures uphold commitments to shareholders and clients while ensuring business continuity.

LemTech has established an Information Security Management Committee chaired by the General Manager, overseeing ISMS implementation, technical standards, and maintenance operations.



Information Security Measures and Action Results

Enhancing Employee Security Awareness

To ensure information security principles are implemented in daily operations, LemTech conducts regular information security training while periodically sending simulated phishing emails to test and elevate employees' threat response capabilities. Training content covers emerging security trends and major global incidents, supplemented by awareness campaigns to strengthen organizational vigilance. Violations of information security policies result in disciplinary actions per internal regulations, which factor into performance evaluations to mitigate risks and operational impacts. To strengthen all employees' cybersecurity awareness, the company conducts information security education through online courses and in-person sessions, covering critical topics including security awareness building, foundational cybersecurity knowledge, as well as phishing email identification and prevention.

2024 Information Security Training Metrics Trained Personnel: **440**, Total Training Hours: **634**



Information Security Policy Violation Records: **0**



Security Incident Reporting and Management

Per incident management protocols, all security events require immediate reporting and containment to restore operations within minimal downtime. No Level 3 or higher incidents occurred in 2024.

Business Continuity Management and Disaster Recovery Drills

To maintain critical operations during major disruptions, LemTech conducts annual testing including Business Continuity Plan tabletop exercises, security incident response simulations, and disaster recovery drills. These ensure stability of key application systems and operational resilience. Additionally, annual backup restoration tests verify data readability, media integrity, and recovery procedures to guarantee effective restoration within scheduled timelines post-disaster.

3.4 Operational Capability

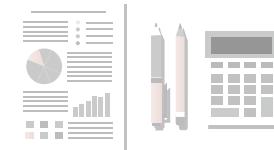
3.4.1 Financial Performance

In 2024, LemTech Group achieved consolidated revenue of NTD 5,799,711 thousand, representing 24.3% growth from NTD 4,664,224 thousand in 2023. This growth was primarily driven by stable order recovery from key clients, expansion in overseas market demand, and enhanced production efficiency through operational flexibility. Focused on elevating higher-margin product portfolios, integrating customer resources, strengthening partnerships with renowned enterprises, and maintaining prudent financial management with healthy income-expenditure balance.

| Year / Item | 2024 | 2023 |
|----------------------|-----------|-----------|
| Operating Revenue | 5,799,711 | 4,664,224 |
| Operating Profit | 560,084 | 328,523 |
| Net Profit After Tax | 401,977 | 260,095 |

Unit: NTD thousand

Note: Complete financial performance available in the Company's 2024 Consolidated Financial Report



LemTech is committed to generating robust economic value while distributing benefits to employees, shareholders, governments, and society. The 2024 direct economic value distribution is outlined below:

| Item | 2024 (thousand) | Description |
|--|-----------------------|---|
| Consolidated Revenue | 5,799,711 | Revenue from mold design, metal stamping, thermal modules, and key structural components |
| Operating Costs | 4,413,097 | Includes raw materials, outsourced processing, labor, and operational expenses |
| Employee Compensation | See financial reports | Salaries, bonuses, insurance, pension contributions |
| Government Payments (Income Tax) | 104,867 | Current/deferred tax (details in financial statement notes) |
| Shareholder Distributions (Cash Dividends) | 154,302 | Total cash dividends approved by the Board for 2024 |
| Community Investment & Philanthropy | 264 | Support for disadvantaged groups: educational care, livelihood assistance, community outreach |
| Retained Economic Value (Net Profit After Tax) | 401,977 | Net profit attributable to owners of the parent company |

Unit: NTD thousand

LemTech Group legally accessed government subsidies and incentives across operating regions to strengthen R&D capabilities, drive low-carbon transition, and support local operational stability. Relevant financial assistance details are as follows:

| | |
|--------------------------------|--|
| Assistance Type & Amount | During the reporting period, the Group's Chinese subsidiaries obtained fiscal subsidies recognized as other income under local regulations, totaling NTD 27,279 thousand. These subsidies primarily supported local operational development aligned with regional policy directives. |
| National Assistance Scope | All 2024 financial assistance was received from China operations. No material government subsidies were recognized at other operating locations, nor was direct financial aid received elsewhere. |
| Government Ownership & Control | As of the reporting date, no central or local government entities hold equity participation in LemTech Group. The Company is not controlled by nor subject to substantive influence from any governmental authority. |

3.4.2 Tax Policy

LemTech strictly complies with tax regulations across all operating jurisdictions, maintaining exemplary tax payment records to support socioeconomic stability and sustainable business development. We uphold integrity and operational transparency, regularly reviewing tax risks and cooperating with governmental audits to ensure accurate and timely tax filings. Applicable tax incentives (e.g., High-Tech Enterprise Certification) are legally accessed and fully disclosed, fostering R&D innovation and sustainable growth.

- 1 All material operational decisions strictly comply with applicable laws and regulations, incorporating comprehensive tax risk assessments to ensure regulatory compliance and financial soundness.
- 2 Financial reports fully disclose tax information in accordance with regulatory requirements, ensuring transparency and accuracy.
- 3 We maintain constructive relationships with tax authorities across jurisdictions based on mutual trust and good faith.

Recent Tax Data

| Item | 2024 | 2023 |
|------------------------|---------|---------|
| Profit Before Tax | 534,012 | 299,570 |
| Income Tax Expense | 104,867 | 25,071 |
| Effective Tax Rate (%) | 19.63 | 8.36 |
| Income Tax Paid | 60,410 | 116,077 |
| Cash Tax Rate (%) | 11.31 | 38.74 |

Unit: NTD thousand

Note: Complete information available in the Company's 2024 Consolidated Financial Report

3.4.3 Policy Influence

LemTech actively engages with cross-industry associations and organizations to foster collaborative relationships with industrial peers and government entities, expanding external engagement channels. Through multi-stakeholder dialogue and cooperation, we monitor policy developments, global trends, and sustainability directions to strengthen capabilities in corporate governance, environmental management, and social responsibility – continuously driving organizational growth and innovation.

LemTech's 2024 Association Memberships

| Category | Organization/Association | | |
|-----------|---|--|---|
| Technical | Taiwan Electrical and Electronic Manufacturers' Association | Taipei Computer Association | |
| Other | Taiwan Listed Companies Association | The Third Wednesday Entrepreneur Group Republic of China | Taiwan Smart Electric Bicycle Association |



Through these engagements, the Company continuously integrates external expertise while collaborating with government and industry to advance sustainability initiatives including digital transformation, low-carbon manufacturing, talent development, and responsible supply chain management. This enables meaningful contributions to enhancing industrial competitiveness and corporate sustainable value.

04

Environmental Management & Climate Action

Our actions

- 4.1 Environmental Policy
- 4.2 Climate Risk Management
- 4.3 Energy Management & GHG Emissions
- 4.4 Water Resource Management
- 4.5 Waste Management



Management Policies

| Material Topics | Potential Impact & Scope of Influence | Policy Commitments | Action Summary | Performance Tracking & Stakeholder Engagement |
|-------------------|---|---|---|--|
| Energy Management | <ul style="list-style-type: none">High-energy-consumption equipmentInsufficient renewable energyInaccurate carbon emission calculations | LemTech prioritizes energy management, progressively implementing ISO 50001 Energy Management Systems and ISO 14064-1 GHG verification frameworks across sites. We commit to building capabilities for organizational carbon accounting and product footprinting to enhance carbon management efficacy. | <ul style="list-style-type: none">Installed solar panels with "self-generation for self-consumption" as core renewable strategy and leased factory rooftops for solar installations to maximize green energy capacityCompleted baseline carbon audits and energy equipment assessments at key sitesImplemented multiple environmental investments (detailed in Environmental Investments section) | <ul style="list-style-type: none">Annual consolidation and analysis of energy/carbon data integrated into management KPIsPublic disclosure of performance data in sustainability reports to ensure transparency |
| Waste Management | <ul style="list-style-type: none">Non-compliance with waste regulations | LemTech commits to phased implementation of ISO 14001 Environmental Management Systems across operations. Waste classification, transportation, and disposal strictly follow regulatory requirements to ensure environmental compliance. | <ul style="list-style-type: none">Conducted environmental training programs and hazardous waste spill response drills.Contracted certified waste disposal vendors with legally binding agreements stipulating compliance responsibilities and regulatory obligations, ensuring lawful and environmentally sound waste management practices. | <ul style="list-style-type: none">Quarterly wastewater testingSet annual targets for waste recovery/reduction and disposal cycles and maintained detailed outsourcing records for performance tracking |

4.1 Environmental Policy

LemTech commits to complying with environmental and energy regulations governing operations, products, and services. We implement measures aligned with customer requirements and government policies, proactively advancing pollution prevention and environmental improvements to progressively reduce operational impacts.

 **Environmental Management Principles**

- Continuous Regulatory Alignment: Conduct regular legality reviews to ensure operations comply with latest regulations.
- System Verification: Maintain effective management systems through internal audits and third-party certifications.
- Proactive Standardization: Progressively implement ISO 14001 across sites while monitoring global environmental trends. This balances operational performance with regulatory compliance, reduces environmental impacts, and advances sustainable development goals.

 **Stakeholder Communication Channels**

Dedicated contact points on our official website and this report facilitate two-way communication with stakeholders (customers, employees, shareholders, suppliers, governments, NGOs, media). All environment-related concerns are addressed through established internal procedures with timely responses.

 **Environmental Education & Awareness**

To strengthen employee environmental consciousness, LemTech installs ESG information boards and displays policy banners at major facilities. These initiatives deepen understanding of environmental protection importance through continuous advocacy.




Environmental Investments

| Investment Type | Description | Investment Start Year | Cumulative Investment | Benefits |
|-----------------------|--|-----------------------|---|---|
| Solar Power Equipment | <p>In 2024, Lemtech Precision Material completed initial solar power equipment installation on Phase I and II factory buildings. Phase III solar panel installation is scheduled for 2025, advancing green energy adoption to reduce operational carbon emissions.</p> | 2023 | <p>Lemtech Precision Material leases rooftop space on Phase I and II factory buildings to partners for solar power system installation, repurchasing generated electricity at 75% of market rate per contractual terms.</p> | <ul style="list-style-type: none"> • 147 KW total capacity • 9,260 m² total panel area • 1.64M kWh projected annual generation • 1.6M kWh cumulative output • 1,128.42 tCO2e annual reduction |

| Investment Type | Description | Investment Start Year | Cumulative Investment | Benefits |
|----------------------------|---|-----------------------|-----------------------|---|
| Rainwater Collection Tanks | Lemtech Precision Material installed rainwater collection tanks within the facility premises. Reclaimed water is utilized for landscape irrigation and sanitation, reducing municipal water dependency and enhancing water resource efficiency. | 2023 | 310,000 RMB | <ul style="list-style-type: none"> • 500-ton annual rainwater reuse • Mitigated flood risks during heavy rainfall |
| Forklift Replacement | Lemtech Precision Material replaced diesel forklifts with rechargeable electric models, reducing operational carbon emissions while improving workplace safety and environmental friendliness. | 2024 | 139,000 RMB | <ul style="list-style-type: none"> • 10 units replaced • 3,000 liters diesel saved annually |
| Charging Stations | To incentivize low-carbon commuting, Lemtech Precision Material installed electric vehicle charging stations and e-scooter charging points onsite, actively promoting transportation electrification to reduce commute-related emissions. | 2024 | 94,500 RMB | <ul style="list-style-type: none"> • 10 car charging stations • 100 e-scooter charging points |
| Lighting Retrofit | Lemtech Precision Material upgraded facility lighting by replacing conventional streetlights with solar-powered systems, enhancing energy efficiency and reducing carbon emissions. | 2024 | 8,280 RMB | <ul style="list-style-type: none"> • 6 streetlight units retrofitted |

4.2 Climate Risk Management

The Board of Directors serves as the highest decision-making body for the Company's climate risk management. It has delegated management to be responsible for identifying and assessing climate-related risks to ensure compliance with relevant regulations, and for executing tasks including risk and opportunity assessment, strategy formulation, financial impact analysis, risk management, and target setting. When potential climate risks are assessed as material, external experts are engaged as needed to provide input, thereby enhancing decision-making quality.

The Company's management team continuously monitors climate risks closely, evaluating how identified risks and opportunities impact the enterprise's business, strategy, and financial condition (including short-, medium-, and long-term perspectives). Regarding the potential impacts of climate change on the Company's operations, management is responsible for coordinating various departments to establish contingency procedures. This enhances process improvement efficiency, strengthens crisis response capabilities, and ensures the Company's stable operations. The effectiveness of climate-related project implementation is tracked through department head meetings, actively working to achieve the short-, medium-, and long-term goals established by the management team.

Identified Climate Related Risks and Opportunities

| Risk Timeframe | Risk Name | Potential Impact on Operational Strategy | Potential Financial Impact | Mitigation Measures |
|----------------|----------------------------|---|--|--|
| Short-term | Rising Raw Material Costs | Due to global climate consensus leading to fossil fuel industry constraints, commodity prices increase. | <ul style="list-style-type: none"> Increased volatility in raw material costs, leading to higher expenditures. | <ul style="list-style-type: none"> Diversify the supply chain database to avoid overreliance on single or concentrated suppliers. Develop core R&D capabilities and implement strategic procurement plans. |
| Mid-term | Shift in Customer Behavior | Regulatory compliance and heightened market/consumer sustainability awareness drive customers to seek supply chain partners meeting decarbonization expectations. The Company must proactively respond. | <ul style="list-style-type: none"> Operational activities require procurement or replacement with low-carbon technologies to reduce emissions. Potential customer attrition during transition. | <ul style="list-style-type: none"> Develop low-energy-consumption or high-efficiency manufacturing processes. Adopt low-carbon energy sources and materials to reduce emissions. Diversify business operations to avoid overconcentration and mitigate customer attrition risk. |
| Long-term | Carbon Fee Levies | Supply chain partners being subject to carbon fees leads to increased component procurement costs. | <ul style="list-style-type: none"> If supply chain partners are subject to carbon fees, pass-through effects will increase component costs. | <ul style="list-style-type: none"> Continuously monitor regulatory updates in production site jurisdictions. Develop and maintain relationships with secondary and tertiary suppliers. |

| Opportunity Timeframe | Opportunity Name | Potential Impact on Operational Strategy | Potential Financial Impact |
|-----------------------|------------------------------|---|---|
| Short-term | Energy Sourcing | <ul style="list-style-type: none"> Reduce purchased electricity and lower carbon emission costs by installing solar panels or photovoltaic systems. | <ul style="list-style-type: none"> Decrease carbon emission costs through the use of low-carbon energy sources. |
| Mid-term | Service & Product Innovation | <ul style="list-style-type: none"> Enhance product and service efficiency using new technologies and materials, establishing a carbon footprint database to continuously improve processes and reduce emissions. | <ul style="list-style-type: none"> Introduce carbon footprint assessment capabilities to meet customer net-zero requirements and expand partnership opportunities. |

4.3 Energy Management and Greenhouse Gas Emissions

Energy Use Policy

Energy Usage Policy LemTech's primary energy source is electricity, with a small amount of fossil fuels used for specific processes. Given this profile, the Company focuses its energy management on enhancing energy efficiency and progressively increasing the proportion of renewable energy. LemTech is committed to reducing energy consumption and environmental impact during operations through measures such as upgrading energy-saving equipment and improving process efficiency. In 2024, several energy-saving improvement initiatives were implemented at facilities in China and Taiwan. Although a comprehensive energy management system and measurement database have not yet been fully established, preliminary benefit assessments have been conducted for key projects to serve as the foundation for future inventory checks and emission reduction targets.

To strengthen systematic management, the Company is progressively implementing the ISO 50001 Energy Management System. A dedicated unit regularly analyzes major energy-consuming equipment and hotspots to plan and advance energy improvement projects. Progress and outcomes of these projects are reviewed in periodic meetings, facilitating cross-facility knowledge sharing to continuously enhance overall energy performance.

The LemTech Group recognizes that indirect energy consumption from supply chain and outsourced operational activities critically impacts the enterprise's overall environmental footprint. However, under current regulations from Taiwanese authorities, energy and carbon emission disclosure requirements for publicly listed companies are currently limited to Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity). In 2024, the Group has not yet fully inventoried external energy consumption (e.g., energy used in outsourced logistics or supplier processes) but has incorporated this into its sustainability transformation roadmap, with plans to gradually implement external energy and carbon emission inventory processes.

