

2025 

Sustainability Report



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About This Report

About This Report

The Shin Zu Shing 2025 Sustainability Report describes strategies, management frameworks, and performance for material and general sustainability topics. Based on principles of transparency, timeliness, completeness, and interactivity, it discloses how the company strengthens corporate value and shows its commitment to sustainable operations.

Previous issue date : August 2025

Current issue date: August 2026

Next scheduled issue date : August 2027(expected)

Reporting Boundaries

■ **Reporting Period** : January 1, 2025 to December 31, 2025

■ **Reporting Frequency** : Annually

■ **Reporting Scope** : Includes all operating entities in the consolidated financial statements.

Headquarters	SHIN ZU SHING CO.,LTD	Headquarters Plant : No.174, Junying St.,Shulin Dist.,New Taipei City Shulin Plant : No. 194, Junying St., Shulin Dist., New Taipei City Junying Plant : No. 196-2, Junying St., Shulin Dist., New Taipei City Plant No. 3 : No. 6&8, Aly. 172, Junying St., Shulin Dist., New Taipei City, Sanjun Plant : No. 69, Sanjun St., Shulin Dist., New Taipei City Xinshu Plant : No. 529, Xinshu Rd., Xinzhuang Dist., New Taipei City
	SHIN ZU SHING PRECISION ELECTRON (SUZHOU) CO.,LTD.	No. 1, Hongyun Rd., Economic Development Zone, Luzhi Town, Wuzhong District, Suzhou City, Jiangsu Province, China
Subsidiaries	REDSTAR PRECISION ELEC-TRON (FUQING) CO.,LTD.	1F and 2F, Building 5, Stiger Industrial District, Op-toelectronics Technology Park, Fuqing Rongqiao Economic and Technological Development Zone, Fuqing City, Fujian Province, China
	SHIN ZU SHING (BEIJIANG) CO., LTD.	Part of Lot CN-04, Hoa Phu Industrial Park, Xuan Cam Commune, Bac Ninh Province, Vietnam
	KUNSHAN JENGJEA COM-PUTER FITTINGS CO., LTD. (Operations suspended in 2025)	No. 118, Fuli Rd., Zhangpu Town, Kunshan City, Jiangsu Province, China
	DONGGUAN CHENGYUE COMPUTER FITTINGS CO., LTD. (Operations suspended in 2025)	No. 58, Shenlong Rd., Shixiaxian Village, Dalang Town, Dongguan City, Guangdong Province, China

This report discloses company operations and focuses on the management and performance of material topics.

- I. Implementation of sustainability policies, management approaches, promotion plans, and goals.
- II. Key stakeholders and their topics of concern.
- III. Performance reviews of economic, environmental, social, and governance results.

■ Contact Information:

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

Address: No. 174, Junying St., Shulin Dist., New Taipei City

Contact Person: Mr.Chao-Tsung Juan, General Manager

Tel: (02)2681-3316 ext. 81610

Email: juan@szs.com.tw

SHIN ZU SHING Official Website: <https://www.szs-group.com/>

About This Report

Basis of Preparation

Issuing Department	Reporting Standards Followed
Global Reporting Initiative,GRI	GRI Sustainability Reporting Standards 2021
Taiwan Stock Exchange	Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
United Nations	Sustainable Development Goals, SDGs
Recommendations issued by the Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures (TCFD)
Sustainability Accounting Standards Board,SASB	SASB Industrial Machinery & Goods standard

Prepared by the Sustainability Task Force and reviewed by senior management, this report was approved for issuance by the Board of Directors on August 4, 2026. While certain disclosure formats were adjusted in accordance with relevant reporting regulations and standards, and data and content were enhanced for quality, there are no restatements of information due to changes in mergers, reporting periods, business nature, or measurement methods.

Report Quality

Item	Standards	Verification Body
ESG Report	AA1000 v3 Assurance Standard: Type 1 Me-dium Assurance	BSI Group Singapore Pte. Ltd. Taiwan Branch
Annual Financial Report	International Financial Reporting Standards, IFRS	Deloitte Taiwan
GHG Inventory	ISO 14064-1:2018	Taiwan Electric Research and Testing Center, TERTEC

Message from the Leadership

Message from the Leadership

Upholding Our Founding Principles, Pursuing Steady Progress: Charting a Long-Term Course in an Era of Chang

In 2025, Shin Zu Shing (SZS) marks a highly significant milestone: our 60th anniversary.

Over the past six decades, we have evolved from a 10-person conventional spring workshop into a global precision components leader spanning Taiwan, China, and Vietnam, serving tier-one clients worldwide. Our journey has been defined not by mere tailwinds, but by prudent, pivotal choices made through economic cycles and technological shifts.

Looking ahead, the macro-environment remains complex, shaped by decelerating growth, geopolitical risks, and supply chain realignments. In this new era of competition, a corporation's true value lies not in growth velocity, but in its resilience to market volatility and its ability to maintain a clear strategic direction. What we have accumulated over 60 years is a time-tested management philosophy.

Establishing Long-Term Strategic Positioning Founded on Discipline

Discipline is our core pillar. By upholding the highest standards for quality, delivery, process stability, and manufacturing scalability, we differentiate our corporate value amid global supply chain restructuring.

Moving forward, SZS will deepen its expertise in material science and precision manufacturing, strengthening our footprint in high-end sectors such as medical devices, bicycle components, and AI applications. Rather than aggressive expansion, we aim to steadily elevate our technological leadership and indispensability. For instance, our long-term investment in foldable mechanisms since 2020 has matured into full mass production capabilities, ready to unleash growth as the market evolves.

Fortifying Operational Resilience for Sustainable Growth

We center our manufacturing on smart automation to ensure consistency and replicability across global sites. By transforming tacit experience into verifiable data and standardized protocols, we enhance operational controllability and transparency.

We prioritize efficiency, stability, and risk management over sheer scale. Through prudent capital allocation, focused R&D investments, and forward-looking governance, we are proactively preparing for the competitive landscape of the next decade.

Cultivating a People-Centric and Inclusive Organizational Culture

Human capital drives long-term competitiveness. We continuously cultivate a safe, healthy workplace by reinforcing Occupational Health and Safety (OHS) and Diversity, Equity, and Inclusion (DEI) frameworks. A stable talent pool is the bedrock for sustaining our technology and quality.

Message from the Leadership

Embedding Sustainability Governance into Core Competitiveness

Sustainability is integral to our business strategy. We have aligned our decarbonization roadmap with the Science Based Targets initiative (SBTi), expanding green power procurement and integrating climate risks into strategic decisions.

By adopting IFRS S1 and S2 standards, we have elevated our ESG disclosure quality, transforming sustainability from a compliance checklist into an internal value driver. As carbon pricing and supply chain accountability become baseline market thresholds, we choose proactive preparation over passive compliance.

Paving a Time-Tested Path Towards a Centennial Enterprise

Sixty years is a milestone and a new beginning, but certainly not the finish line.

Standing at the threshold of our journey toward becoming a century-old enterprise, SZS will continue to advance with steadfast strides. We do not chase reckless expansion; instead, we relentlessly pursue depth in technology, robustness in corporate governance, and resilience in our organizational structure. Maintaining our strategic course amidst volatility and accumulating intrinsic strength amidst uncertainty remains our unwavering choice.

We extend our deepest gratitude to our customers for their enduring trust, to our supply chain partners for their steadfast support, and to all our employees for their dedication. Looking ahead, SZS will uphold our founding principles and discipline, deepening our technological prowess, fortifying our sustainability governance, and steadily expanding our global footprint to lay an even stronger foundation for a centennial enterprise.



Chairman **Sheng-Nan Lu**

General Manager **Chao-Tsung Juan**

2025 ESG Performance Highlights

2025 ESG Performance Highlights

Climate Action
&
Environmental Sustainability

SBTi Target Validation: Officially validated by the Science Based Targets initiative (SBTi) in January 2025.

Taiwan Plant Solar Integration: Completed solar panel installation at the Taipei Plant. Scheduled for grid connection in January 2026, with an estimated annual power generation of 2 million kWh (2,000 MWh).

Green Building Certification: Bac Giang Plant in Vietnam awarded the LEED Silver Certification.

Vietnam Solar Power Activation: Solar panels at the Bac Giang Plant connected to the grid in August 2025, with an estimated annual power generation of 1 million kWh (1,000 MWh).

Suzhou Plant Renewable Energy Expansion: Initiated solar panel installation at the new Suzhou Plant in 2025, targeted for completion by mid-2026.

Employee Well-being
&
Inclusion

Social Responsibility Compliance: Achieved the Responsible Business Alliance (RBA) VAP (Validated Assessment Program) v8.0 Gold status certification.

Work-Life Balance: Hosted the 2025 Sports & Family Day, attracting 1,023 participants, including employees and their family members.

Community Engagemen
&
Social Impact

Marine Conservation: Partnered with 17 suppliers for a coastal cleanup initiative, successfully removing 154 kg of marine debris.

Community Support: Hosted the Smallholder Farmers' Market and Blood Donation Drive for the third consecutive year.

Cultural Preservation: Organized the 3rd SZS Cup Calligraphy Competition for primary and junior high school students in New Taipei City, receiving 221 entries.

Inclusive Charity: Invited the Jixian Sheltered Workshop and Wu-Jing Love Home Care Association to host in-house charity sales, supporting vulnerable groups.

Robust Governance
&
Compliance

Market Recognition: Recognized as one of the "2025 Taiwan FIC 100 (Foreign Investment Choice 100)" by the Taiwan Institute of Directors.

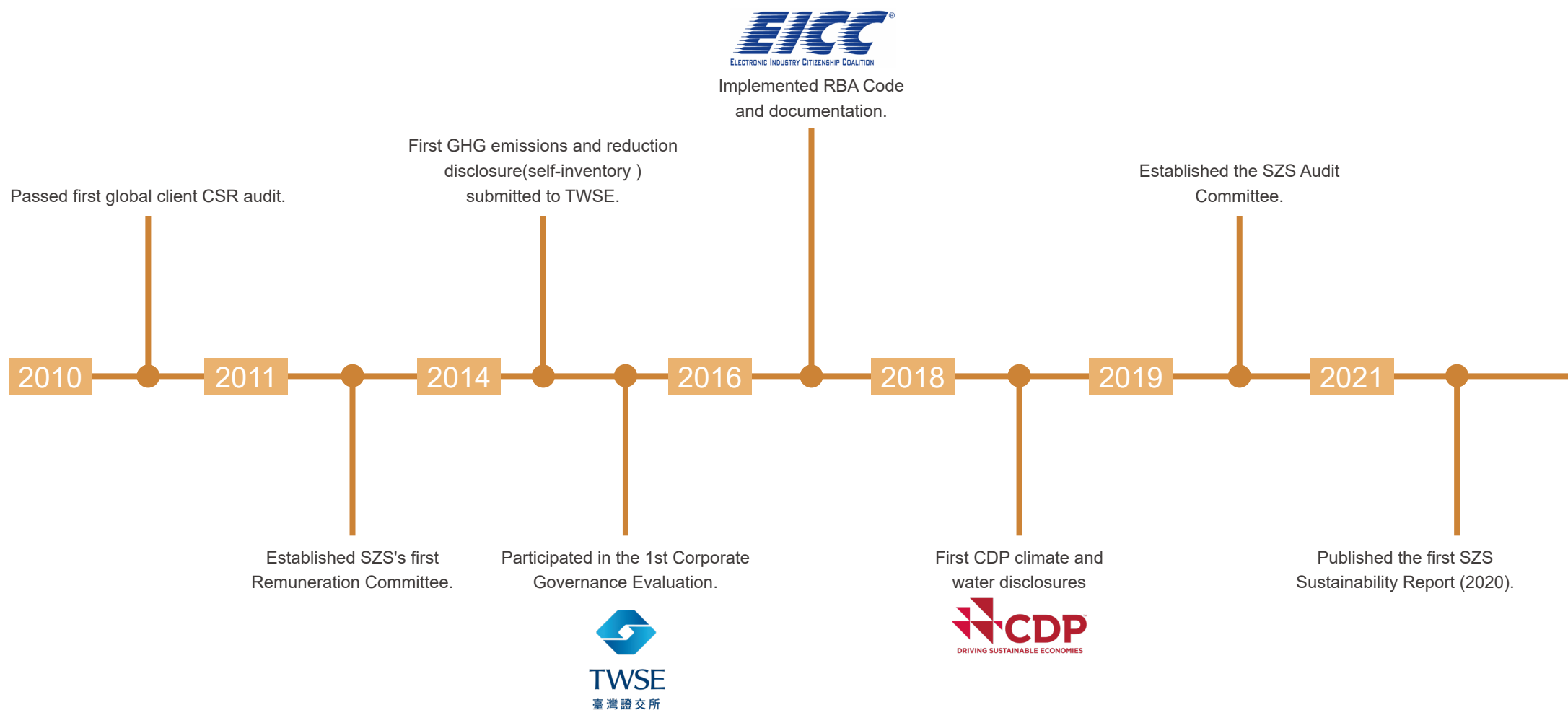
ESG Reporting Excellence: Awarded the Silver Award in the "Corporate Sustainability Reports - Electronics and Information Manufacturing Industry Category 1" at the 2025 Taiwan Corporate Sustainability Awards (TCSA).

Supply Chain Excellence: Received the "Sustainable Supply Chain Excellence Award" at the 2025 Hon Hai - Foxconn Sustainability Awards.

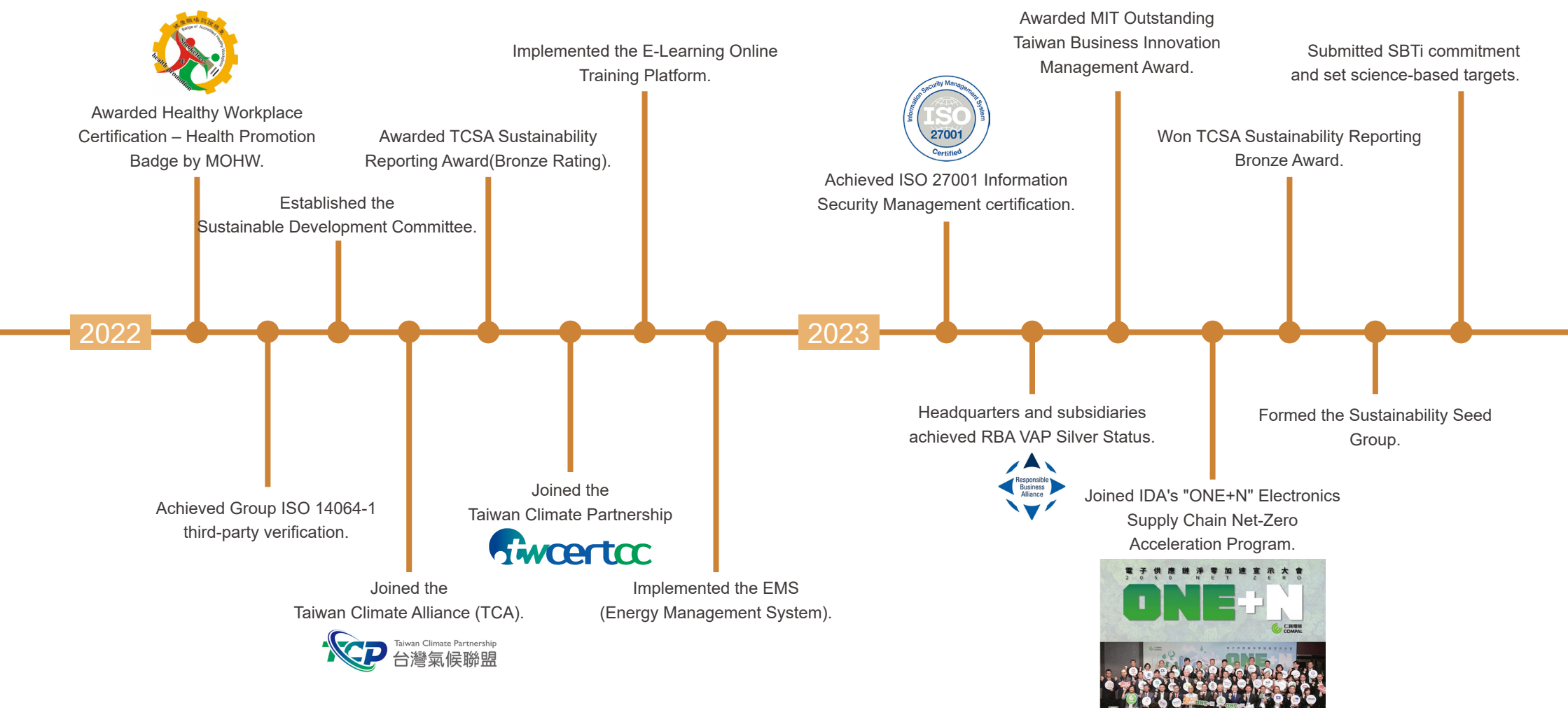
Fair Competition: Zero incidents of anti-competitive, anti-monopoly, or antitrust violations.

Information Security: Zero cybersecurity incidents materially impacting business operations in 2025.

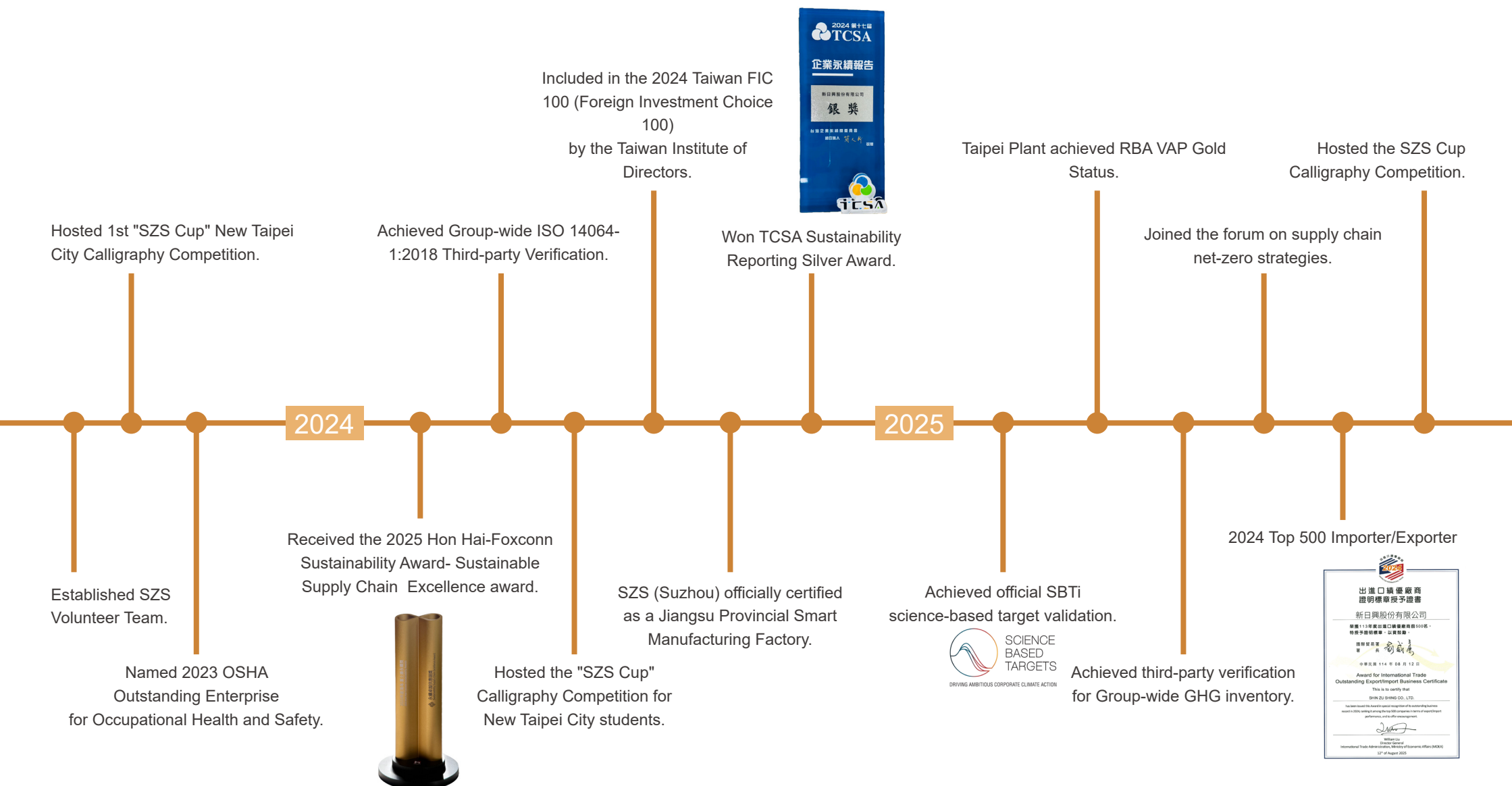
Sustainability Management Milestone



Sustainability Management Milestone



Sustainability Management Milestone



Sustainability Management Milestone

IFRS Sustainability Standards Kick-off

Website Sustainability Section Relaunch

Included in the FIC 100 by the Taiwan Institute of Directors.

Won the TCSA Silver Award for Sustainability Reporting.



2026

Solar PV system connected for self-consumption.



Sustainability Management

Sustainability Strategy

SZS integrates sustainability as a core strategy for resilience and competitiveness. Overseen by the Board and the Sustainable Development Committee, our ESG-embedded governance focuses on four pillars: Low-carbon Transition, Technological Innovation, Responsible Supply Chain, and Talent Sustainability. By prioritizing these areas, we amplify our positive impact and enhance risk mitigation, ensuring steady growth and leadership throughout the global sustainable transformation.



Sustainability Management

Responsible Business Conduct Policy

Policy Commitment

SZS is committed to upholding the principles of Responsible Business Conduct (RBC). We align our corporate sustainability policies with international initiatives and standards, including the UN Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises.

SZS has established and implemented key policy documents, including but not limited to:

- Ethical Corporate Management Best Practice Principles
- Human Rights Policy
- Environmental, Health, and Safety (EHS) Policy
- Supplier Code of Conduct
- Sustainability Development Policy

These policies apply to all SZS group operating sites globally. Furthermore, we require our supply chain partners to adhere to these standards, ensuring that our operations meet global expectations for responsible business behavior.

Implementation Mechanisms

SZS utilizes an institutionalized governance framework and operational management mechanisms to systematically integrate our RBC policy commitments into strategic planning, business decision-making, and daily operational processes. This ensures that all commitments are effectively executed and continuously strengthened.

At the Governance Level: The Board of Directors serves as the highest supervisory body for sustainability and RBC, responsible for reviewing policy directions and the management of material issues. The Sustainable Development Committee coordinates strategic planning, cross-departmental execution, and performance tracking, reporting regularly to the Board. Functional departments translate policy commitments into specific management measures within their daily operations.

At the System Integration Level: SZS embeds RBC policies into our core management systems. We utilize performance management and internal audit mechanisms to monitor execution and reinforce organizational accountability through:

- Corporate Governance and Internal Control Systems
- Standard Operating Procedures (SOPs) and Management Guidelines
- Risk Management and Compliance Mechanisms
- Supplier Management and Procurement Selection Processes

At the Value Chain Level: We incorporate RBC requirements into our Supplier Code of Conduct and partnership evaluation mechanisms. Through supplier audits, engagement, and capacity-building activities, we drive collective accountability across the supply chain. Furthermore, we conduct regular education, training, and internal advocacy to enhance employees' awareness and practical capabilities regarding responsible business conduct at all levels of the organization.

Sustainability Management

Sustainability Governance Structure

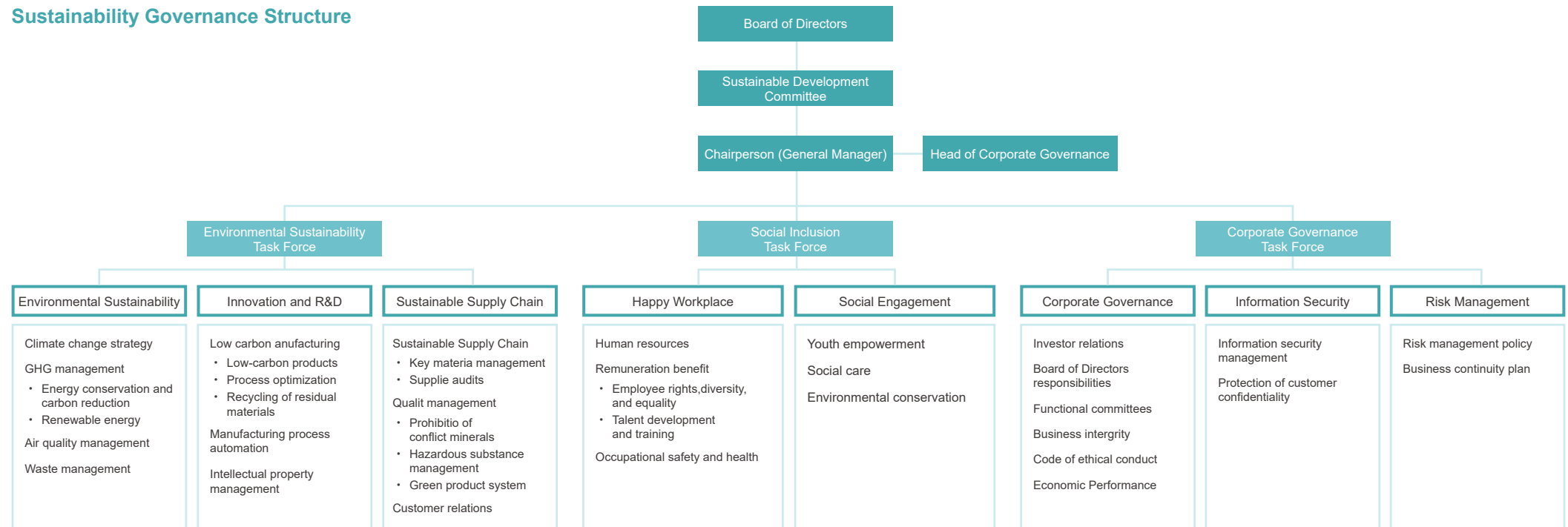
SZS enacted the "Organizational Rules of the Sustainable Development Committee" in December 2021 to implement sustainability policies, strengthen corporate governance, conserve the environment, and fulfill corporate social responsibility. The committee executes sustainability decisions and integrates practices into company operations.

The Sustainable Development Committee is under the Board of Directors. Its first members were elected in August 2022. Following the 2025 re-election, the committee consists of four directors, including three independent directors. The tenure runs from June 25, 2025, to June 9, 2028, and the General Manager serves as chair. Company departments are assigned to three task forces: Environmental Sustainability, Social Inclusion, and Corporate Governance. These task forces meet to report to the General Manager, gather ESG data, and set strategies and targets.

The Corporate Governance Officer reports results and plans to the Board annually. The report on December 18, 2025, covered the 2025 ESG achievements and 2026 plans. Progress on greenhouse gas (GHG) inventories and verification schedules is reported to the Board quarterly. Its primary responsibilities include:

1. Formulate and institutionalize sustainability policies, strategic targets, and comprehensive management frameworks.
2. Coordinate the strategic planning, cross-functional execution, and rigorous evaluation of all sustainability-related operations.
3. Monitor, assess, and optimize the execution performance of sustainability programs to drive continuous improvement.
4. Oversee corporate sustainability disclosure practices and review the annual sustainability report.
5. Provide regular annual updates to the Board of Directors regarding the committee's key achievements and strategic plans for the upcoming year.

Sustainability Governance Structure



Sustainability Management

Participation in Industry Associations and International Initiatives

1 International Initiatives

International Platform	Introduction	Explanation
	The Carbon Disclosure Project (CDP) was initiated in 2003 by leading international institutional investors, including HSBC and UBS. It leverages the influence of investors and purchasers to incentivize corporations to disclose and manage their environmental impacts.	In 2025, SZS scored "B" in Climate Change and "B-" in Water Security.
	The Responsible Business Alliance (RBA) was founded by leading international brands such as HP, Dell, and IBM to set social, environmental, and ethical standards for the global electronics supply chain.	Achieved Groupwide RBA VAP Silver Status in 2023 and Gold Certification in 2025.
	The Science Based Targets initiative (SBTi) is the world's first carbon reduction framework to establish a "Net-Zero Standard" for corporations. It provides specific guidance, standards, and reduction recommendations to help enterprises set robust short-term and long-term decarbonization targets.	The SZS Group officially successfully achieved SBTi Target Validation in January 2025.