Energy Consumption

| Energy Category | Unit | 2024 |
|--------------------------------|---------------------|-----------------------------------|
| Electricity | Grid Electricity | kilowatt-hour (kWh) 12,563,501.98 |
| | Electricity | gigajoule (GJ) 45,228.61 |
| | Solar Power | kilowatt-hour (kWh) 1,603,270.4 |
| | Generation | gigajoule (GJ) 5,771.77 |
| Gasoline | | liter (L) 50,828.73 |
| | | kilowatt-hour (kWh) 483,620 |
| | | gigajoule (GJ) 1,739.36 |
| Diesel | | liter (L) 8,540.41 |
| | | kilowatt-hour (kWh) 91,646 |
| | | gigajoule (GJ) 329.69 |
| Total Non-Renewable Energy | kilowatt-hour (kWh) | 13,138,767.98 |
| Total Renewable Energy | kilowatt-hour (kWh) | 1,603,270.4 |
| Renewable Energy as % of Total | % | 10.88 |

Note: To enhance transparency and comparability of energy usage, this report converts all corporate energy consumption data into standardized units – kilowatt-hours (kWh) and gigajoules (GJ) – in accordance with internationally and domestically recognized standards and guidelines. This facilitates subsequent aggregation, analysis, and comparison with renewable energy sources. The energy consumption data disclosed herein covers only the companies within the reporting boundary of this report and does not yet encompass the entire Group. Data coverage will be progressively supplemented and refined in subsequent reports.

In 2024, the LemTech Group generated minimal sulfur oxide (SO_x) emissions from gasoline and diesel used by in-plant vehicles and operational machinery. Based on fuel consumption and sulfur content, estimated emissions are as follows:

| Emission Gas Category | Fuel Used | Consumption (Liters) | Emissions (kg) |
|----------------------------------|-----------|----------------------|----------------|
| Sulfur Oxides (SO _x) | Gasoline | 50,828.73 | 0.75 |
| | Diesel | 8,540.41 | 0.14 |
| Total SO _x Emissions | | 59,369.14 | 0.89 |

Total sulfur oxide (SO_x) emissions amounted to 0.89 kg. No data is available for nitrogen oxides (NO_x), persistent organic pollutants (POPs), hazardous air pollutants (HAPs), or particulate matter (PM) emissions this year. Emission calculations adopted the operational control approach to define boundaries, using equipment consumables statistics and environmentally compliant testing data for estimation. Certain figures remain estimates pending third-party verification; methodologies will be continuously refined.

Energy conversion coefficients and carbon emission factors used in this report primarily reference the following sources:

- IPCC 2006 Guidelines for National Greenhouse Gas Inventories (Chapter 5: Stationary Combustion)
- Carbon Emission Factor Management Platform published by Taiwan's Ministry of Environment
- Emission Coefficient Bulletin from Taiwan Power Company (Taipower)
- Pollutant Emission Coefficient Manual from China's Ministry of Ecology and Environment
- Air Pollution Prevention and Control Design Manual by Taiwan's Environmental Protection Administration

| Performance Indicator | Unit | 2024 |
|--|---------------------------|-------|
| Electricity Consumption per Unit Revenue | 100 kWh / million revenue | 24.43 |
| Renewable Energy in Electricity Mix | % | 11.32 |

Note: These indicators are calculated using electricity consumption data from companies within this sustainability report's statistical boundary, divided by LemTech Holding's consolidated financial statement operating revenue. Due to slight discrepancies in statistical boundaries between environmental and financial data, this intensity metric is for reference only. Statistical boundaries will be progressively aligned to enhance comparability.

Greenhouse Gas Emissions

Confronting intensifying global climate change and carbon regulations, enterprises must continuously reduce greenhouse gas emissions from operations to mitigate environmental impact. Should LemTech's Scope 1, 2, and 3 carbon emissions increase annually, it may face rising carbon fee (tax) burdens, failure to meet decarbonization requirements of key customers or markets, and even compromised fulfillment of its carbon reduction commitments – posing regulatory compliance, reputational, and market competitiveness risks. As a provider of metal forming and precision module solutions serving industries highly sensitive to supply chain carbon footprints (including servers, communication equipment, and electric vehicles), low-carbon manufacturing capabilities and green product design are increasingly becoming critical competitive advantages. Consequently, we persistently advance carbon inventory initiatives across all facilities and develop short-, medium-, and long-term decarbonization action plans based on findings, responding to expectations from customers, government policies, and stakeholders regarding sustainability transformation.

Since 2023, LemTech has established a greenhouse gas inventory mechanism aligned with ISO 14064-1 standards for emission quantification and management. In 2024, key operating subsidiaries progressively completed third-party verification, gradually expanding coverage to all manufacturing sites and critical service units. We will continue advancing toward comprehensive inclusion of all subsidiaries within the consolidated financial statements, enhancing inventory completeness and transparency while strengthening capabilities to address carbon pricing and customer supply chain decarbonization requirements.

Scope 1 and Scope 2 Greenhouse Gas Emissions

Since 2023, LemTech Group has initiated phased carbon inventory initiatives. For major operational sites in China and Taiwan, Scope 1 and Scope 2 greenhouse gas inventories were conducted in accordance with ISO 14064-1 standards, with progressive expansion to other sites planned annually. Below are the inventory results and methodology description:

| Scope Category | Unit | 2024 |
|----------------|-------------------------------|----------|
| Scope 1 | | 582.02 |
| Scope 2 | metric tons CO ₂ e | 6,119.24 |
| Total | | 6,701.26 |

Note: The greenhouse gas emissions data disclosed in this report are consolidated according to the reporting boundary specified herein. Covered entities are detailed in the Reporting Scope and Boundary section.

Covered Gas Types

The Company's Scope 1 emissions primarily derive from fuel combustion, encompassing three gas types: carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O) as well as hydrofluorocarbons (HFCs). Process-related gases such as PFCs, SF₆, or NF₃ are not included.

Biogenic CO₂ Emissions

No biomass fuels were used during this reporting period, resulting in zero biogenic CO₂ emissions.

Base Year and Baseline

2024 represents LemTech's inaugural carbon inventory exercise, and full Group coverage has not yet been achieved. Consequently, a base year has not been formally established. Future expansions of operational coverage or significant operational changes will trigger adjustments to base year determination.

Applied Emission Factors and GWP Sources

China operations: "China Regional Grid Average Emission Factors (2023)" and IPCC 2006 Guidelines

Global Warming Potential (GWP) values: IPCC latest Assessment Report 100-year timeframe

Emission Boundary and Calculation Methodology

Scope 1 inventory boundaries were defined using the Operational Control Approach, covering four primary manufacturing facilities and equipment under the Group's direct operational management.

Methodology and Tools

Emission calculations followed ISO 14064-1 standard procedures. Inventories for Chinese facilities were completed with third-party consultant support and internal review, pending external verification statements.

Greenhouse Gas Emission Types and Performance Indicators

| Performance Indicator | 2024 |
|---|------|
| Emissions per Unit Revenue (tCO ₂ e/million TWD) | 1.16 |

Note: This indicator is calculated by dividing the total Scope 1 and Scope 2 greenhouse gas emissions from companies within this sustainability report's statistical boundary by LemTech Holding's consolidated operating revenue. Due to minor discrepancies in coverage between environmental and financial data, this intensity metric is for reference only. Statistical boundaries will be progressively unified to enhance data consistency and comparability.

Energy Transition

With extreme weather becoming the new normal, global enterprises are increasingly responding to the RE100 initiative by adopting renewable energy to reduce carbon emissions and mitigate global warming. LemTech actively aligns with this international energy transition trend, advancing renewable energy applications across Group operations. The Company's core renewable energy strategy centers on "self-generation for self-consumption." We prioritize installing solar power systems on leased factory rooftops to utilize idle space for expanded green energy production, while actively establishing partnerships with regional renewable energy providers to enhance usage efficiency. In 2024, LemTech subsidiaries deployed solar systems generating 1.6 million kWh annually, with 1.54 million kWh consumed onsite. This demonstrates progressively increasing renewable energy integration in operational electricity use. We will continue expanding renewable applications across facilities to strengthen green manufacturing capabilities and fully embed energy transition into corporate operations.



Solar Panel Installation

4.4 Water Resource Management

LemTech's primary processes center on metal stamping and assembly, resulting in relatively limited overall water demand. Water usage across operational sites is predominantly for sanitary/amenity purposes, including employee daily consumption, kitchen facilities, cooling towers, and other facility operations. Through internal assessment, all LemTech facilities currently source water exclusively from local municipal supplies, presenting low risk to watersheds and surrounding ecosystems. Despite modest consumption levels, LemTech prioritizes water stewardship through ongoing data collection, regular facility usage reviews, and implementation of water conservation measures aligned with government policies. Select sites periodically conduct employee awareness campaigns to foster conservation practices, strengthening the Company's commitment to resource efficiency and environmental responsibility.

| Water Source | Unit | 2024 |
|-----------------|----------------|-----------|
| Municipal Water | m ³ | 53,303.73 |

Note: Water consumption data disclosed herein is consolidated per this report's boundary. Covered entities are detailed in the Reporting Scope and Boundary section.

| Performance Indicator | 2024 |
|---|------|
| Water Consumption per Unit Revenue (m ³ / million TWD) | 9.19 |

Note: This indicator divides statistical water usage from companies within this report's boundary by LemTech Holding's consolidated operating revenue. Due to slight discrepancies between environmental and financial data coverage, this intensity metric is for reference only. Statistical boundaries will be progressively unified to enhance comparability.

Wastewater Treatment

Wastewater generated at LemTech facilities primarily originates from employee daily activities and partial cleaning/filtration equipment in production lines. Domestic wastewater is uniformly collected through underground pipelines and discharged into municipal sewer systems for nearby treatment facilities, with no direct release into natural water bodies. This results in limited environmental and ecological habitat impact.

To effectively monitor effluent quality and ensure regulatory compliance, LemTech's primary sites implement management procedures per internal "Wastewater, Air Emissions, and Noise Management Regulations." Key protocols include:

- Annual water quality monitoring is conducted by accredited third-party agencies or local environmental authorities commissioned by the Administration Department.
- Regular inspections and visual patrols, with anomalies addressed per "Environmental Anomaly and Corrective Action Control Procedures."
- Documented archiving of water quality reports by the Administration Department, incorporated into continuous improvement tracking.
- Quarterly water quality monitoring at a minimum, with frequency adjustments based on operational conditions.

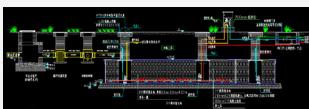


Additionally, LemTech is progressively implementing ISO 14001 Environmental Management System certification across the Group. This integrates wastewater risk management into daily operations, ensuring sustained environmental responsibility and full regulatory adherence.

Wastewater Test Report

Water Recycling and Rainwater Harvesting

LemTech actively enhances water efficiency through reuse initiatives. Water recycling systems have been installed for mold wire-cutting processes, significantly reducing consumption in cleaning and cooling operations. Furthermore, a 500 m³ rainwater collection cistern was completed in 2024 for landscape irrigation and non-contact reuse applications. Through water recycling and rainwater harvesting, the Company continuously optimizes water usage structures, fulfilling its commitment to resource conservation and sustainable operations.



Rainwater Collection Cistern Design



Underground Cistern Construction

4.5 Waste Management

LemTech commits to avoiding prohibited substances and materials while actively promoting waste reduction and resource recycling. The Company implements stringent standards for raw material selection and supplier management, continually seeking environmentally preferable alternatives. Through process improvements, we advance greener production methods aligned with environmental regulations and client requirements, striving to meet or exceed established sustainability targets.

LemTech adopts a dual strategy of "source reduction" and "resource recovery" for waste management. We enforce comprehensive waste segregation, enhance recyclable material recovery efficiency, and ensure proper treatment of hazardous components. The Group is progressively establishing a robust waste inventory and tracking mechanism to monitor volumes, disposal pathways, and treatment methods, optimizing resource efficiency while reducing environmental burdens and operational costs to create sustainable competitive advantages.

Waste Management Practices

LemTech has established clear environmental objectives and KPIs for hazardous and non-hazardous wastes from production and equipment maintenance. Materials including greases, motor oils, gear oils, toner cartridges, and fluorescent tubes are managed through centralized drum collection or scheduled vendor recovery programs, ensuring compliant disposal per regulatory and internal standards. These measures mitigate environmental risks while improving resource efficiency and pollution prevention capabilities.

Furthermore, as LemTech's core operations (metal stamping and mold manufacturing) involve no ozone-depleting substances (ODS) regulated under the Montreal Protocol, the Group is neither an ODS producer, trader, nor importer/exporter. During 2024, LemTech recorded zero ODS procurement, usage, or emissions, fully complying with international environmental standards and sustainability commitments.

Education and Training

LemTech prioritizes waste segregation in daily operations and office environments. Prominent sorting instructions are displayed beside all waste bins, supplemented by awareness campaigns educating employees on proper classification. These initiatives emphasize recycling's role in resource conservation and ecological protection, cultivating company-wide environmental consciousness and proactive behavior.



Waste Sorting Slogans

Clean Processes and Air Quality Improvement Measures

LemTech's production processes may generate fine particulate matter, potentially impacting workplace air quality. To mitigate environmental and employee health risks, the Company has installed electrostatic precipitators that effectively capture and filter airborne particles. This system purifies emissions while recovering reusable particulates, delivering dual benefits of pollution control and resource recovery, demonstrating our commitment to clean production and circular economy principles.



Electrostatic Precipitator Equipment

Hazardous Waste Spill Response Drills

LemTech conducts annual hazardous waste spill emergency drills using a "pre-drill briefing + field simulation" integrated approach. Scenarios simulate on-site hazardous material leaks contaminating surfaces. These exercises enhance personnel proficiency in response protocols, spill containment techniques, and cross-departmental coordination, elevating incident response capabilities while continuously improving operational safety and environmental risk control.



Pre-Drill Briefing for Hazardous Waste Spill



Field Simulation Exercise

Waste Generation

The Company possesses no on-site waste treatment facilities. All waste is processed by licensed external contractors for recycling or final disposal, with zero on-site treatment. Operations strictly comply with local environmental regulations, with corresponding transport and treatment certificates obtained. Disclosed waste data reflects exclusively off-site disposal weights.

As non-hazardous waste is uniformly handled by external vendors (some unable to provide complete disposal categorization data: recycling/incineration/landfill), this report estimates treatment ratios based on historical records and industry norms, approximately 60% recycling, 30% incineration and 10% landfill. LemTech will strengthen contractor collaboration to enhance data transparency and categorization accuracy moving forward.

| Waste Type | Recovery / Disposal Operation Classification (Unit: metric tons) | 2024 |
|---------------------|--|----------|
| Hazardous Waste | Preparation for Reuse | 0 |
| | Recycling | 0.94 |
| | Other Recovery Operations | 0 |
| | Incineration (with energy recovery) | 0 |
| | Incineration (without energy recovery) | 3.38 |
| | Landfill | 0 |
| Non-Hazardous Waste | Other Disposal Operations | 42.6 |
| | Subtotal | 46.92 |
| | Preparation for Reuse | 0 |
| Non-Hazardous Waste | Recycling | 6,903.47 |
| | Other Recovery Operations | 0 |

| Waste Type | Recovery / Disposal Operation Classification (Unit: metric tons) | 2024 |
|------------------------------|--|-----------|
| Non-Hazardous Waste | Incineration (with energy recovery) | 0 |
| | Incineration (without energy recovery) | 3,451.74 |
| | Landfill | 1,150.58 |
| | Other Disposal Operations | 0 |
| Subtotal | | 11,505.79 |
| Total Waste Generated | | 4,648.3 |
| Total Waste Recovered/Reused | | 6,904.41 |

Notes:

1. Certain hazardous waste is processed by licensed contractors through D9 physicochemical treatment for hazard neutralization or stabilization, classified as "Other Disposal Operations" as it constitutes final treatment.
2. Waste data disclosed herein is consolidated per this report's boundary. Covered entities are detailed in the Reporting Scope and Boundary section.

Waste Management Performance

| Performance Indicator | Unit | 2024 |
|---|-----------------------|------|
| Waste Output per Unit Revenue | Metric tons / million | 1.99 |
| Non-Hazardous Waste Output per Unit Revenue | Metric tons / million | 0.01 |
| Hazardous Waste Output per Unit Revenue | TWD | 1.98 |

Note: These indicators are calculated by dividing the total waste volume from companies within this sustainability report's statistical boundary by LemTech Holding's consolidated operating revenue. Due to slight discrepancies in statistical boundaries between environmental and financial data, these intensity metrics are for reference only. Statistical boundaries will be progressively unified to enhance comparability.

05

Social Engagement & People- Centric Workplace

Our actions

- 5.1 Social Inclusion
- 5.2 Labor Relations & Human Rights
- 5.3 Occupational Health & Safety
- 5.4 Social Initiatives & Community Engagement



Management Policies

| Material Topics | Potential Impact & Scope of Influence | Policy Commitments | Action Summary | Performance Tracking & Stakeholder Engagement |
|--------------------------------|--|---|---|--|
| Talent Development & Training | <ul style="list-style-type: none">Inadequate employee competency enhancement programs | <p>Commitment to continuously improve training systems by integrating internal/external resources and curricula, enhancing learning effectiveness to advance employees' professional expertise and cross-functional capabilities, thereby cultivating key drivers for sustainable organizational growth.</p> | <ul style="list-style-type: none">Develop annual training plans aligned with job levels and departmental functional requirementsImplement comprehensive onboarding processes for new hires; arrange annual advanced training and rotation programs for supervisors and technical staff | <ul style="list-style-type: none">Annually consolidate training participation (headcount/hours) with satisfaction surveys and efficacy feedback to optimize curricula2024: 823 employees trained (31,609 total hours)Continuously collect training needs via supervisor interviews and employee surveys; HR reviews annual training strategy quarterly |
| Talent Attraction & Retention | <ul style="list-style-type: none">Non-compliance with local labor laws and regulationsExcessive overtime workCompensation benchmarking against market/industry standards not fully implementedPartial linkage between performance outcomes and compensation structure | <p>Commitment to establishing reasonable working hours and compensation mechanisms, optimizing performance-reward linkage frameworks, providing market-competitive retention strategies, and fostering work environments conducive to long-term engagement and career development.</p> | <ul style="list-style-type: none">Conduct annual market compensation benchmarking to ensure competitive salary structuresEstablish robust performance evaluation and reward systemsPromote flexible working hours and career development dialogues to enhance retentionExecute annual university-industry collaboration programs | <ul style="list-style-type: none">Track monthly turnover/retention rates with root-cause analysisIdentify improvement areas through exit interviews, satisfaction surveys (86% avg. in 2024), and managerial forumsUtilize insights to refine retention strategies |
| Human Rights & Labor Relations | <ul style="list-style-type: none">Failure to adapt hiring procedures to regulatory changesInsufficient human resources due diligence | <p>Commitment to regularly reviewing and refining hiring policies and related processes to ensure compliance with human rights principles and labor regulations across recruitment, employment, and separation stages, while promoting transparent and constructive labor-management communication to strengthen workplace harmony and trust.</p> | <ul style="list-style-type: none">Integrate human rights protection clauses and anti-discrimination statements into recruitment/employment processesHold regular labor-management conferences | <ul style="list-style-type: none">Facilitate regular labor-management meetings to ensure open communication channelsMaintain grievance/suggestion mechanisms with legal compliance briefings to foster consensus |

| Material Topics | Potential Impact & Scope of Influence | Policy Commitments | Action Summary | Performance Tracking & Stakeholder Engagement |
|------------------------------|---|---|---|---|
| Occupational Health & Safety | <ul style="list-style-type: none"> Ineffective execution of critical emergency response protocols Non-compliance with environmental, health, and safety regulations | <p>Dedication to providing safe, healthy workplaces through full compliance with regulations and client requirements, establishing comprehensive risk identification, monitoring and prevention mechanisms, and conducting regular emergency drills. Continuous audits and training will enhance on-site response capabilities and disaster prevention awareness toward achieving zero-accident objectives.</p> | <ul style="list-style-type: none"> Implement OSH management systems with risk identification and workplace environment monitoring Conduct regular safety training and awareness campaigns Perform emergency drills for potential risk scenarios Administer periodic health examinations integrated with occupational disease risk management Operate employee sports centers featuring fitness zones, weight training equipment, and cardio machines | <ul style="list-style-type: none"> Monthly compile safety incidents and corrective actions; conduct internal/external audits to strengthen risk prevention (zero major incidents in 2024) 2024: 6 work-related injuries (zero fatalities) Monitor at-risk employees through occupational health screenings Track health metrics to optimize work environments and protective measures |
| Diversity & Inclusion | <ul style="list-style-type: none"> Lack of diverse and inclusive workplace environment; occurrence of discrimination/harassment cases | <p>Commitment to upholding equality principles and anti-discrimination policies, strengthening inclusion across gender, age, ethnicity and diverse backgrounds, and establishing accessible grievance channels to prevent and properly address harassment or misconduct. Through dual institutional and cultural approaches, we proactively foster inclusive and equitable workplaces.</p> | <ul style="list-style-type: none"> Provide nursing rooms to support employees with childcare needs Offer psychological counseling services for mental wellness and emotional support Strengthen inclusive values through advocacy initiatives and internal communications Incorporate sexual harassment/discrimination case reporting into grievance tracking mechanisms | <ul style="list-style-type: none"> Annually analyze workforce diversity metrics (gender/age/job level) Assess inclusion effectiveness through satisfaction surveys measuring equality, respect, and psychological safety |
| Social Engagement | <ul style="list-style-type: none"> Fragmented and unsystematic charitable activities Social investments not integrated with ESG policy | <p>Commitment to integrating social investment into the ESG strategic framework, systematically driving social initiatives through institutionalized management and resource consolidation to enhance effectiveness and positive impact, realizing sustainable shared value for both corporation and society.</p> | <ul style="list-style-type: none"> Align philanthropic activities with ESG policy focus areas (education, vulnerable groups, environmental sustainability) Encourage employee volunteer participation | <ul style="list-style-type: none"> Direct charitable funds to disability support, disadvantaged children, and family welfare programs 2024: NT\$263,890 in philanthropic contributions |

5.1 Social Inclusion

5.1.1 Talent Attraction

To support global operational expansion and business diversification, LemTech Group actively attracts and cultivates talent with global perspectives and cross-regional mobility. We are dedicated to creating diverse career platforms where employees can leverage their expertise, unlock potential, and achieve professional fulfillment.

Guided by our people-centric philosophy, LemTech strives to be a trusted sustainability partner. Through competency-based training systems and enhanced workplace experiences, we foster mutual growth while deepening local talent collaboration aligned with regional operational needs.

Our employment policies adhere to international human rights and labor standards, complying with all regional labor regulations to ensure fair, non-discriminatory practices. Recruitment, hiring, and promotions are based solely on merit – without regard to gender, age, race, religion, nationality, marital status, sexual orientation, gender identity, or political affiliation – cultivating a culture of respect and equal opportunity.

Talent Attraction

LemTech employs diversified recruitment channels including job portals, social media, university-industry collaborations, internship programs, and executive search firms to source talent for global growth. Internal referrals are encouraged to strengthen team composition and industry competitiveness. In 2024, 377 new hires joined the Group. Recruitment ratios by region and age cohort are shown below (calculated based on year-end headcount per region):

| New Hire Distribution - Taiwan | | 2024 | | | |
|--------------------------------|----------|------|---------------|--------|---------------|
| | | Male | New Hire Rate | Female | New Hire Rate |
| Total New Hires | 5 | 16% | 9 | 29% | |
| Age | Under 30 | 0 | 0% | 2 | 6% |
| | 30 to 50 | 4 | 13% | 7 | 23% |
| | Over 50 | 1 | 3% | 0 | 0% |

| New Hire Distribution - China | | 2024 | | | |
|-------------------------------|----------|------|---------------|--------|---------------|
| | | Male | New Hire Rate | Female | New Hire Rate |
| Total New Hires | 175 | 21% | 188 | 23% | |
| Age | Under 30 | 80 | 10% | 55 | 7% |
| | 30 to 50 | 91 | 11% | 132 | 16% |
| | Over 50 | 4 | 0.48% | 1 | 0.12% |

LemTech Group continuously enhances the onboarding experience for new hires. Our HR departments at all locations arrange comprehensive onboarding procedures to assist personnel in rapidly acclimating to the work environment and corporate systems, thereby improving talent retention rates.

LemTech Headquarters and certain subsidiaries have implemented New Employee Care Programs. These initiatives include distributing satisfaction surveys and conducting managerial interviews according to actual circumstances to gather adaptation feedback and improvement suggestions, which serve as reference points for subsequent enhancements.

Campus Engagement

LemTech Group supports local development and values diversity & inclusion by implementing local talent recruitment policies across global operations, actively promoting regional employment opportunities and industry-academia linkages. Taking subsidiary LemTech Precision Material (China) as an example, we have established deep collaborative relationships with local institutions through campus recruitment, internship programs, and dedicated training programs. This strengthens integration with local labor markets, with explicit prioritization of hiring graduates from partner institutions.

Since 2004, LemTech Precision Material has pioneered industry-academia integration in Anhui Province. Initially deploying engineers to teach weekend/night courses, we established mold technology training programs where top graduates received priority employment – gradually forming a stable talent pipeline. Recently, we advanced cooperation through the "Industry-Education Integration Innovation Center" established with the School of Mechanical Engineering. This 1,000 m² facility houses practical equipment, with resident engineers providing technical guidance to enable hands-on learning. Recognized as a model industry-academia case in Anhui, we further signed "Collaborative Innovation Agreements" with universities to deliver theory-practice integrated curricula starting from Year 1, including month-long summer internships to develop industry-ready technical talents.

As of the reporting period, LemTech Precision Material maintains robust partnerships with Anhui Vocational College of Defense Technology (200+ alumni employees, ≈ 30% of workforce) and has established academic-industry collaborations with Anhui Science and Technology University and Soochow University. Through systematic university-enterprise programs, LemTech Group deepens connections with academic resources, expands career pathways for young talent, and supports regional industrial chain development.

Industry-Academia-Research Collaboration Signing Ceremony

A signing ceremony was held with Anhui Science and Technology University to promote collaborative innovation projects, establish long-term talent development and R&D cooperation mechanisms, and strengthen university-enterprise alignment with industry needs.



Apprenticeship Collaboration

Since 2004, LemTech Precision Material has partnered with Anhui Vocational College of Defense Technology under an "Apprenticeship" talent development agreement. A mold R&D center was established on campus, with dispatched technical experts training students and research teams.



Local Hiring

LemTech Group upholds the talent philosophy of "Merit-Based Selection, Shared Local Prosperity," continuously advancing its talent localization strategy. Management positions across all operational locations prioritize local recruitment. Even at newly established facilities, qualified local talents with management potential are preferentially appointed to leadership roles, enhancing regional operational awareness and overall team effectiveness.

Concurrently, to ensure strategic alignment and management quality, LemTech Headquarters maintains oversight of regional hiring policies and critical positions. Through institutional frameworks and governance mechanisms, we balance local operational flexibility with centralized corporate governance. By integrating local talent appointments with headquarters' structural support, LemTech is dedicated to building management teams with both global perspectives and local expertise, thereby promoting sustainable operations and organizational resilience.

During the reporting period, the proportion of locally hired managers in disclosed Taiwan and China operations is as follows:

Local Talent in Managerial Positions (%)

| Region | 2024 |
|--------|------|
| Taiwan | 88.8 |
| China | 96.5 |

Note: Other overseas locations (e.g., Southeast Asia, Europe) are not currently included in this disclosure scope. Statistical coverage will be progressively expanded based on data accessibility and disclosure boundaries to enhance transparency and performance evaluation.

5.1.2 Talent Retention

Compensation Policy

LemTech Group adheres to a "People-Centric, Value Co-Creation" philosophy, establishing a compensation system that balances market competitiveness and internal equity. We ensure fair remuneration, stable growth, and long-term incentives while strictly complying with local labor regulations, guaranteeing statutory minimum wages. Our tiered salary structure is designed based on job grade, responsibilities, performance, and skill certifications, providing a flexible and incentive-driven compensation framework.

The Group implements equal pay for equal work, strictly prohibiting compensation disparities based on geography, race, ethnicity, background, social class, ancestry, religion, disability, gender, sexual orientation, pregnancy status, marital status, union membership, political affiliation, or age. Total compensation comprises two categories: fixed components such as base salary, festival bonuses, statutory benefits, and variable components such as performance bonuses and project incentives tied to corporate results and individual performance evaluations. Performance metrics encompass operational goals, customer management, organizational development, and talent cultivation. These are reviewed annually to ensure fairness and strategic alignment.

Frontline Employee Wages vs. Local Statutory Minimum Wage Ratio

LemTech Group consistently exceeds local statutory minimum wage requirements across all operations, demonstrating strong compensation competitiveness. Detailed ratios are as follows:

| Company Name | LemTech Holdings | LemTech Precision Material | Lemtech Electronic | Lemtech Slide Technology |
|--------------|------------------|----------------------------|--------------------|--------------------------|
| Ratio | Male | 1.68 | 2.13 | 1.39 |
| | Female | 1.26 | 1.45 | 1.39 |

Notes:

1. Local statutory minimum wage references data as of January 1, 2025.

2. Ratios compare each company's average frontline employee salary to the statutory minimum wage at their operational location.

3. Frontline employee salary refers to monthly fixed compensation for the lowest job grade in each region.

Female-to-Male Salary and Compensation Ratios (F:M)

To ensure pay equity, LemTech Group continuously monitors gender pay gaps across job grades. 2024 data indicates that at certain locations and grades, female compensation remains slightly lower than male counterparts, particularly at senior executive levels, though instances of higher female compensation also exist. Detailed ratios are as follows:

| Item | Job Grade | LemTech Holdings | LemTech Precision Material | Lemtech Electronic | Lemtech Slide Technology |
|--------------|----------------------|------------------|----------------------------|--------------------|--------------------------|
| Fixed Salary | Senior Executives | 0.32: 1 | 0.80: 1 | NA | 0.21: 1 |
| | Managerial Staff | 1.04: 1 | 0.74: 1 | 0.69: 1 | 2.12: 1 |
| | Non-Managerial Staff | 0.6: 1 | 0.72: 1 | 0.48: 1 | 1.30: 1 |
| Annual Pay | Senior Executives | 0.39: 1 | 0.78: 1 | NA | 0.21: 1 |
| | Managerial Staff | 1.09: 1 | 0.79: 1 | 0.67: 1 | 2.20: 1 |
| | Non-Managerial Staff | 0.69: 1 | 0.77: 1 | 0.52: 1 | 1.39: 1 |

Note: "NA" indicates no female employees in this job grade at the subsidiary, rendering ratio calculation inapplicable.

The findings reflect variations in gender pay structures across subsidiaries and regions. These disparities are not necessarily directly attributable to gender differences, but may correlate with job function, seniority structures, and performance outcomes. LemTech will continue reviewing and improving compensation policies, advancing pay transparency, and strengthening female promotion and development mechanisms to achieve long-term goals of workplace gender equality and pay equity.

Employee Satisfaction Surveys

LemTech Group values employee feedback as critical input for organizational and HR policy enhancement. Subsidiaries conduct annual satisfaction surveys tailored to operational contexts, covering work environment, compensation & benefits, career development, internal communication, managerial effectiveness, and corporate culture. Surveys include open comment fields to ensure authentic and comprehensive feedback. Recent overall satisfaction averages have consistently ranged between 80% and 90%, indicating employee recognition of management systems and workplace conditions.

The 2024 survey achieved an 86% group-wide satisfaction rate. HR departments will consolidate feedback for all business units, informing annual action plans and policy improvements. LemTech further encourages locations to utilize psychological counseling, suggestion boxes, and employee forums to establish ongoing dialogue. This ensures feedback translates into tangible enhancements, ultimately boosting organizational satisfaction and talent retention.