2 Domestic Industry Associations and Advocacy Organizations

 Taiwan Climate Partnership	 Taiwan Automation Intelligence and Robotics Association(TAIROA)
 Taiwan Spring Industry Association	 Taiwan Mold&Die Industry Association(TDMIA)
 Taiwan Bicycle Association	 New Taipei Importers&Exporters Chamber of Commerce,Taiwan
 New Taipei City Industrial Association	 COMPAL's ONE+N Electronic Supply Chain Net-Zero Acceleration Program

Sustainability Management

Human Rights and Management Mechanisms

Human Rights Governance Philosophy and Management Principles

SZS recognizes that beyond creating economic value, corporate operations have actual or potential impacts on employees, the supply chain, and society. To implement Responsible Business Conduct (RBC), we continuously strengthen our management systems and systematically integrate human rights issues into our sustainability strategy and daily operations to mitigate potential adverse impacts.

Our current human rights management leverages existing Occupational Health and Safety (OHS) systems, labor condition management mechanisms, and supply chain management protocols to establish a fundamental risk management framework. We continuously review and reinforce these measures in alignment with international human rights principles and evolving industry trends.

Our core Human Rights Management Principles include:

- Upholding the fundamental rights and work dignity of all employees.
- Providing a safe and healthy working environment.
- Establishing standardized management systems for reasonable working hours and labor conditions.
- Driving supply chain adherence to Responsible Business Conduct principles.
- Implementing diverse communication channels and robust grievance mechanisms.

Through these strategic directions, SZS strengthens the positive impact of our operations on stakeholders while consistently reducing potential risks.

Human Rights Risk Identification and Management

Based on our operational characteristics and risk scenarios within the manufacturing industry, SZS continuously monitors potential human rights issues. We utilize established management mechanisms to control risks, with a focus on the following key areas:

- Occupational Health and Safety (OHS) risks.
- Labor conditions and working hour management.
- Protection of rights for migrant workers and contractors.
- Supply chain operational environments and labor standards.
- Regulatory and cultural variations across different operating sites.

Currently, the Company identifies and manages these risks through internal management systems, education and training, and routine review mechanisms, progressively enhancing the depth and breadth of our management according to operational needs.

Continuous Strengthening of Human Rights Management Mechanisms

SZS is acutely aware of the human rights issues potentially linked to our value chain, whether directly or indirectly. We are committed to establishing a more systematic management approach aligned with international RBC principles. Current management practices include:

- Reducing operational risks through occupational health and safety management systems.
- Maintaining employee labor conditions through human resource management systems.
- Strengthening compliance requirements for partners through supplier management mechanisms.
- Enhancing employee awareness of relevant issues through education, training, and internal advocacy.

During the risk identification process, we gather employee feedback on the work environment, safety management, and health issues via the Occupational Health and Safety Committee, Labor-Management Meetings, and employee communication channels. These insights serve as critical references for assessing workplace risks.

In 2025, SZS held four Labor-Management meetings, passing 29/43 OHS proposals. We maintained RBA compliance through "Zero-Fee" protections for migrant workers and are now evaluating Human Rights Due Diligence (HRDD) to further strengthen our impact identification and risk management.

For 2025 Labor-Management Meeting outcomes, please refer to [Section 4.2 Diversity, Equity, and Inclusion](#)

Sustainability Management

Supply Chain Human Rights Management

Recognizing the supply chain as an extension of our operations, SZS utilizes supplier assessment and management mechanisms to drive partner compliance with regulations and corporate responsibility requirements. Our current management scope encompasses quality, delivery, environment, and labor conditions. We will continue our management of human rights-related issues.

SZS will enhance supply chain risk identification and management capabilities to establish a Responsible Supply Chain Ecosystem.

Communication and Grievance Mechanisms

To safeguard stakeholder rights, SZS has established communication and reporting channels, including employee grievance mechanisms, internal and external communication platforms, and management systems. For incidents involving labor or human rights, the Company follows established procedures for investigation and resolution, utilizing improvements to mitigate future risks.

For procedures, please refer to the Company's Employee Grievance Management Regulations and Whistleblower Protection Management Regulations. We review the effectiveness of these mechanisms and will enhance management and transparency in line with operational developments and stakeholder needs.

[Employee Grievance Management Regulations](#)
[Whistleblower Protection Management Regulations](#)

Implementation Roadmap for International Sustainability Disclosure Standards

To align with international standards, SZS has commenced the implementation of the IFRS S1/S2 disclosure frameworks and is monitoring the development of the Taskforce on Nature-related Financial Disclosures (TNFD) to build a sustainability governance and risk management mechanism.

IFRS Sustainability Disclosure Standards Implementation Plan

In the third quarter of 2025, SZS launched the implementation of IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures). This cross-functional effort involves sustainability, finance, and other operational units to conduct gap analyses of current disclosures and assess the potential operational and financial impacts of climate-related risks and opportunities.

The implementation is executed in phases, focusing on key tasks such as establishing governance frameworks, identifying key disclosure items, strengthening data collection mechanisms, and assessing the quantifiability of metrics to enhance the completeness and consistency of disclosures. The implementation progress is scheduled to be reported to the Board of Directors in the third quarter of 2026, serving as the basis for subsequent disclosure and management.

Regarding climate-related disclosures, SZS utilizes its existing climate risk management and greenhouse gas inventories to align with IFRS S2 requirements. This includes climate governance frameworks, risk and opportunity identification, scenario analysis, and the establishment of metrics and targets, while evaluating their impact on operational strategies.

TNFD Development Monitoring and Implementation Assessment

Regarding the Taskforce on Nature-related Financial Disclosures (TNFD), SZS monitors framework trends and assesses their applicability to our manufacturing supply chain and operations. As nature-related data collection and assessment mechanisms are in the developmental stage, our focus is on tracking international trends and internal capacity building.

SZS will refer to the four pillars of TNFD—Governance, Strategy, Risk & Impact Management, and Metrics & Targets—to review the alignment of existing management mechanisms and evaluate the feasibility of disclosure to identify nature-related risks and opportunities.

Commitment to Continuous Improvement

SZS will continue to refine our sustainability disclosure and management capabilities by:

- Establishing cross-departmental data integration and management systems.
- Enhancing the quantification and tracking capabilities of key performance indicators (KPIs).
- Strengthening identification and assessment methods for climate and nature-related risks.
- Performing rolling reviews of international standards to adjust implementation strategies accordingly.

Through these initiatives, SZS will elevate our sustainability governance maturity and meet stakeholder expectations for transparency and robust risk management.

Sustainability Management

Stakeholder Engagement

SZS interacts with stakeholders through communication channels to understand their concerns. These insights serve as references for our management policies and execution plans. We respond to these concerns throughout this report. The communication methods and frequencies for SZS' s seven stakeholder groups are as follows:

Stakeholder Category	Significance to SZS	Issues of Concern	Engagement Method(Communication Frequency)			2025 Engagement Outcomes
			Communication Channels	Responsible Department	Mechanism	
Shareholder / Investor	Capital investment represents the trust and support of shareholders and investors in SZS, enabling the Company to thrive and achieve continuous operational growth.	• Economic Performance • Innovation and R&D • Corporate Governance and Ethical Management • Supply Chain Management • Occupational Health and Safety	SZS reports on profitability, market prospects, and growth strategies to shareholders and investors through information disclosure mechanisms, and concurrently discloses financial and sustainability performance to deepen market trust and demonstrate long-term value.	Investor Relations	Information Disclosure	• 1 Annual General Meeting held • 6 Investor Conferences attended • 40 Material Information disclosures and announcements
Customer	The Company views cus-tomers as close operational partners; we strive to enhance product quality, meet customer needs, and achieve mutual growth.	• Occupational Health and Safety • Information Security and Customer Privacy • Talent Cultivation & Reten-tion • Waste Management • Employee Rights, Diversity, Equity, and Inclusion (DEI)	Through Supplier Self-Assessment Questionnaires (SAQ), we respond to risks and compliance regarding labor, health and safety, environment, business ethics, and management systems; and understand customer needs and expectations through communication meetings and satisfaction surveys.	Sales / Quality Assurance	Immediate Service Response Process	• 95% of customers provided satisfaction ratings exceeding 80 points • Responded to customers' ESG-related questionnaires
Suppliers/Contractors (In-cluding Material Suppliers, Service Providers, and Contractors)	Suppliers are vital collaborators of the Company, providing energyefficient and sustainable raw materials that meet international environmental requirements, enabling the production of ecofriendly products.	• Occupational Health and Safety • Information Security and Customer Privacy • Corporate Governance and Ethical Management • Supply Chain Management • Economic Performance	Host an annual supplier conference to explain operational performance and sustainable supply chain strategies; promote various collaborative projects to work together on quality, scheduling, and sustainability management, creating a resilient supply chain. Procurement Department	Procurement Department	Communication and Coordination	• 1 Supplier Conference hosted • Quarterly supplier evaluations conducted • On-site audits of 18 suppliers completed

Sustainability Management

Stakeholder Category	Significance to SZS	Issues of Concern	Engagement Method(Communication Frequency)			2025 Engagement Outcomes
			Communication Channels	Responsible Department	Mechanism	
Employees (Including direct employees, indirect employees, foreign migrant workers, employee representatives, pregnant and lactating employees, and employees on parental leave)	Employees are the vital assets of Shin Zu Shing and the key to our sustainable operations. We provide comprehensive compensation, benefits, and training systems to create a workplace environment where potential can be fully realized.	• Talent Attraction and Retention • Occupational Health and Safety • Employee Rights, Diversity, Equity, and Inclusion (DEI) • Information Security and Customer Privacy • Employee Training and Development	Construct diverse and transparent communication and grievance mechanisms to substantively safeguard the rights of all personnel. Focus on occupational safety and welfare, create cross-disciplinary talent cultivation channels, and co-create a friendly and prosperous workplace environment with employees.	Human Re-sources / Occupational Health and Safety	Investiga-tion and Response	• Total of 10,661 participant sessions in employee training, with 18,308 total hours. • 2 annual performance appraisals • 4 management seminars • 4 labor-management meetings
Government Agencies	Relevant governance policies and behaviors are guided and supervised by competent authorities. In addition to legal compliance, we actively participate in and respond to policies proposed by the government.	• Social Involvement • Corporate Governance and Ethical Management • Information Security and Customer Privacy • Water Resource Management • Waste Management	Engagement with authorities ensures compliance, reduces risk, and builds trust. Methods include sustainability reports, official correspondence, and participation in seminars. We use these channels to provide feedback on major issues.	Administration Department	Information Disclosure	Handled relevant business in accordance with government policies and regulations and completed filings on schedule.
Media	Media serves as a bridge for communication between Shin Zu Shing and the outside world, and is a partner that monitors and encourages the Company' s progress.	• Energy Management • Climate Change Response • Innovation and R&D • Economic Performance	Centered on "transparency" and "timeliness," strategies include proactive press releases, media interviews, crisis management, and routine relationship maintenance.	Administration Department	Information Disclosure	Total of 20,600 news exposures.
Community / Social Groups	Shin Zu Shing hopes to prosper and grow together with the community and the city, performing beneficial acts to give back to society.	• Water Resource Management • Waste Management • Social Involvement • Occupational Health and Safety	Based on the differing natures of stakeholders, we adopt diverse and customized communication methods through four stages: "Inform, Consult, Involve, and Collaborate."	Administration Department	Incident Response	• Sponsored communal dining for seniors and public welfare activities in the locations of our plants. • 1,548 social media followers.

Sustainability Management

Communication and Grievance Mechanisms

SZS provides reporting channels for ethical and sustainability concerns, accessible to employees and suppliers. The mechanism includes investigation procedures, anonymity options, and anti-retaliation protections. We conduct training and mechanism reviews to support governance for stakeholders.

① Operational Flow of the Response Mechanism



Adherence to these processes strengthens internal management and supports transparency and efficiency in issue-resolution and stakeholder response mechanisms.

② Directions for Continuous Improvement

SZS will continuously review the effectiveness of our current grievance and response mechanisms in accordance with international sustainability disclosure standards and stakeholder concerns. We will progressively strengthen relevant processes and management capabilities to enhance overall governance maturity and operational resilience.



Sustainability Management

Materiality Assessment

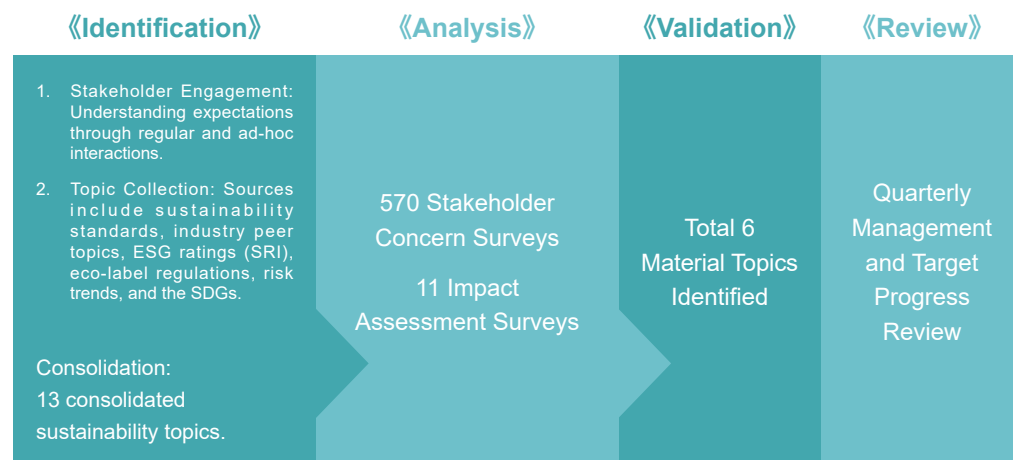
Definition of Materiality

SZS performs materiality analysis in accordance with the GRI 3: Material Topics 2021 Universal Standards published by the Global Sustainability Standards Board (GSSB). We define our measurement principles for material topics as follows:

- High level of stakeholder concern
- Significant impact on company operations
- Strategic priority of SZS sustainability management and development goals

Identification Process

Following GRI Standards, SZS uses a four-stage process to identify material challenges, aligning stakeholder concerns with economic, environmental, and human rights impacts to define our disclosure scope. The process is as follows:



1 Topic Identification Methodology

SZS identified 13 sustainability topics through the following channels to define the scope of our materiality analysis:

- Listing sustainability issues of concern to various stakeholders based on operational and work experience.
- Reviewing domestic and international sustainability regulations, standards, initiatives, stakeholder feedback, corporate strategies, internal management input, and global sustainability trends.
- Reviewing the material topic matrix from the previous report to support the objectivity, completeness, and inclusiveness of material topics.
- Identifying seven stakeholder groups based on the AA1000 Stakeholder Engagement Standard (SES) and discussions: shareholders/investors, customers, suppliers/contractors, employees, government agencies, media, and communities/social groups.

2024 vs. 2025 Sustainability Topic Adjustments

Category	2024 Topic	2025 Topic	Description of 2025 Topic	2025 Adjustment Note
(E)	Energy Management	Energy Efficiency and Carbon Reduction	Refers to reducing energy intensity and GHG emissions across operations and the value chain through energy management, process improvements, renewable energy, and carbon reduction to meet low-carbon regulatory and market requirements, strengthening long-term resilience..	Renamed
	Climate Change Response	Climate Change Response	Identifying and managing climate risks and opportunities under a governance framework and integrating them into operational decision-making.	—

Sustainability Management

Category	2024 Topic	2025 Topic	Description of 2025 Topic	2025 Adjust-ment Note
(E)	Water Resource Management	Water Resource Management	Managing water-related risks, improving efficiency, implementing wastewater treatment/recycling, and monitoring water quality.	—
	Waste Management	Waste Management	Focusing on environmental protection through classification, reporting, and disposal supervision while promoting reduction and recycling.	—
	Innovation & R&D	Innovation & R&D	Investing in new products, processes, technologies, and materials to strengthen technical capabilities and growth.	—
	Biodiversity	Biodiversity	Monitoring impacts of operations and the value chain on ecosystems, and establishing management foundations based on international trends.	—
	Talent Attraction & Retention	Talent Cultivation & Retention	Enhancing employee welfare and a diverse workplace to improve loyalty and potential, growing together with employees.	Renamed
(S)	Employee Training	—	—	—

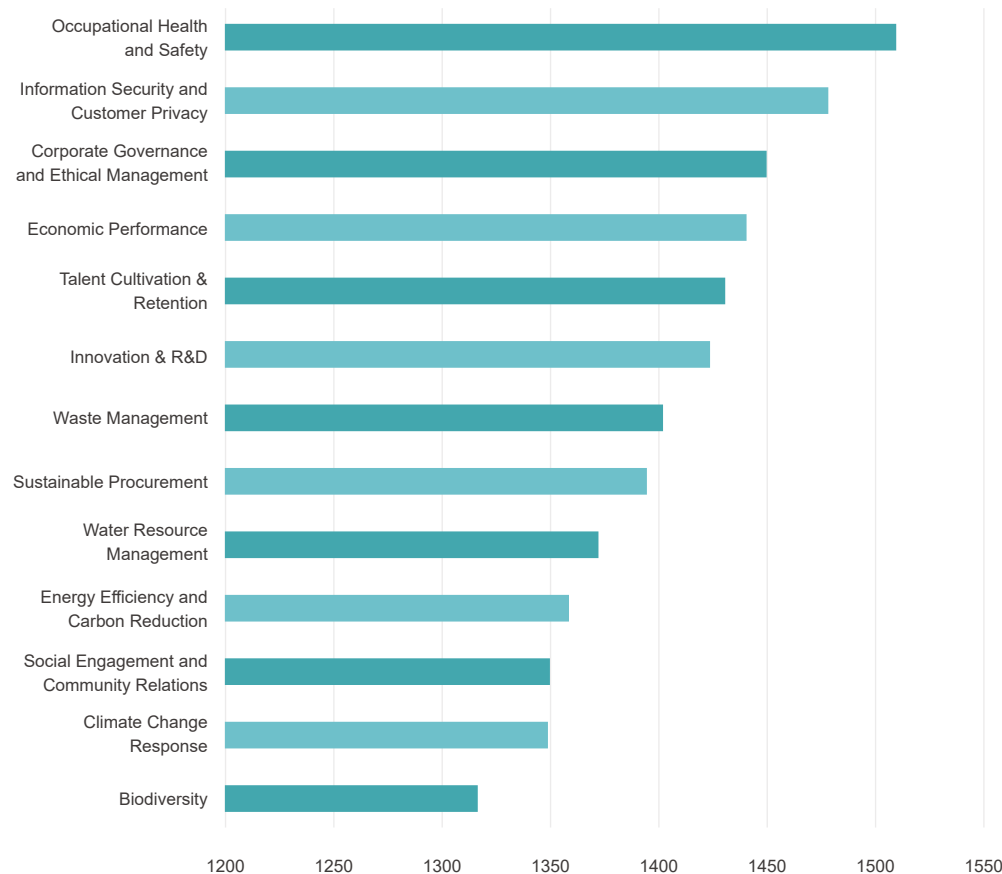
Category	2024 Topic	2025 Topic	Description of 2025 Topic	2025 Adjust-ment Note
(S)	Employee Rights& DEI	—	—	—
	Occupational Health & Safety	Occupational Health & Safety	Identifying and preventing hazards, accidents, and occupational diseases to support employee health.	—
	Social Involvement	Social Engagement and Community Relations	Engaging with local communities at operating sites to understand concerns and build positive relationships.	Renamed
(G)	Economic Performance	Economic Performance	Creating stable and sustainable economic value through effective operational management and capital utilization.	—
	Information Security and Customer Privacy	Information Security and Customer Privacy	Managing cyber risks, implementing protective measures, and safeguarding customer data to avoid financial or reputational risk.	—
	Corporate Governance and Business Integrity	Corporate Governance and Ethical Management	Implementing ethical management, legal compliance, and risk management to ensure transparency and accountability.	—
	Supply Chain Management	Sustainable Procurement	Integrating environmental, low-carbon, and product compliance requirements into procurement decisions and supplier management.	Renamed

Sustainability Management

② Analysis of Concern and Impact

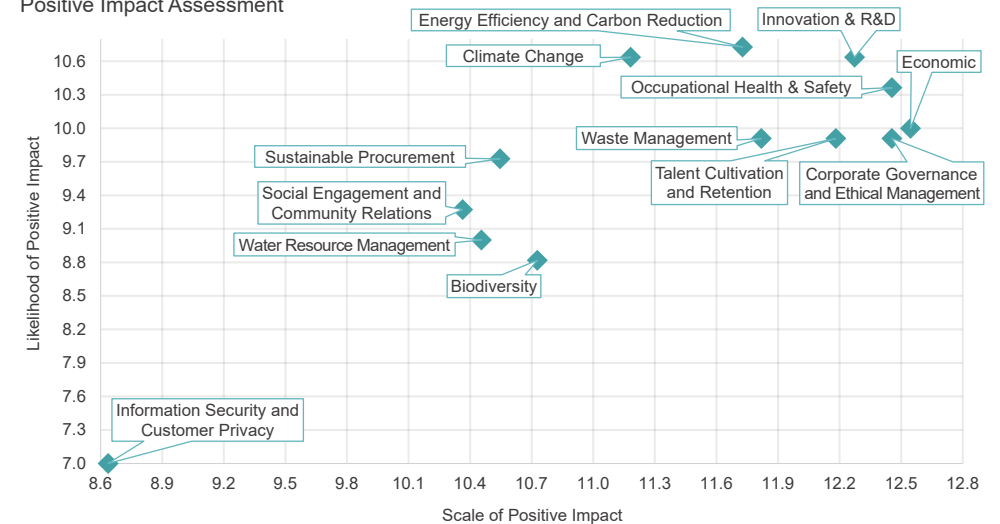
Following GRI Standards, SZS prioritized 13 topics using 570 stakeholder surveys and 11 executive assessments. By integrating Stakeholder Concern with Operational Impact—analyzing risks and value via three interlinked charts—SZS identified its material priorities. This process balances external interests with internal strategic risks, establishing a robust framework for sustainability management and transparent disclosure.

Sustainability Topics: Concern Analysis

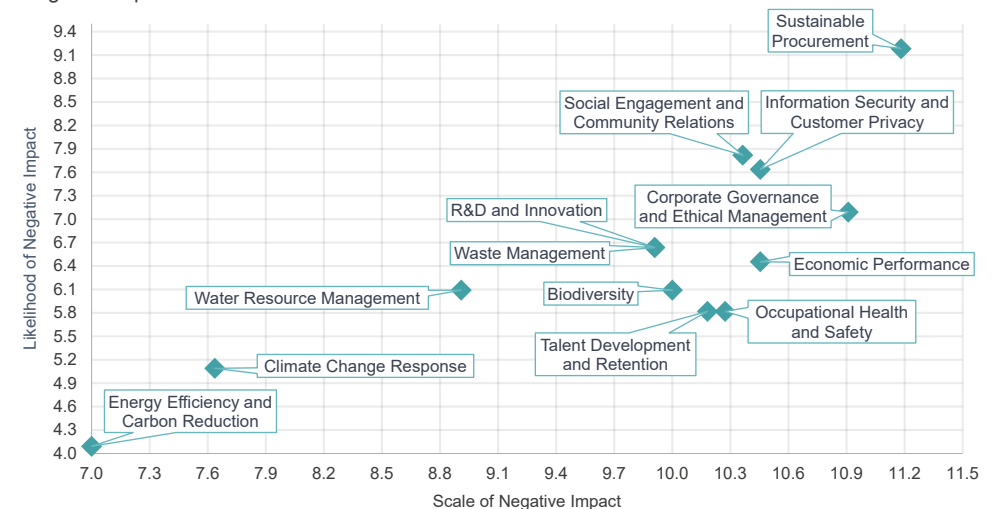


Assessment of Positive and Negative Sustainability Impacts

Positive Impact Assessment



Negative Impact Assessment



Sustainability Management

3 Confirmation of Material Topics

SZS ranked 13 topics by synthesizing stakeholder concern and operational impact. Six were identified as 2025 material topics: Energy Efficiency and Carbon Reduction, Waste Management, Innovation & R&D, Talent Cultivation & Retention, Occupational Health & Safety, and Corporate Governance and Ethical Management. Other areas like Climate Change and Information Security and Customer Privacy under management but were re-ranked or integrated into these six primary pillars to ensure a focused sustainability strategy.

4 Regular Review

SZS performs formal biennial re-assessments of material topics, evaluating stakeholder concerns and operational shifts. In interim years, we track issues via stakeholder engagement and daily management, ensuring our sustainability priorities remain relevant and responsive to the current environment.

Description of Material Topics: 2024 vs. 2025

2024 Material Topics	2025 Material Topics	Reason for Change
Energy Management	Energy Efficiency and Carbon Reduction	Renamed
Climate Change Response	—	—
Water Resource Management	—	—
Waste Management	Waste Management	—
Innovation & R&D	Innovation & R&D	—
Talent Attraction & Re-tention	Talent Cultivation & Retention	Renamed
—	Occupational Health & Safety	Added as a material topic this year due to rising stakeholder concern over workplace risks and its impact on operational stability and human capital. This year's assessment ranked it as a priority.
Economic Performance	—	—
Information Security & Customer Privacy	—	—
—	Corporate Governance and Ethical Management	Added as a material topic in 2025 due to rising stakeholder expectations for governance, compliance, and ethics, and the Company's focus on risk management. The assessment showed an increased impact.

Sustainability Management

Impacts of Material Topics

SZS identifies the impact dimensions of each material topic across the economy, environment, and people (including human rights), as well as their positions within the value chain. Furthermore, the Company assesses the positive and negative, as well as actual and potential impacts of each topic, providing a robust basis for material topic management and information disclosure.

Material Topic	Impact of Material Topics			Impact Scope	Value Chain Impact			Key Impacts	
	Environment	Society / Human Rights	Economy / Operations		Upstream	Operations	Downstream	Positive Impact (Actual/Potential)	Negative Impact (Actual/Potential)
Energy Saving & Carbon Reduction	Climate Change	Supply Chain Responsibility	Operating Costs and Market Requirements	Value Chain	●	●		Reduce energy use and carbon emissions; Increase supply chain resilience.	Increase transition costs; Risk of not meeting carbon targets.
Innovation & R&D	Resource Efficiency	Industrial Technology Development	Competitiveness	Product Life Cycle	●	●	●	Increase product efficiency and technology value; Support low-carbon product development.	R&D failure; Technology investment risk.
Waste Management	Environmental Pollution	Community Impact	Regulatory Risk	Manufacturing Operations	●	●	●	Reduce pollution and resource waste.	Improper disposal leading to pollution or compliance risk.
Talent Cultivation & Retention	—	Employment Quality; Labor Market;	Organizational Stability	Internal		●		Increase employee ability and retention stability.	Talent loss affecting operations.
Occupational Health & Safety	—	Health Impact; Social Trust	Operational Stability	Manufacturing Site	●	●		Reduce accident risk; Protect employee health.	Safety incidents causing impact to operations and personnel.
Corporate Governance and Ethical Management	—	Market Trust; Investors	Operating Risk	Organizational Level		●		Increase governance transparency and risk control.	Violations or governance failure leading to reputation risk.

Sustainability Management

Management Approach for Material Topics

【Material Topic: Energy Efficiency and Carbon Reduction】

Importance		Climate change has structural impacts on supply chains. Energy use and GHG emissions affect the environment and the company's cost competitiveness.
Policy and Commitment		Focus on energy efficiency, optimized energy structure, and low-carbon supply chains to reduce environmental impact.
Targets	Short-term	- Promote the planning of renewable energy installation and usage across all operating sites. - Continuously drive process energy-saving projects and maintain existing power-saving achievements. - Strengthen energy usage data inventory and management mechanisms. - Encourage employee participation in energy-saving improvement proposals.
	Mid-to-Long term	- Gradually increase the ratio of renewable energy usage to optimize the energy structure. - Continuously reduce energy intensity and enhance overall energy efficiency. - Promote low-carbon supply chain management mechanisms and strengthen value-chain carbon reduction capabilities. - Establish long-term energy-saving and carbon reduction management systems to enhance operational resilience.
Action Plan		- Plan and promote renewable energy installation at all operating sites. - Execute process energy-saving improvements and energy system optimization projects. - Gradually phase out high-energy-consuming equipment and introduce high-efficiency equipment and systems. - Integrate energy efficiency into the evaluation criteria for equipment upgrades and process improvements. - Establish green procurement principles and strengthen low-carbon supply chain management.
Evaluation Mechanism		SZS utilizes regular energy inventories and performance monitoring mechanisms to continuously track the results of energy-saving and carbon reduction initiatives. Key management indicators include: - Annual reduction in energy intensity. 1% annual energy-saving target for specific projects. 80% achievement rate for SBTi reduction targets (average annual 4.2% reduction in Scope 1 and Scope 2 emissions). - Progressive increase in renewable energy usage. Management regularly reviews relevant data and implementation results as a basis for optimizing future energy strategies and resource allocation.
Grievance Mechanism		Stakeholders may submit suggestions or concerns regarding energy saving and carbon reduction through the website contact portal, the Sustainable Development Committee, or relevant management units for processing and resolution.