Employee Turnover

LemTech Group systematically monitors turnover across operations to assess organizational stability and talent management efficacy. In 2024, the total group turnover reached 327 employees. Regarding Taiwan's relatively higher female turnover rate, we will not only conduct comprehensive policy review, but also root cause analysis that examines work conditions, management styles, and organizational climate, and the findings will inform future HR improvements and departmental support strategies.

For China's elevated turnover among mid-career and young employees, enhanced onboarding programs will be implemented and career progression opportunities will be expanded, aiming to strengthen engagement and organizational loyalty, targeting workforce structure stabilization. Turnover rates disclosed in this report are calculated as: (Turnover during reporting period) ÷ (Total employees at period-end). Data is categorized by gender, age group, and region as shown below:

| Turnover Distribution - Taiwan | | 2024 | | | | Turnover Distribution - China | | 2024 | | | |
|--------------------------------|----------|------|---------------|--------|---------------|-------------------------------|----|-------|---------------|--------|---------------|
| | | Male | Turnover Rate | Female | Turnover Rate | | | Male | Turnover Rate | Female | Turnover Rate |
| Total Turnover | | 2 | 6% | 6 | 19% | Total Turnover | | 164 | 20% | 155 | 19% |
| Under 30 | 0 | 0 | 0% | 0 | 0% | Under 30 | 76 | 9% | 41 | 5% | |
| Age | 30 to 50 | 2 | 6% | 6 | 19% | Age | 85 | 10% | 114 | 14% | |
| Over 50 | 0 | 0 | 0% | 0 | 0% | Over 50 | 3 | 0.36% | 0 | 0% | |

To stabilize workforce composition and mitigate key position attrition risks, LemTech Group continuously enhances internal promotion, training, and support systems. Selected locations have implemented exit interview mechanisms, where supervisors or HR personnel conduct face-to-face discussions with departing employees to understand turnover reasons and underlying issues. Findings are consolidated into human capital improvement plans, informing sustainable human capital management strategies.

5.1.3 Diversity & Inclusion

LemTech Group respects employee diversity and is committed to fostering a gender-equal, inclusive, and open workplace. Consistent standards are applied across recruitment, promotion, and compensation systems to eliminate discrimination based on gender, age, nationality, religion, or any other factor, ensuring equal development opportunities for all.

While formal gender quotas or diversity metrics systems have not yet been established, LemTech's HR infrastructure effectively categorizes managerial and technical positions, providing statistical foundations for future diversity initiatives. Planned institutional actions include: prevention of sexual harassment training, anonymous reporting mechanisms, and enhanced workplace accessibility. These measures aim to cultivate a safe, respectful, and inclusive organizational culture.

Workforce Profile

LemTech Group actively recruits diverse global talent, emphasizing local workforce utilization and diverse composition. Human resources are flexibly deployed according to production, administrative, and R&D requirements across operations. As of December 31, 2024, LemTech Holdings and its major subsidiaries (including LemTech Precision Material, LemTech Slide Technology, and LemTech Electronic) employed 856 personnel distributed across Taiwan and China, with detailed gender, employment type, and age structure as follows:

Gender Composition of Employees

| Region | Male | Female | Total |
|--------|------|--------|-------|
| Taiwan | 15 | 16 | 31 |
| China | 455 | 370 | 825 |
| Total | 470 | 386 | 856 |

Note: Overall gender distribution approaches balance. China's higher male ratio (55.2%) reflects manufacturing-oriented roles, while Taiwan's smaller workforce primarily comprises managerial and support positions.

Employee Employment Types

| Employee Type | Taiwan (M/F) | China (M/F) |
|----------------------|--------------|-------------|
| Permanently Employed | 15/16 | 77/42 |
| Fixed-Term Contracts | 0/0 | 378/328 |
| Non-Guaranteed Hours | 0/0 | 60/54 |
| Full-Time Employees | 15/16 | 455/370 |
| Part-Time Employees | 0/0 | 0/0 |

Notes:

1. Fixed-term contract personnel operate under legally compliant agreements aligned with Group strategy. These serve both flexible production needs and as probationary training phases for potential permanent transitions.
2. In China, certain roles utilize non-guaranteed hour arrangements for short-term staffing, primarily supporting seasonal or project-based operational requirements.

Employee Distribution

| Employee Distribution | Number of people | Proportion (%) |
|-----------------------|----------------------------------|----------------|
| Age | Under 30 | 185 |
| | 30 to 50 | 624 |
| | Over 50 | 47 |
| Job | Senior Management Personnel | 22 |
| | Mid-Level Management Personnel | 76 |
| | Technical and Professional Staff | 758 |
| Working Region | Taiwan | 31 |
| | China | 825 |

Comparative Basis Note: This year marks LemTech's inaugural sustainability report. Prior employee statistics were not compiled and disclosed per GRI Standards, precluding provision of 2023 employee data for comparative analysis. For historical workforce information, please refer to the Human Resources chapter in the 2023 Annual Report. LemTech will enhance workforce data management processes to establish consistent, comparable disclosure frameworks for future trend analysis.

Non-Employee Workers

In 2024, LemTech Holdings and its major operating subsidiaries engaged approximately 150 non-employee workers whose tasks are substantively controlled by our operational units. These workers, primarily outsourced service personnel and short-term technical support staff, operate without direct employment contracts with LemTech, being arranged through third-party agencies or partner vendors. The most common categories include:

- Security, Cleaning & Administrative Support Personnel: Dispatched by contracted service companies to perform daily maintenance in offices or production facilities.
- Machinery Operation & Production Line Support: Contracted through staffing agencies to perform scheduled operational and production tasks based on line requirements.

All non-employee workers perform daily tasks, follow operational procedures, and work at locations directed and supervised by LemTech's business units or plant management, falling under substantive organizational control.

Methodology and Assumptions for Compiling Employee and Non-Employee Worker Data in This Report



Employees

Data is calculated based on actual headcount without applying Full-Time Equivalent (FTE) conversion or proportional adjustments. All figures correspond to in-service employees as of the reporting period end date. Data sources originate from official HR systems provided by each location's human resources unit, which undergo internal consolidation and verification prior to statistical compilation. The listed regions represent actual employment locations at the organization's major operational sites.



Non-Employee Workers

The reported figures reflect personnel physically onsite and providing support as of December 31, 2024, without FTE calculation. Data is sourced from staffing coordination departments at subsidiaries and manufacturing facilities, explicitly excluding engineers with irregular attendance patterns, project-based short-term consultants, or one-time maintenance vendors. To accommodate flexible working hour arrangements among certain outsourced personnel, actual working hours are subject to adjustment according to local contractual agreements and shift scheduling.

Female Employee Participation and Managerial Representation

LemTech Group values gender diversity and career equality, committed to fostering a gender-inclusive workplace. Consistent standards govern recruitment, promotion, and management systems to ensure equal participation and development opportunities for female employees. At the corporate governance level, female representation on the 2024 Board of Directors reached 14.29%. Group-wide female employees constitute 45.1% of the workforce, with women in managerial positions increasing annually, demonstrating initial progress in gender-diverse decision-making participation.

Employee distribution by gender and job grade across regions is as follows:

| Region | Job Grade | Male | Female | Total | Female % |
|--------|----------------------|------|--------|-------|----------|
| Taiwan | Managerial Positions | 6 | 5 | 11 | 45% |
| | Non-Managerial Staff | 9 | 11 | 20 | 55% |
| China | Managerial Positions | 61 | 25 | 86 | 29% |
| | Non-Managerial Staff | 394 | 345 | 739 | 47% |

Note: Overall observations indicate higher female participation in Taiwan's managerial roles, while China shows stable female representation in non-managerial positions, though management roles remain predominantly male. LemTech will continue advancing Female Leadership Development programs, actively promoting gender-equal advancement opportunities, and increasing female representation in mid-to-senior management levels.

5.1.4 Human Capital Development

LemTech Group establishes a systematic talent development framework based on four core mechanisms: personnel training, career path planning, promotion systems, and performance evaluation. This framework comprehensively drives capability enhancement and career growth for employees across all roles and levels. Recognizing human capital as the organization's most critical competitive advantage, the Group employs structured institutional designs to assist employees in achieving continuous improvement in professional skills, management potential, and cross-domain capabilities, thereby achieving mutual growth for both the organization and individuals.

Each operational site formulates annual training plans aligned with the Group's human resources policies, encompassing orientation training for new hires, professional technical training, management training, and support for external further education. Concurrently, career advancement pathways are structured based on the Position Grading System, encouraging employees to grow through dual-track development in both specialized and managerial domains. Employees' development potential and training effectiveness are systematically evaluated through regular performance assessments, which subsequently inform decisions regarding salary adjustments, job rotations, and promotion arrangements.

Three-Phase Training Program & Career Development

The subsidiary Lemtech Precision Material under Lemtech Group has further refined its training content based on employees' development stages and functional needs, planning tiered talent training programs such as the "Eyas Program", "Eagle Program", and "Elite Program". This structure is designed according to seniority, job levels, and job requirements, covering full-cycle development ranging from onboarding training for new hires to advanced capability enhancement for middle and senior management.



Eyas Program ➤

Lemtech Precision Materials has implemented the Eyas Growth Camp since 2024. This program runs annually from February to July, covering corporate culture immersion, professional competency development, hands-on technical training, and career planning guidance. It transforms young talents from "knowledge-equipped candidates" into "knowledge-driven technical professionals" with practical capabilities. The training formats include classroom instruction, on-site operations, and team-building activities to enhance their practical operation and collaborative skills.

Designed for mid-level managers, this program strengthens foundational leadership competencies such as cost awareness, coordination, and departmental operation management. It equips managers to steadily prepare for departmental leadership roles through targeted capability building.

◀ Eagle Program



Elite Program ➤

Targeting high-level leadership, this program delivers advanced management knowledge in organizational strategy, performance evaluation, human resource optimization, and departmental cost control. Eligible participants may receive up to 60% subsidy for MBA/EMBA programs, supporting continuous executive development and knowledge renewal.

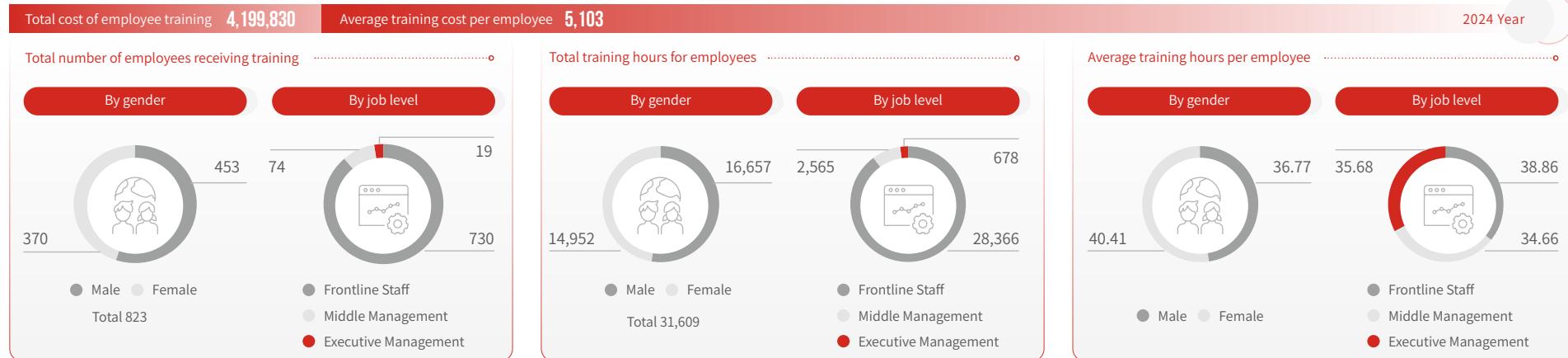
Through tiered and goal-oriented training design, Lemtech Precision Materials has established a clear and sustainable employee development pathway, facilitating critical talent succession and organizational sustainability.

To assist employees with career transitions and retirement planning, Lemtech Group provides relevant information and necessary support measures, including HR consultations on retirement procedures, pension system explanations, and benefit guidance. The Group plans to enhance pre-retirement transition support by evaluating flexible retirement mechanisms, re-employment assistance, and career planning advisory services to ensure smooth transitions across career stages.

Employee Training

Lemtech Group persistently promotes an institutionalized talent development mechanism. Through annual training needs surveys, the Group designs diverse content covering general courses, functional enhancement, and professional training, arranging tiered and categorized programs based on employees' job types, levels, and practical requirements. According to internal policies, all course contents are integrated into the annual training plan, encompassing onboarding training for new hires, position transfer training, occupational safety education, in-service training, and external learning resources. For special work categories, dedicated professional certifications and license tracking mechanisms are established to ensure the skills of the employees meet the safety and operation standards.

In 2024, Lemtech Group conducted functional enhancement courses according to the annual education and training plan, with the average training hours per employee continuing to increase. Detailed training costs and hours are summarized as follows:



Note: The training fee is expressed in New Taiwan Dollars.

Emotional Management Course

Regularly conduct psychological health education and stress management courses to assist employees in developing positive communication skills and emotional awareness, fostering a supportive work environment.



Technical Demonstration Teaching Activity

To enhance hands-on operational capabilities and facilitate the transfer of professional skills, organize technical demonstration sessions to strengthen employees' understanding of equipment operation, critical processes, and ensure adherence to execution standards.



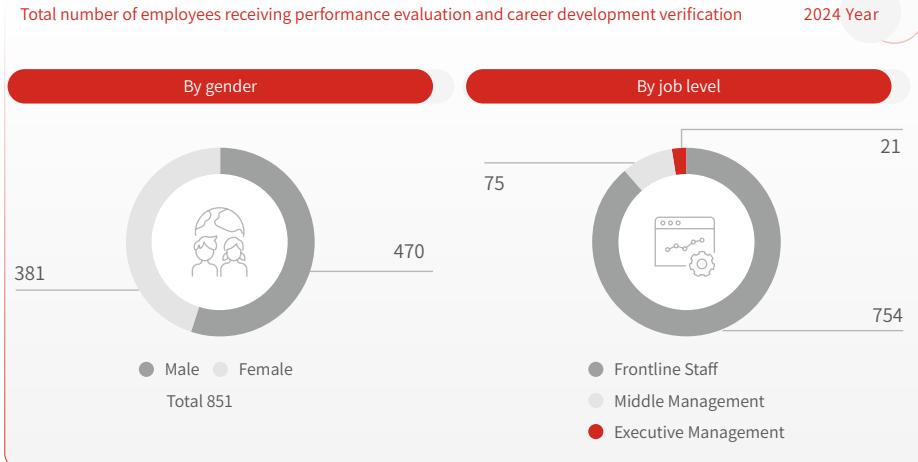
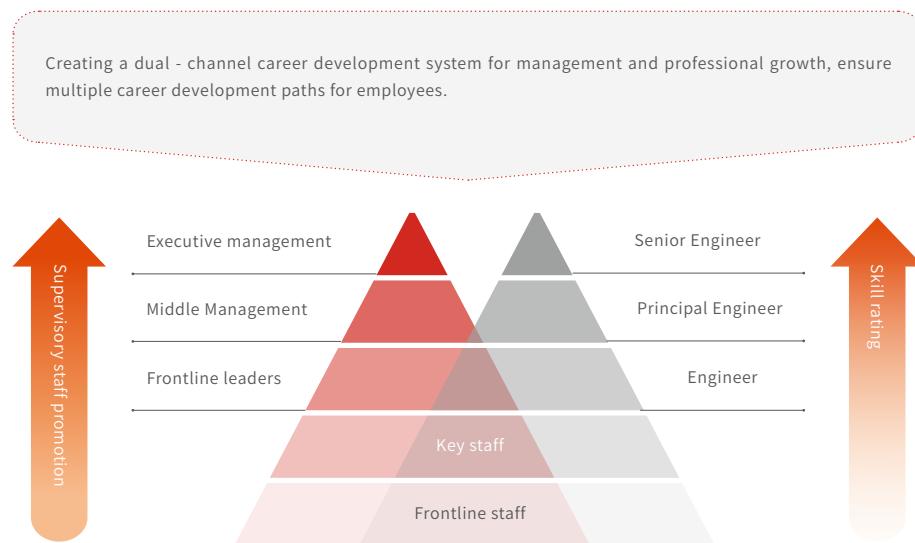
Employee Performance Evaluation and Development Review

Lemtech Group emphasizes the critical role of performance evaluation in employee development and management systems, establishing transparent and traceable assessment processes that serve as key references for promotions, salary adjustments, rewards, and workforce allocation. The company implements a dual-track evaluation system with annual and semi-annual cycles, comprehensively covering regular employees. The evaluation types include routine assessments, promotion evaluations, and probation assessments for new hires, utilizing a 100-point scoring system with grade classifications based on score ranges. Each evaluation clearly specifies the assessment period, followed by feedback interviews conducted by supervisors to help employees clarify development directions and improvement priorities, thereby enhancing alignment between organizational and individual goals.

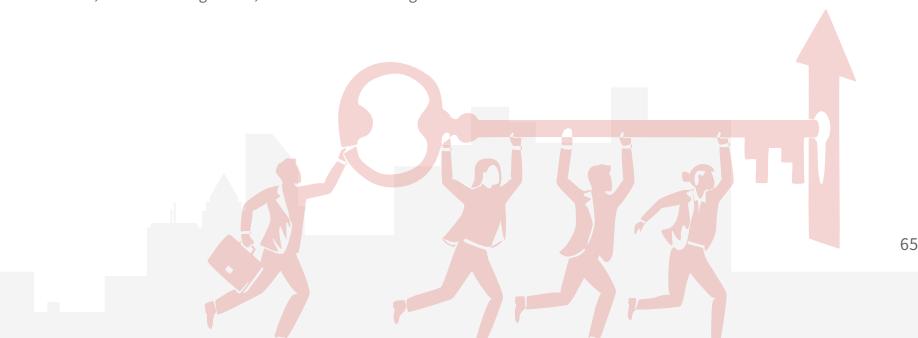
The subsidiary Lemtech Precision Materials not only adheres to the group's evaluation methods but also implements differentiated scoring mechanisms tailored to job categories. The entire process is jointly managed by a performance evaluation committee and department supervisors to enhance fairness and transparency in the assessment process. Detailed item descriptions are as follows:

| Item | Description | Frequency | Implementation method and details |
|------------------------|--|---|---|
| Performance assessment | Regular performance evaluations are conducted for all full-time employees, serving as the basis for salary adjustments, bonuses, and promotions. | Conducted biannually (first/second half), tied to annual comprehensive performance reviews. | <ul style="list-style-type: none"> Frontline employees are assessed based on performance metrics. Non-frontline employees are evaluated considering performance, KPI achievement rates, and other factors. Establish a Performance Evaluation Committee comprised of the General Manager, HR personnel, and department heads. Supervisors must conduct interviews and provide feedback within 10 days post-assessment. |
| Promotion system | A Dual-Track Promotion System (Management and Specialist Paths) is established, requiring candidates to meet eligibility criteria and pass formal assessments for advancement. | Once a year (completed between March-June) | <ul style="list-style-type: none"> Participation is via department recommendation or self-nomination. Candidates undergo training, written tests, and interviews post-HR review. Assessment criteria include professional skills, comprehensive qualities, and supplementary knowledge. |
| Promotion incentive | For successfully promoted personnel, the company arranges formal induction ceremonies alongside official announcements to demonstrate organizational acknowledgment. | Once a year (post-promotion announcement) | <ul style="list-style-type: none"> Issue appointment letters and present flower bouquets. Arrange flower delivery and family appreciation letters to establish family-involved promotion celebrations. |

Promotion System



Note: As of 2024, 100% of both male and female formal employees at Leemtech Group underwent at least one formal performance evaluation and career development review. Classified by job level, the assessment coverage rate reached 100% for frontline, middle management, and executive management tiers.



5.2 Labor Relations & Human Rights

5.2.1 Human Rights Risks and Response Actions

LemTech is committed to responsible governance as its core, promoting honest operation, respecting human rights, environmental protection and social integration, and formulating multiple policies to implement responsible business practices. The company's relevant commitments refer to and support multiple international labor and human rights norms and authoritative international standards, including the "Universal Declaration of Human Rights of the United Nations", "United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights" and "Core Conventions of the International Labour Organization", establishing international standards to guide the sustainable development direction of the enterprise.

Respecting human rights is a key commitment of LemTech. LemTech adheres to relevant regulations such as the "Labor Standards Act" and the "Gender Equality in Employment Act", and is dedicated to safeguarding workers' rights, ensuring fair treatment, and providing healthy and safe working conditions. It strictly prohibits any form of child labor, forced labor, and discriminatory practices. Special attention is given to vulnerable stakeholder groups, including front-line production line workers, supply chain workers, and gender minorities and foreign migrant workers who may be at risk or in a disadvantaged position, to ensure their rights are fully protected and respected throughout the operation and supply chain.

Discrimination incident

During the year 2024, the Group did not receive or verify any reports of discrimination incidents, nor were there any cases where employees suffered improper differential treatment due to race, color, gender, religion, political stance or social background. If employees have any related concerns, they can file a complaint through their immediate supervisor, the HR window or the suggestion box, and will be guaranteed anonymity and a commitment to avoid retaliation. For expatriates, foreign employees and interns, the company also provides appropriate educational and living support measures to ensure that they are respected, safe and cared for during their time working at LemTech.

Freedom of association

LemTech Group respects the freedom of all employees to organize, participate in trade unions and engage in collective bargaining in accordance with the law, and is committed to safeguarding employees' rights to information and expression within the organization. Although the group as a whole has not yet established a formal trade union or signed a collective agreement, each location has a fixed human resources and department supervisor window, and through regular meetings and feedback mechanisms, a stable two-way communication platform is maintained. Among them, the subsidiary LemTech Jingcai has established a trade union and a workers' congress system in accordance with local regulations, serving as formal channels for employees to participate in major decision-making and express their rights and interests.

Through the staff congress, the company negotiates and discusses issues such as salary and benefits, system adjustments, and working conditions with employee representatives, strengthening the participation mechanism and mutual trust between labor and management, and initially realizing the spirit of collective consultation.



The scene of the workers' congress meeting

Child labor and forced labor

In terms of human resource utilization, LemTech has completely banned the use of child labor and clearly checks age certificates in the recruitment and appointment process of new employees to ensure they meet the legal minimum age for employment. At the same time, the company also prohibits any form of forced or involuntary labor, including depositing deposits, restricting freedom, withholding documents or forcing work by threat, etc. It requires all employees to sign formal labor contracts, specifying working hours, salaries and termination conditions, to ensure a fair and transparent employment relationship.



Human Rights commitment Management and Practice

All human rights policies of our company are officially authorized and highly valued by the organization. To fulfill the commitment in daily operations, the company has established a clear responsibility division structure: the board of directors is responsible for the final supervision, the senior management, the sustainability committee and the human resources department jointly formulate the policy direction and review content, while each executive unit is responsible for promoting the implementation and regularly tracking the progress. Each operating unit and subsidiary should set up a dedicated window based on their business characteristics and regularly report on the implementation status and improvement results. The company also continuously conveys the concepts of human rights protection and responsible business conduct through new employee training, staff education, supplier communication and stakeholder interaction activities, deepening the recognition and practice of sustainable values both within and outside the organization.

Our company has applied the responsible business Conduct policy to all economic activities, covering its own operations, major subsidiaries and all business partnerships, including suppliers, outsourcing partners and service providers, etc. We encourage our partners to jointly follow relevant norms and fulfill their responsibilities for sustainable development. However, as the current policy is mainly applicable internally, it has not yet been fully and separately announced to the public. In the future, depending on the progress of the promotion, the integration will be evaluated and publicly released on the company's official website to enhance the transparency of information.

In practical operations, LemTech promotes responsible business practices and human rights policies in both its supply chain and internal business activities. It gradually implements supply chain responsibility governance for external suppliers, requiring them to sign the "RBA Code of Conduct" commitment letter, and plans to gradually establish sustainable risk identification and due diligence procedures. To prevent negative impacts on the economy, the environment and people (including human rights), and to strengthen the prevention and management of human rights, environmental and ethical risks. LemTech also adheres to the "early warning principle", incorporating preventive control mechanisms into the assessment of new projects and major risk management to identify potential risks in advance and mitigate negative impacts.

Our company's main policy documents, such as the "Code of Practice for Sustainable Development" and the "Supplier RBA Commitment Letter", have been officially released through the internal document management system. We require all employees to strictly follow them and actively encourage suppliers to comply as well, and gradually integrate them into the operation management process. The specific implementation methods include:

Incorporate human rights provisions and anti-discrimination statements into the employee recruitment and appointment process

The procurement system incorporates ESG provisions and RBA principles

The decision-making and risk assessment process is incorporated into the environmental and social-oriented review mechanism

5.2.2 Communication and Appeal Mechanism

LemTech attaches great importance to two-way communication with its employees. The company collects opinions through regular departmental meetings, performance feedback interviews, internal mailboxes and the human resources system, and regularly reviews the matters of concern to employees. For major institutional changes, such as assessment mechanisms, human resource transfers or salary adjustments, etc., they must be explained by the supervisor and confirmed by the employees before implementation. As of December 31, 2024, LemTech Holdings and its major operating locations have not established formal trade union organizations, nor have they signed formal collective agreements. Only employee representatives are present in some of its subsidiaries in China. However, the headquarters of our company has established a labor-management meeting system in accordance with the local labor laws and regulations to safeguard the rights of employees to participate in matters related to labor conditions, and to conduct formal communication and consultation through the institutionalized meeting platform.

Our company holds regular labor-management meetings to discuss topics such as salary structure, working hours system, attendance regulations, welfare measures, workplace safety and employee suggestions. Employee representatives are elected by each department, actively participate in the consultation process, and serve as a two-way communication bridge to promote information transparency and enhance employee engagement. All issues are negotiated through formal meeting minutes and resolution procedures, and serve as a reference basis for subsequent system revisions and management system improvements to assist the company in enhancing operational efficiency and employee well-being.

The main topics of discussion at the 2024 labor-management meeting include: review and improvement of the employee welfare system, labor dynamics reports and explanations of human resource changes, changes and re-election of labor representatives, as well as revision and update of the "Work Rules". All labor-management discussions have been successfully completed and agreements have been reached. Relevant matters have also been incorporated into the subsequent improvement plan. LemTech Group supports and respects the collective bargaining rights of its employees. In the future, it will continue to strengthen two-way dialogue through institutionalized communication platforms and, based on operational development and organizational needs, assess and establish a more comprehensive collective agreement mechanism in a timely manner to safeguard employee rights and promote harmonious labor relations.

Employees' right to notify and communicate about changes

LemTech Group, in accordance with the labor regulations of each location, provides appropriate notice periods when implementing operational changes that may have a significant impact on employees' rights and interests. It also explains and coordinates through internal communication mechanisms to ensure employees' basic rights to information and participation. According to Taiwan's "Labor Standards Act" and China's "Labor Contract Law", before implementing human resource adjustments, major organizational changes or transformation plans, companies will be given the minimum notice period in accordance with the law, usually 30 days in advance, or pay wage compensation equivalent to the notice period in accordance with the law. In practice, in most cases, internal notifications and explanations will be made 30 to 60 days in advance depending on the scale and nature of the changes. At present, the various branches of LemTech Group have not signed formal collective agreements with their employees. However, the company attaches great importance to employee participation and dialogue, and has established employee opinion channels, HR representative Windows, and regular departmental meetings as platforms for reporting and communicating about operational policies or personnel changes. Such as future organizations

When establishing a trade union or signing an agreement, the company will specify the notice period and negotiation process in accordance with the regulations.



5.3 Occupational Health & Safety

5.3.1 Employee Care and Concern

LemTech is well aware that employees are the most important assets of an enterprise. Therefore, it is committed to creating a working environment full of positive energy and vitality, enabling colleagues to maintain physical and mental balance and a healthy life while engaging in their work. The company continuously enhances employees' sense of happiness and belonging through employee care measures, health care programs and diverse team activities, promoting a corporate culture of happy work and sustainable growth.

Welfare system

LemTech Group has established compliant and sound employee welfare systems at all its major operational locations worldwide, providing comprehensive and institutionalized protection for full-time employees. In addition to the social insurance handled in accordance with the law, the company has also gradually established multi-level welfare measures covering health promotion, family care and career support in response to the operating environment and employee needs of different regions, strengthening the long-term partnership between the enterprise and its employees.

In the Chinese region, the subsidiaries of LemTech Group handle the five social insurances and one housing fund (pension, medical, unemployment, work-related injury, maternity and housing provident fund) in accordance with the law, and provide basic guarantees such as annual health check-ups, occupational disease physical examinations, group insurance and overtime subsidies. The company also has an employee cafeteria, psychological support resources and employee activity allowances to enhance the physical and mental care of employees and their sense of happiness in the workplace.

In Taiwan, LemTech Holdings offers statutory and extended benefits including labor and health insurance, labor retirement fund contributions, group accident insurance, and annual health checkup subsidies. In addition, cash gifts for childbirth, marriage and funeral are set up, and cash gifts or consolation money are distributed at festivals, birthdays and other times. The company also offers monthly meal subsidies and year-end parties to encourage departmental cohesion and cross-departmental communication. The above-mentioned benefits cover all aspects of employees' work, life and family care, demonstrating the company's commitment to providing holistic care for its employees. Through localized welfare measures and consistent group standards, LemTech Group is committed to providing full-time employees with a stable, safe and friendly working environment, further implementing the core values of human-oriented sustainability.

Determine the obligation of payment system and other retirement plans

LemTech Group has established a retirement system in accordance with local regulations, mainly covering two types: the defined benefit system and the defined contribution system, which are applied differently based on the operational locations:

For employees in Taiwan region, the definite payment system was applied before the implementation of the "Labor Pension Act" in 2005. The pension was calculated by the company based on seniority and salary, and the funds were deposited into a special account established by the Central Trust Bureau. After the implementation of the regulations, it will be transformed into a fixed contribution system, with the company contributing a certain proportion of the employee's salary to their personal retirement account on a monthly basis. The estimation of retirement obligations and contributions to assets is regularly evaluated in accordance with accounting standards and actuarial principles.



Overseas operation bases implement mandatory retirement insurance contributions in accordance with local regulations. In some regions, enterprise annuities or voluntary retirement savings systems are also supplemented. The employer's contribution ratio varies according to the regulations of different countries. It is usually calculated based on the legal salary ratio and managed by the government or a third-party fund.

Retirement systems in all regions are mandatory participation programs by law, and companies uniformly implement contributions and account management in accordance with regulations. So far, there has been no situation of insufficient contributions to the retirement fund. If the actuarial results show that the assets are insufficient in the future, the company will handle the supplementary provision in accordance with the law to ensure that the rights and interests of employees are not affected.

Employee care and concern

Workplace health is not only related to the physical and mental well-being of employees, but also the key to preventing workplace risks and enhancing overall operational stability. LemTech continuously promotes "health promotion" and "physical and mental care" measures. It arranges health check-ups for employees upon their entry, provides corresponding check-up items and subsidy amounts for different job levels, regularly tracks the health conditions of colleagues, and proactively assists in identifying potential health risks. To assist employees in achieving a balance between work and life, the company also encourages employees and their family members to participate in a variety of activities through welfare activities and cultural planning in each factory area, including employee travel subsidies, sports competitions, festival celebrations, lecture courses and family days, etc. This promotes employees' leisure participation and emotional connection, cultivates a positive team atmosphere, and enhances overall workplace happiness.

Employee care and concern People-oriented, creating a healthy and happy workplace

Prevention

- Pre-employment physical examination
- Regular physical examination
- Irregular interviews

Treatment/Counseling

- Psychological counselors are stationed

Education and training

- Professional lecturer health lecture

Health promotion

- Team physical activity
- Balanced and nutritious employee meals

Flexible working system

LemTech offers flexible working arrangements based on different job natures and job levels to help employees balance work and life. For indirect personnel (such as supervisors and administrative positions), although the flexible working hours system has not been fully implemented within the group, in practical operation, a mechanism has been established that allows for flexible adjustment of working hours with the consent of the supervisor to enhance work efficiency and living flexibility. Take the Taiwan headquarters as an example. The company provides flexible time periods of half an hour to one hour before and after work based on the fixed daily working hours. For instance, employees can choose appropriate intervals such as 8:00 to 17:00 or 9:00 to 18:00 to make adjustments, which is conducive to adapting to commuting family care or personal life arrangements.