Sustainability Management

【Material Topic: Innovation and R&D】

Importance		Innovation and R&D impact resource efficiency and environmental footprints across the product lifecycle. Through technological innovation and process optimization, the Company enhances product functionality and quality while reducing manufacturing en-vironmental impacts.
Policy and Commitment		SZS integrates sustainability into its R&D strategy through green design, smart manufacturing, and technological innovation to improve resource efficiency across the product lifecycle.
Targets	Short-term	1. Continuously optimize core product process technologies to improve manufacturing efficiency and quality stability. 2. Promote the application of automated processes and smart manufacturing to reduce production costs. 3. Strengthen patent filing and technological protection mechanisms. 4. Drive the development and application of low-carbon products and materials. 5. Enhance R&D capacity through industry-academia collaboration. 6. Continuously improve customer satisfaction and product reliability.
	Mid-to-Long term	1. Establish frontier R&D capabilities and expand into new product application fields. 2. Construct a flexible and high-efficiency smart manufacturing system. 3. Promote green manufacturing and circular design to reduce the environmental impact of the full product lifecycle. 4. Strengthen technology integration capabilities to elevate long-term innovation competitiveness.
Action Plan		1. Continuously refine process technologies and automation applications for core products (e.g., hinges). 2. Execute patent layouts for key technologies and protect R&D outcomes. 3. Establish management systems for patents and trade secrets to strengthen intellectual property (IP) management. 4. Collaborate with academic and research institutions to develop new materials and process technologies. 5. Plan product technology development directions based on market demand and customer application trends. 6. Regularly conduct customer satisfaction surveys and product quality improvements.
Evaluation Mechanism		SZS monitors the effectiveness of R&D and innovation through diverse indicators, including: • Number of patent applications. • Annual increase in the ratio of R&D investment to revenue. • Facilitating new product development and process improvements to strengthen the practical benefits of technology application. • Maintaining a customer satisfaction score of 85 or above. • Performance in process automation and efficiency enhancement. • Outcomes of industry-academia collaboration and technological development. We continuously evaluate the effectiveness of R&D strategies and resource allocation through regular R&D meetings and management review mechanisms.
Grievance Mechanism		Stakeholders may submit suggestions or concerns regarding innovation, R&D, or product technology through the Board of Directors or relevant R&D units. Intellectual property matters are handled by the Legal Department in accordance with relevant management systems.

Sustainability Management

【Material Topic: Waste Management】

Importance		Manufacturing waste impacts the environment and communities. Through waste reduction and resource circularity, the Company reduces operational environmental impacts and increases resource efficiency.
Policy and Commitment		SZS has established clear policies regarding environmental protection and social responsibility, committing to the continuous improvement of waste management processes and the promotion of resource recycling and reuse: 1. Complies with international standards (ISO 14001, RBA, UL-2799) to ensure all waste disposal meets environmental requirements. 2. Reduces production waste and promotes non-hazardous treatment and recycling. 3. Collaborates with suppliers on waste reduction and recycling programs for sustainable resource use.
Targets	Short-term	1. Achieve a 100% completion rate for ISO 14001 Environmental Management System recertification (on-schedule completion of third-party verification and maintenance of certificate validity). 2. Maintain a 100% regulatory compliance rate for waste management (zero major violations or penalties throughout the year). 3. Achieve a 100% on-time rate for waste reporting and removal (zero delays in administrative reporting and physical removal operations).
	Mid-to-Long term	1. Enhance Resource Recovery Rates: Continuously strengthen resource classification and recycling management mechanisms to improve overall resource recovery performance. 2. Zero Waste to Landfill: Achieve the goal of Zero Waste to Landfill (ZWTL) by 2030 through sustained reduction, recycling, and resource recovery measures.
Action Plan		1. Continue to execute waste management and internal audits in accordance with the ISO 14001 Environmental Management System. 2. Reinforce waste classification and recycling management measures within plants to enhance resource recovery efficiency. 3. Implement waste reduction and reuse initiatives to progressively lower the final volume of waste sent to landfills.
Evaluation Mechanism		1. Establishes waste management KPIs (e.g., sludge drying to reduce disposal volume) and reviews performance quarterly. 2. Conducts annual internal reviews to assess system execution and continuous improvement. 3. Pursues third-party environmental certifications, such as RBA and UL-2799, to enhance external trust.
Grievance Mechanism		SZS regularly convenes ISO 14001 management reviews and stakeholder seminars. Communication channels, including hotlines, email, and QR codes, are provided for employees and the public to submit feedback on waste management issues.

Sustainability Management

【Material Topic: Talent Cultivation & Retention】

Importance		Talent management impacts operational stability, employment quality, and human resource structures. Through talent cultivation and work environment optimization, the Company reduces operational risks and promotes employee development
Policy and Commitment		Employees are the foundation of growth. SZS recruits and trains global talent. We provide a fair environment, share profits, and assign roles based on strengths. We promote diversity, inclusion, and work-life balance.
Targets	Short-term	1. Talent retention rate $\geq 70\%$. 2. Total employee turnover rate $< 10\%$. 3. Employee care score $\geq 80\%$.
	Mid-to-Long term	1. Talent retention rate $\geq 80\%$. 2. Total employee turnover rate $< 8\%$. 3. Employee care score $\geq 85\%$.
Action Plan		1. Formulate annual employee training plans; provide suitable internal, external, and professional training based on employee functions and capabilities. 2. Provide a competitive overall compensation and benefits system by referencing market levels and considering industry-wide salaries. 3. Provide excellent employee benefits: To ensure a high-quality work environment, we offer safe workplaces including employee canteens and vending machines, alongside comprehensive health care and pension plans.
Evaluation Mechanism		1. Number of annual education and training sessions. 2. Total annual education and training hours. 3. Execution rate of performance appraisals. 4. Achievement rate of employee care. 5. Retention rate at Taiwan plant sites.
Grievance Mechanism		SZS establishes internal communication channels through regular work meetings, labor-management meetings, management seminars, physical suggestion boxes, and employee care surveys to collect employee feedback.

Sustainability Management

【Material Topic: Occupational Health and Safety】

Importance		Unmanaged occupational safety risks impact employee health, corporate operations, and social trust. Through a systematic management mechanism, the Company reduces occupational accident risks.
Policy and Commitment		SZS targets "Zero Injury, Zero Accident" and implements comprehensive management and risk prevention mechanisms to protect employee safety and health.
Targets	Short-term	1. Reduce the annual occupational accident rate by 10% compared to 2025. 2. Achieve a 100% completion rate for annual health promotion activities. 3. Achieve a 30% closure rate for annual health care cases.
	Mid-to-Long term	SZS transitions from manual operations to automated and semi-automated equipment to reduce occupational injuries from repetitive and high-risk tasks, while implementing man-machine separation and safety protection designs to lower operational risks.
Action Plan		1. Increase monthly random inspections of safety regulations for various operations and conduct interviews with workers. 2. Incorporate mental health care and stress management activities to strengthen support measures for employees' physical and mental health. 3. Establish different tracking frequencies and closure standards based on the level of health risk.
Evaluation Mechanism		1. Conduct regular internal audits annually to verify the effectiveness and compliance of the ISO 45001 Occupational Health and Safety Management System and track the improvement of deficiencies. 2. Implement annual regular audits by third-party certification bodies to ensure the management system continuously complies with ISO 45001 standards and relevant regulations. 3. In accordance with ISO 45001 regulations, convene quarterly Occupational Health and Safety Committee meetings and annual management review meetings to regularly examine management system performance and continuous improvement results.
Grievance Mechanism		SZS provides communication channels, including suggestion boxes in canteens, hotlines, faxes, email, and QR codes, to collect employee feedback on workplace health and safety.

Sustainability Management

【Material Topic: Corporate Governance and Ethical Management】

Importance		Inadequate corporate governance causes compliance, financial, and ethical risks that impact operational performance and reputation. The Company reduces operational risks by reinforcing its governance framework and ethical culture.
Policy and Commitment		SZS maintains a governance structure with a diverse Board of Directors, implementing the "Code of Ethical Conduct" and internal systems to prevent corruption, insider trading, and conflicts of interest, while performing regular information disclosure.
Targets	Short-term	1. Maintain the operational effectiveness of the Board of Directors and various functional committees. 2. Continuously implement management systems and education training related to ethical management. 3. Complete the annual group risk assessment and internal control system filings. 4. Maintain a record of "zero cases" for major violations of ethical management and regulatory compliance. 5. Strengthen awareness of regulatory compliance and risk control capabilities among all personnel
	Mid-to-Long term	1. Continuously enhance the operational effectiveness of the Board and optimize performance in Corporate Governance Evaluations. 2. Establish more forward-looking risk management and internal control mechanisms. 3. Deepen the corporate culture of integrity to strengthen overall governance maturity. 4. Progressively optimize the group governance structure to ensure high consistency in cross-regional governance.
Action Plan		1. Conduct annual performance evaluations for the Board of Directors and functional committees. 2. Regularly hold specialized training on ethical management, prevention of insider trading, and regulatory compliance. Perform annual group risk assessments and track the improvement of high-risk items. 3. Execute internal audits and internal control self-assessments based on risk assessment results. 4. Continuously optimize the quality of information disclosure and two-way communication mechanisms with stakeholders.
Evaluation Mechanism		SZS monitors the effectiveness of corporate governance and ethical management through diverse indicators, including: • Self-evaluation scores for the Board and functional committees maintained at 95 or above. • Maintaining a ranking within the top 35% of the Corporate Governance Evaluation. • Monitoring the number of major violations regarding integrity or regulatory compliance. • Tracking the results of internal audits and the completion status of deficiency improvements. Management regularly reviews these results to serve as a basis for continuously optimizing governance systems and management practices.
Grievance Mechanism		SZS provides reporting hotlines, email, and suggestion boxes, with language assistance available for international employees. All cases follow the "Whistleblower Protection Management Regulations," maintaining strict confidentiality and prohibiting retaliation.

1 Operations and Governance

- 1.1 Corporate Profile
- 1.2 Corporate Governance
- 1.3 Economic Performance
- 1.4 Innovation and R&D
- 1.5 Information Security and Customer Privacy
- 1.6 Customer Relationship Management



1 Operations and Governance

1.1 Corporate Profile

Founded in 1965, SZS is a Taiwan-listed precision component manufacturer. Its core business includes hinges, precision stamping, powder metallurgy, and customized precision-machined products, providing solutions from collaborative design development to mass production.

Headquartered in Taiwan, SZS operates production sites in China and Vietnam, serving markets across electronic product manufacturing and consumption regions in Asia, the Americas, and Europe.

Compared to 2024, SZS optimized its capacity allocation in 2025 by closing two production sites and integrating the associated capacity and human resources into other existing bases.

This adjustment did not change SZS's core business scope or major product structures. The value chain framework remains stable, and there are no significant impacts on relationships with major customers and suppliers.

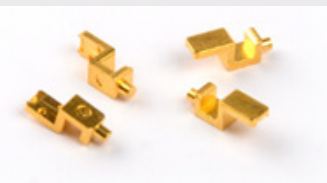
Founded	Stock Code	Paid-in Capital	Primary Industry
May 1965	3376 (TWSE)	TWD 1,957,638,220	Electronic Components
Chairman	President	Headquarters	Global Workforce
Sheng-nan Lyu	Chao-zung Ruan	No. 174, Junying St., Shulin Dist., New Taipei City, Taiwan	Approximately 3,600
2025 Revenue			Global Footprint
NT\$ 10.7 Billion			Taiwan, China, Vietnam

In response to Industry 4.0, SZS implemented a strategic transformation in 2025 by adopting "service-oriented thinking." This strategy places customer needs at the forefront of R&D, leveraging technical capabilities to identify and resolve issues early to integrate into customer value chains.



1 Operations and Governance

1 Primary Product Portfolio

Primary Products	Key Applications and Functions	Product Visual
Hinge Components	Precision hinges used in various notebook computers, tablets, LCD displays, mobile phones, digital video cameras, digital still cameras, 3C products, and audio accessories for headphones.	
MIM Components (Metal injection Molding)	Components made through the combination of powder metallurgy and metal injection molding, suitable for high-strength and complex-shaped products. Applications include electronic, medical, and automotive devices.	
Turned and Milled Parts	Manufacturing and producing turned and milled parts with diameters ranging from 2 mm to 42 mm. Primarily used in computers and electronic devices, electric-assisted bicycles, and medical products.	
Stamped and Spring Components	Precision-stamped and spring parts widely applied in switches and connectors for computers, electronics, optics, home appliances, IT, telecommunications, instruments, and automotive products.	
Other Custom Precision Components	Includes design and manufacturing of molds, jigs, gauges, and custom automation equipment for sale.	-

2 Future Product Development Roadmap

- Ultra-Slim Display Solutions: Development of ultra-thin hinge components, accessories, and integrated sub-assemblies for next-generation laptops and high-performance LCD monitors.
- Wearable Technology & IoT: Collaborative development of hinges and precision components tailored for wearable devices and digital lifestyle hardware.
- Advanced Foldable Architectures: Collaborative R&D for high-performance hinges and complex MIM (Metal Injection Molding) components utilized in foldable smartphones and high-end tablets.
- Next-Gen Foldable Smartphone Hinge: Development of durable, high-cycle hinges for flexible display mobile devices.
- Immersive Hardware (AR/VR): Engineering of precision components and specialized hinges for Augmented Reality (AR) and Virtual Reality (VR) hardware.

3 Product Revenue Breakdown

Year	2023			2024			2025		
Product Category	Shipment Volume (k pcs)	Revenue (NT\$ thousand)	Revenue Share (%)	Shipment Volume (k pcs)	Revenue (NT\$ thousand)	Revenue Share (%)	Shipment Volume (k pcs)	Revenue (NT\$ thousand)	Revenue Share (%)
Hinges NBs	39,440	2,079,565	21	48,905	2,639,227	20	49,523	2,773,733	23
Hinges LCDs	8,090	2,226,334	22	6,055	1,742,660	13	6,565	1,441,930	13
Hinges 3C	9,342	630,688	6	14,452	1,275,502	10	12,925	887,558	8
MIM	9,749	353,062	4	4,997	178,218	1	5,670	200,183	2
Other	201,392	4,778,098	47	224,593	7,491,738	56	230,181	5,419,698	51
Total Revenue	268,013	10,067,747	100	299,002	13,327,345	100	304,864	10,723,102	100

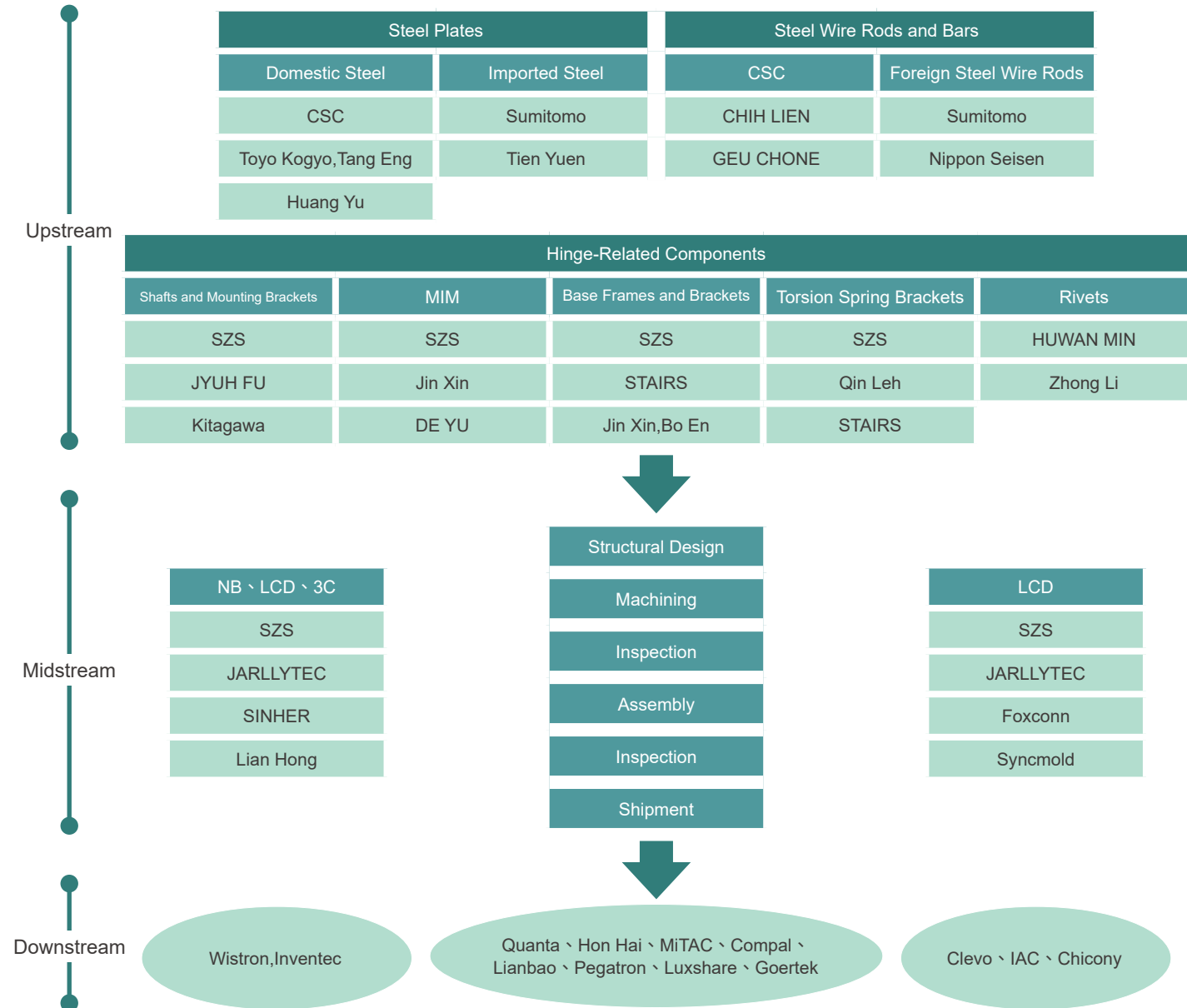
1 Operations and Governance

4 Value Chain Integration: Upstream, Midstream, and Downstream Correlation

In the hinge industry, finished products are engineered through sophisticated mechanical structural design, where various components are integrated into modules that strictly adhere to rigorous customer specifications for tolerances, torque, and durability.

Within this industrial ecosystem, manufacturers of specialized hinge components—such as shafts, fixed shafts, zinc alloy parts, brackets, pipe spring frames, and rivets—constitute the Upstream segment.

SZS is strategically positioned in the Midstream of the industry. Our core functions involve collaborative structural design and development in partnership with downstream clients, followed by the precision assembly of finished hinge modules. The Downstream segment comprises system manufacturers (OEMs/ODMs) for laptops (NB), LCD monitors, and other electronic devices. The integrated value chain structure of the hinge industry is illustrated in the diagram below:



1 Operations and Governance

1.2 Corporate Governance

The Board oversees ESG impacts, integrating sustainability into corporate strategy and risk management (covering climate, OHS, and ethics). It established the Sustainable Development Committee, led by the General Manager, to coordinate cross-departmental resources. Functional departments execute tasks and report progress through senior management to the Board.

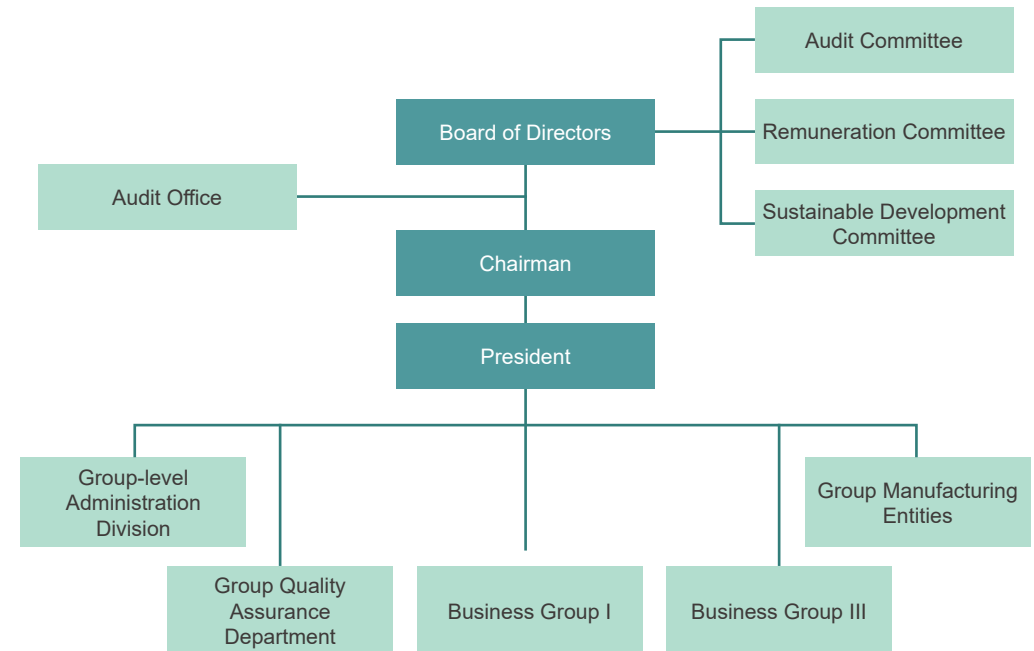
To ensure transparency, the Board approves the annual Sustainability Report. Internal audits and control systems further verify data quality and governance. This structure embeds sustainability into decision-making to support long-term growth and value creation.

1.2.1 Board of Directors

① Governance Structure and Board Composition

The SZS Board oversees strategy and ESG impacts through diverse expertise in finance, risk, and sustainability. Following the 2025 election, the 9-member Board includes 3 Independent Directors and 1 female director. Chairman Sheng-nan Lyu does not serve as General Manager, ensuring a clear separation of duties. Functional committees—Audit, Remuneration, and Sustainable Development—assist with oversight and report regularly to the Board. This structure maintains a check-and-balance mechanism and professional governance.

For detailed information regarding Director continuing education, selection plans, member profiles, and attendance records, please visit to the "Corporate Governance" section under "Sustainability" on the SZS official website.



1 Operations and Governance

2 Oversight of Sustainability and Human Rights

The Board oversees ESG issues and integrates sustainability risks into strategy. Through the Sustainable Development Committee, it tracks progress on climate, safety, and ethics. Management reports performance and risks for Board guidance and resource allocation. The Board also approves the Sustainability Report to ensure integrity and operational resilience.

3 Director Remuneration and Decision-Making

SZS has established a robust remuneration system for directors and senior management. The policy is based on long-term operational performance, industrial competitiveness, and corporate governance principles, while balancing sustainability goals and stakeholder expectations. Compensation design considers overall business performance, risk management outcomes, and long-term value creation to align management decisions with the Company's sustainability strategy.

Remuneration Determination Process:

The Remuneration Committee and the Board conduct annual evaluations of performance and remuneration reasonableness for directors and executives. Beyond individual performance and contribution, the process considers overall business performance, future industry risks, development trends, and governance trends. The 2025 remuneration was reviewed by the Remuneration Committee before being submitted to the Board for final approval.

Alignment with Performance and Future Risks:

SZS is progressively incorporating sustainability indicators and risk control performance into the remuneration evaluation for directors and senior management. Evaluation dimensions include, but are not limited to, greenhouse gas (GHG) emissions management, energy efficiency improvements, occupational safety management, and regulatory compliance. The Company continuously reviews the link between compensation and its sustainability strategy to realize long-term value.

4 Collective Competence and Performance Evaluation

SZS Board members possess professional backgrounds in industry management, finance and accounting, risk management, corporate governance, and sustainable development. Through established continuing education and training mechanisms, the Board undergoes professional courses covering climate change, sustainability disclosure standards, and responsible business conduct to maintain its collective knowledge and decision-making capabilities in managing operational impacts.

To reinforce governance capabilities, regular corporate governance and sustainability training is arranged for directors, covering regulatory compliance, sustainable development trends, and climate risk management. These training outcomes are fully integrated into corporate governance evaluations and public information disclosures. In line with the Taiwan Stock Exchange's "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies," director continuing education achieves a 100% completion rate.

A robust performance evaluation mechanism is implemented for the Board of Directors and functional committees through annual self-assessments and external evaluations. These reviews evaluate operations across strategic oversight, risk management, internal control, and sustainability governance, with results tracked and addressed by relevant governance mechanisms.

Performance evaluations for the Board of Directors, individual board members, and functional committees are mandated at least once a year. For the 2025 fiscal year, the evaluation scores are as follows: 99.22 for the Board of Directors, 99.88 for individual board members' self-assessments, 100.00 for the Audit Committee, and 100.00 for the Remuneration Committee—with all categories receiving an "Excellent" rating

For more information on the performance evaluation of the Board of Directors and functional committees, please visit the ["Corporate Governance" section under "Investor Relations" on the SZS official website.](#)

1 Operations and Governance

1.2.2 Functional Committees

① Audit Committee

Established in 2019, the Audit Committee is composed of all three Independent Directors and is chaired by an Independent Director who is a certified public accountant (CPA). The Committee has the authority to conduct audits and investigations and maintains direct communication with internal auditors and external CPAs through private sessions.

The current term runs from June 25, 2025, to June 9, 2028. In 2025, the Committee met 5 times with a 100% attendance rate.

2025 Key Focus Areas of the Audit Committee:

1. Review of annual and semi-annual financial reports.
2. Evaluation of the effectiveness of the internal control system.
3. Review of business reports and proposals for profit distribution or loss off-setting.
4. Establishment or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
5. Review of the appointment, dismissal, or remuneration of external CPAs.
6. Review of significant asset or derivative transactions.
7. Review of the offering, issuance, or private placement of equity-linked securities

Audit Committee Agendas (2025/Year 114)

Date	Meeting Agendas
13th Meeting, 2nd Session 2025.3.13	• Assessment of independence and competency of the Company's CPAs. • Review of the 2024 Financial Statements and Business Report. • Issuance of the Statement on Internal Control System. • Acquisition of real estate and parking spaces.
14th Meeting, 2nd Session 2025.4.28	• Review of Q1 2025 Consolidated Financial Statements. • 2024 Earnings Distribution proposal. • Dissolution and liquidation of the second-tier subsidiary, Shin Zu Shing Precision Electronics (Chongqing) Co., Ltd. • Waiver of non-compete restrictions for newly appointed directors.
1th Meeting, 3rd Session 2025.8.5	• Review of Q2 2025 Consolidated Financial Statements. • Amendments to the "Internal Control System - Payroll Cycle" and "Internal Audit Implementation Rules - Payroll Cycle." • Review of audit fees for CPAs. • Capital increase of the second-tier subsidiary, Shin Zu Shing Precision Electronics (Suzhou) Co., Ltd., via earnings reinvestment. • Dissolution and liquidation of the second-tier subsidiary, Dongguan Chengyue Computer Accessories Co., Ltd. • Amendment to certain terms of the 3rd domestic unsecured convertible bond issuance.
2th Meeting, 3rd Session 2025.11.7	• Review of Q3 2025 Consolidated Financial Statements. • Dissolution and liquidation of the second-tier subsidiary, Kunshan Chengjie Computer Accessories Co., Ltd.
3th Meeting, 3rd Session 2025.12.18	• Capital increase and reinvestment in the subsidiary, Smart Point Co., Ltd. • Acquisition of real estate in Sanchong District, New Taipei City.

1 Operations and Governance

② Remuneration Committee

The Remuneration Committee is responsible for establishing and periodically reviewing the policies, systems, standards, and structures for the performance evaluation and compensation of directors and executives. The current committee comprises four directors (including three independent directors) and is chaired by an independent director.

In 2025, the committee met twice with a 100% attendance rate.

Remuneration Committee Meetings and Material Resolutions

Date	Agenda Items
8th Meeting, 5th Session 2025.4.10	Review of 2024 employee remuneration (executives) and director compensation distribution.
1th Meeting, 6th Session 2025.12.18	- Review of 2025 year-end bonuses and 2026 remuneration for executives. - Distribution of 2025 director compensation and estimation of the 2026 total compensation cap.

③ Sustainable Development Committee

the Sustainable Development Committee serves as the highest-level decision-making center for ESG. Chaired by the General Manager, the committee oversees three functional units: the Environmental Sustainability Group, Social Inclusion Group, and Corporate Governance Group.

In 2025, the committee held two meetings with a 100% attendance rate. Key focus areas included:

1. Climate Action: Greenhouse gas (GHG) inventory schedules and renewable energy planning status
2. Net-zero emissions strategy and Science Based Targets initiative (SBTi) setting progress report.
3. Carbon Disclosure Project (CDP) project implementation status report.
4. 2024 Sustainability Report submitted to and approved by the Board of Directors.
5. 2025 target achievement status, annual performance, and social participation project results.
6. 2026 execution plan.