For direct personnel, LemTech based on the nature of the work, multi-time shift schedules (such as morning shifts, day shifts, etc.) are planned, and flexible scheduling is carried out in coordination with production schedules to ensure smooth work, while also taking into account the employees' daily routines and quality of life. Some overseas locations also offer flexible working hours or part-time positions in accordance with local labor laws and actual needs, assisting employees with child-rearing or caregiving responsibilities to return to the workplace and enhancing the flexibility of human resource utilization and workplace inclusiveness.

Take the subsidiary LemTech Slide Rail as an example. A flexible working hour system has been introduced for specific production lines, taking into account both production demands and the family responsibilities of employees. Some job positions can flexibly arrange working hours based on individual circumstances, enabling employees to balance family care and stable employment, and further enhancing local women's willingness to participate in and stay in the workforce. This system particularly takes into account human resource allocation and process requirements. Under the premise of not affecting the stability and quality of the production line, it creates a friendly workplace environment that benefits both employees and the enterprise through small-unit job division and flexible shift scheduling.

Employee Health management

LemTech implements employee care through a systematic health management process, dividing "employee health management" into four major aspects: risk prevention and monitoring, education and training, counseling, and necessary treatment, and establishing a continuous tracking and positive cycle health support mechanism. In the Chinese factory area, regular health check-ups for employees are conducted every year. The subsidy amount and health check-up items are set according to the job level and risk level to help employees understand their physical condition and reduce health risks. After the health check-up is completed, for any abnormal items found during the examination, medical assistance and follow-up care will be proactively provided to ensure that employees receive timely and practical health responses. The related services also integrate internal systems with external resources to enhance the efficiency of health care and implement a "people-oriented" workplace culture.

Employee health promotion

•Space for psychological counseling and physical and mental care

To promote the physical and mental balance of its employees, the subsidiary, LemTech Jingcai, has gradually introduced psychological counseling services since 2020, providing emotional support and mental health care. To further enhance employees' ability to cope with workplace stress and life challenges, an external consultant psychological counseling room has been officially established in 2024, with professionally qualified psychological counselors regularly stationed to provide appointment based one-on-one counseling services. Through listening and psychological support, assist employees in dealing with emotional distress, stress adjustment and interpersonal interaction issues, thereby cultivating positive thinking and psychological resilience. This counseling space, along with the mother-and-baby room and the reading room, is co-constructed within the living functional area, creating a warm and reassuring environment for physical and mental care, demonstrating the company's long-term commitment to employee well-being and sustainable care.



Psychological counseling space - Soul Rest Stop



Employee Communication Area



Reading and Learning Area



Workers' Home - Activity Center

Highlight case: Learning is not limited to work, and care extends to the family

A senior employee of LemTech Jingcai once fell into extreme anxiety due to his child's unstable academic performance during high school and even had the idea of quitting his job to go home and accompany him in his studies. Fortunately, the supervisor and encouraged by the psychological counselor, I participated in the parenting reading club course "Love is a Mutual Growth" held by the company.

Through thematic guidance, case sharing and professional guidance, the course helps employees master positive communication skills and emotional management methods, gradually improving the interaction patterns between parents and children. This member by applying what they have learned to family life in practice, they not only rebuild trust and understanding with their children but also successfully help them regain their motivation to study. Eventually, they can smoothly advance to higher education and promote overall development the positive transformation of family relationships.

This experience not only demonstrates the company's care in the workplace but also provides substantial support and companionship at the family level, reflecting LemTech's commitment to "holistic care" for its employees. When enterprises are willing by taking one more small step, employees and their families can move forward steadily together.

- Establish an employee activity center

To promote the health and well-being of its employees, the subsidiary, Lemtech Precision Material, officially completed and put into use its employee activity center in 2024, with a total area of 3,150 square meters. In addition to infrastructure construction, an additional investment of approximately 1.9 million RMB was made for space decoration and facility improvement. The activity center is equipped with indoor basketball courts, badminton courts and a gym, the yoga room, table tennis and billiards space create a comprehensive sports and leisure area, allowing employees to relax and cultivate their interests after work. In addition, solar panels have been installed on the roof of the activity center. Besides generating electricity, they also have a cooling effect, balancing environmental sustainability and spatial comfort, demonstrating the company's proactive practice of a green workplace.



Employee sports and rest area/seating area



Badminton court



Basketball court



Panoramic view of fitness facilities and courts

- Staff canteen

To create a high-quality work-life balance environment, LemTech Group has set up or arranged employee meal services in all three of its major subsidiaries in China, dedicated to ensuring the nutrition and meal quality of its employees. Among them, the subsidiary LemTech Jingcai opened a brand-new staff canteen at the end of 2021. The facilities are spacious and bright, capable of accommodating approximately 300 people for dining at the same time. It also features a multi-functional dining line area (such as set meal area, noodle area, microwave heating area, refrigerated vending machine, etc.), offering a wide range of meal options and encouraging healthy, thrifty and good dining habits.

This restaurant has fully implemented a system of queuing order for food pick-up, returning tableware to its proper place after meals, and self-management of hygiene. It is managed on a rotational basis by the supervisor and the catering committee. On-site personnel are arranged to supervise and assist during lunch and dinner every day to enhance the quality of meals and food safety. Apart from LemTech Fine Materials, LemTech Electronics and LemTech Slide Rails have their catering services provided by outsourced suppliers. The company conducts regular quality and employee satisfaction evaluations to ensure that all employees can enjoy good meal supply and welfare care, thereby promoting physical and mental health and enhancing daily happiness.

Staff canteen pick-up area

The staff canteen of LemTech Jingcai, which was completed in 2021, is bright and clean. It adopts a zoned dining design to provide employees with a comfortable and convenient dining experience.



Staff canteen seating area

It features a spacious seating area that can accommodate approximately 300 people, with an open layout. The seats are neatly arranged, balancing comfort and ventilation, creating a pleasant dining environment and promoting communication among colleagues as well as healthy eating habits.



Family-friendly support and care for infant care needs

LemTech Group offers a diverse and comprehensive welfare and life care system, covering subsidies for marriage, death and childbirth, festival gifts, employee travel subsidies, and regularly holds birthday celebrations and team-building activities, etc., to enhance employees' sense of belonging and cohesion. The company, in accordance with the laws and regulations of each operational site, provides relevant leave and supportive measures to create a gender-friendly and family-friendly working environment.

At its headquarters in Taiwan, LemTech provides maternity leave, paternity leave and parental leave without pay in accordance with the "Labor Standards Act". The Chinese factory area, in accordance with local regulations such as the "Labor Law" and the "Special Provisions on the Protection of Female Employees' Labor Rights", provides corresponding maternity leave and care leave, and has added a "care leave for Only Children" to assist employees in taking care of their elderly parents and respond to actual care needs.

For overseas expatriates, the subsidiary, LemTech Jingcai, has established a "Care Program for Overseas Expatriates and Their Families", which covers pre-departure education, cultural and legal guidance, accommodation and salary subsidies, psychological support and other services. It also provides annual travel activities, health checks, children's psychological counseling and educational resource assistance for the families of those who have been expatriated for more than one year. Demonstrate all-round support for employees and their families.

Regarding the parental leave system, no employee in Taiwan met the legal conditions for applying for parental leave in 2024. Therefore, there were no actual statistics on leave, re-employment or retention during this reporting period. In the future, the company will continue to pay close attention to the child-rearing needs of its employees and provide a complete disclosure when there are actual leave requests. In China, a "parental leave" system is implemented in accordance with local regulations, applicable to children under the age of three. Each year, children can enjoy 80 hours (approximately 10 working days) of flexible leave. As this leave is used in installments for a short period of time, there is no need to go through long-term retention or reinstatement procedures, and there is no subsequent retention tracking mechanism either. Therefore, the ratio of reinstatement to retention cannot be disclosed.

In addition, LemTech is also actively promoting workplace friendliness measures. The LemTech Fine Materials factory area is equipped with a mother-and-baby room, providing a safe and comfortable space for breastfeeding and milk collection. The building where the holding headquarters is located also has a shared mother-and-baby room, which can be flexibly used by employees in need, further supporting employees with children to balance family and work.



Lactation room

Employee cohesion and cultural activities

LemTech continuously fosters a warm and vibrant corporate culture. Each branch, based on its specific circumstances, regularly organizes various activities such as sports days, year-end parties, reading clubs, and Mid-Autumn barbecue and music festivals to promote communication among colleagues and strengthen team cohesion. The company also maintains an employee recognition program to publicly acknowledge and reward those who have made long-term contributions and consistently delivered strong performance, thereby enhancing employees' sense of belonging and organizational identity.

Mid-Autumn Barbecue Party

Employees came together for the Mid-Autumn Festival barbecue, fostering camaraderie through shared laughter and food, and celebrating both the warmth of the occasion and the vibrancy of the team.



Track and field event of the staff sports day

The company's Sports Day was filled with enthusiasm, showcasing the team's vitality and cohesion.



Employee birthday party buffet chat time

The company organized a warm birthday celebration for employees, strengthening interpersonal bonds and enhancing their sense of belonging through shared meals.



Flower arrangement activity for International Women's Day

In celebration of Women's Day, employees participated in a flower arrangement activity, enjoying a creative hands-on experience and the festive atmosphere.



Commendation for 20th anniversary of employment

In recognition of employees' long-term dedication and contributions, the company conferred honorary awards at the annual meeting.



Employee Parent-Child Fun Sports Day

Employees brought their families to the parent-child sports day, sharing the joy of sports and warm moments, while fostering positive connections between families and the workplace.



5.3.2 Occupational Safety and Health

Occupational safety and health policies and objectives

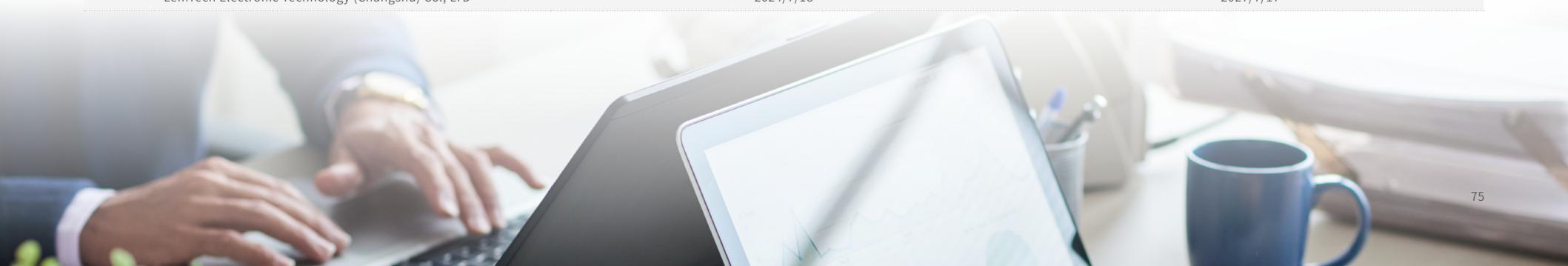
LemTech is committed to creating a safe, healthy and occupational injection-free working environment, and actively reduces the potential impact and risks of its operations on stakeholders, moving towards the goal of sustainable operation. The company continuously promotes its occupational safety and health policies and has the dedicated occupational safety and health units in each factory area responsible for daily supervision and promotion of relevant management measures to ensure the implementation of the system on-site.

Occupational safety and health management system

This report covers the company's headquarters and three major production sites. The company's headquarters is located in a commercial office building. Its business nature mainly involves administrative, financial, human resources and management functions, with no physical production or high-risk operation activities. Given the relatively low level of risk, the headquarters is currently not included in the ISO 45001 certification scope. However, the headquarters still implements basic safety management measures in accordance with the company's policies, including the maintenance of fire-fighting facilities, emergency evacuation drills, safety management of personnel in public Spaces, and general health protection, etc.

Among the three major production sites, two have passed the ISO 45001 occupational safety and health management system verification, covering manufacturing, warehousing, maintenance and high-risk operation activities, and have incorporated dispatched and outsourced operation personnel into management. The workplace covered by the system includes production lines, storage areas, maintenance operation Spaces, and logistics channels, etc. Risk identification and hidden danger investigation operations are carried out regularly in accordance with internal regulations. There is still one production site within the scope of this report that is gradually introducing the ISO 45001 management system. Currently, risk identification and control measures have been implemented in accordance with the company's regulations, and it is expected that the system establishment and external certification work will be completed subsequently. In terms of the proportion of personnel coverage, the two production sites certified by ISO 45001 account for approximately 82.9% of the total number of employees within the scope disclosed in this report. As of now, the company has not implemented systematic personnel ratio statistics internally to distinguish whether external cooperative personnel have been fully managed. In the future, the company will continue to expand the coverage of the system's objects and coverage ratio, and promote the management strategy based on the characteristics of the sites and the classification of operational risks.

| Company name/Factory area | Date of issuance | Valid date |
|---|------------------|------------|
| LemTech Precision Materials (China) Co., LTD | 2024/5/10 | 2027/5/9 |
| LemTech Electronic Technology (Changshu) Co., LTD | 2024/7/18 | 2027/7/17 |



Specific measures for occupational safety and health**Risk Assessment and Hazard Identification**

- Regularly conduct hazard identification and risk assessment, and establish and maintain a safety risk list.
- For the identified unsafe factors, corrective measures shall be implemented in accordance with the latest regulatory requirements
- Corrections will be made and the improvement results will be continuously tracked in the future to ensure effective risk management.

**Emergency response**

- In 2024, in accordance with the internal emergency response training plan, evacuation and escape drills as well as fire safety drills will be conducted courses such as emergency response training and mechanical accident response drills.

**Communication and participation**

- Establish a sound internal communication, consultation and abnormal notification mechanism.

**Protective measures**

- Wear personal protective equipment..
- There is a strict application and control mechanism for personnel in special positions, and it is based on risk assessment
- As a result, corresponding protective measures and management regulations were formulated.

**Health protection**

- For employees in special positions, regular health check-ups for specific items are arranged.
- Regularly conduct environmental inspections of the working environment.
- Set up psychological counseling services, with psychotherapists stationed regularly.

**Supplier Management**

- For long-term operation contractors, safety education and training should be arranged at least once a year.

**Training and promotion**

- New employees will be provided with safety and hygiene training.
- According to the requirements of special operations, conduct special hazard or first aid training.
- Formulate and implement annual occupational safety and health education and training plans.

**Internal verification**

- Conduct at least one internal audit each year, immediately improve any deficiencies found, and conduct a review, the verification results will be reported to the management unit, and continuous tracking and control will be carried out subsequently.

Risk assessment and hazard identification

LemTech has established a complete hazard identification and risk assessment system as the core foundation of occupational safety and health management. The company arranges trained and qualified personnel to be responsible for the risk inventory and identification operations of each unit, and the department heads jointly conduct a comprehensive identification of the safety risks in the areas they are responsible for. Risk level assessment is conducted using quantitative risk factors (LEC method: Likelihood of accident occurrence, Exposure frequency, Consequence) for risk level evaluation. After the results are reviewed by the safety and health management unit, a risk list and control measures are established.

For those identified as medium or high-risk, in addition to implementing technical control in accordance with internal standard operating procedures, annual management goals and continuous improvement plans are also set simultaneously and incorporated into the occupational safety management system for regular tracking and correction. The medium and high-risk types identified by the company in 2024 are: The most common risks are "occupational injury caused by improper human behavior", "risks resulting from irregular maintenance, upkeep and inspection of equipment" and "risks caused by confined Spaces or flammable gases". The corresponding improvement measures include strengthening the correct operation training for employees, ensuring they wear personal protective equipment properly, conducting thorough equipment inventory and maintenance, and adjusting operation procedures to reduce exposure risks.

The company regularly conducts various types of safety inspection operations, including comprehensive inspections, daily patrols, seasonal disaster prevention inspections, self-inspections by units, professional equipment inspections, and safety inspections before holidays, and reports, improves and tracks them in accordance with internal procedures. For major potential risks, they must be reported to the management level, and the relevant units should coordinate technical resources and budget input to effectively carry out improvement work. All deficiencies identified during the verification must be improved and accepted for confirmation before the case is closed, in order to achieve a closed-loop management of risk control.