1 Operations and Governance

1.2.3 Business Integrity

① Regulatory Compliance

Compliance is the basis of SZS' s integrity, reducing legal risks and building trust. Our framework includes the "Code of Ethical Conduct" and "Management Measures for Integrity and Transparency," providing clear rules for operations. We ensure adherence through mandatory training and internal risk prevention to support growth within a lawful framework.

In 2025, SZS was not involved in any cases of fraud, insider trading, anti-competitive behavior, or market manipulation. There were no legal proceedings or monetary losses resulting from anti-competitive violations. Furthermore, no major violations (defined as single fines exceeding NT\$ 500,000) occurred in environmental protection, occupational safety, or labor conditions between 2023 and 2025.

② Significant Concerns Communication Mechanism

SZS management reports on operational risks, regulatory compliance, sustainability issues, and critical material events to the Board of Directors through regular meetings or immediate notification mechanisms. Oversight of material concerns is maintained through meeting deliberations, specialized committee reports, and internal audit mechanisms, with strategic guidance provided on critical issues.

During the 2025 reporting period, a total of four critical events were communicated to the Board of Directors, primarily encompassing the following areas:

- Operational and capacity adjustments, such as the consolidation and closure of production bases, are reported to the highest governance body through formal procedures, with rigorous risk assessments and controls implemented
- Regulatory compliance and customer requirement issues, such as renewable energy and carbon reduction demands from international clients, are reported to the highest governance body through formal procedures, with corresponding compliance assessments and management implemented.
- Sustainability and climate-related issues, such as greenhouse gas management, carbon reduction strategies, and targets, are reported to the highest governance body through formal procedures and integrated into strategic planning and risk control.
- Other Material Operational Risks and Management Matters.

These critical events were integrated into the Board' s oversight scope in accordance with existing governance mechanisms, with appropriate management and response measures implemented based on their specific nature. Furthermore, SZS utilizes stakeholder communication mechanisms to collect and respond to external concerns. These material topics are incorporated into the evaluation scope of risk management and sustainability strategies to enhance the integrity and foresight of governance decisions.

1 Operations and Governance

3 Anti-Corruption and Prohibition of Improper Benefits

SZS adheres strictly to the principles of integrity and ethical management. All employees, suppliers, and stakeholders are required to comply with anti-corruption and business ethics standards. Prohibited actions include promising, offering, approving, giving, or accepting bribes or any other form of improper benefit. This policy applies to anything of value—whether provided directly or indirectly through third parties—to ensure impartiality in business decisions and maintain a fair competitive environment.

To ensure compliance and professional integrity, SZS has established monitoring, recording, and enforcement mechanisms to align internal operations with applicable anti-corruption laws and regulations. All SZS personnel, suppliers, and stakeholders must uphold the principles of integrity, maintain an impartial and diligent attitude in their duties, and strictly follow regulations and corporate policies to safeguard the Company's reputation and social responsibility. During the reporting period, no material incidents of corruption or violations of ethical management occurred.

4 Prevention of Insider Trading

In accordance with internal control management systems and insider trading prevention protocols, SZS has established a rigorous mechanism to ensure corporate governance and regulatory compliance.

To enhance awareness of insider trading regulations among directors, managers, and employees, SZS conducts at least one educational session annually on the "Procedures for Handling Material Inside Information" and the "Insider Trading Prevention Management Measures." Newly appointed directors and managers must complete relevant training within three months of taking office, while new employees receive orientation on insider trading prevention during their induction.

In 2025, there were no violations of insider trading regulations by directors, managers, or other insiders. On January 31, 2025, the Company notified directors of the five scheduled Board meeting dates and the associated "blackout periods" prior to financial report announcements. This serves to prevent accidental violations of Article 10 of the Corporate Governance Best Practice Principles, which prohibits directors from trading SZS stock within 30 days prior to the publication of the annual financial report and 15 days prior to quarterly reports.

5 Prevention of Conflicts of Interest

SZS has established a conflict of interest management mechanism requiring directors and managers to disclose potential conflicts of interest and recuse themselves from discussions and voting on related proposals. External contributions, donations, or sponsorships are managed in accordance with the "Ethical Corporate Management Best Practice Principles" and internal procedures, prohibiting any exchange for commercial benefit. In 2025, zero financial contributions were made to political parties, think tanks, political advocacy organizations, or advocacy initiatives. Regular supplier evaluations are conducted based on the "Supplier Advocacy and Management Procedures" and "Subcontractor Management Procedures," with integrity clauses incorporated into cooperation contracts to ensure compliance with ethical standards.

6 Information Disclosure and Transparency Mechanisms

SZS ensures that all transactions are accurately recorded in corporate account books and business records in compliance with applicable laws and industry practices, strictly prohibiting the falsification of records or misrepresentation of supply chain status. The scope of disclosure encompasses labor rights, occupational health and safety, environmental protection, business activities, organizational structure, financial status, and operational performance. Centralized and managed by the Corporate Management Department, information disclosure operations utilize channels such as the official website, public announcements, and press releases to ensure equitable access for shareholders and stakeholders.



1 Operations and Governance

7 Fair Trade, Advertising, and Competition

SZS is committed to maintaining fair trade order and ensuring that business activities align with integrity principles to protect market competition and the legal rights of counterparties.

1. Integrity in Advertising and Product Information:

SZS ensures that all product and service information is transparent. We prohibit misleading or false statements regarding price, quantity, quality, manufacturing methods, or origin.

2. Prohibition of Abuse of Market Dominance:

We strictly prohibit the abuse of market power, such as refusing to accept goods without justification after a contract is signed or forcing suppliers to pay unreasonable rebates.

3. Prohibition of Interference with Fair Competition:

SZS commits to fair competition, avoiding actions that restrict supplier pricing to third parties or tie-in sales of uncontracted products/services.

4. Reporting and Enforcement:

Any suspected violations can be reported through the official website or the employee grievance process. In 2025, no incidents of anti-competitive behavior occurred, and no such reports were received.

8 Whistleblower Protection and Anti-Retaliation

SZS emphasizes the protection of the identity of whistleblowers, ensuring anonymity and confidentiality for employees, suppliers, and stakeholders. We have established "Whistleblower Protection Management Regulations" to ensure that individuals do not face retaliation for reporting misconduct.

1. Grievance and Whistleblowing Channels

SZS maintains multiple channels for employees and stakeholders to submit grievances or report misconduct:

- Dedicated Hotline: (02)2684-3592
- Group Management Division Service Network Mailbox: szsappeal@szs.com.tw
- Employee Feedback Box

2. Whistleblower Protection Mechanism

To safeguard the safety and rights of whistleblowers, SZS has established the "Regulations for Whistleblower Protection Management" and the "Procedures for Reporting Unethical Conduct." This whistleblower protection system encourages employees, suppliers, and stakeholders to report any illegal activities or misconduct, while strictly guaranteeing that reporters are protected from retaliation.

1 Operations and Governance

1.2.4 Risk Assessment

To ensure the continuous monitoring and management of legal, labor, and ethical risks, SZS has established a comprehensive risk assessment mechanism.

① Regulatory Compliance Audits

SZS's Corporate Management Department conducts quarterly regulatory audits covering Ministry of Labor regulations, national laws, official correspondence, and external standards (such as client codes of conduct and the RBA Code of Conduct), updating labor compliance regulations regularly. Regulatory identification and compliance assessments are performed by respective responsible units within their scopes. If non-compliance is identified, corrective action plans are formulated and tracked in cooperation with executing units.

② Departmental Risk Assessment:

Risk assessments are conducted annually by all units, with additional evaluations triggered by major changes (such as production line, organizational, product, environmental, or personnel shifts) to serve as the basis for annual objectives and management plans. Risk probability and severity are evaluated using internal risk assessment sheets. Risks are classified into 6 levels: Levels 1 to 3 are unacceptable risks requiring immediate remediation, while Levels 4 to 6 are acceptable risks subject to continuous monitoring. Assessment results are submitted annually to the Corporate Management Department for aggregation. Unacceptable risks (Levels 1 to 3) are compiled into a management plan for management representative approval, then integrated into annual objectives, management plans, or routine workflows, with process changes, personnel training, and document updates tracked accordingly.

1 Operations and Governance

1.2.5 Internal Control and Audit

1 Internal Control and Internal Audit: Objectives and Organization

- SZS designs, implements, and executes its internal control system and internal audit inspections in strict accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and all applicable laws and regulations.
- A dedicated internal audit unit subordinate to the Board of Directors is established, staffed with one full-time audit supervisor and qualified full-time internal auditors. The appointment and dismissal of the internal audit supervisor is subject to the approval of the Audit and Risk Committee before being submitted to the Board of Directors for resolution.

2 Functions of Internal Audit

- Periodic and ad-hoc financial and operational audits are executed to evaluate the compliance, soundness, rationality, and effectiveness of the internal control system. Analytical and evaluation reports are provided to assist the Board of Directors and management in inspecting internal control deficiencies, measuring operational effectiveness and efficiency, and proposing improvement recommendations.

3 Internal Audit Operations

- The annual audit plan is formulated based on regulatory requirements and risk assessment results (covering key transaction cycles, financial/operational controls, and internal processes) and submitted to the Board of Directors for approval.
- Audits are conducted to review regulatory completeness, compliance, and data accuracy. Deficiencies and abnormalities are evaluated and disclosed in audit reports alongside findings and improvement recommendations.
- Follow-up audits are performed on internal control deficiencies and abnormalities to evaluate and disclose the implementation results of corrective actions in follow-up reports.

4 Self-Assessment and Statement on Internal Control

- SZS units conduct annual CSAs, which the Audit Office evaluates alongside audit findings to report on system effectiveness. This comprehensive report serves as the basis for the Board and General Manager to issue the "Statement on Internal Control System."

5 Communication

- Summary reports on audit deficiencies and the progress of improvement follow-ups for the preceding month are submitted in writing to the Independent Directors for review on a monthly basis.
- The Chief Internal Auditor provides regular briefings on the execution of audit operations to the Independent Directors at quarterly Audit Committee meetings and attends Board meetings to present formal reports.

6 Regulatory Filing Items

- **By the end of December:** Filing of the "Annual Audit Plan" for the following year.
- **By the end of January:** Filing of "Information on the Chief Internal Auditor and Audit Personnel" for the current year.
- **By the end of February:** Filing of the "Implementation Status of the Annual Audit Plan" for the previous year.
- **By the end of March:** Filing of the "Statement on Internal Control System" for the previous year.
- **By the end of May:** Filing of the "Improvement Status of Internal Control System Deficiencies and Anomalies" for the previous year.

1 Operations and Governance

1.3 Economic Performance

1.3.1 Financial Performance

SZS implements capital management and capital structure control, maintaining its financial foundation through operational efficiency improvements. Future development focuses on core businesses, leveraging precision manufacturing foundations to expand into emerging application markets and generate economic value.

Group Economic Value Distribution

Item Description	Content	2023	2024	2025
Direct Economic Value Generated		10,284,323	13,684,839	11,053,279
Revenue	Net sales, interest/dividend/rental/royalty income, and gains from asset disposal.	10,284,323	13,684,839	11,053,279
Economic Value Distributed		8,733,877	10,275,605	9,405,738
Operating Costs	Cash payments to external parties for raw materials, components, facilities, and services.	4,957,754	6,519,163	5,351,503
Employee Wages & Benefits	Salaries, bonuses, and benefits (pensions, subsidies, and allowances).	1,961,139	2,699,809	2,429,703
Payments to Providers of Capital	Interest expenses and dividend payments.	1,145,790	782,508	1,178,617
Payments to Government	Taxes (VAT, Income Tax, Property Tax; excl. deferred taxes) and fines.	667,016	272,233	444,394
Community Investment	Donations to charities/NGOs, infrastructure support, and direct social costs.	2,179	1,892	1,521
Economic Value Retained = Direct Economic Value Generated – Economic Value Distributed		1,550,446	3,409,234	1,647,541

Note : Unit: NT\$ thousands.

Group Profitability Analysis

Item		2023	2024	2025
Financial Structure	Debt-to-Asset Ratio (%)	27.83	22.78	22.66
	Long-term Capital to PP&E Ratio (%)	298.69	337.94	271.65
Solvency	Current Ratio (%)	227.83	336.78	286.96
	Quick Ratio (%)	194.90	283.67	223.62
	Interest Coverage Ratio (x)	5,081.46	6,556.06	2,839.24
Profitability	Return on Assets (ROA) (%)	3.84	6.17	1.47
	Return on Equity (ROE) (%)	5.14	8.46	1.81
	Pre-tax Profit to Paid-in Capital (%)	61.95	95.81	27.45
	Net Profit Margin (%)	8.02	10.20	2.97
	Earnings Per Share (EPS) (NT\$)	4.30	7.15	1.63

Financial Assistance Received from Government (2025)

Region	Taiwan	China					Vietnam	Total
Entity	SZS (Taiwan)	SZS (Suzhou)	SZS (Chongqing)	Chengjie	Entity	SZS (Taiwan)	SZS (Suzhou)	
2023	18,395,649	1,581,919	106,326	10,888	0	96,790	—	20,191,572
2024	16,323,583	48,624,557	0	0	79,070	213,429	—	65,240,640
2025	68,490,668	51,356,465	—	0	0	0	0	119,847,133

Notes:

1.Unit: NT\$.

2.Currency Exchange Rates: 2023 Avg: RMB/NTD 4.3956; 2024 Avg: RMB/NTD 4.4685; 2025 Avg: CNY/NTD 4.3354.」

1 Operations and Governance

1.3.2 Business Development Plan

① Short-term Development Plan

1. Market Strategy

- Maintain existing market share while developing high-potential niche products.
- Expand international presence and increase global coverage.

2. Operational Strategy

- Increase automation and optimize logistics management to reduce costs.
- Enhance product value-add to improve gross margins.
- Strengthen human resources and cultivate an international management team.

3. R&D Strategy

- Partner with domestic and international universities/research institutes for new technologies.
- Focus on forward-looking R&D to shorten development-to-mass-production cycles.
- Develop low-carbon products to increase product utilization and circularity.
- Enhance quality control to ensure products meet market demand.

② Long-term Development Plan

1. Market Strategy

- Establish facilities near major markets to provide synchronous collaborative design and localized manufacturing for rapid delivery.
- Leverage technical capabilities to expand into new sectors and diversify product concentration risks.

2. Operational Strategy

- Strengthen brand image to enhance market competitiveness.
- Utilize transnational division of labor to reinforce competitive advantages.
- Improve supply chain management for higher efficiency and quality stability.

3. R&D Strategy

- Continuously invest in R&D for high-potential new products and technologies.
- Master advanced manufacturing to improve quality and production efficiency.
- Protect intellectual property through enhanced patent and technology licensing management.
- Implement process rationalization early in the development stage.
- Construct flexible manufacturing systems (FMS).
- Drive green manufacturing to reduce environmental impact and energy waste.

1.3.3 Tax Governance

SZS is committed to thorough tax compliance and corporate social responsibility (CSR), with the goal of creating corporate value and perfecting tax risk management. We have established a robust tax management system and lawful tax planning to complete all tax-related operations promptly. Our tax governance policy includes:

- **Legal Compliance:** Adhering to local tax laws and legislative intent, ensuring accurate calculations and timely filings and payments.
- **Expert Oversight:** Ensuring tax assessments related to decision-making involve qualified internal tax teams and external experts.
- **Transparency:** Maintaining transparent tax reporting, including the submission of Country-by-Country (CbC) reports, Master Files, and Transfer Pricing reports as required.
- **OECD Alignment:** Ensuring intra-group transactions follow OECD Transfer Pricing Guidelines and Base Erosion and Profit Shifting (BEPS) action plans.
- **Business Substance:** Ensuring corporate structures and transactions are driven by commercial substance, not primarily for tax reduction.
- **Lawful Incentives:** Utilizing legal and transparent tax incentives without violating the spirit of the law.

1 Operations and Governance

1.4 Innovation and R&D

1.4.1 R&D and Patent Strategy

With over six decades of deep-rooted expertise in precision machining, SZS has consistently positioned Technical R&D as the core momentum driving the Company's sustainable operations. We do more than just connect global supply chains through micro-precision craftsmanship; we are committed to integrating Design for Manufacturability (DFM) with Green Manufacturing to construct an insurmountable technical moat.

SZS recognizes that innovation is fundamental to corporate sustainability. Consequently, we continue to increase our R&D investment to enhance product competitiveness and address evolving market demands. By establishing a systemized product development process, we successfully transform creative design concepts into high-reliability mass production solutions.

- **Growing R&D Investment:**

Our R&D resource allocation as a percentage of revenue demonstrates a consistent year-over-year upward trend. In 2025, R&D expenditure reached NT\$ 618,658,000, accounting for 6% of total annual revenue.

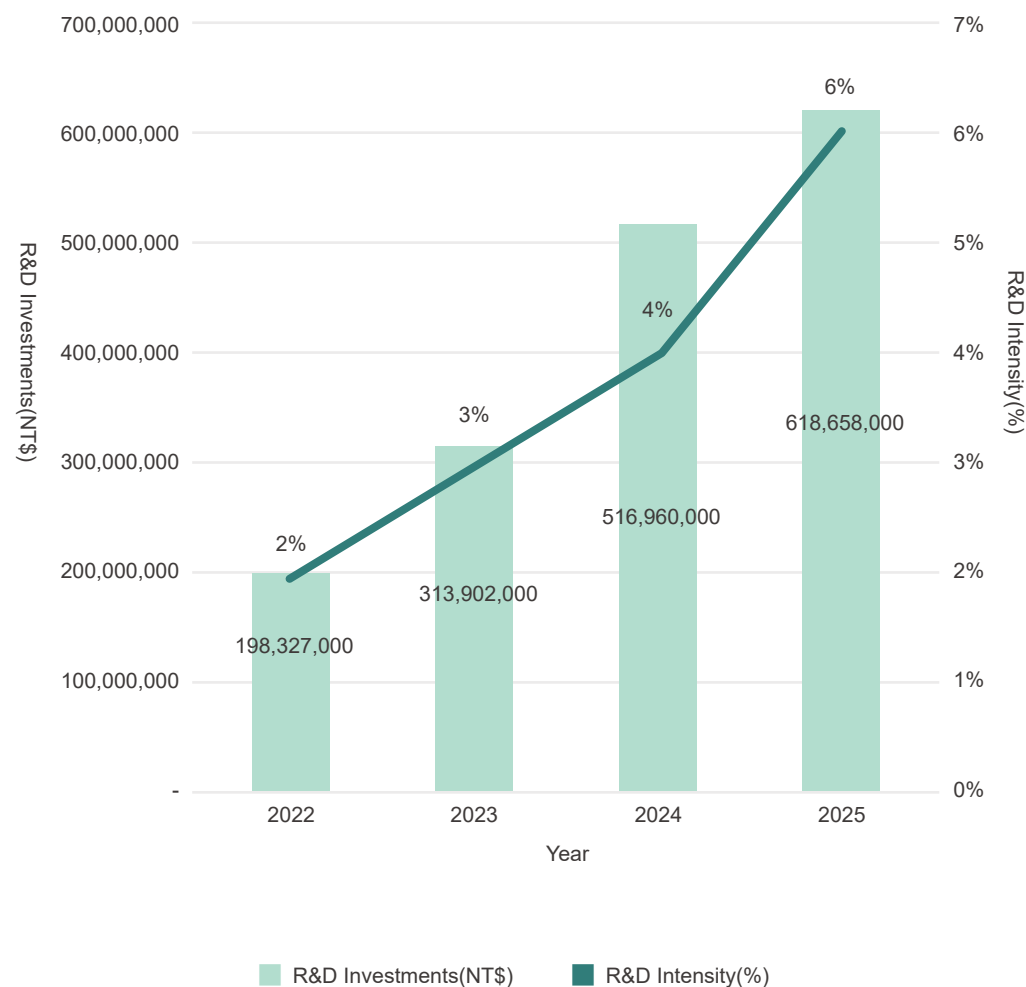
- **R&D Performance:**

On average, the Company successfully executes over 200 development projects annually.

- **Patent Portfolio:**

To date, SZS has accumulated 1,286 patents globally. This strategic intellectual property portfolio covers critical sectors, including hinge mechanisms, precision components, and customized automation equipment.

R&D Expenditure and Percentage of Revenue Over the Years



1 Operations and Governance

Number of Patents Granted to SZS in 2025

No.	Certificate No.	Patent Title	Country/Region
1	M676805	Mobile display device accessory and pivotal connector thereof	Taiwan
2	M677723	Mobile display device accessory and pivotal connector thereof	Taiwan
3	M677722	Dual-axis assembly with two-stage rotation and opening-closing device thereof	Taiwan
4	M676774	Oil mist recovery system	Taiwan
5	3253507	Oil mist collection system	Japan
6	M673506	Wrapping/curving adjustment device	Taiwan
7	M672494	Torque module and dual-axis hinge having the same	Taiwan
8	M672406	Hinge with liftable component and opening-closing device having the same (II)	Taiwan
9	M672405	Hinge with liftable component and opening-closing device having the same (I)	Taiwan
10	M670093	Hinge and electronic device using the same	Taiwan
11	CN223635126U	Hinge and electronic device using the same	China
12	M669293	Hinge and electronic device using the same	Taiwan
13	CN223483154U	Hinge and electronic device using the same	China
14	M668872	Dual-axis hinge with torque enhancement at specific angles	Taiwan
15	CN223524204U	Dual-axis hinge with torque enhancement at specific angles	China
16	M668314	Dual-axis hinge with locking function	Taiwan
17	CN223578511U	Dual-axis hinge with locking function	China
18	M666486	Torque screwdriver device	Taiwan
19	CN223354148U	Torque screwdriver device	China
20	M665155	Hinge and electronic device using the same	Taiwan
21	CN222977231U	Hinge and electronic device using the same	China
22	CN222755474U	Quick-change flange assembly	China
23	CN222163201U	Hinge structure with length compensation	China

1 Operations and Governance

1.4.2 Green Circular Practice

① Circular Economy Policy

The SZS Group identifies the circular economy as a pivotal strategy for enhancing resource efficiency, minimizing environmental impact, and supporting long-term sustainable operations. Reflecting the specific characteristics of our metal processing and electronic component manufacturing, we are progressively integrating circular economy principles throughout our operations—from product development and raw material management to manufacturing processes and waste disposal. Through systematic resource reduction, recycling, and continuous improvement, we aim to maximize resource utilization and advance toward a future defined by low-carbon manufacturing and sustainable development.

Guiding Principles for Promoting Circular Economy	
Principle	Action Guidelines
1. Drive Source Reduction and Enhance Resource Efficiency	- Evaluate material efficiency and resource input rationality during product design and process planning stages. - Minimize raw material loss and process waste through continuous process optimization, yield enhancement, and production management. - Optimize the efficiency of energy, water, and other production resources to eliminate unnecessary consumption.
2. Promote Resource Circulation and Extend Material Value	- Facilitate the reuse of packaging materials, pallets, trays, and related logistics assets. - Conduct feasibility assessments for integrating recycled materials to maximize resource utility. - Implement rigorous management and maintenance protocols to extend the service life of equipment, fixtures, and other capital assets.
3. Strengthen Recovery and Recycling Management	- Implement standardized sorting and recovery for metal offcuts, scraps, and other recyclable resources. - Continuously review waste treatment methods to identify opportunities for waste-to-resource conversion. - Progressively enhance waste management and circularity practices in alignment with regulatory requirements and operational needs.
4. Integrate Circular Thinking into Product and Process Management	- Assess material efficiency, product durability, and circularity during the R&D and process improvement phases. - Monitor global trends in material reduction, alternative materials, and the application of circular materials. - Explore circular design methodologies in collaboration with customers and in response to industry evolution.
5. Foster Supply Chain Collaboration for Circularity	- Partner with suppliers to prioritize raw material efficiency and waste reduction management. - Evaluate the feasibility of incorporating circular economy concepts into supply chain management and procurement criteria. - Maintain alignment with customer expectations and international initiatives regarding circular economy requirements.
6. Establish Management Mechanisms for Continuous Improvement	- Implement circular economy practices through institutionalized management systems and conduct periodic performance reviews. - Systematically identify new opportunities for circularity and refine the underlying management framework. - Position circular economy as a key pillar of resource management and sustainable development for ongoing advancement.

1 Operations and Governance

2 Circular Oil System Optimization for YSM-36TC Forming Machines

SZS optimized the piping and oil circulation mechanism of the lubrication system for the YSM-36TC automatic forming machine used in precision metal component forming to support continuous high-load operations. Led by frontline process personnel, the project implemented low-cost and maintainable design improvements, reducing lubrication oil consumption and enhancing equipment operational efficiency.

1. Problem Identification

The original single-pass lubrication system discharged used oil directly into waste drums without a recycling mechanism, leading to the following pain points:

- High Oil Consumption : Required a drum replacement every half day, consuming approximately 264 drums annually.
- Frequent Downtime : Changing drums required equipment shutdown, interrupting production line continuity.
- Heavy Ergonomic Burden : Manual cleaning and transferring of waste oil was highly repetitive and time-consuming.
- Potential Occupational Safety Risks : Frequent manual lifting of heavy oil drums and shutdown maintenance increased workplace safety risks.

2. Corrective & Improvement Measures

Short-term Mitigation: Parameter Optimization

Prior to system structural improvements, equipment parameters were adjusted as a transitional solution, changing the oil supply cycle from 10 seconds every 300 seconds to 10 seconds every 9,000 seconds, reducing oil-change downtime while maintaining lubrication conditions.

Long-term Solution: Closed-loop Purification & Circulation System

Inspired by depth filtration principles, the team autonomously engineered an online oil purification and recycling system:

1. Closed-loop Routing:

The waste oil return pipeline is connected directly to the oil supply tank to form a closed loop, while the original waste oil tank is converted into a backup tank to prevent motor idling.

2. Dual-stage Filtration Mechanism:

A dual-filtration design is implemented on the return pipeline, utilizing magnets to capture metal particles from processing and cotton cloth to intercept fine contaminants in the oil.

3. Multi-dimensional Quality Monitoring:

Oil quality is monitored through a combination of pressure gauges, visual inspections for color and turbidity, and tactile lubricity assessments conducted by technical personnel to ensure compliance with operational standards.

3. Quantified ESG Benefits

By leveraging equipment optimization and closed-loop recycling design, this project has delivered remarkable outcomes across both economic and environmental dimensions:

Significant Reduction in Lubricant Consumption

Annual lubricant consumption plummeted from 264 drums to approximately 4 drums, achieving a 98.5% source reduction. This optimization drastically slashes hazardous waste generation, mitigates corporate environmental liability, and minimizes downstream waste treatment costs. °

Enhancement of Production Efficiency and Capacity

The project eliminated 528 hours of cumulative equipment downtime annually for oil replenishment. This operational optimization effectively unlocks an additional 1.45 million PCS in production capacity, significantly improving overall equipment effectiveness.

Improvement in Occupational Health, Safety, and Ergonomics

By automating the circulation loop, the frequency of manual drum handling and tedious oil cleaning was radically reduced. This improvement minimizes repetitive strain injuries for operators and eliminates potential workplace safety hazards associated with handling heavy materials.



1 Operations and Governance

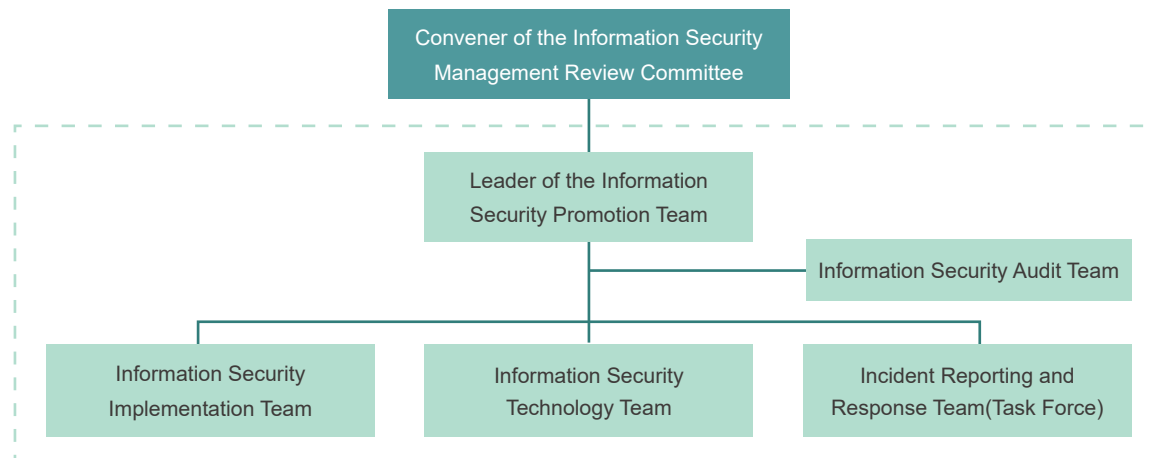
1.5 Information Security and Customer Privacy

SZS integrates information security into its enterprise risk management framework, establishing the "Information Security Management Review Committee" and "Information Security Promotion Organization" on February 1, 2023. Management mechanisms comply with the "Cybersecurity Control Guidelines for TWSE/TPEX Listed Companies," with the Committee holding highest supervisory responsibility and management regularly reviewing strategy and performance reports.