If the operation personnel discover any immediate hazardous situation during the operation, they may suspend the operation or take refuge according to the on-site conditions. The company explicitly guarantees that employees will not suffer any adverse sanctions due to reporting or taking refuge. When the accident occurred, the company conducted an investigation and cause analysis in accordance with regulations, implemented corrective measures for the identified deficiencies, and incorporated them into the subsequent tracking and system improvement mechanism.

To strengthen the implementation of the system, the company conducts internal occupational safety and health audits every year. Through on-site inspections and document reviews, it verifies the effectiveness of the system operation and on-site compliance, and serves as a basis for continuous improvement. Each base has also established reporting, investigation and corrective handling procedures based on their actual operational characteristics (such as: initial unit report → cause clarification → improvement tracking) to ensure that abnormal events can be dealt with promptly and to strengthen the organization's overall disaster recovery mechanism.

LemTech adheres to the spirit of the ISO 45001 environmental, safety and health management system. Besides identifying and assessing potential hazards and risks in the working environment for internal employees, the company also evaluates the operational risks and potential impacts of all personnel entering the workplace, including employees, temporary staff, contractors and visitors, etc. And provide necessary safety promotion and education training. LemTech is committed to creating a safe, healthy and protective workplace environment to ensure that all employees can work and develop in a reassuring and secure environment.

Consultation and Communication

The company's occupational safety and health management business is coordinated by the management department. Regular meetings are held with department heads and safety management personnel to summarize the progress of safety inspections and hazard rectification, and to conduct cross-departmental communication. Each department also holds regular internal safety meetings and arranges safety reminders before daily operations. Team leaders are responsible for reminding on-site personnel of their safety awareness and tracking the implementation. As of now, the company has not established a formal labor safety and health committee. The feasibility of setting it up will be evaluated based on demand and regulatory requirements in the future.



Periodic ISO 45001 OH&S Management System Audits

Occupational safety and health education and training

To enable employees to fully understand the operation of LemTech's occupational safety and health norms and management systems, the company has designed multi-level training mechanisms for different positions and risk types. All new employees are required to complete a general safety education course upon joining the company. The course covers basic operation safety, emergency response, and the use of personal protective equipment, and the relevant training will be arranged according to the nature of their work.

In addition to newly recruited employees, LemTech continuously promotes occupational safety education, regularly conducting confined space operation training, fire evacuation drills, hazard notification education, disaster reporting simulations, and post-disaster recovery drills, etc. All training programs are planned and coordinated by the management department or the safety unit and incorporated into the annual education and training plan as well as the performance assessment mechanism. For high-risk positions such as cleaning, welding, and high-altitude operations, advanced professional courses and on-site drills are arranged, and risk identification and response boards are set up at the operation site to enhance employees' risk awareness and handling capabilities. The company also stipulates that special operation personnel must hold certificates to work in accordance with job requirements and regularly conducts annual refresher training. Each unit shall arrange on-the-job education and training in accordance with its duties, and the safety unit shall collate the training records and incorporate them into the annual management performance assessment.



Regularly carry out fire safety education and training



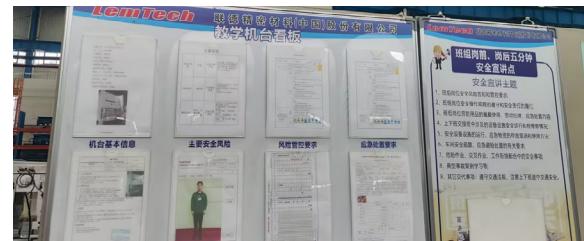
Regularly carry out fire safety education and training



Emergency Evacuation Route Testing and Personnel Drills



Carry out fire hydrant activation and fire extinguishing drills



Safety operation board and job process guidance for the stamping station



Biannual Safety Training for Special Equipment Operators

Management of external personnel

During its operation, LemTech has established corresponding risk control and safety management mechanisms for subcontractors, third parties and construction units directly related to its business activities, equipment or operations. In accordance with the "Safety Inspection and Accident Hazard Investigation and Management Procedures" formulated internally by the company, whenever a site or equipment is entrusted to a third party for construction, use or maintenance, a safety production management agreement must be signed, clearly defining the responsibilities and management obligations of both parties in the field of occupational safety.

In addition, the company also requires the contracting units to follow the operation norms such as safety education upon entry, holding certificates for work, work permit system and on-site inspection, and incorporate their operation behaviors into the potential risk inspection and internal audit processes. The company is responsible for the overall management and supervision of all external personnel entering the factory area for construction or operation. Through institutional control and management, it reduces the potential safety and health risks that business transactions may cause to internal workers and the workplace.



Conduct safety training for long-term cooperative suppliers

Statistics on occupational hazards and occupational diseases

Through occupational injury statistics and cause analysis, LemTech continuously identifies potentially risky occupational safety issues and plans prevention and improvement action plans based on them to reduce the incidence of work-related injuries. Each base reports monthly work-related injury statistics, which are uniformly monitored and fed back by a dedicated unit to grasp the risk trend and continuously improve management measures. Occupational injury statistics shall be carried out in accordance with the local laws and regulations, covering recordable injury incidents. Subsequent disclosure and management shall be conducted in compliance with the requirements of the competent authority regarding the ratio of serious occupational injuries.

During the reporting period, several occupational injury incidents occurred, with non-work-related falls being the majority. Common scenarios included employees accidentally falling while using their mobile phones while walking, which were preventable events. Another incident involved an operator being injured due to equipment malfunction. After investigation, it was found that it was not caused by personal operational negligence. The employee had already worn protective equipment as required at that time. Although most of the incidents were minor injuries, some cases still require a period of rest and recuperation, indicating that the company still has room for continuous improvement in behavioral risk management and equipment safety maintenance. In response to this, the company has taken the following improvement measures: including strengthening on-site risk warning signs, implementing behavioral safety promotion, enhancing equipment inspection and abnormal warning mechanisms, and incorporating relevant cases into educational training materials as the basis for subsequent risk early warning and prevention management, to reduce the possibility of similar incidents happening again.

During the same period, LemTech did not experience any occupational accident deaths, nor did it receive any cases of occupational diseases reported or diagnosed by the competent authorities. For specific high-risk positions, the company arranges regular health check-ups and special health monitoring every year, and combines them with personal protective equipment, ventilation devices and educational training and other protective measures to prevent health risks caused by employees' exposure to high temperatures, dust, chemical gases or repetitive movements. Subsequently, a system for reporting and analyzing occupational disease

data will be gradually established to enhance management quality and the completeness of indicators.

For employees other than regular staff (such as on-site outsourced personnel), the company manages them in accordance with local labor laws and regulations and operational standards, and ensures their operational safety through supplier selection, contractual agreements, and on-site audits. During the reporting period, no major violations occurred and the relevant systems were implemented stably. At present, no external personnel occupational safety statistics system has been established. In the future, it will be gradually included in the disclosure scope based on practical needs to enhance the coverage and transparency of risk management.

| Occupational Injury Statistics table | 2024 |
|--|--|
| Total working hours | 1,751,955 |
| Main categories of work-related injuries | Traffic accidents, mechanical injuries |
| Number of work-related injuries | 6 |
| Work injury Rate (IR) | 3.42 |
| Occupational disease Rate (ODR) | 0 |
| Lost working days | 165 |
| The proportion of lost days | 94.2 |
| The total number of deaths due to work | 0 |

Note:

1. Work injury rate IR: (Number of work injuries/total working hours)*1,000,000
2. Occupational disease rate (ODR) : (Number of occupational diseases/Total working hours) *1,000,000
3. Ratio of lost days: (Number of days lost due to work-related injuries/total working hours) *1,000,000
4. The occupational injury statistics in this report cover the company's regular employees. For workers who are not employees but operate within the factory area (such as outsourced or contracted personnel), a complete working hours and occupational accident statistics system has not yet been established, so they are not included in this period's statistics. In the future, the company will continue to strengthen the safety management and data tracking mechanism for external personnel to gradually incorporate complete disclosure

5.4 Social Initiatives & Community Engagement

LemTech upholds the core principle of “mutual benefit between business and society,” continuously strengthening engagement between each operational site and its local community. Through active participation, philanthropic donations, and community care initiatives, the Company seeks to enhance its positive impact on the local area. LemTech firmly believes that businesses should grow in harmony with their communities, fostering strong connections and mutual support through sustained involvement and contribution programs.

Impact assessment

The main operational bases of LemTech Group are primarily located in industrial zones and science and technology parks, or operate by leasing existing factory and office spaces. There are no large-scale development projects or significant environmental changes, and its operational activities have a relatively limited impact on the local community. Nevertheless, LemTech actively engages in community interaction and public welfare initiatives, and has established a basic stakeholder communication and grievance mechanism as part of its corporate responsibility. As of 2024, none of the Group's operational sites nationwide have initiated projects requiring formal social or environmental impact assessments under relevant regulations. However, some sites have already implemented the following initiatives:

Social and environmental impact assessment

- The Chinese sites conduct regular emission monitoring and reporting in accordance with regulations and are subject to on-site inspections and reviews by local authorities.
- If plans are made to establish a new facility, an environmental impact assessment (EIA) will be conducted in strict accordance with regulations, followed by continuous monitoring. The assessment results will be submitted to the local competent authority as required.



Community development plans and public welfare actions

- Actively engage in local public welfare activities and care for local residents, educational institutions and public welfare organizations through practical actions.
- LemTech Precision Material organized its annual sports days to promote employee health, teamwork, and a vibrant workplace culture. Certain activities were also opened to community members, relatives, and nearby residents, fostering interaction and strengthening community ties. In addition, the company regularly supports local educational development by donating teaching equipment and school development funds to nearby primary schools.

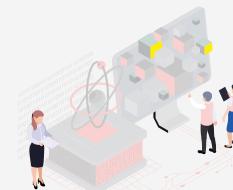
Stakeholder participation and communication mechanism

- Each operating unit designates a liaison point to continuously gather feedback and suggestions from employees, the community, and government authorities. The Sustainable Development Committee centrally coordinates follow-up actions and responses to relevant matters.



Grievance mechanism

- Each operation site has established a designated contact point to receive and address concerns or suggestions from nearby residents regarding operational activities, ensuring responses and improvements are made in line with internal procedures.



By the end of 2024, all four operational sites covered in this report had incorporated potential impact assessments on local communities and the environment into their operational planning and execution processes, achieving 100% coverage. These assessments serve as an important basis for operational decision-making and risk management. Among them, approximately 50% of the sites actively participated in community public welfare activities or supported local development initiatives, such as donating materials, providing educational assistance, and offering financial support, demonstrating the company's concrete commitment to social responsibility.

Currently, none of LemTech's operating sites have established a dedicated community advisory committee or fully implemented a systematic stakeholder engagement plan. Nevertheless, the Group maintains strong relationships of trust with local communities through regular contact and participation. Going forward, in cases of major plant expansion, new site establishment, or project development, LemTech will progressively introduce community impact assessments and participatory engagement processes to enhance transparency, deepen stakeholder involvement, and strengthen the enterprise's connection and positive influence within the local community.



When applying for the expansion of the factory building, an environmental assessment shall be conducted in accordance with the regulations

Public welfare actions and social participation

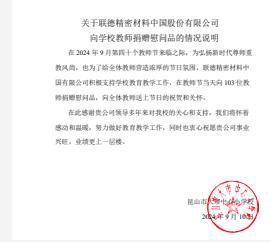
In 2024, the Company will continue to strengthen local engagement and stakeholder communication, carrying out the following public welfare initiatives.



- Donate disposable medical masks to local primary schools to support campus epidemic prevention efforts and safeguard the health of teachers and students.
- On Teachers' Day, 103 teachers were visited and presented with gifts to convey the spirit of respecting teachers and valuing education.
- Donate stationery and teaching resources to schools in remote areas to help improve teaching conditions and promote educational equity.
- Donated heatstroke prevention and consolation items to the Zhangpu Town Fire Brigade to show support and respect for frontline firefighters.
- Through a charity cycling event, funds were donated to the Family Assistance Foundation, Hualien Liming Care Home, and Ande Intellectual Development Center, demonstrating ongoing commitment to supporting disadvantaged groups and fulfilling corporate social responsibility.



LemTech Precision Material, in collaboration with local organizations, organized educational public welfare activities to care for children in mountainous areas, support education in remote regions, and convey warmth and positive energy.



On Teachers' Day, LemTech Precision Material presented gifts to 103 teachers of Dazhong Central Primary School, expressing respect and gratitude for their educational work and providing practical support for the school's teaching development.



Although the 2024 charity cycling event was canceled due to inclement weather, LemTech still proceeded with its planned donations to the Taitung Family Assistance Center, Hualien Liming Care Home, and Ande Intellectual Development Center. These contributions support the needs of disadvantaged children, families, and people with disabilities, reflecting the company's ongoing commitment to caring for society.

Risk management and negative impact assessment

Based on internal reviews and risk assessments, no actual or potential significant negative impacts on the local community were identified at LemTech Group's operational sites in 2024. To prevent potential risks, the Group has implemented the following monitoring and management measures:

| | | |
|---|--------|--|
|  Resource utilization and environmental protection |● | <ul style="list-style-type: none">• All factory areas are equipped with emission monitoring and resource usage tracking mechanisms, and implement improvement actions in accordance with the ISO 14001 environmental management system to reduce the pressure on local water resources and air quality• There are no cases of land expropriation or resident migration. Carbon inventories are conducted, and energy- and water-saving plans are implemented with corresponding control measures. |
|  Land and Community Impact |● | <ul style="list-style-type: none">• All expansion plans have legally acquired land in compliance with local regulations, without involving community relocation or destruction of natural habitats. |
|  Health and safety risk control |● | <ul style="list-style-type: none">• All chemical substances used in the manufacturing process are managed in compliance with applicable laws and regulations. Regular health risk assessments and explanatory sessions are conducted for employees and the local community.• Set up emission monitoring systems and hazardous substance management procedures to ensure operations comply with regulatory standards and avoid impacting the health of nearby residents. |
|  Local employment and the economic coexistence |● | <ul style="list-style-type: none">• Some factory sites serve as important local employers, with recruitment policies that prioritize hiring nearby residents to help boost the community's economic vitality. |
|  Considerations for disadvantaged social group |● | <ul style="list-style-type: none">• When planning community public welfare initiatives, special attention is given to the actual needs of education, disadvantaged children and grassroots teaching staff. |

In the future, the group will continue to strengthen its community impact monitoring mechanism and conduct regular social risk assessments of all its locations to safeguard stakeholder rights and interests and ensure the sustainability of its operations.

Appendices

GRI Content Index

| | |
|-----------------------------------|---|
| Usage Statement | LemTech Holdings has prepared its 2024 Sustainability Report in accordance with GRI Standards, covering the reporting period from January 1 to December 31, 2024. |
| The GRI 1 used | GRI 1: Basics 2021 |
| Applicable GRI industry standards | no |

Universal Standards

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Omissions |
|--------------------------------|---|--|-------------|-----------|
| GRI 2: General Disclosure 2021 | 2-1 Detailed organizational Information | Regarding this report 1.1 Company Profile | 01 | - |
| | 2-2 Entities included in the organization's sustainability report | Regarding this report | 01, 05 | - |
| | 2-3 Reporting period, frequency and contact person | Regarding this report | 01 | - |
| | 2-4 Information Recompilation | Regarding this report | 01 | - |
| | 2-5 External assurance/certainty | Regarding this report | 01 | - |
| | 2-6 Activities, value chains and other business relationships | 3.1.1 Products and Services 3.1.3 Supply Chain and Value Chain Management | 21 25 | - |
| GRI 2: General Disclosure 2021 | 2-7 employees | 5.1.3 Diversity and Inclusion | 59 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Omissions |
|--------------------------------|---|---|----------------|-----------|
| GRI 2: General Disclosure 2021 | 2-8 Non-employee workers | 5.1.3 Diversity and Inclusion | 59, 61 | - |
| | 2-9 Governance Structure and Composition | 2.2 Sustainable Development Governance Framework 3.2.1 Board of Directors and Functional Committees | 13 29 | - |
| | 2-10 Nomination and Selection of the highest governance unit | 3.2.1 Board of Directors and Functional Committees | 29 | - |
| | 2-11 Chairperson of the highest governance unit | 3.2.1 Board of Directors and Functional Committees | 29 | - |
| | 2-12 The role of the highest governance unit in supervising impact management | 2.1 Sustainable Development Strategies and Main Axes 2.2 Sustainable Development Governance Framework 2.3 Stakeholders and Major Issues | 12 13 14 | - |
| | 2-13 Person in charge of impact management | 2.2 Sustainable Development Governance Framework 3.3.1 Risk Management and Governance | 13 35 | - |
| | 2-14 The Role of the highest governance Unit in Sustainability Reporting | 2.2 Sustainable Development Governance Framework 2.3.2 Major Theme Identification and Impact Analysis | 13 16 | - |
| | 2-15 Conflict of Interest | 3.2.1 Board of Directors and Functional Committees 3.2.2 Honest Operation and Compliance with Regulations | 29 33 | - |
| | 2-16 Communicate key and significant events | 3.2.1 Board of Directors and Functional Committees | 29 | - |
| | 2-17 The collective intelligence of the highest governance unit | 3.2.1 Board of Directors and Functional Committees | 30 | - |
| | 2-18 Performance Evaluation of the highest governance unit | 3.2.1 Board of Directors and Functional Committees | 29 | - |
| | 2-19 Salary Policy | 3.2.1 Board of Directors and Functional Committees | 30 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Omissions |
|--------------------------------|---|---|----------------------|--|
| | 2-20 Salary determination process | 3.2.1 Board of Directors and Functional Committees | 31 | - |
| | 2-21 The total salary ratio for the years | - | - | Due to confidentiality regulations, it is classified as company confidential information |
| | 2-22 Statement on the Sustainable Development Strategy | 2.1 Sustainable Development Strategies and Main Axes | 12 | - |
| | 2-23 Policy Commitment | 5.2.1 Human Rights Risks and Response Actions | 66 | - |
| | 2-24 Incorporate into policy commitments | 5.2.1 Human Rights Risks and Response Actions 3.2.2 Honest Operation and Compliance with Regulations | 66 33 | - |
| GRI 2: General Disclosure 2021 | 2-25 Procedures for Remediying Negative impacts | 4.1 Environmental Policy 5.2.2 Communication and Appeal Mechanism 5.3.2 Occupational Safety and Health 5.4 Public Welfare Actions and Social Participation | 43 68 77 80 | - |
| | 2-26 Mechanisms for seeking advice and raising concerns | 3.2.2 Honest Operation and Compliance with Regulations 5.2.2 Communication and Appeal Mechanism | 34 68 | - |
| | 2-27 Compliance with Regulations | 3.2.2 Honest Operation and Compliance with Regulations | 33 | - |
| | 2-28 Membership of the Public Association | 3.4.3 Policy Influence | 40 | - |
| | 2-29 Stakeholder Agreement Policy | 2.3.1 Stakeholder Identification and Communication Methods | 14 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Omissions |
|--------------------------------|---|---|------------------------|-----------|
| GRI 2: General Disclosure 2021 | 2-30 Group Agreement | 5.2.1 Human Rights Risks and Response Actions 5.2.2 Communication and Appeal Mechanism | 66 68 | - |
| | 3-1 The process of deciding on major topics | 2.3.2 Major Theme Identification and Impact Analysis | 16 | - |
| | 3-2 List of Major Themes | 2.3.2 Major Theme Identification and Impact Analysis | 17 | - |
| GRI 3: Major Themes 2021 | | 2.3.3 Major Theme Management | 17 | |
| | 3-3 Major Theme Management | 3 Management Policies 4 Management Policies 5 Management Policies | 19, 20 42 53, 54 | - |

Specific topic criteria

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|------------------------------------|---|---------------------------------|-------------|-----------------|
| Major themes | | | | |
| Corporate governance | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 3 Management Policies | 19 | - |
| | 201-1 The direct economic value generated and distributed by the organization | 3.4.1 Financial Performance | 39 | - |
| GRI 201: Economic Performance 2016 | 201-2 Financial impacts and other risks and opportunities arising from climate change | 4.2 Climate Risk Management | 45, 46 | - |
| | 201-3 Determine the obligation of the payment system and other retirement plans | 5.3.1 Employee Care and Concern | 69 | - |
| | 201-4 is taken from the government's financial assistance | 3.4.1 Financial Performance | 39 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|--|---|--|-------------|-----------------|
| GRI 205: Anti-Corruption 2016 | 205-1 Operational sites that have undergone corruption risk assessment | 3.2.2 Honest Operation and Compliance with Regulations | 33 | - |
| | 205-2 Communication and training on anti-corruption policies and procedures | 3.2.2 Honest Operation and Compliance with Regulations | 33 | - |
| | 205-3 Confirmed corruption incidents and actions taken | 3.2.2 Honest Operation and Compliance with Regulations | 33 | - |
| GRI 206: Anti-Competitive Behavior 2016 | 206-1 Legal actions against anti-competitive behavior, anti-trust and monopolistic behavior | 3.2.2 Honest Operation and Compliance with Regulations | 33 | - |
| Customer relationship management/Product safety and quality | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 3 Management Policies | 19 | - |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assess the impact of product and service categories on health and safety | 3.1.1 Products and Services | 22 | - |
| | 416-2 Incidents of violations of health and safety regulations concerning products and services | 3.1.1 Products and Services | 22 | - |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for Product and Service Information and Labeling | 3.1.2 Customer Relationship Management | 24 | - |
| | 417-2 Incidents of failure to comply with relevant regulations on information and labeling of products and services | 3.1.2 Customer Relationship Management | 24 | - |
| | 417-3 Incidents of failure to comply with marketing communication-related regulations | 3.1.2 Customer Relationship Management | 24 | - |
| GRI 418: Customer Privacy 2016 | 418-1 Complaints about confirmed infringement of customer privacy or loss of customer information | 3.1.2 Customer Relationship Management | 24 | - |
| Technology research and development | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 3 Management Policies | 20 | - |
| Talent development and training | | | | |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|--|---|--|-------------|-----------------|
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 5 Management Policies | 53 | - |
| | 404-1 The average number of training hours received by each employee per year | 5.1.4 Human Capital Development | 63 | - |
| GRI 404: Training and Education 2016 | 404-2 Employee Function Enhancement and Transition Assistance Program | 5.1.4 Human Capital Development | 62 | - |
| | 404-3 Percentage of employees who regularly undergo performance and career development reviews | 5.1.4 Human Capital Development | 65 | - |
| Talent attraction and retention | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 5 Management Policies | 53 | - |
| GRI 202: Market Position 2016 | 202-1 The ratio of the standard salary of grassroots personnel of different genders to the local minimum salary | 5.1.2 Talent Retention | 57 | - |
| | 202-2 The proportion of employing local residents as senior management | 5.1.1 Talent Attraction | 57 | - |
| | 401-1 New and former employees | 5.1.1 Talent Attraction | 55, 59 | - |
| GRI 401: Employer-Employee Relationship 2016 | 401-2 benefits provided to full-time employees (excluding temporary or part-time employees) | 5.3.1 Employee Care and Concern | 69 | - |
| | 401-3 Parental Leave | 5.3.1 Employee Care and Concern | 73 | - |
| GRI 402: Labor/Management Relations 2016 | 402-1 Minimum Notice period regarding operational changes | 5.2.2 Communication and Appeal Mechanism | 68 | - |
| Energy management | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 4 Management Policies | 42 | - |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 4.3 Energy Management and Greenhouse Gas Emissions | 47 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|--------------------------|--|--|-------------|--|
| GRI 305: Emissions 2016 | 302-2 Energy consumption outside the organization | - | | The information is unavailable or incomplete |
| | 302-3 Energy Intensity | 4.3 Energy Management and Greenhouse Gas Emissions | 47 | - |
| | 302-4 Reduce energy consumption | - | | The information is unavailable or incomplete |
| | 302-5 Reduce the energy demand of products and services | - | | The information is unavailable or incomplete |
| | 305-1 Direct (Scope 1) Greenhouse gas emissions | 4.3 Energy Management and Greenhouse Gas Emissions | 48 | - |
| | 305-2 Indirect greenhouse gas emissions from energy (Category 2) | 4.3 Energy Management and Greenhouse Gas Emissions | 48 | - |
| | 305-3 Other indirect (Category 3) greenhouse gas emissions | - | | The information is unavailable or incomplete |
| | 305-4 Greenhouse gas emission intensity | 4.3 Energy Management and Greenhouse Gas Emissions | 48 | - |
| | 305-5 Reduction of greenhouse gas emissions | - | | The information is unavailable or incomplete |
| | 305-6 Emission of ozone-depleting substances (ODS) | 4.5 Waste Management | 50 | - |
| GRI 3: Major Themes 2021 | 305-7 Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gases | 4.3 Energy Management and Greenhouse Gas Emissions | 47 | - |
| | Waste management | | | |
| | 3-3 Major Theme Management | 4 Management Policies | 42 | - |
| GRI 306: Waste 2020 | 306-1 The generation of waste is significantly associated with the impact of waste | 4.5 Waste Management | 50 | - |
| | 306-2 Management of Significant Impacts Related to Waste | 4.5 Waste Management | 50 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|---|--|---|-------------|--|
| GRI 306: Waste 2020 | 306-3 Generation of Waste | 4.5 Waste Management | 51 | - |
| | 306-4 Disposal and Transfer of Waste | 4.5 Waste Management | 51 | - |
| | 306-5 Direct Disposal of waste | 4.5 Waste Management | 51 | - |
| Human Rights and labor relations | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 5 Management Policies | 53 | - |
| GRI 406: Non-Discrimination 2016 | 406-1 Discrimination incidents and improvement actions taken by the organization | 5.2.1 Human Rights Risks and Response Actions | 66 | - |
| GRI 407: Freedom of Association and Group Bargaining 2016 | 407-1 Operating sites or suppliers that may face risks of freedom of association and collective bargaining | 5.2.1 Human Rights Risks and Response Actions | 66 | - |
| GRI 408: Child Labor 2016 | 408-1 Major risks of using child labor at operational sites and suppliers | 5.2.1 Human Rights Risks and Response Actions | 66 | There is no significant risk of employing child laborers |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operating sites and suppliers with significant risks of forced or compulsory labor incidents | 5.2.1 Human Rights Risks and Response Actions | 66 | There are no risk events of forced or compulsory labor |
| Occupational safety and health | | | | |
| GRI 403: Occupational Safety and Health 2018 | 3-3 Major Theme Management | 5 Management Policies | 54 | - |
| | 403-1 Occupational Safety and Health Management System | 5.3.2 Occupational Safety and Health | 75 | - |
| | 403-2 Hazard identification, Risk Assessment and Accident Investigation | 5.3.2 Occupational Safety and Health | 77 | - |
| | 403-3 Occupational Health Services | 5.3.2 Occupational Safety and Health | 76 | - |
| | 403-4 Participation, consultation and communication of workers related to occupational safety and health | 5.3.2 Occupational Safety and Health | 76, 77 | - |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions | | | |
|--|--|---|-------------|-----------------|--|--|--|
| GRI 403: Occupational Safety and Health 2018 | 403-5 Training for workers related to occupational safety and health | 5.3.2 Occupational Safety and Health | 78 | - | | | |
| | 403-6 Workers' Health Promotion | 5.3.1 Employee Care and Concern | 71、76 | - | | | |
| | 403-7 Prevent and mitigate occupational safety and health impacts directly related to business relations | 5.3.2 Occupational Safety and Health | 77 | - | | | |
| | 403-8 Workers covered by the Occupational Safety and Health Management system | 5.3.2 Occupational Safety and Health | 76、79 | - | | | |
| | 403-9 Occupational injury | 5.3.2 Occupational Safety and Health | 79 | - | | | |
| | 403-10 Occupational Diseases | 5.3.2 Occupational Safety and Health | 75、79 | - | | | |
| Diversity and inclusiveness | | | | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 5 Management Policies | 54 | - | | | |
| GRI 405: Employee Diversity and Equal Opportunity 2016 | 405-1 Diversification of governance units and employees | 3.2.1 Board of Directors and Functional Committees | 30 | - | | | |
| | | 5.1.3 Diversity and Inclusion | 59 | - | | | |
| Social participation | | | | | | | |
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 5 Management Policies | 54 | - | | | |
| GRI 413: Local Community 2016 | 413-1 Operational activities based on local community consensus, impact assessment and development plans | 5.4 Public Welfare Actions and Social Participation | 80 | - | | | |
| | 413-2 Business activities that have a significant actual or potential negative impact on the local community | | | | | | |
| Supplier sustainable management | | | | | | | |
| There is no such situation | | | | | | | |

| GRI Criteria | Disclosure Items | Chapter/Explanation | Page number | Notes/Omissions |
|---|--|---|-------------|---|
| GRI 3: Major Themes 2021 | 3-3 Major Theme Management | 3 Management Policies | 20 | - |
| GRI 204: Procurement Practice 2016 | 204-1 Proportion of procurement expenditure from local suppliers | 3.1.3 Supply Chain and Value Chain Management | 27 | The Chinese factory purchases 82% locally |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 Screen new suppliers using environmental standards | 3.1.3 Supply Chain and Value Chain Management | 26 | - |
| | 308-2 The negative environmental impacts in the supply chain and the actions taken | 3.1.3 Supply Chain and Value Chain Management | 26 | - |
| GRI 414: Supplier Social Evaluation 2016 | 414-1 Screen new suppliers using social standards | 3.1.3 Supply Chain and Value Chain Management | 26 | - |
| | 414-2 Negative social impacts in the supply chain and the actions taken | 3.1.3 Supply Chain and Value Chain Management | 26 | - |

SASB Standards Cross-Reference

Industry-specific indicators

| Theme | Indicator | Types | Measurement unit | Code | Chapter | Remarks |
|-------------------------|--|----------------|-------------------------------------|--------------|--|---------|
| Energy management | (1) Total energy consumption, (2) percentage of grid electricity, and (3) percentage of regeneration | Quantification | Billion joules (GJ), percentage (%) | RT-IG-130a.1 | 4.3 Energy management and greenhouse gas emissions | * |
| Labor health and safety | (a) Direct employees and (b) contract employees (1) Total recordable Accident Ratio (TRIR) (2) Mortality rate (3) Frequency of False alarm Incidents (NMFR) | Quantification | Ratio | RT-IG-320a.1 | 5.1.2 Talent retention 5.3.2 Occupational safety and health | * |

| Theme | Indicator | Types | Measurement unit | Code | Chapter | Remarks |
|---|--|-------------------------|-----------------------------------|--------------|---|---------|
| Fuel economy and emissions during the usage stage | Sales-weighted fuel efficiency of medium and heavy vehicle fleets | Quantification | Every 100 ton-kilometers of litre | RT-IG-410a.1 | - | * |
| | Sales-weighted fuel efficiency of non-road equipment | Quantification | Litres per hour | RT-IG-410a.2 | - | * |
| | Sales-weighted fuel efficiency of fixed generators | Quantification | Kilojoules per litre | RT-IG-410a.3 | - | * |
| | (a) Marine diesel engines, (b) railway locomotive diesel engines, (c) medium and heavy-duty road engines, and (d) other non- | Quantification | Per kilojoule gram | RT-IG-410a.4 | - | * |
| | Sales-weighted emissions of (1) nitrogen oxides (NOx) and (2) particulate matter (PM) from road diesel engines | | | | | |
| Material acquisition | A description of risk management related to the use of key materials | Discussion and Analysis | Not applicable | RT-IG-440a.1 | 4.2 Climate Risk Management 3.3.1 Risk Management and governance | - |
| Design and service for reproduction | Revenue from remanufactured products and remanufactured services | Quantification | Expressing currency | RT-IG-440b.1 | - | * |

Activity indicators

| Activity indicators | Types | Measurement unit | Code | Chapter | Remarks |
|--|----------------|------------------|-------------|------------------------|---------|
| The number of production units, classified by product category | Quantification | Quantity | RT-IG-000.A | - | * |
| Number of employees | Quantification | Quantity | RT-IG-000.B | 5.1.2 Talent Retention | - |

*: Some of the data required for the SASB indicators have not been fully collected and thus cannot be disclosed in this report. In the future, we will continue to improve the data collection mechanism to ensure the full disclosure of relevant information.

LemTech

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