The ISO 27001 Information Security Management System is implemented, with operational procedures covering information asset management, access control, incident notification and response, alongside business continuity and recovery management.

Annual information security management review meetings are convened to report risk assessment results, control measure effectiveness, major issues, and improvement plans to the Committee, while global cybersecurity threat trends are analyzed.

SZS Information Security Promotion Organizational Chart



Customer Confidentiality and Privacy Protection

Customer data is collected, processed, utilized, and stored strictly within legal and business-necessary scopes, with access restricted for unauthorized personnel.

Layered and defense-in-depth security architectures are implemented, combining technical and administrative controls to mitigate risks of unauthorized access, intrusions, and malware.

In 2025, SZS passed all internal and external information security audits with no major non-conformities, receiving zero substantiated complaints regarding customer privacy breaches or data loss, and facing no regulatory or third-party complaints for personal data violations.

1 Operations and Governance

Strengthening Information Security Governance

1 Information Security Policy and Management System

SZS's information security policy statement is "Implement Information Security Declaration, Strengthen Information Security Education and Training, and Ensure Business Continuity," with management measures regulating asset management, access control, and incident notification and response.

Cybersecurity risks are integrated into enterprise risk management processes. Referencing international standards for system design, control effectiveness for high-risk items is tracked through management reviews and internal/external audits.

Cybersecurity incident classification, notification, and response mechanisms are implemented alongside regular drills, with no major cybersecurity incidents impacting operations or stakeholders occurring in recent years.

2 Risk Management and Incident Management

SZS conducts regular information asset inventories and cybersecurity risk assessments, fully incorporating these risks into the overarching corporate risk management framework. Control measures are tailored to high-risk items with their remediation progress closely monitored. Furthermore, we have institutionalized a cybersecurity incident notification and response mechanism, executing regular drills to bolster our preventive, detective, responsive, and restorative capabilities against potential threats. In recent years, no cybersecurity incidents have occurred that caused a material disruption to corporate operations.

3 Education, Training, and Security Culture

SZS provides information security training for all new hires, while existing employees receive at least 2 hours of training annually, supplemented by ad-hoc awareness campaigns on current cybersecurity trends.

Annual social engineering drills are executed regularly. In 2025, a total of 901 employees participated in information security training, with courses covering social engineering phishing alerts, ransomware prevention and emergency response principles, and malware defense.

4 Technical Protection and Operational Resilience

Adhering to the principles of layered defense and defense-in-depth, the Company continuously fortifies the security protection of networks, systems, endpoints, and accounts. Through log monitoring, vulnerability management, and backup/recovery mechanisms, we comprehensively enhance our overall defensive capabilities and operational resilience. Furthermore, we regularly review the availability and recovery objectives (RTO/RPO) of critical systems to ensure uninterrupted business continuity.

Key Focus Areas of Cybersecurity



1. Cybersecurity Defense-in-Depth Deployment & Results

SZS adopts layered and defense-in-depth strategies covering networks, systems, endpoints, accounts, and data protection, maintaining ISO 27001 certification through regular customer and third-party audits. Annual vulnerability scans on host equipment are executed with medium and high-risk vulnerabilities remediated, while traffic monitoring and user anomaly analysis are conducted via asset management, mail filtering, and log management systems.

1 Operations and Governance

2. Endpoint Protection & Privileged Account Management

SZS deploys an endpoint protection management system to control the usage of endpoints, peripheral devices, and document access permissions, preventing unauthorized network access while retaining complete operation logs and audit trails. Privileged account management adheres to the principle of least privilege, implementing access control and usage supervision over high-permission accounts, with regular account reviews and audits conducted.

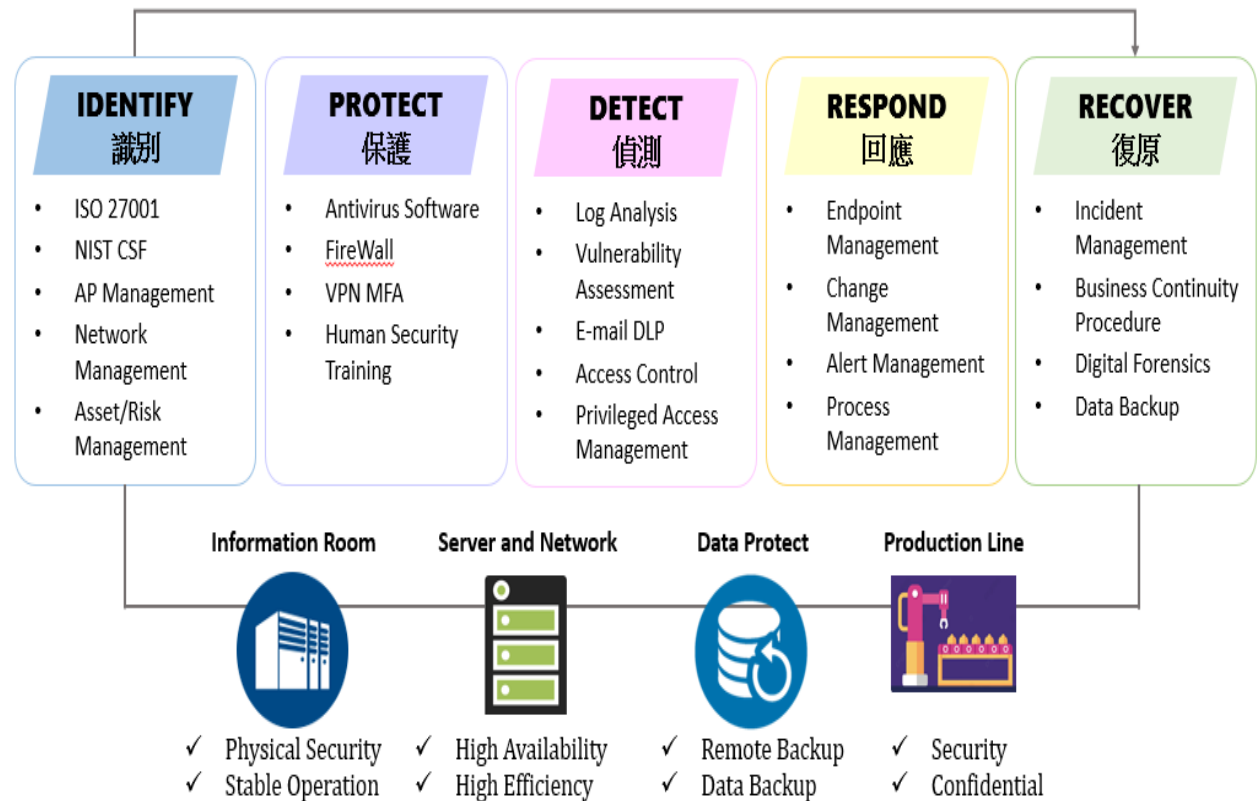
Cultivating a Cybersecurity Culture

SZS participates in the TWCERT/CC joint defense mechanism. Through threat intelligence sharing, we obtain information on domestic and international cybersecurity threats and cyberattacks. We monitor vulnerability announcements from equipment and system vendors, issue internal alerts, execute response operations, and update equipment and system settings to improve our defense and response capabilities.

In 2025, SZS completed the transition to the ISO 27001:2022 standard. Implementing this standard helps us identify, monitor, and manage information security risks to improve our information security governance.

Through system implementation, training, and awareness activities, we increase employee awareness and responsibility regarding information security. This builds a cybersecurity culture that involves both management and employees, supporting the company's operations and sustainable development.

SZS Cybersecurity and Network Framework



NIST CSF Five Core Functions and Corresponding Measures

1 Operations and Governance

1.6 Customer Relationship Management

SZS integrates customer relationship management into its corporate governance and sustainability strategy, managing customer relationships through established processes and improvement mechanisms.

SZS conducts an annual customer satisfaction survey and includes the results in operational improvement and sustainability management decisions. This survey evaluates five dimensions: service, quality, delivery, responsiveness, and environmental protection. A total of 101 questionnaires were distributed and 71 were returned, resulting in a response rate of 70%. The overall satisfaction score was 94 points.

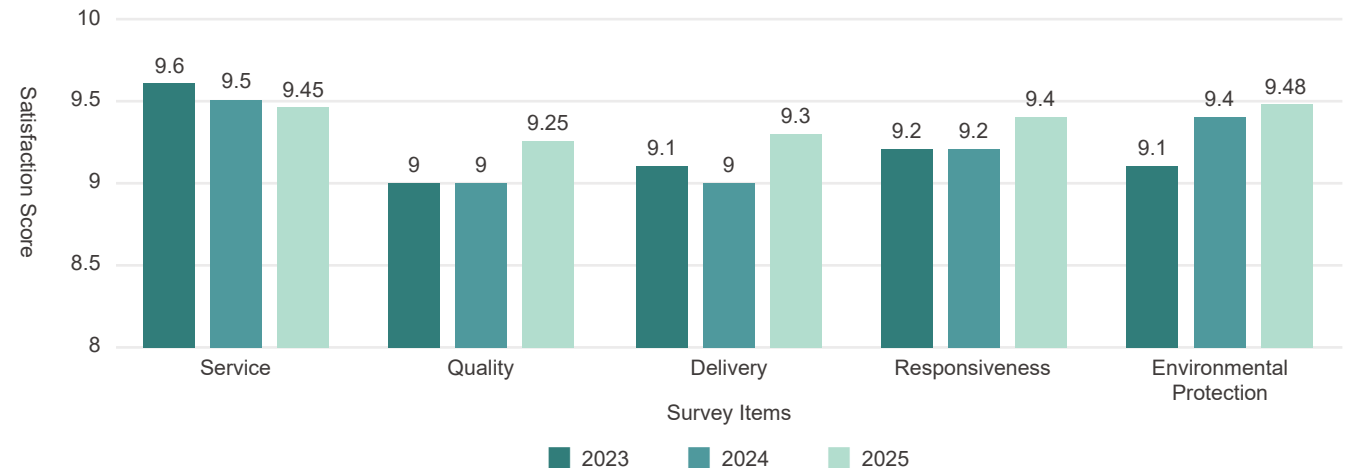
SZS incorporates customer feedback into its risk assessment and operational optimization processes, establishing a management framework of "collection, analysis, improvement, and tracking."

In the future, the Company will continue to implement low-carbon manufacturing, resource utilization, and service items to manage customer satisfaction and operational processes.

The score changes for each dimension are as follows:

- Quality dimension: Increased from 9.0 to 9.25 points.
- Delivery dimension: Increased from 9.0 to 9.3 points.
- Responsiveness efficiency: Increased from 9.2 to 9.4 points.
- Environmental protection dimension: Increased to 9.48 points.
- Service dimension: Maintained above 9.45 points.

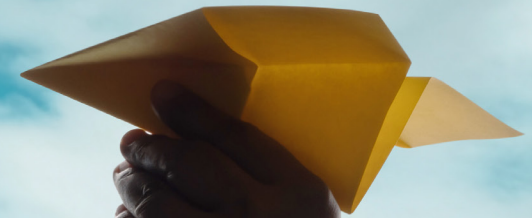
Satisfaction Survey-Five Key Dimensions and Scores



2

Sustainable Environment

- 2.1 Climate Change Response
- 2.2 Energy Conservation and Carbon Reduction
- 2.3 Water Resource Management
- 2.4 Waste Management



2 Sustainable Environment

2.1 Climate Change Response

2.1.1 Governance

The SZS Board of Directors serves as the highest governing and oversight body for climate-related issues, responsible for reviewing the potential impacts of climate change on operational strategies, risk management, and financial performance. Through the Sustainability Development Committee, the Board regularly monitors the progress of climate initiatives and the management of material climate risks to ensure these considerations are seamlessly integrated into the overall corporate governance framework.

At the management level, the General Manager oversees climate- and sustainability-related initiatives. The Sustainability Department coordinates relevant functions, including manufacturing, research and development, procurement, finance, risk management, and compliance, to establish climate-related management and reporting mechanisms. Each function is responsible for identifying climate-related risks, implementing decarbonization initiatives, monitoring performance, and reporting progress to management.

In 2025, the Company established the IFRS Sustainability Disclosure Task Force to support the integration of climate-related and financial information and to develop disclosures aligned with IFRS S1 and IFRS S2. Led by senior management, the Task Force reports its progress regularly to the Board of Directors.

The Company is gradually extending climate-related governance and disclosures from the parent company to all subsidiaries included in the consolidated financial statements to strengthen climate governance consistency and information completeness across the Group.

2.1.2 Strategy

SZS's climate strategy centers on enhancing operational resilience and supporting the low-carbon transition, utilizing a dual framework of risk management and opportunity development to address the long-term impacts of climate change on the industry and supply chain.

Regarding climate risk management, SZS continuously monitors regulatory trends, carbon cost fluctuations, and the potential impacts of extreme weather on operating sites, regularly reviewing risk factors and mitigation measures through cross-departmental mechanisms. For physical risks, the focus is on enhancing the resilience of operating sites against high temperatures, climate disasters, and water resource risks. For transition risks, energy and carbon management mechanisms are continuously strengthened to proactively respond to customer demands for low-carbon supply chains.

Regarding climate opportunities, SZS leverages its existing product technology and process advantages to continuously develop energy-saving products and low-carbon manufacturing technologies. Concurrently, equipment improvements and process optimization are implemented to reduce energy intensity, thereby enhancing overall operational efficiency and environmental performance.

To support long-term decision-making, SZS is gradually introducing climate scenario analysis to assess the potential operational and financial impacts of different climate scenarios. The results serve as references for decarbonization planning and investment decisions. Going forward, SZS will continue to strengthen the integration of climate considerations into capital expenditure, risk management, and financial planning.

2 Sustainable Environment

2.1.3 Risk Management

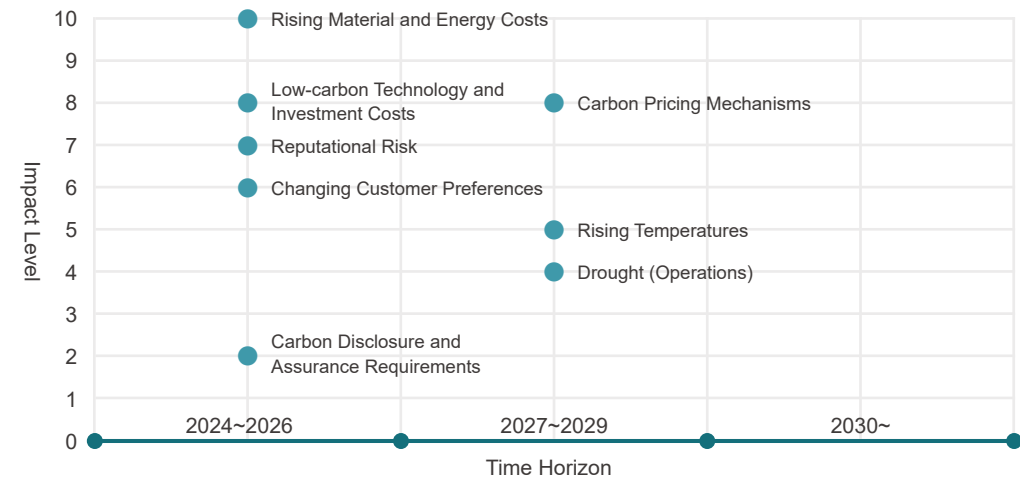
SZS has integrated climate-related risks into its overall risk management framework. Responsible functions identify, assess, and monitor climate-related risks through SZS's annual risk assessment process.

In alignment with the TCFD framework, SZS assesses climate-related risks from both physical and transition perspectives, including climate-related disasters, energy and carbon policies, technological changes, market demand, and regulatory developments. Climate-related opportunities are also evaluated, including energy efficiency improvements, low-carbon product development, and supply chain resilience.

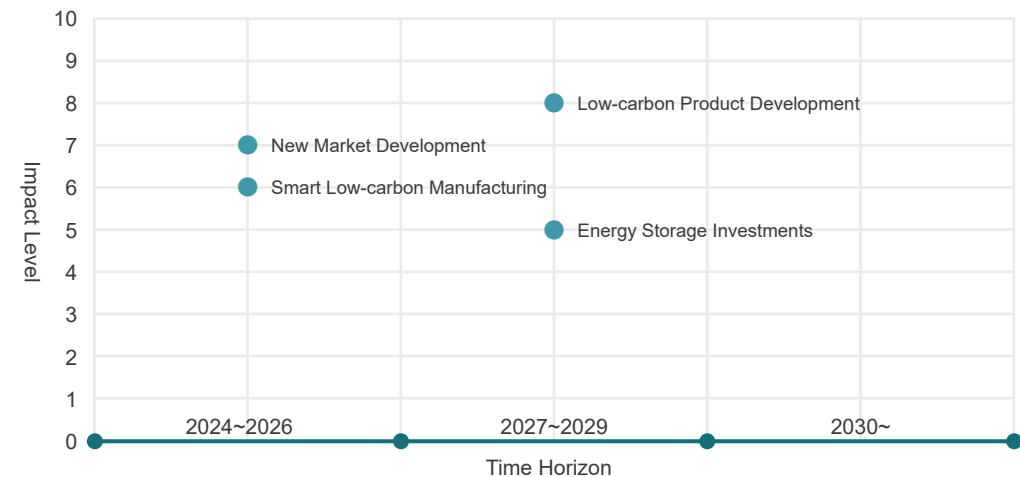
Based on the assessment of potential impact and likelihood, SZS identifies key climate-related risks and opportunities and incorporates corresponding actions into its operational management and sustainability initiatives for ongoing monitoring.

To align with the adoption of IFRS Sustainability Disclosure Standards in Taiwan, SZS is strengthening its capability to assess the financial impacts of climate-related issues, including carbon costs, capital expenditures, and operational risks. Relevant quantitative information will be disclosed as data maturity improves.

Climate Risk Matrix



Climate Opportunity Matrix



2 Sustainable Environment

1 Climate Risks

Risk Category		Risk Item	Impact Level	Time Horizon	Affected Areas			Response Measures	Financial Impact
					Value Chain Upstream	SZS	Value Chain Downstream		
Acute Physical Risk		Drought (Manu facturing Operations)	Medium	Medium-term	V	V	—	Water recycling systems, improved water-use efficiency, supply chain diversification	Water shortages may affect production capacity and increase operating costs. Water recycling systems help mitigate operational disruptions.
Chronic Physical Risk		Rising Temperatures	Medium	Medium-term	—	V	—	Replacement of air-conditioning equipment and implementation of the Energy Management System (EMS)	Higher temperatures may increase electricity consumption and energy costs. Energy management measures help reduce cost impacts.
Transition Risk	Policy and Legal	Carbon pricing mechanisms (Emissions Trading, Carbon Fees, and Carbon Taxes)	High	Medium-term	—	V	—	Energy efficiency improvement and increased use of renewable energy	Carbon pricing mechanisms may increase operating costs. Early decarbonization helps reduce future carbon cost exposure.
		Regulatory Requirements for Carbon Emissions Disclosure and Assurance	Low	Short-term	—	V	—	Annual greenhouse gas inventories and third-party assurance	Additional inventory and assurance costs may arise but help reduce compliance risks and costs.
	Technology	Investment in Low-carbon Technologies, Equipment, and Management Systems	High	Short-term	—	V	—	Increased R&D investment and deployment of energy-efficient equipment	Higher capital expenditures and R&D costs in the short term; improved energy efficiency and competitiveness in the long term.
	Market	Increasing Customer Sustainability Requirements	High	Short-term	—	V	V	Development of low-carbon products and enhancement of green manufacturing capabilities	Failure to meet customer requirements may affect orders. Early action helps maintain market competitiveness.
		Rising Raw Material and Energy Prices	High	Short-term	V	V	—	Supply chain diversification, energy-saving measures, and adoption of low-carbon materials	Rising material and energy costs may reduce profit margins. Efficiency improvements help mitigate impacts.
	Reputation	Reputational Risk	Medium	Medium-term	—	V	V	Enhanced sustainability disclosures and decarbonization actions	Inadequate response to climate-related issues may affect investor confidence and financing conditions.

2 Sustainable Environment

② Climate Opportunities

Opportunity Category	Opportunity Item	Impact Level	Time Horizon	Affected Areas			Response Measures	Financial Impact
				Value Chain Upstream	SZS	Value Chain Downstream		
Resource Efficiency	Smart Low-carbon Manufacturing	Medium	Short-term	—	V	—	Automation and digital management	Improve equipment efficiency and capacity utilization while reducing energy consumption and production costs per unit.
Products and Services	Development of Low-carbon Products	High	Medium-term	—	V	V	Life Cycle Assessment (LCA)-based design and low-carbon materials	Enhance market competitiveness and expand opportunities for low-carbon products.
Markets	Expansion into New Markets	Medium	Short-term	—	V	V	Entry into renewable energy and low-carbon application markets	Diversify revenue sources and reduce exposure to fluctuations in a single industry.
Resilience	Investment in Renewable Energy and Energy Storage	Medium	Medium-term	—	V	—	Evaluation of energy storage and renewable energy deployment	Reduce exposure to electricity price volatility and enhance energy independence.

2 Sustainable Environment

2.1.4 Metrics and Targets

To strengthen the management of climate-related risks and opportunities, SZS has established a climate-related metrics and targets management framework with reference to the TCFD recommendations and IFRS S2 requirements. SZS monitors and reviews indicators related to greenhouse gas emissions, energy management, renewable energy use, climate risk management, and low-carbon transition to support climate strategy implementation and business decision-making.

Aspect	Metric	Management Direction
Greenhouse Gas Emissions Management	Scope 1 Emissions	Monitor emissions and reduce emissions through process improvements and energy efficiency measures
	Scope 2 Emissions	Reduce emissions through energy management and renewable energy adoption
	Emissions Intensity (per revenue or production output)	Improve carbon efficiency of operations
Energy Management	Total Energy Consumption	Reduce energy consumption through energy-saving measures and equipment optimization
	Energy Intensity	Improve energy efficiency
	Carbon Reduction Benefits from Energy-saving Projects	Implement energy-saving improvement projects annually
Renewable Energy Use	Renewable Energy Consumption	Gradually increase renewable energy use
	Renewable Energy Ratio	Increase the share of renewable energy based on operational needs and market conditions
	Procurement of Renewable Energy Certificates (RECs)	Plan procurement in line with customer requirements and decarbonization strategies
Climate Risk Management	Climate Risk Assessment Coverage	Conduct and update climate risk assessments regularly
	Improvement Measures for High-risk Sites	Implement adaptation and improvement measures
Low-carbon Transition Opportunities	Low-carbon Product Development Projects	Continue investment in product innovation and low-carbon technologies
	Decarbonization Investments	Evaluate and implement decarbonization initiatives
Climate Governance	Climate-related Training	Strengthen internal climate management capabilities

SZS continues to enhance its climate-related data collection and management practices. Quantitative targets will be established progressively in line with business development and climate strategies.

2 Sustainable Environment

2.2 Energy Conservation and Carbon Reduction

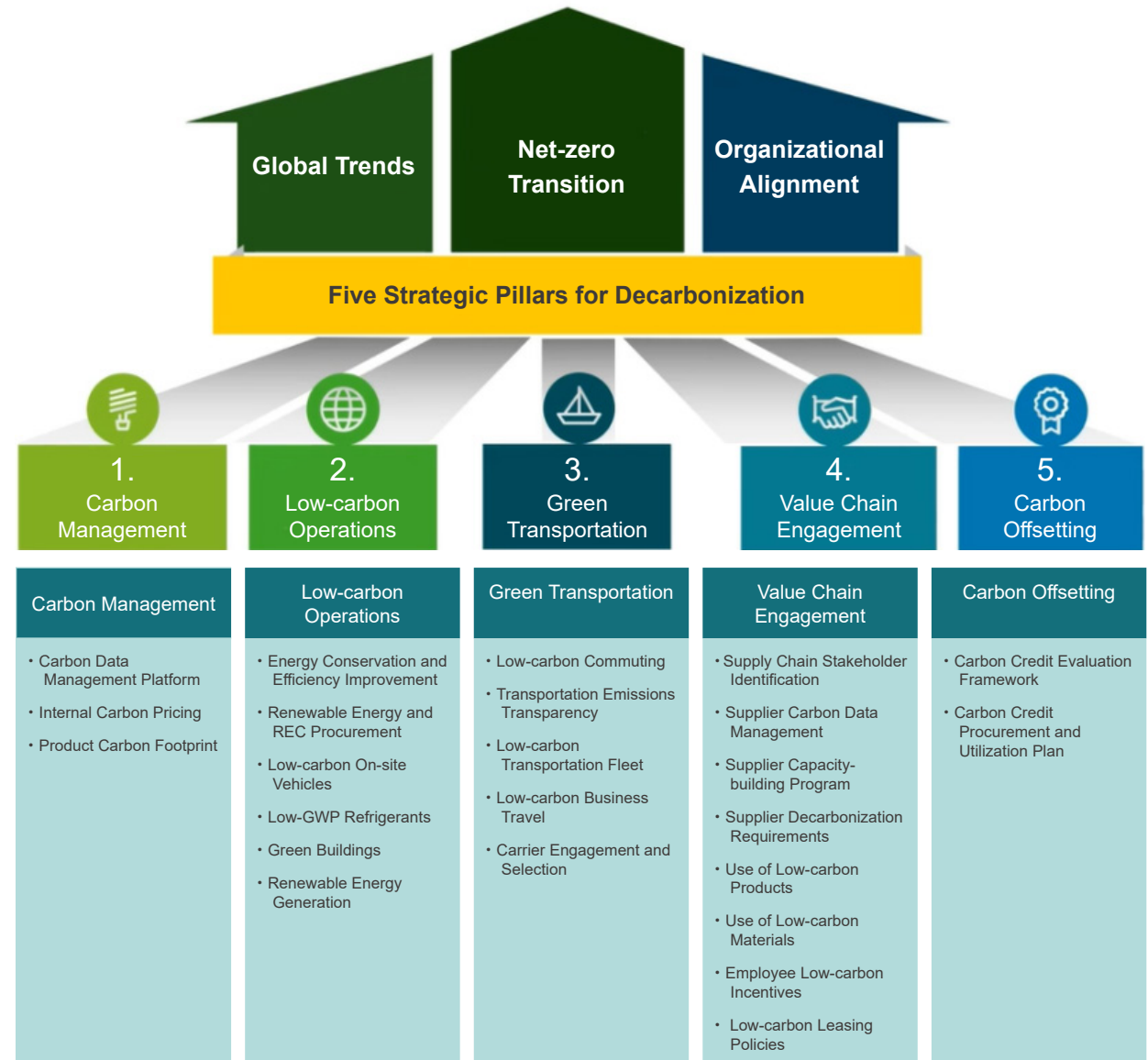
2.2.1 Decarbonization Strategy

Scope 2 emissions are the primary source of greenhouse gas emissions at the Group's operations in Taiwan. Therefore, energy efficiency improvement is a key decarbonization strategy. The Group is increasing energy efficiency and evaluating renewable energy deployment and procurement opportunities to reduce Scope 2 emissions.

For overseas subsidiaries, Scope 3 emissions represent a larger share of total emissions. Accordingly, the Group focuses on supply chain management by strengthening the collection and management of supplier carbon emission data. Procurement and product design functions also promote the use of lower-carbon materials to reduce environmental impacts throughout the product life cycle.

Carbon emissions are also considered in logistics and business travel management to support low-carbon transportation. The Group will continue working with suppliers to develop a low-carbon value chain.

Decarbonization Roadmap



2 Sustainable Environment

2.2.2 Greenhouse Gas Inventory and Reduction

SZS began conducting voluntary greenhouse gas inventories in 2015. Since 2021, the Group has conducted greenhouse gas inventories across all operations and obtained third-party verification in accordance with ISO 14064-1:2018.

In 2023, SZS joined the Science Based Targets initiative (SBTi) and submitted its commitment letter in September. The science-based emissions reduction targets were submitted in July 2024 and validated by the SBTi in January 2025.



1 2025 Greenhouse Gas Emissions

In accordance with ISO 14064-1:2018, SZS adopts the Operational Control Approach to define its inventory boundary and quantify greenhouse gas (GHG) emissions within its operational boundary, including SZS and subsidiaries included in the consolidated financial statements.

The inventory covers Category 1 (Direct GHG Emissions), Category 2 (Energy Indirect GHG Emissions), and Categories 3–6 (Other Indirect GHG Emissions). The greenhouse gases included in the inventory are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Information on SZS's greenhouse gas inventories and assurance results for the most recent two years is available in the 2025 Annual Report.

In 2025, direct GHG emissions (Category 1) from SZS and its consolidated subsidiaries totaled 997.3495 metric tons CO₂e. Energy indirect GHG emissions (Category 2, by region) totaled 25,859.4387 metric tons CO₂e, and other indirect GHG emissions (Categories 3–6) totaled 47,034.8328 metric tons CO₂e. Details by category are presented below.

Category	Category 1	Category 2	Categories 3–6
Taiwan Operations	978.8139	22,767.6954	25,880.7710
China Operations	11.1186	2,889.1987	20,307.1218
Vietnam Operations	7.4170	205.5446	846.9400
Total	997.3495	25,859.4387	47,034.8328

	Category	GHG Emissions (tCO ₂ e)
Category 1: Direct GHG Emissions	Stationary Combustion Sources	143.0206
	Mobile Combustion Sources	90.0781
	Process Emissions	75.2421
	Fugitive Emissions (Anthropogenic)	681.5917
	Land Use, Land-use Change and Forestry (LULUCF)	N/A
Total Category 1		997.3495
Category 2: Indirect GHG Emissions from Imported Energy	Indirect Emissions from Imported Electricity	24,859.4387
Total Category 2		24,859.4387
Category 3: Indirect GHG Emissions from Transportation	3.1 Upstream Transportation and Distribution of Goods	203.1598
	3.2 Downstream Transportation and Distribution of Goods	300.5420
	3.3 Employee Commuting	176.4533
	3.4 Customer and Visitor Transportation	N/A
	3.5 Business Travel	561.5988
Category 4: Indirect GHG Emissions from Products Used by the Organization	4.1 Purchased Goods	35,787.6980
	4.2 Capital Goods	3,749.8642
	4.3 Waste Disposal	540.9949
	4.4 Upstream Leased Assets	0
	4.5 Other Services	5,714.5218
Category 5: Indirect GHG Emissions Associated with the Use of the Organization's Products	5.1 Use of Products	N/A
	5.2 Downstream Leased Assets	0
	5.3 End-of-life Treatment of Products	N/A
	5.4 Investments	N/A
Category 6: Other Indirect GHG Emissions		N/A
Total Categories 3–6		47,034.8328

2 Sustainable Environment

2 Emissions Reduction Targets and Progress

SZS Group has adopted Science-Based Targets (SBTi) as its greenhouse gas emissions reduction targets. The targets are aligned with a 1.5° C pathway for Scope 1 and Scope 2 emissions and a Well-Below 2° C (WB2C) pathway for Scope 3 emissions.

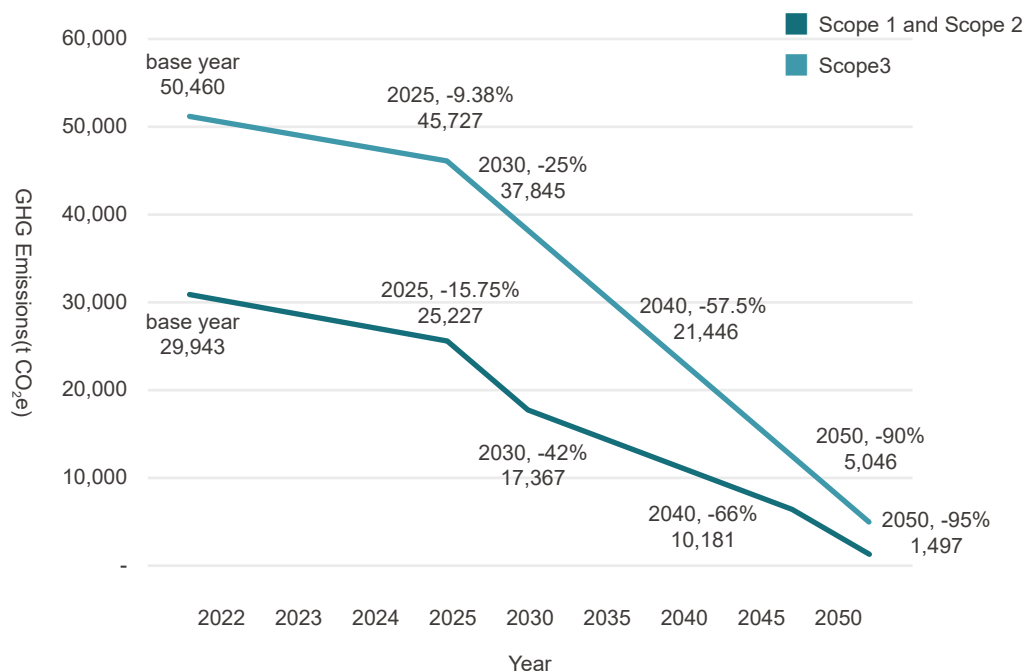
- Near-term Targets:**

Using 2022 as the base year, the Group commits to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 42% by 2030. Over the same period, the Group also commits to reducing absolute Scope 3 greenhouse gas emissions by 25%.

- Long-term Targets:**

Using 2022 as the base year, the Group commits to reducing absolute Scope 1 and Scope 2 greenhouse gas emissions by 95% by 2050. Over the same period, the Group commits to reducing absolute Scope 3 greenhouse gas emissions by 90%.

SZS Net-zero Targets and Roadmap



As of 2025, Scope 1 emissions totaled 997 tCO₂e, representing a reduction of approximately 33.6% from the base year and an achievement rate of 213%. Scope 2 emissions totaled 25,859 tCO₂e, representing a reduction of approximately 9.1% from the base year and an achievement rate of 58%. Scope 3 emissions totaled 46,198 tCO₂e, representing a reduction of approximately 8.4% from the base year and an achievement rate of 90%.

Overall, Scope 1 performance exceeded the planned reduction target, while Scope 3 emissions approached the target level. Additional efforts are required to improve Scope 2 emissions performance.

The increase in Scope 1 emissions compared with the previous year was primarily attributable to one-time emissions associated with the replacement and disposal of fire extinguishers. Despite this increase, Scope 1 emissions remained below the base-year level. Scope 2 emissions were affected by operational electricity demand, while Scope 3 reductions continued to be driven by supply chain management and resource efficiency initiatives.

To further improve emissions performance, SZS will continue to implement the following actions:

- Enhance energy efficiency measures through process optimization, equipment upgrades, and energy management of utility systems such as air-conditioning and compressed air systems.
- Accelerate energy transition efforts SZS's solar power system was connected to the grid in 2026 and is expected to increase renewable energy use and reduce purchased electricity, contributing to improved Scope 2 performance.
- Strengthen Scope 3 management through supply chain carbon management, improved material efficiency, and circularity initiatives to reduce value chain emissions.
- Manage exceptional emission events by strengthening planning and control of equipment replacement and other one-time emission sources to minimize their impact on annual emissions performance.

GHG Emissions and Progress Toward SBTi Targets (2022–2025)

Year	2022	2023	2024	2025	Cumulative Actual Emissions Reduction as of 2025	Cumulative Required Emissions Reduction as of 2025	Achievement Rate as of 2025
Scope1	1,502	676	503	997	505	237	213%
Scope2	28,440	23,890	28,397	25,862	2,578	4,479	58%
Scope3	50,460	66,916	55,805	46,198	4,262	4,731	90%

Note: GHG emissions are expressed in tCO₂e.

2 Sustainable Environment

2.2.3 Energy Management

① Energy Management Strategy

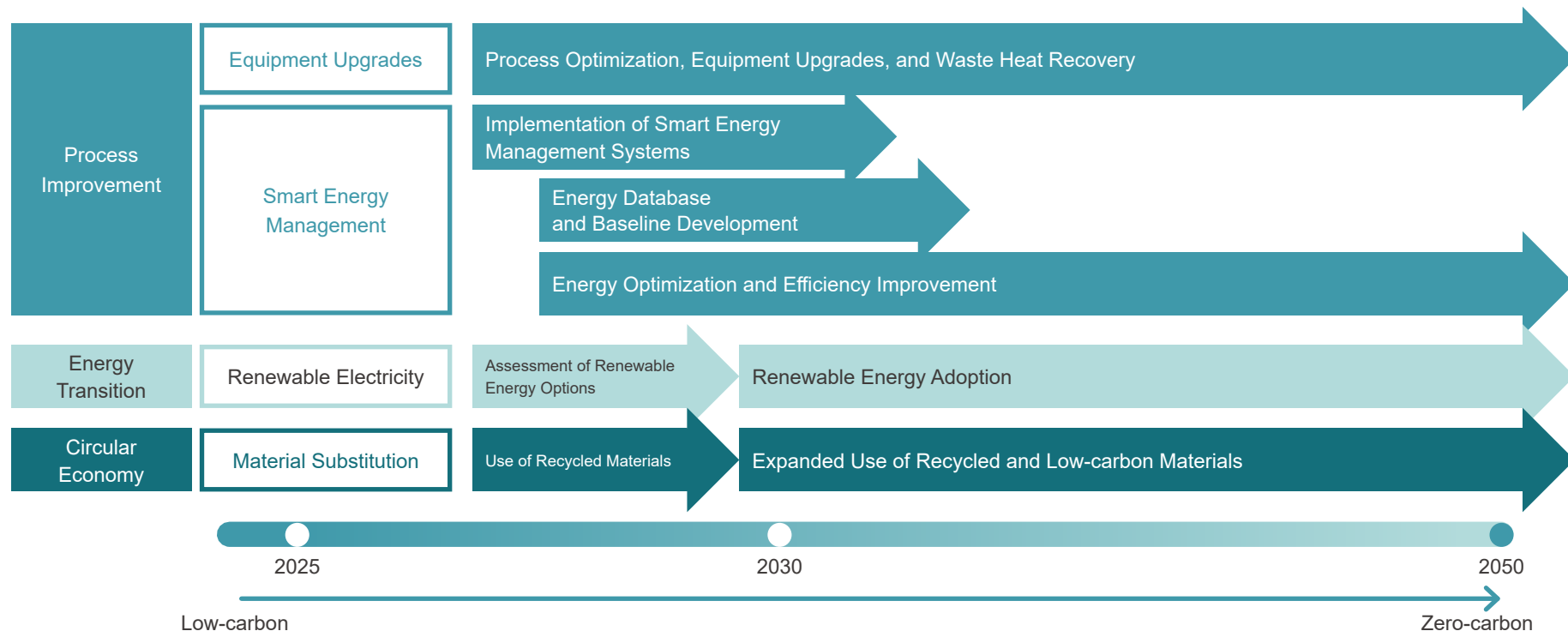
Energy consumption and greenhouse gas emissions are among the primary environmental impacts of SZS's operations. To reduce these impacts, SZS implements energy management practices, improves equipment efficiency, and increases the use of renewable energy to enhance energy efficiency and reduce energy intensity.

SZS's energy management strategy focuses on three key areas: improving energy efficiency, optimizing the energy mix, and strengthening data management. Through regular energy reviews and performance monitoring, SZS tracks energy consumption and energy-saving results, while management periodically reviews implementation progress.

② Energy Consumption

SZS Group's primary energy sources are electricity and fuel. Total energy consumption encompasses electricity, heating, cooling, and fuel, with zero sales of electricity, heating, cooling, or steam. Energy consumption data is statisticalized and disclosed in Gigajoules (GJ), utilizing heating value conversion factors from government energy statistics. The inventory boundary covers all operational sites under the organizational control approach. Revenue is utilized as the organization-specific metric for energy intensity to evaluate operational efficiency and serve as the basis for optimizing energy-saving strategies.

SZS has not yet conducted a complete quantitative inventory of energy consumption across its upstream and downstream value chain. Moving forward, the company will gradually establish data collection mechanisms for energy and carbon emissions in accordance with supply chain carbon management planning to manage value chain energy impacts.



2 Sustainable Environment

Group Energy Consumption and Energy Intensity

Energy Source		2023		2024		2025		
		Taiwan Operations	China Operations	Taiwan Operations	China Operations	Taiwan Operations	China Operations	Vietnam Operations
Direct Energy	Natural Gas	43.87	0	35.74	0	14.23	0	0
	Liquefied Petroleum Gas (LPG)	1,744.31	30.20	2,434.09	34.60	2,444.34	29.22	5.05
	Diesel Fuel	179.26	730.47	236.47	642.96	275.23	0	28.40
	Gasoline	1,077.08	253.11	995.80	224.68	937.56	41.43	0
Indirect Energy	Purchased Electricity	154,871.19	15,768.00	184,013.48	21,015.56	172,834.67	19,592.97	1,107.21
Subtotal (GJ)		157,915.71	16,781.78	187,715.57	21,917.80	176,506.03	19,663.62	1,140.65
Renewable Energy Ratio (%) (Renewable Energy Consumption / Total Energy Consumption)		0	0	0	8.21%	0	8.7%	34.3%
Total Energy Consumption (GJ)		174,697.49		209,633.38		197,310.31		
Energy Intensity (Total Energy Consumption / Revenue)		21.72	5.67	17.18	9.12	20.31	11.15	1946.85
Group Energy Intensity (Total Energy Consumption / Total Group Revenue)		17.35		15.73		18.88		

Notes:

1. Energy consumption is expressed in gigajoules (GJ).

2. Energy conversion factors are based on the Energy Statistical Yearbook published by the Ministry of Economic Affairs, Taiwan. Conversion factors used were: electricity (860 kcal/kWh), natural gas (9,000 kcal/m³), liquefied petroleum gas (12,062 kcal/kg), gasoline (7,800 kcal/L), and diesel fuel (8,400 kcal/L). One kilocalorie (kcal) equals 4.184 kilojoules (kJ).

3. Revenue per NT\$1 million is used as the organizational-specific metric for calculating energy intensity.

4. The data cover the parent company and subsidiaries included in the consolidated financial statements.

5. The Vietnam operations had not yet commenced mass production in 2025. Lower revenue during the start-up phase resulted in a higher energy intensity value

Group Electricity Consumption and Electricity Intensity

Year		2023		2024		2025		
Operations		Taiwan Operations	China Operations	Taiwan Operations	China Operations	Taiwan Operations	China Operations	Vietnam Operations
Total Electricity Consumption (kWh)		43,040,818	4,536,897	51,139,856	5,840,512	48,033,113	5,302,532	307,258
Electricity Intensity (MWh / NT\$ Million Revenue)		5.84	1.68	4.68	2.49	4.60	3.09	525.19

2 Sustainable Environment

3 Energy Conservation

During the reporting period, the SZS Group implemented a range of energy-saving measures to reduce energy consumption. Performance is tracked through energy reviews and monitoring mechanisms. Energy efficiency and low-carbon design concepts are also incorporated into product design and process development to reduce energy consumption and greenhouse gas emissions throughout the product life cycle.

Key initiatives included:

- Process optimization and energy-saving improvements
- Deployment and replacement of high-efficiency equipment
- Continuous enhancement of energy management systems
- Employee energy-saving suggestion programs

Energy Transition

To increase the use of renewable energy, the Group continued to expand solar power generation across its operations.

- **Taiwan Operations**

Solar photovoltaic (PV) systems were installed in 2025 for self-consumption and connected to the grid in January 2026. Annual electricity generation is expected to reach approximately 2 million kWh.

- **Suzhou Operations**

Solar power generation totaled 476,000 kWh in 2025, accounting for 8.2% of annual electricity consumption.

- **Bac Giang Operations**

Solar PV systems were installed in August 2025 for self-consumption, with expected annual generation of approximately 1 million kWh.

Energy Conservation Performance

To evaluate the effectiveness of energy-saving initiatives, the Group calculates energy reductions by comparing actual energy consumption before and after the implementation of improvement projects. Baselines are established using either complete operating data from the year preceding project implementation or the average energy consumption during a stable operating period prior to equipment replacement. This approach helps reflect actual energy-saving performance while minimizing the effects of production fluctuations and changes in operational scale.

Energy savings are estimated based on differences in electricity consumption before and after improvements. For equipment without dedicated meters, energy savings are calculated using equipment energy consumption characteristics and actual operating hours. Relevant data are consolidated through internal energy management records and electricity monitoring systems.

Through various energy-saving projects implemented in 2025, the Group reduced energy consumption by a total of 665.61 GJ, equivalent to approximately 184,981 kWh of electricity savings.

Details of major energy-saving projects and their performance by operation are presented below.

Operations	Energy-saving Initiative	Annual Electricity Savings (kWh)	Energy Reduction (GJ)
Taiwan Operations	Accelerated Cooling Program for Vacuum Sintering Furnaces	136,091	489.69
China Operations	Air-conditioning Energy Efficiency Improvement	11,738	42.24
China Operations	Replacement of Air-conditioning Core Switches	37,152	133.68
total		184,981	665.61

Notes:

1. Energy reductions are estimated based on actual electricity consumption before and after the implementation of energy-saving measures. For equipment without dedicated electricity meters, energy savings are calculated using equipment energy consumption characteristics and operating hours.
2. Electricity consumption is converted to energy using a conversion factor of 1 kWh = 0.0036 GJ (1 kWh = 3.6 MJ).
3. Reported figures represent the direct energy-saving benefits of the initiatives and exclude renewable energy substitution and other items that may result in double counting.

2 Sustainable Environment

2.3 Water Resource Management

Water resources are essential to both business operations and sustainable development. SZS Group manages water resources through a systematic approach that includes water risk identification, monitoring, and performance management. The Group assesses water-related risks, evaluates operational dependence on water resources, and implements measures to improve water efficiency and reduce environmental impacts.

In accordance with the GRI Standards and stakeholder requirements, including the RBA Code of Conduct and Supplier Code of Conduct, the Group focuses on the following objectives:

1. Improving water efficiency and maintaining stable water recycling systems;
2. Conducting water risk assessments and implementing mitigation measures in high-risk areas;
3. Strengthening local water environment management and reducing impacts on surrounding ecosystems; and
4. Ensuring regulatory compliance while improving operational efficiency and supporting sustainable business development.

Taiwan operations are equipped with wastewater treatment facilities, and all wastewater is treated prior to discharge. High-strength process wastewater is separately collected and reused where feasible to reduce environmental impacts. The Group regularly monitors water withdrawal, water discharge, and water quality indicators, and maintains emergency response measures to safeguard water resources.

Based on the ISO 14001:2015 environmental management system, SZS continues to strengthen water resource management across its operations in Taiwan and China through systematic monitoring and data-driven management. Water conservation, employee awareness programs, and water management targets are incorporated into daily operations. Water recycling and reclaimed water reuse measures are implemented for major water-consuming activities to improve water efficiency and reduce environmental impacts.

2.3.1 Water Risk Assessment

To better understand water-related risks across its operations, the Group uses the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI) to conduct systematic assessments of major operating sites. Assessment indicators include baseline water stress, water supply reliability, regulatory risk, and climate change impacts. The results serve as an important reference for decision-making and water risk management.

Water Risk Classification of Operating Sites (2025)

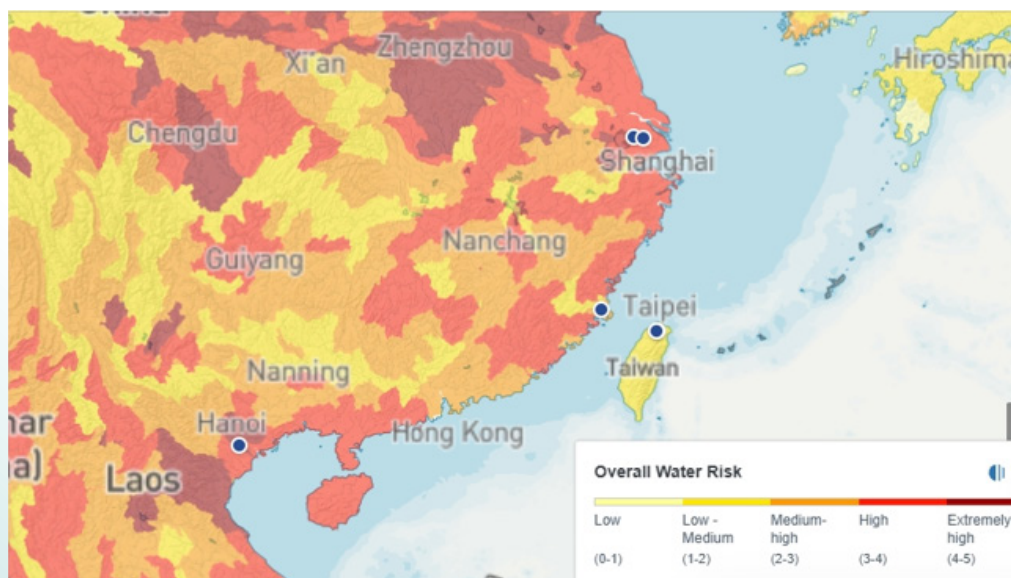
Operating Sites	Water Risk Classification of Operating Sites (2025)				
	Low (0–1)	Low-Medium (1–2)	Medium-High (2–3)	High (3–4)	Extremely High (4–5)
Taiwan Operations		●			
SZS (SUZHOU)				●	
KUNSHAN JENGJEA				●	
REDSTAR (FUQING)			●		
Bac Giang Operations					●

Notes:

1. Taiwan operations were assessed as having low-to-medium water risk (1–2), with limited impact on operations.
2. Among the three operating sites in China, one was classified as medium-high risk and two as high risk, indicating relatively greater water stress in the region.
3. Bac Giang operations in Vietnam were classified as extremely high risk, reflecting challenges related to water scarcity and supply-demand imbalance.

2 Sustainable Environment

The Group will continue to use Aqueduct and other international assessment tools to review water-related changes across its supply chain and high-risk operating sites. Management strategies will be adjusted on a rolling basis, with measures focused on improving water efficiency, increasing water recycling and reuse, and establishing early warning and response mechanisms to reduce potential operational impacts.



Water Withdrawal and Water Consumption (thousand m³)

Water Withdrawal	All Areas (Group Total)	Water-stressed Areas		
		SZS (SUZHOU)	KUNSHAN JENGJEA	Bac Giang Operations
Water Withdrawal by Source				
Surface Water (Total)	354.40	111.37	1.72	7.29
Groundwater (Total)	—	—	—	—
Seawater (Total)	—	—	—	—
Produced Water (Total)	—	—	—	—
Third-party Water (Total)	—	—	—	—
Total Water Withdrawal	354.40	111.37	1.72	7.29

Water Withdrawal	All Areas (Group Total)	Water-stressed Areas		
		SZS (SUZHOU)	KUNSHAN JENGJEA	Bac Giang Operations
Water Discharge by Destination				
Surface Water	82.68	0	0	0
Groundwater	—	—	—	—
Seawater	—	—	—	—
Third-party Water (Total)	—	—	—	—
Total Water Discharge	82.68	0	0	0

Water Consumption	Water Consumption	Water-stressed Areas		
		SZS (SUZHOU)	KUNSHAN JENGJEA	Bac Giang Operations
Total Water Consumption	271.72	111.37	1.72	7.29

2 Sustainable Environment

① Water Consumption and Intensity

In 2025, municipal water remained the primary water source for the Taiwan headquarters and manufacturing operations. Water was mainly used for non-contact cooling, cleaning processes, and domestic purposes, accounting for approximately 76.67% of total water use. Process wastewater and recycled water accounted for the remaining 23.33%.

In 2025, the SZS Group recorded total water withdrawal of 354.40 thousand m³, total water discharge of 82.68 thousand m³, and total water consumption of 271.72 thousand m³.

Historical Water Use Trends (thousand m³)

	2022	2023	2024	2025
Total Water Withdrawal	332.25	290.78	337.13	354.40
Total Water Discharge	60.98	63.40	80.24	82.68
Total Water Consumption	271.27	227.38	256.89	271.72
Recycled and Reused Water	4.28	5.13	4.35	2.54
Water Withdrawal Intensity (m ³ / NT\$ Million Revenue)	\$28.10	\$28.88	\$25.30	\$32.37

Overall, both water withdrawal and water discharge increased during the reporting period. This trend was associated with changes in production activities and operational demand. Despite the increase in water use, the Group continued to improve operational efficiency through process optimization and automation, helping to mitigate the impact of production fluctuations on water resources.

Looking ahead, the Group will continue to promote water recycling and reuse for cooling, cleaning, and domestic applications. Efforts will focus on improving water-use efficiency, increasing water recycling rates, and reducing water intensity, while minimizing impacts on the environment and local communities.

② Recycled Water Performance

Taiwan operations currently use membrane filtration technology to produce recycled water for reuse in process cleaning applications. Two DCI recycled water systems are installed to recover and reuse wastewater generated from the electroless plating process, reducing municipal water consumption and minimizing environmental impacts.

Treated recycled water is used for cleaning operations in the vibratory finishing area and for non-potable applications such as toilet flushing, contributing to both water conservation and wastewater reduction.

Process Wastewater Recycling Performance

Year	Wastewater Volume (thousand m ³ /year)	Recycled Water Volume (thousand m ³ /year)	Process Water Reuse Rate (%)
2023	63.40	5.13	20.71%
2024	80.24	4.35	15.03%
2025	82.68	2.54	9.75%

The volume of recycled water and the process water reuse rate declined slightly during the reporting period, primarily due to aging recycling equipment and increased process water demand. Nevertheless, the Group continues to operate the DCI recycling systems to reduce environmental impacts.

Future efforts will focus on optimizing recycled water systems, improving water reuse efficiency in both production and domestic applications, reducing dependence on municipal water supplies, and minimizing wastewater discharge.

2 Sustainable Environment

2.3.2 Wastewater Management

SZS Group is committed to improving water-use efficiency and ensuring proper wastewater treatment to minimize environmental impacts while complying with regulatory requirements and stakeholder expectations.

No process wastewater is generated at the Group's operations in China. In Taiwan, the Shulin and Sanjun plants have obtained the required wastewater discharge permits and implement pollution prevention measures based on standards that exceed regulatory requirements. Water resource management and environmental protection practices are continuously strengthened. The Bac Giang operation in Vietnam is currently under construction, and wastewater treatment facilities have been incorporated into the overall site planning. Upon commencement of operations, wastewater management will be conducted in accordance with local regulations and the Group's management standards.

Wastewater discharge volumes are monitored using calibrated flow meters. The Group continuously improves treatment facilities and operating procedures to enhance treatment efficiency and reduce environmental impacts. Independent third-party organizations are regularly commissioned to conduct water quality testing to ensure compliance with applicable regulations and internal control standards. Key monitoring parameters include nickel (Ni), chemical oxygen demand (COD), suspended solids (SS), water temperature, and pH.

All wastewater treatment and discharge activities are reported in accordance with regulatory requirements, and monitoring and tracking mechanisms are maintained to ensure transparent management.

Historical Water Quality Monitoring Results (ppm)

Plant / Receiving Water Body	Parameter	2023	2024	2025
Shulin Plant / Dahan River	Nickel (Ni)	0.10	0.40	0.1
	Regulatory Limit	0.7	0.7	0.7
	Chemical Oxygen Demand (COD)	16.10	43.30	42.2
	Regulatory Limit	100	100	100
	Suspended Solids (SS)	3.80	3.40	3.3
	Regulatory Limit	30	30	30
Sanjun Plant / Taliaokeng Creek	Nickel (Ni)	N.D.	N.D.	N.D.
	Regulatory Limit	0.7	0.7	0.7
	Chemical Oxygen Demand (COD)	13.70	33.80	21.5
	Regulatory Limit	100	100	100
	Suspended Solids (SS)	12.70	19.20	5.9
	Regulatory Limit	30	30	30

Notes :

1. Chemical Oxygen Demand (COD) is an indicator of the amount of organic pollutants in water. Higher COD values generally indicate higher levels of organic contamination.
2. Suspended Solids (SS) are used to evaluate wastewater treatment performance and ensure that discharged water meets applicable environmental regulatory standards. N.D. indicates that the parameter was not detected.

1 Pollution Monitoring and Stormwater Management

The Taiwan operations have obtained all required environmental permits, approvals, and registrations, and maintain them through regular review and timely updates to ensure compliance with applicable operational and reporting requirements.

In accordance with ISO 14001:2015, the RBA Code of Conduct, and customer requirements, the Group continues to implement water resource management measures, including the recording, classification, and monitoring of water use and wastewater discharge, identification of water conservation opportunities, and control of pollutant discharge pathways to ensure effective pollution prevention.

All wastewater is classified, monitored, and treated prior to discharge. The performance of wastewater treatment and control systems is routinely monitored to ensure optimal operation and regulatory compliance. The Group also strengthens stormwater management by maintaining inventories of stormwater flow routes and potential pollution sources within its facilities, enabling the identification and prevention of environmental risks.

Key water quality parameters, including chemical oxygen demand (COD), suspended solids (SS), and nickel (Ni), are analyzed and recorded on a daily basis to ensure compliance with discharge standards and support continuous improvement of pollution prevention performance.

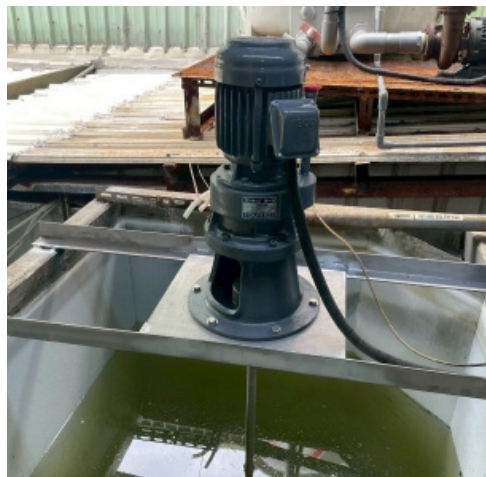
In 2025, the Group invested approximately NT\$1.18 million in wastewater treatment improvement projects. Major upgrades focused on strengthening critical treatment units, replacing aging equipment, and improving system reliability and operational efficiency.

As a result of these efforts, the water quality compliance rate at all operations reached 100% in 2025. No environmental penalties, chemical spills, or wastewater leakage incidents were recorded during the year, demonstrating the effectiveness of the Group's pollution prevention and environmental management practices.

Going forward, the Group will continue to review wastewater treatment facilities and operating procedures based on risk assessments and regulatory requirements. Efforts will focus on improving water-use efficiency, strengthening discharge risk management, and enhancing environmental resilience while minimizing impacts on surrounding ecosystems and communities.

2 Sustainable Environment

**Stage 1 Wastewater Chemical Treatment System Reinforcement Project
– Rapid and Slow Mixing Tank Reinforcement (Tank and Motor Replacement)**



**Stage 2 Wastewater Chemical Treatment System Reinforcement Project
(FRP Lining and Motor Replacement)**



**Stage 1 Wastewater Chemical Treatment System Reinforcement Project
– Sedimentation Tank Rehabilitation (FRP Lining and Filter Media Replacement)**



**Stage 2 Wastewater Treatment Plant Motor Replacement
and Aeration Tank Upgrade Project (FRP Lining and Motor Replacement)**



2 Sustainable Environment

2.4 Waste Management

Manufacturing activities may generate both non-hazardous and hazardous waste through raw material consumption, production processes, and equipment maintenance. Improper waste management can result in resource depletion, environmental pollution, and ecological impacts.

Based on the materiality assessment, waste management has been identified as one of the Group's significant environmental topics. SZS continues to reduce waste generation and its environmental impacts through process optimization, resource recovery, and waste reduction initiatives.

2.4.1 Waste Management Practices

To minimize the environmental impacts of waste generation, the Group implements the following waste management measures:

- Source reduction and process improvement initiatives
- Enhanced waste segregation and resource recovery
- Engagement of qualified waste treatment and disposal contractors
- Regular reviews of waste management performance and regulatory compliance

All operating sites manage and report waste in accordance with local regulatory requirements. Internal management systems and audit mechanisms are implemented to ensure effective waste management.

The Group continues to promote waste reduction initiatives, including lubricant reuse, packaging reuse, process optimization to reduce material consumption, and waste oil reduction. Waste generated at each site is handled by qualified third-party waste collection and treatment contractors selected through the Group's annual supplier evaluation process. Waste generation, storage, transportation, and disposal records are reported in accordance with applicable regulations.

Looking ahead, the Group will continue to promote source reduction and on-site recycling and reuse initiatives, with a target of achieving an 80% recycling and reuse rate. The long-term goal is to move toward zero landfill and zero incineration. The Group will continue to work with its supply chain partners to reduce material consumption, minimize environmental impacts from manufacturing activities, and support circular economy practices through innovative environmental initiatives.

Waste Contractor Management Process



2 Sustainable Environment

① Waste Categories and Disposal Methods

Waste generated by the Group is classified as either non-hazardous or hazardous waste in accordance with applicable local regulations. All waste is handled by qualified collection, treatment, and disposal contractors.

Major disposal and treatment methods include:

- Recycling and reuse
- Energy recovery
- Incineration
- Landfill disposal

All waste is treated off-site by qualified waste management contractors. Waste tracking is conducted through manifests and treatment certificates to ensure compliance with environmental regulations and audit requirements.

The Group does not conduct any on-site waste treatment or final disposal activities. Accordingly, on-site waste treatment volumes were zero metric tons in all reporting years. Both hazardous and non-hazardous waste are regularly collected and transferred to authorized treatment facilities without long-term on-site storage.

Waste management compliance and traceability are maintained through the following mechanisms:

- Waste manifest management system
- Traceability of treatment certificates
- Internal and external ISO 14001 audits
- Periodic inspections conducted by dedicated environmental management personnel

Following a peak in total waste generation in 2024, the Group's total waste volume decreased to 2,076.44 metric tons in 2025. During the same period, the Group's overall recycling and reuse rate increased to 46.16%, the highest level recorded in the past four years, demonstrating continued improvement in resource recovery performance.

By region, Taiwan operations maintained a relatively high recycling and reuse rate, although the ratio declined slightly due to an increase in non-hazardous waste generation. Future efforts will focus on strengthening source reduction and waste segregation practices. In China, total waste generation decreased significantly in 2025; however, the recycling and reuse rate remained comparatively low. Opportunities to increase resource recovery and recycling will continue to be evaluated.

Overall, the Group continues to enhance waste reduction and circular resource management through process optimization and improved waste segregation, thereby improving environmental performance and resource efficiency.

Waste Generation

During the reporting period, waste generated by the Group was classified as either non-hazardous waste or hazardous waste and managed on a weight basis (metric tons).

Major waste streams included metal scrap, plastics and packaging waste, municipal solid waste, and hazardous waste generated from manufacturing processes, such as nickel-containing wastewater, sludge, waste oil and oil mixtures, and other chemical wastes. All waste is segregated, labeled, stored, transported, and treated according to applicable regulations and managed through qualified contractors. Waste manifests and treatment certificates are used to ensure traceability throughout the disposal process.



2 Sustainable Environment

Waste-related data disclosed in this report are compiled from waste manifests, treatment certificates, and internal environmental management records maintained by each operating site. The data are periodically reviewed and verified by designated environmental management personnel to ensure completeness and accuracy.

Minor differences may exist between waste generation and disposal figures due to rounding during data aggregation. Such differences are considered immaterial and do not affect the interpretation of disclosed trends or the completeness of the reported information.

Waste Generation and Recycling Performance by Region

Reporting Year	2023		2024		2025		
Operations	Taiwan	China	Taiwan	China	Taiwan	China	Vietnam
Hazardous Waste (tons)	70.71	1.60	157.78	2.90	153.99	2.52	0
Non-hazardous Waste (tons)	691.47	1,207.25	1,000.39	1,181.71	1,089.49	827.23	3.22
Total Waste Generated (tons)	762.18	1,208.85	1,158.17	1,184.61	1,243.48	829.74	3.22
Recycling and Reuse Rate (%)	79.96%	8.59%	72.28%	7.00%	72.10%	7.27%	48.15
Waste Intensity	0.10	0.50	0.11	0.49	0.14	0.41	5.49
Group Total Waste Generated (tons)	1,971.03		2,342.78		2,076.44		
Group Recycling and Reuse Rate (%)	36.19%		39.28%		46.16%		
Group Waste Intensity	0.20		0.18		0.19		

Notes:

1. All figures are reported in metric tons.

2.Waste intensity represents the amount of waste generated per NT\$100 million of revenue (tons / NT\$100 million revenue).

3. The 2024 reporting boundary included operations in Taiwan and China (Suzhou, Chongqing, Kunshan, Fuqing, and Dongguan).

4.The 2025 reporting boundary included operations in Taiwan, China (Suzhou, Kunshan, and Fuqing), and Vietnam (Bac Giang).

Waste Treatment and Disposal

Waste generated by the Group is transferred to qualified waste collection, treatment, and disposal contractors for processing. Major treatment methods include:

- Recycling and reuse
- Energy recovery
- Incineration
- Landfill disposal

Information on waste treatment methods is disclosed based on data provided by authorized waste treatment contractors. During the reporting period, the Group did not conduct any final waste disposal activities on-site. All waste was managed through legally authorized third-party contractors.

Management Results (2025)

- Illegal dumping incidents: 0 cases
- Hazardous waste compliance treatment rate: 100%
- On-site final disposal: 0 metric tons (fully outsourced)

2 Sustainable Environment

Waste Diverted from Disposal and Waste Directed to Disposal:

Waste Category	Treatment Method	Reporting Year Operations	2023		2024		2025		
			Taiwan	China	Taiwan	China	Taiwan	China	Vietnam
Non-hazardous Waste	Waste Directed to Disposal	Incineration (without Energy Recovery)	0.00	36.82	0.00	33.93	0.00	0.00	0.00
		Incineration with Energy Recovery	147.71	3.19	314.54	2.71	333.59	769.44	1.67
		Landfill	0.00	1,065.00	0.00	1,065.00	0.00	0.00	0.00
		Other Disposal Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Subtotal – Waste Directed to Disposal		1,252.72		1,416.18		1,104.70		
	Waste Diverted from Disposal	Preparation for Reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Recycling	542.74	102.24	685.85	80.08	755.91	57.79	1.55
		Other Recovery Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Subtotal – Waste Diverted from Disposal		644.98		765.93		815.25		
Hazardous Waste	Waste Directed to Disposal	Incineration (without Energy Recovery)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Incineration with Energy Recovery	5.06	0.00	6.45	0.00	13.30	0.00	0.01
		Landfill	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Other Disposal Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Subtotal – Waste Directed to Disposal		5.06		6.45		13.31		
	Waste Diverted from Disposal	Preparation for Reuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Recycling	65.65	1.60	151.33	2.90	140.69	2.52	0.00
		Other Recovery Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Subtotal – Waste Diverted from Disposal		67.25		154.23		143.21		
Total Waste Weight	Total Waste Directed to Disposal		1,257.78		1,422.63		1,118.01		
	Total Waste Diverted from Disposal		712.23		920.16		958.46		
	Total		1,970.01		2,342.79		2,076.47		

Notes:

1.All figures are reported in metric tons.

2.The 2024 reporting boundary included operations in Taiwan and China (Suzhou, Chongqing, Kunshan, Fuqing, and Dongguan).

3.The 2025 reporting boundary included operations in Taiwan, China (Suzhou, Kunshan, and Fuqing), and Vietnam (Bac Giang).

2 Sustainable Environment

2.4.2 Recycling and Circular Resource Management

To strengthen its commitment to sustainable resource utilization, SZS adopts the 4R principles—Reduce, Reuse, Recycle, and Recover—as the foundation of its waste management and circular resource strategy.

Based on the ISO 14001 environmental management system framework, SZS manages waste generation and resource utilization through target setting, implementation, performance monitoring, and continuous improvement mechanisms. These efforts support waste reduction and promote resource circularity.

Key initiatives include:

- Internal reuse of resources and materials
- Strict qualification and selection of waste treatment contractors
- Collaboration with qualified recycling and resource recovery partners

To ensure proper waste treatment and resource recovery, SZS conducts annual audits of high-risk waste treatment contractors. Assessment criteria include:

- Validity of treatment permits
- Equipment integrity and operational capability
- Waste tracking and flow management
- Corporate social responsibility performance and operational risks

These assessments help ensure compliance with applicable waste management and environmental regulations while supporting ISO 14001 management principles and reducing environmental impacts.

① Outsourced Resource Recovery Strategy

For end-of-life waste treatment, SZS prioritizes resource recovery and recycling over disposal in order to maximize material circularity and reduce environmental impacts.

Major resource recovery practices include:

- Recovery of nickel oxide from nickel-containing sludge for use as an industrial raw material
- Reprocessing of waste lubricating oil into fuel oil as an alternative energy source
- Utilization of waste solvents as supplemental fuel to reduce conventional fuel consumption
- Recycling and remanufacturing of scrap metal for reintroduction into the metal supply chain

These resource recovery initiatives help reduce the amount of waste sent for landfill or incineration, decrease the consumption of virgin raw materials and energy, and contribute to lower greenhouse gas emissions and environmental impacts.



2 Sustainable Environment

② Resource Recovery Initiatives and Performance

1. Pallet Reuse

Pallets are important materials used throughout logistics and transportation activities. SZS prioritizes the use of reusable pallet materials, including plastic pallets and paper pallets, and has established collection and reuse mechanisms.

Pallets are recovered following product delivery or equipment removal and are reused whenever feasible. Damaged pallets are centrally collected, sorted, and directed to recycling or recovery channels rather than being discarded, thereby reducing waste generation and supporting resource circularity.



The volume of pallets reused increased significantly beginning in 2024, demonstrating the continued improvement of pallet recovery mechanisms and collaboration with supply chain partners. These efforts have effectively reduced the consumption of single-use pallets and conserved wood resources.

2023	2024	2025
11.87 tons	44.78 tons	43.56 tons

2. Tray Recycling and Reuse

Clean trays used for product handling and transportation, primarily made of PET and PS materials, are collected and segregated by material type before being sent to qualified recycling contractors for reprocessing into new products.

For trays that can no longer be directly reused due to labels, dust, or residual oil contamination after multiple use cycles, SZS engages specialized recycling partners to clean, reprocess, and recover the materials, thereby extending their useful life and reducing waste generation.



The volume of recycled trays has increased steadily in recent years, demonstrating the effectiveness of waste segregation and recycling management practices. Looking ahead, SZS plans to collaborate with plastic recycling partners to establish a circular supply chain and reintroduce recycled materials into packaging applications. These efforts are expected to reduce operational carbon emissions, strengthen packaging material supply stability, and mitigate risks associated with raw material price fluctuations and climate change.

2023	2024	2025
15.01 tons	29.65 tons	36.59 tons

3. Scrap Metal Recycling

All scrap metal generated during manufacturing processes is collected and directed to recycling or resource recovery channels for reintroduction into the metal supply chain.



As a high-value recyclable material, metal scrap represents an important resource recovery opportunity. SZS continues to strengthen waste segregation and collection practices to maximize material recovery, improve resource efficiency, and reduce reliance on virgin raw materials.

2023	2024	2025
402.63 tons	501.13 tons	530.16 tons

2 Sustainable Environment

4. Plastic Recycling Program (Plastic Crates, Pen Barrels, and Tool Cases)

SZS launched a Plastic Recycling Program in 2023 to collect and recycle plastic crates, pen barrels, and tool cases generated during daily operations. Recovered materials are segregated and directed to qualified recycling and resource recovery channels.

Since the program was launched, recycling volumes have increased steadily, reflecting growing employee awareness of waste segregation and resource conservation. The program also supports SZS's broader circular economy objectives by promoting material recovery and reducing waste generation.



2023	2024	2025
2,030 kg	4,065 kg	4,504 kg

5. Circular Economy Initiatives in China Operations

China operations continued to implement resource efficiency and circular economy initiatives to reduce material consumption, extend asset life cycles, and minimize waste generation.

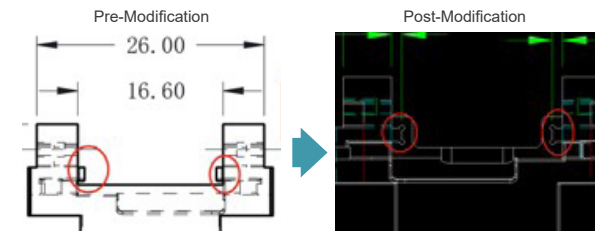
Key initiatives included:

- Redesigning fixture replacement methods from complete-unit replacement to modular replacement, extending service life and reducing material consumption
- Recovering retired inspection fixtures and tooling for dismantling, material segregation, and reuse
- Reusing selected customer packaging materials, including outer cartons and internal trays
- Reusing bubble wrap and plastic frames until they are no longer suitable for use

These initiatives help reduce the consumption of single-use materials, decrease waste generation, and improve resource utilization efficiency.

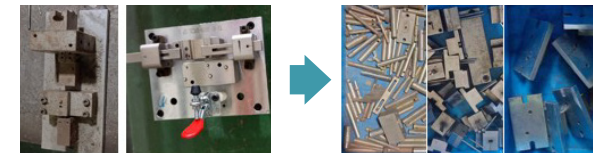
• Modular Fixture Design Optimization

Complete-unit replacement was redesigned to a modular replacement approach, extending fixture service life and reducing material consumption.



• Inspection Fixture Recovery and Reuse

Retired inspection fixtures are regularly collected, dismantled, sorted, and reused whenever feasible.



• Packaging Material Reuse

Selected customer shipping cartons and internal trays are collected and reused to reduce packaging waste.



• Reusable Protective Packaging

Bubble wrap and plastic frames are reused repeatedly until they are no longer suitable for service.



3

Supply Chain Responsibility and Product Quality Assurance

- 3.1 Supplier Management and Responsibility Requirements
- 3.2 Product Compliance and Quality Assurance



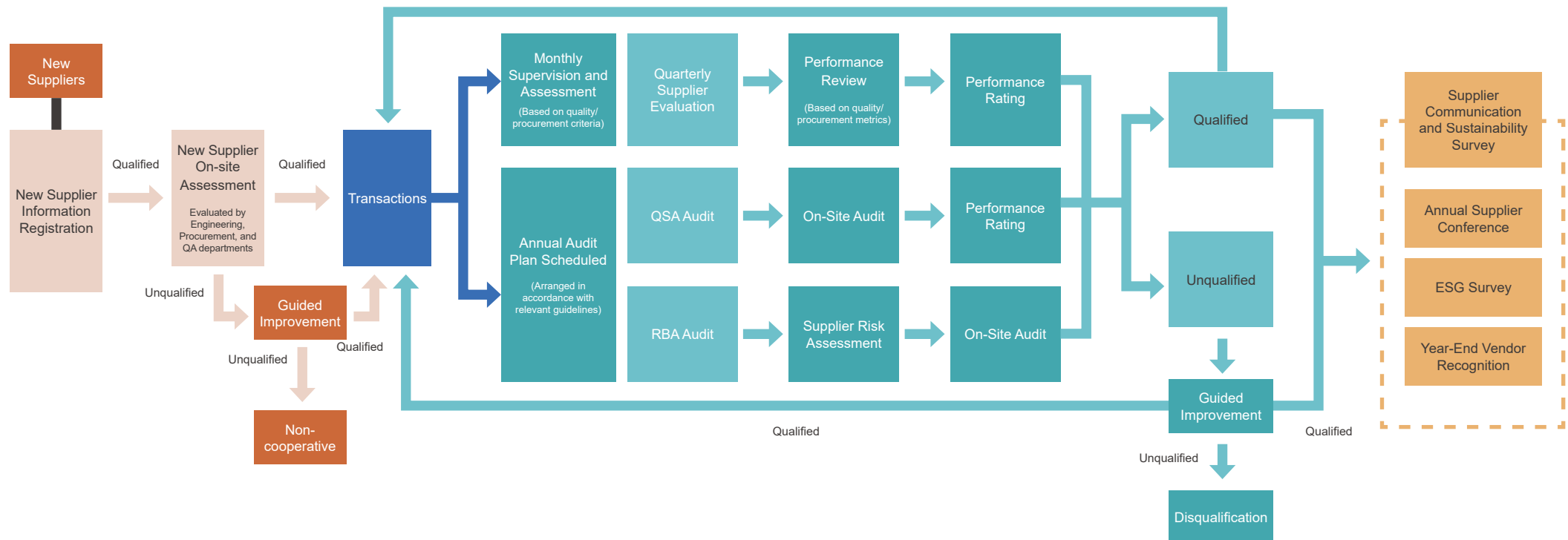
3 Supply Chain Responsibility and Product Quality Assurance

3.1 Supplier Management and Responsibility Requirements

SZS incorporates suppliers into its sustainable value chain management, encompassing the procurement of raw materials, components, packaging materials, and services. To manage potential environmental, social, and corporate governance (ESG) risks and impacts within the supply chain, SZS integrates environmental protection, regulatory compliance, and responsible business conduct into its supplier management mechanisms. This is executed through supplier evaluations, risk surveys, audits, training/guidance, and performance management.

3.1.1 Supplier Sustainability Management Policy and Environmental Requirements

In accordance with its supplier management system and the Responsible Business Alliance (RBA) supplier risk management mechanism, SZS integrates environmental topics into its supplier management requirements and audit items. The audit scope encompasses environmental compliance and permit management, pollution prevention, energy and water management, resource conservation and circular utilization, hazardous substance management, waste and air emissions management, and product environmental compliance.



3 Supply Chain Responsibility and Product Quality Assurance

3.1.2 Supplier Assessment and Due Diligence

SZS has established a supplier qualification review mechanism for new suppliers. Prior to engagement, suppliers are subject to basic information reviews and preliminary assessments. They are also required to sign relevant commitment documents to ensure compliance with SZS's supplier management requirements before being included in the Approved Supplier List (ASL).

The required commitment documents vary depending on supplier type and may include Confidentiality Agreements, Restriction of Hazardous Substances (RoHS) Declarations, Environmental Hazardous Substance Compliance Declarations, REACH Compliance Declarations, Supplier Social Responsibility Commitments, and Integrity Commitments. These documents serve as the foundation for responsible supplier management at the initial stage of cooperation. In 2025, a total of 18 new suppliers were added, with a 100% signing rate for all required commitment documents.

For key suppliers, SZS conducts due diligence in accordance with the Responsible Business Alliance (RBA) Supplier Risk Management Framework, taking into consideration transaction characteristics, supply risks, and management requirements. The assessment covers the following areas:

- Compliance with environmental regulations and permit management
- Pollution prevention and emissions management
- Energy use and energy efficiency management
- Water resource management
- Resource conservation, circular utilization, and waste management
- Hazardous substance management
- Air emissions management
- Compliance with product environmental regulations (e.g., RoHS and REACH)
- Raw material sourcing management and critical material risk control

In 2025, SZS completed RBA risk assessments for 37 key suppliers, achieving a questionnaire response rate of 100%.

2025 New Supplier Commitment Documentation Completion Rate

Number of New Suppliers Added: 18

1. Environmental Hazardous Substance Compliance Declaration: 100% Completion Rate
2. REACH Compliance Declaration: 100% Completion Rate
3. Supplier Social Responsibility Commitment: 100% Completion Rate
4. Integrity Commitment: 100% Completion Rate

Supplier RBA Classification

Supplier Definition	A Type Suppliers	B Type Suppliers	C Type Suppliers	Indirect Suppliers
	1. Overseas, Non-Manufacturing (Agents/Software) & Customer-Designated Suppliers. 2. Suppliers certified to both ISO 14001 and ISO 45001 management systems. 3. Suppliers achieving an RBA VAP score above 160. 4. Suppliers certified to the SA8000 Social Accountability Management System.	The top 20 Taiwan-based suppliers in each category based on annual transaction volume.	Production suppliers that do not fall under A-Type or B-Type categories.	Suppliers providing manpower services, security services, cleaning services, and catering-related services.
Risk Assessment	Exempt from Annual Risk Assessment	Subject to Annual Risk Assessment	Supplier Social Responsibility Commitment Required for New Suppliers Only	Subject to Annual On-Site Audit

3 Supply Chain Responsibility and Product Quality Assurance

1 New Supplier Qualification (Initial Review)

During the trial order stage, suppliers are required to complete a basic information form and provide an Environmental Hazardous Substance Compliance Declaration. The initial review is conducted in accordance with SZS's supplier qualification requirements.

2 New Supplier Qualification (Exemption from Requalification Review)

Suppliers meeting any of the following criteria may be directly registered as approved suppliers without undergoing a requalification review:

- Certified to ISO 9000, IATF 16949, or equivalent management systems
- Suppliers recognized as green product suppliers by customers
- Suppliers with an established market presence or strong market reputation
- Suppliers with three consecutive trial orders without return records
- General products and branded suppliers
- Agents and contract manufacturers
- Suppliers of auxiliary materials, office supplies, and customized guest gifts

3 New Supplier Qualification (Requalification Review)

Suppliers not meeting the exemption criteria shall undergo one of the following requalification review processes. Those passing the overall evaluation may be registered as approved suppliers:

- On-site Assessment
- Sample Approval

3.1.3 Supplier Audits and Corrective Action Follow-up

To continuously monitor supplier performance, SZS has established a supplier oversight and performance management mechanism. Through quarterly assessments, annual audits, and on-site evaluations, SZS regularly monitors supplier performance and management practices.

Quarterly assessments focus primarily on quality and procurement management performance. Annual audit targets are selected based on criteria including transaction volume, quality incidents, environmental compliance issues, and supply risks. Audits are conducted by cross-functional teams through either document reviews or on-site assessments.

In addition to quality management, audit scope covers environmental management, chemical substance management, energy and resource management, waste management, occupational health and safety, labor conditions, and responsible business conduct to verify suppliers' compliance with SZS's management requirements. In 2025, SZS completed on-site audits of 18 suppliers and document-based audits of 3 suppliers, achieving an audit completion rate of 100%.

Where non-conformities are identified, suppliers are required to implement corrective actions within the specified timeframe and undergo follow-up verification. Suppliers failing to meet corrective action requirements may be subject to reassessment, improvement guidance, or termination of the business relationship, depending on the severity of the issue.

1 Supplier Quarterly Assessments

SZS has established a continuous supplier monitoring mechanism under which supplier performance is reviewed monthly in accordance with relevant management procedures, with formal quarterly assessments conducted as part of routine supplier performance management.

Assessment criteria primarily cover quality management and procurement management. Suppliers are classified according to assessment results to facilitate differentiated management and performance tracking.

Where suppliers fail to meet SZS's management standards, an improvement assistance process is initiated. Performance issues are reviewed and tracked through supplier assessment meetings, helping suppliers continuously enhance management performance and cooperation quality.

3 Supply Chain Responsibility and Product Quality Assurance

② Annual Supplier Audits and Corrective Action Follow-up

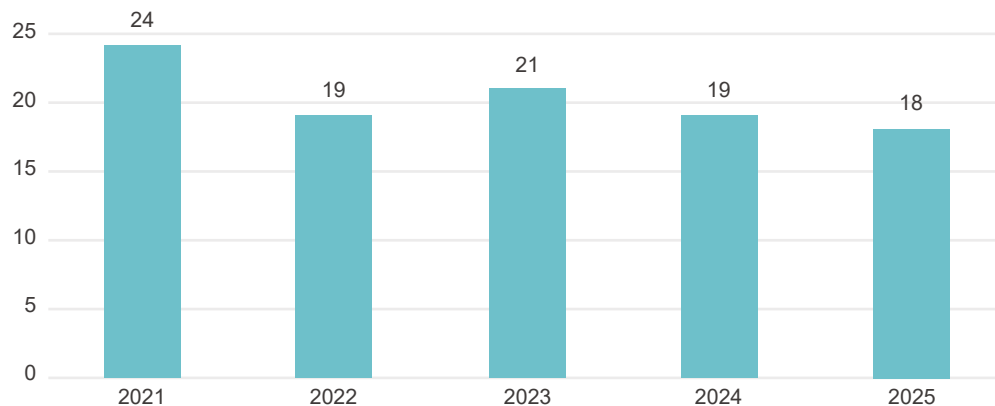
To strengthen supply chain management and risk control, SZS develops an annual supplier audit plan based on the previous year's supplier performance, taking into consideration factors such as annual transaction volume, quality incident records, and environmental compliance issues. Audit teams composed of relevant functional departments conduct either on-site or document-based audits.

In addition to quality management, annual audits focus on suppliers' manufacturing process management, operational controls, and compliance with relevant management requirements to verify their capability to ensure stable supply and continuous improvement.

Where audit findings are identified, suppliers are required to submit corrective action plans within two weeks. Improvement progress is subsequently monitored by SZS and verified during follow-up audits. Suppliers receiving unsatisfactory ratings in two consecutive on-site audits may be subject to reassessment of the business relationship in accordance with SZS's supplier management procedures.

In 2025, SZS planned to conduct on-site audits of 18 suppliers and document-based audits of 3 suppliers. All planned audits were completed, resulting in an audit completion rate of 100%. No material non-conformities or significant risks were identified. Minor findings, such as deficiencies in process data management or finished goods return control mechanisms, were addressed through corrective action requirements and follow-up monitoring.

Number of Suppliers Audited Annually



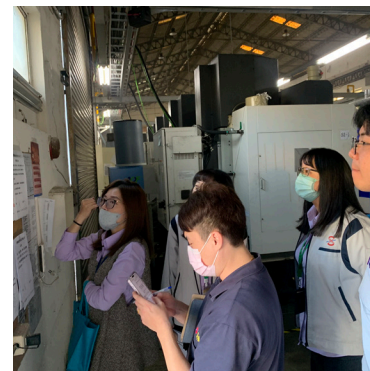
③ Supplier RBA Risk Assessment and Responsibility Audits

To promote responsible supply chain management, SZS implements supplier risk classification in accordance with the Responsible Business Alliance (RBA) Supplier Risk Management Framework. Suppliers are categorized based on factors including annual procurement value, supplier type, and relevant management criteria. RBA risk assessment questionnaires are then distributed to key suppliers as part of SZS's supplier due diligence process.

The RBA assessment covers a wide range of topics, including environmental regulatory compliance, pollution prevention, energy and water resource management, resource conservation and circular utilization, hazardous substance management, waste management, air emissions control, as well as occupational health and safety, labor conditions, and responsible business conduct.

For suppliers identified as high-risk or requiring enhanced management oversight, SZS conducts RBA on-site audits. Indirect suppliers, including manpower agencies, security service providers, cleaning contractors, and catering service providers, are also included within the scope of supplier responsibility assessments and are generally audited once per year. Where significant findings are identified, suppliers are required to develop corrective action plans based on the assessment results, and SZS conducts follow-up reviews and improvement guidance to mitigate sustainability risks within the supply chain.

In 2025, SZS required 37 key suppliers to complete the Supplier RBA Risk Assessment Questionnaire, achieving a response rate of 100%. In addition, on-site assessments were conducted for 3 suppliers. The assessment results indicated that suppliers were generally classified as low risk.



3 Supply Chain Responsibility and Product Quality Assurance

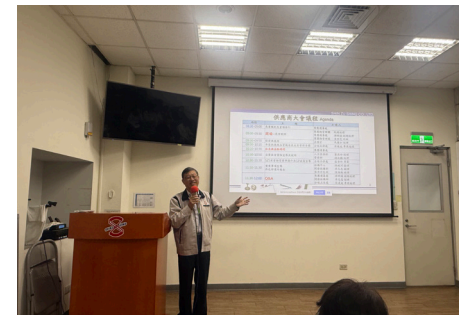
3.1.4 Supplier Education and Capacity Building

In addition to supplier management and auditing activities, SZS enhances suppliers' sustainability management capabilities through education and engagement programs, fostering mutual growth across the supply chain. SZS organizes at least one supplier conference annually to communicate expectations and requirements regarding quality management, environmental management, responsible business conduct, and applicable regulations, helping suppliers better understand SZS's management expectations and partnership requirements.

In addition, supplier seminars and exchange sessions are held regularly to facilitate discussions on manufacturing processes, quality improvement, and management practices, thereby supporting suppliers in strengthening their continuous improvement capabilities. In 2025, a total of six supplier exchange seminars were conducted, with 138 participant attendances.

SZS also encourages suppliers to continuously improve product quality, management effectiveness, and overall performance through its annual supplier performance evaluation and outstanding supplier recognition programs. These initiatives help strengthen supply chain competitiveness and enhance sustainability management capabilities throughout the value chain.

2025 Supplier Conference



2025 Supplier Exchange Seminar

March

Tesa Supplier Seminar
Participants: 21

April

Far Eastern New Century Circular
Recycling Technology Seminar
Participants: 23

June

BASF Supplier Seminar
Participants: 22

August

Supplier Seminar –
Introduction to the OPT Visual
Inspection System
Participants: 26

July

Hi-Check Supplier Seminar –
Dimensional Measurement Technology
and CAE Simulation Applications
Participants: 23

September

Saint-Gobain Supplier Seminar –
Rubber Processing Technology
Participants: 23

2025 Outstanding Supplier Awards



3 Supply Chain Responsibility and Product Quality Assurance

3.1.5 Supplier Risk Management

To reduce operational and sustainability risks within the supply chain, SZS continuously monitors product regulatory compliance, responsible sourcing, and the stability of raw material supply. Risk identification and management are carried out through SZS's supplier management framework.

SZS requires suppliers to provide product environmental compliance declarations and data to verify that products and raw materials meet customer and regulatory requirements, while evaluating the supply risks of critical materials. Since 2006, all products have complied with the EU RoHS Directive. SZS has implemented and obtained verification for the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system to manage restricted substances. Products meet Halogen-Free (HF) standards and contain no Substances of Very High Concern (SVHC) under the EU REACH regulation.

SZS also strictly complies with customer requirements and international standards, including environmental assessment requirements established by major brand customers relating to RoHS, REACH, and conflict minerals management. Accordingly, suppliers are required to provide relevant documentation, such as RoHS test reports, Environmental Hazardous Substance Compliance Declarations, REACH Compliance Declarations, and Conflict Minerals Reporting Templates (CMRTs), before procurement activities may proceed.

SZS is committed to supporting suppliers in obtaining relevant ISO certifications and continuously enhancing operational efficiency, workplace safety, and product quality management. Through close collaboration with suppliers, SZS seeks to strengthen sustainable development across the supply chain.

① Conflict Minerals Management

SZS Group places great importance on responsible sourcing and supply chain transparency. Suppliers are required to participate in conflict minerals investigations and disclose relevant information to reduce risks associated with raw material sourcing.

The Group has established a Conflict Minerals Policy and conducts due diligence procedures to reasonably ensure that minerals contained in its products, including gold (Au), tantalum (Ta), tungsten (W), tin (Sn), cobalt (Co), and mica, are not directly or indirectly sourced from conflict-affected and high-risk areas (CAHRAs).

The Group conducts appropriate reviews of the supply chain and chain of custody for these minerals to reasonably ensure that mineral sourcing practices are aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or other equivalent internationally recognized due diligence frameworks.

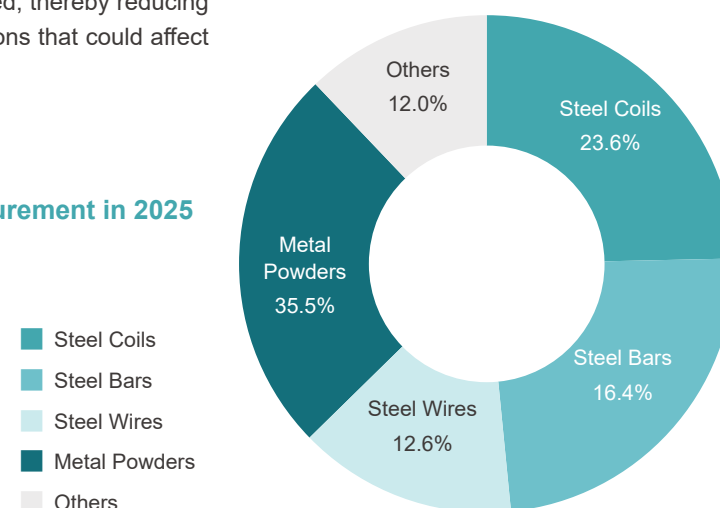
This policy has been incorporated into supplier procurement management requirements and product development processes. In 2025, SZS identified 10 suppliers providing materials containing tin, tungsten, or gold and required all of them to complete the Conflict Minerals Declaration. The response rate reached 100%.

② Critical Material Management

The Group's critical materials primarily include steel coils, steel wires, steel bars, and metal powders. Among these, metal powders accounted for 35.5% of SZS's total raw material procurement expenditure.

To ensure supply stability, SZS conducts monthly reviews covering material supply stability and availability, cost fluctuations, and regulatory restrictions. SZS continuously evaluates potential supply risks associated with critical materials and develops contingency plans whenever early warning signs are identified, thereby reducing the risk of supply disruptions that could affect production operations.

Composition of Critical Material Procurement in 2025



3 Supply Chain Responsibility and Product Quality Assurance

③ Local Procurement

SZS Group promotes local procurement as part of its supply chain management strategy. Except for customer-designated overseas suppliers and a limited number of direct transactions with overseas manufacturers that offer significant procurement advantages, SZS prioritizes cooperation with local suppliers to reduce potential risks arising from fluctuations in international markets.

In both 2024 and 2025, 88% of SZS's raw material procurement in Taiwan was sourced locally. SZS continues to strengthen local sourcing practices by prioritizing domestically produced raw materials, thereby reducing carbon emissions associated with long-distance transportation and enhancing environmental responsibility. This approach also fosters closer collaboration and mutual growth with local suppliers.

For office supplies and general procurement items, SZS gives priority to products that meet green procurement criteria, particularly those bearing recognized environmental certifications. Examples include LED lighting products, FSC-certified copy paper, and corrugated cartons used for packaging materials.

④ Supply Chain Responsibility and Human Rights Management

SZS recognizes that the supply chain is an important extension of its business operations, and that the operational practices of its business partners may have direct or indirect impacts on the environment, labor conditions, and society. To promote responsible business conduct, SZS has progressively incorporated issues such as labor practices, occupational health and safety, regulatory compliance, and business ethics into its supplier management framework, while continuously strengthening the identification and management of supply chain-related risks.

Throughout the supplier engagement process, SZS promotes compliance with relevant requirements through supplier assessments, audits, communication, and corrective action follow-up mechanisms. These efforts encourage business partners to continuously improve their working environments and management systems, thereby enhancing overall supply chain performance.

For issues that may involve elevated risks, such as differences in labor conditions, workplace safety management, and regional regulatory requirements, SZS continues to strengthen its risk identification and management capabilities in accordance with operational needs.

Looking ahead, SZS will continue to evaluate and adopt more systematic supply chain risk management approaches in response to evolving international sustainability trends and stakeholder expectations. Through ongoing improvement of supply chain responsibility management, SZS aims to work collaboratively with its business partners to build a resilient and sustainable value chain.

Green Procurement Expenditure				
Year	2022	2023	2024	2025
LED Lighting	368,151	305,470	307,525	610,772
Air Conditioning Systems	5,658,652	2,277,186	961,979	2,386,000
Markers	43,604	26,832	50,289	47,327
Air Compressors	251,300	5,244,790	2,795,450	668,000
Copy Paper	161,598	114,931	173,058	166,070
Corrugated Cartons	1,391,238	941,725	1,545,961	1,580,824
Computers	Not Included	Not Included	Not Included	2,633,200
Total	7,874,543	8,910,934	5,834,262	8,092,193

3 Supply Chain Responsibility and Product Quality Assurance

3.2 Product Compliance and Quality Assurance

SZS is committed to providing environmentally friendly products and actively complies with the European Union Restriction of Hazardous Substances (RoHS) Directive, as well as other international environmental regulations and customer-specific restricted substance requirements. SZS ensures that all products, from design and procurement to manufacturing, comply with applicable international standards, thereby minimizing potential risks to the environment and human health.

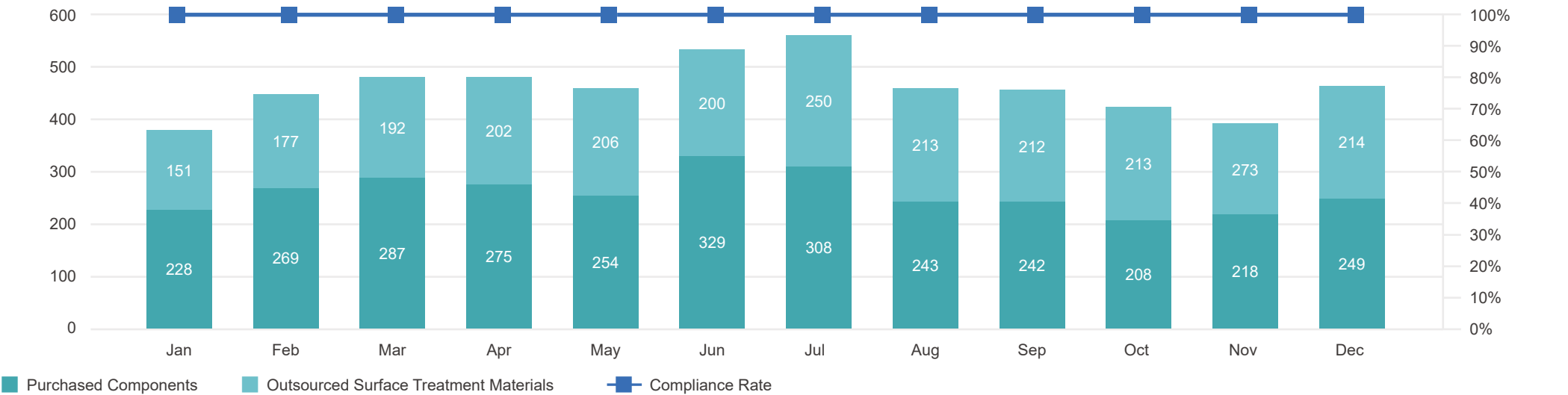
To ensure product compliance, SZS has established a rigorous supply chain management mechanism (Table 1). From new supplier qualification through ongoing business transactions, suppliers are required to provide commitment declarations, RoHS-compliant material certifications, and hazardous substance testing reports (such as SGS test reports).

Incoming materials are subject to real-time screening using X-ray Fluorescence (XRF) analyzers to verify compliance with hazardous substance control requirements. In 2025, a total of 3,110 purchased components and 2,403 outsourced surface treatment materials were inspected, resulting in 5,513 incoming material inspections. All inspected materials met SZS's hazardous substance control standards, achieving a 100% compliance rate (Figure 1).

GP Qualified Supplier Management Mechanism

Item	New Supplier Qualification Stage	Business Transaction Stage
Required Documentation	- Environmental Hazardous Substance Compliance Declaration - REACH Compliance Declaration - Conflict Minerals Reporting Template (CMRT) - Extended Minerals Reporting Template (EMRT)	- Material Certification (provided with each transaction) - Safety Data Sheet (SDS) (updated every three years) - Hazardous Substance Testing Report (updated annually) - SVHC Declaration (updated in accordance with EU announcements) - Material Composition Declaration (MCD) - Incoming Material XRF Inspection

2025 Incoming Material X-Ray Fluorescence (XRF) Inspection Results



3 Supply Chain Responsibility and Product Quality Assurance

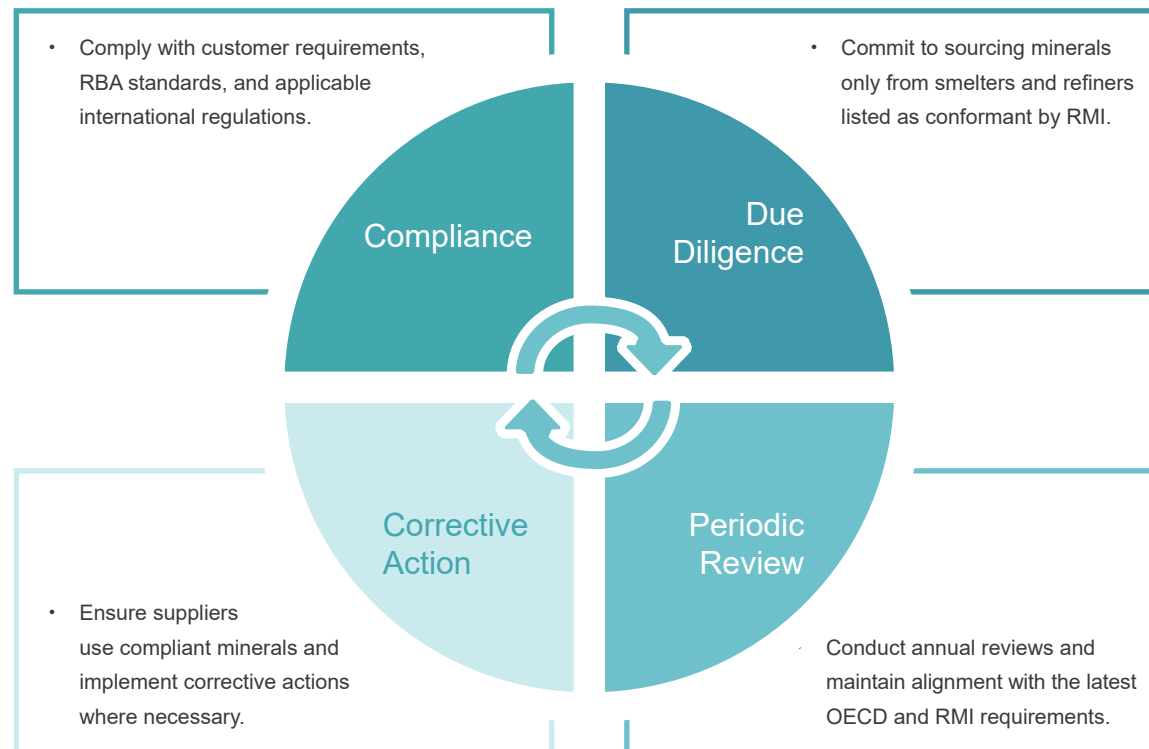
With respect to responsible minerals sourcing, SZS's Conflict Minerals Policy commits SZS to conducting due diligence in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

SZS does not knowingly source tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt (Co), mica, or other minerals that originate from regions affected by armed conflict, human rights abuses, exploitation, or the worst forms of child labor as identified under the OECD framework. SZS requires that such minerals be sourced only from smelters and refiners that have been validated through independent third-party assessment programs.

In addition, suppliers are required to comply with SZS's Conflict Minerals Policy and ensure that the minerals they provide do not directly or indirectly finance or benefit armed groups involved in serious human rights violations. Suppliers are also expected to communicate these requirements throughout their upstream supply chains.

In 2025, SZS conducted a responsible minerals sourcing survey covering 10 suppliers. All targeted suppliers completed the survey, resulting in a response rate of 100%, demonstrating a high level of cooperation and commitment to corporate social responsibility throughout the supply chain.

Responsible Minerals Sourcing Management Framework



4 Happy Enterprise

- 4.1 Talent Cultivation & Retention
- 4.2 Diversity, Equity, and Inclusion
- 4.3 Occupational Health and Safety



4 Happy Enterprise

4.1 Talent Cultivation & Retention

The SZS Group firmly believes that 'talent is the core driving force of sustainable corporate development.' In a rapidly changing market environment, we are committed to building a diverse, inclusive, and growth-oriented working environment. Through the following three pillars, we not only attract outstanding talent but also motivate our colleagues to realize a shared vision of co-prosperity with the Company:

- **Comprehensive Compensation and Benefits:**
Providing competitive remuneration to safeguard employees' quality of life.
- **Systematic Education and Training:**
Strengthening competency development to ensure the inheritance of skills and experience.
- **Transparent Promotion Pathways:**
Establishing clear career paths that give talented individuals a platform to excel.

4.1.1 Workforce Structure and Policies

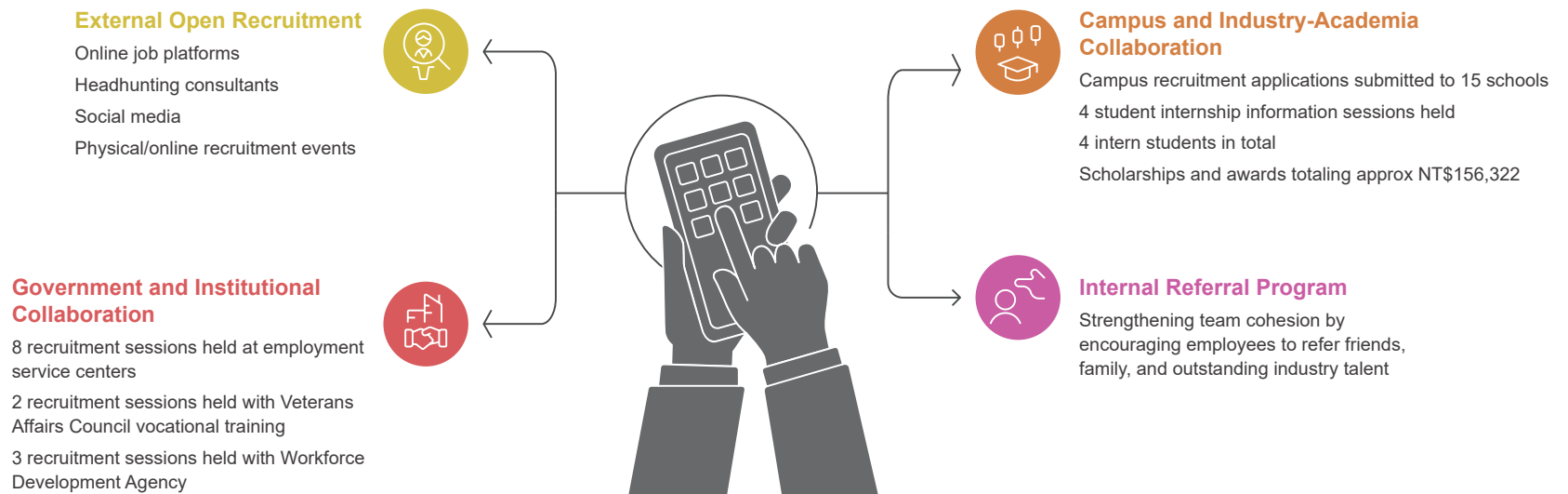
① Workforce Composition and Recruitment Strategy

In response to smart production line upgrades and capacity expansion demands, a dual strategy combining diversified recruitment and the deepening of technical capabilities is implemented. The following diversified channels are utilized to secure a stable talent pipeline for both production and technical roles.

SZS use the following diverse channels to ensure stable inputs of production capacity and technical talent:

Core Policy Objectives

1. **Smart Transformation:**
Recruit talent with digital and automation expertise to drive production line upgrades.
2. **Technology Succession:**
Through systematic talent pipeline development, ensure the continuity of key technologies.
3. **Local Employment:**
Leveraging government resources to promote regional employment and fulfill social responsibility.



4 Happy Enterprise

Group Workforce Overview

Primary Category	2023						2024						2025					
	Male		Female		Subtotal		Male		Female		Subtotal		Male		Female		Subtotal	
	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Taiwan Region	1,003	47.0%	1,133	53.0%	2,136	60.0%	1,166	48.3%	1,248	51.7%	2,414	68.3%	1,170	48.3%	1,250	51.7%	2,420	71.4%
Overseas Subsidiaries	574	40.3%	851	59.7%	1,425	40.0%	482	43.0%	639	57.0%	1,121	31.7%	415	42.8%	555	57.2%	970	28.6%
Total	1,577	44.3%	1,984	55.7%	3,561	100.0%	1,648	46.6%	1,887	53.4%	3,535	100.0%	1,585	46.8%	1,805	53.2%	3,390	100.0%

Distribution of Group Employee Information

Primary Category	Secondary Category	2023						2024						2025					
		Male		Female		Subtotal		Male		Female		Subtotal		Male		Female		Subtotal	
		Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage	Number of Employees	Percentage
Employee Category	Supervisory	176	11.2%	73	3.7%	249	7.0%	179	10.9%	70	3.7%	249	7.0%	157	9.9%	65	3.6%	222	6.5%
	Non- Supervisory	1,401	88.8%	1,911	96.3%	3,312	93.0%	1,469	89.1%	1,817	96.3%	3,286	93.0%	1,428	90.1%	1,740	96.4%	3,168	93.5%
Age Group	< 30 years old	510	32.3%	575	29.0%	1,085	30.5%	492	29.9%	486	25.8%	978	27.6%	490	30.9%	479	26.5%	969	28.6%
	30-49 years old	963	61.1%	1,270	64.0%	2,233	62.7%	1,043	63.3%	1,261	66.8%	2,304	65.2%	979	61.8%	1,186	65.7%	2,165	63.9%
	≥ 50 years old	104	6.6%	139	7.0%	243	6.8%	113	6.9%	140	7.4%	253	7.2%	116	7.3%	140	7.8%	256	7.6%
Educational Background	Doctoral Degree	2	0.1%	-	0.0%	2	0.1%	2	0.1%	-	0.0%	2	0.1%	1	0.1%	-	0.0%	1	0.0%
	Master's Degree	88	5.6%	31	1.6%	119	3.3%	96	5.8%	29	1.5%	125	3.5%	93	5.9%	30	1.7%	123	3.6%
	University / College	595	37.7%	461	23.2%	1,056	29.7%	663	40.2%	473	25.1%	1,136	32.1%	667	42.1%	479	26.5%	1,146	33.8%
	Senior / Vocational High	533	33.8%	650	32.8%	1,183	33.2%	540	32.8%	647	34.3%	1,187	33.6%	492	31.0%	570	31.6%	1,062	31.3%
	Below Senior High	359	22.8%	842	42.4%	1,201	33.7%	347	21.1%	738	39.1%	1,085	30.7%	332	20.9%	726	40.2%	1,058	31.2%

Note: 2024 proportions revised.

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Distribution of Group Supervisory and Non-supervisory Staff

Primary Category	Secondary Category	2023							2024							2025						
		Male			Female			Subtotal	Male			Female			Subtotal	Male			Female			Subtotal
		<30	30-49	≥ 50	<30	30-49	≥ 50		<30	30-49	≥ 50	<30	30-49	≥ 50		<30	30-49	≥ 50	<30	30-49	≥ 50	
Employee Category	Supervisory	2	145	29	1	57	15	249	5	145	29	1	52	17	249	4	121	32	1	46	18	222
	Non-Supervisory	508	818	75	574	1,213	124	3,312	487	898	84	485	1,209	123	3,286	486	858	84	478	1,140	122	3,168
	Subtotal	510	963	104	575	1,270	139	3,561	492	1,043	113	486	1,261	140	3,535	490	979	116	479	1,186	140	3,390
	Total	3,561							3,535							3,390						

Note: 'Supervisory' refers to Section Head level and above.

Non-Employee Information (Outsourced Vendor Information)

Contracted Service	Security	Catering	Cleaning
Number of Employees	23	20	12
Summary of Duties	1. Access control for personnel entry and exit 2. Traffic direction during peak commuting hours 3. Plant area patrols 4. Vehicle entry and exit control	1. Meal preparation for employee cafeterias at all sites 2. Provision of vegetarian meals and external vendor lunchboxes 3. Meal services for the neighborhood elderly meal-sharing program 4. Cleaning and maintenance of employee cafeterias	1. Cleaning and tidying of public facilities and areas (elevators, stairways, restrooms, parking lots, driveways, break rooms, waste bins, cigarette disposal containers, waste areas) 2. Garbage sorting and reporting of facility anomalies 3. Replenishment of hand soap and sanitizer 4. Gardening, planting, and watering

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② Diverse Workforce

To address labor demands and foster cross-generational and cross-national collaboration, SZS implements recruitment policies that embody diversity, equity, and inclusion (DEI) principles, encompassing the compliant employment of personnel from Thailand, Vietnam, and the Philippines.

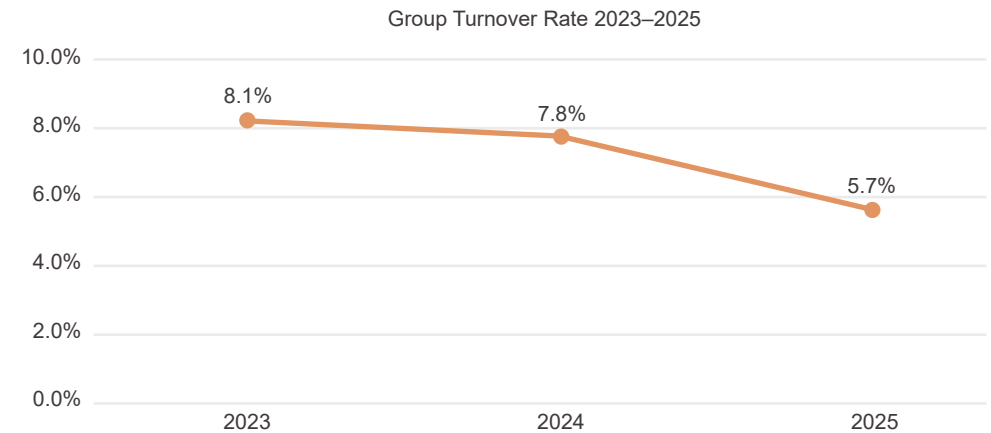
Distribution of Employee Nationalities within the SZS Group

Nationality	Taiwan	China	Vietnam	Thailand	Philippines	Total
Number of Employees	1,825	908	63	583	11	3,390
Proportion	53.8%	26.8%	1.9%	17.2%	0.3%	100%

③ New Hires and Employee Departures

SZS allocates human resources based on operational needs; in 2025, diversified recruitment channels were utilized to attract graduates and professionals, while internal management was optimized to stabilize the workforce structure and retain manufacturing expertise. Employee turnover is continuously monitored, with future initiatives focused on analyzing reasons for resignation across different demographics to serve as a basis for workplace environment optimization and talent attraction.

Group Turnover Rate



Note: Turnover Rate = Total departures during the year ÷ (Total active employees during the year + Total departures during the year)

SZS continues to optimize its human resource structure. Between 2023 and 2025, employee recruitment and turnover rates stabilized. In terms of gender distribution, the recruitment ratio between male and female employees approached balance, with the proportion of new female hires increasing annually—demonstrating the positive outcomes of the Company's commitment to diversity and inclusion (D&I). However, as the female turnover rate remained slightly higher, the Company will strengthen career development opportunities and workplace inclusivity initiatives in the future, enhancing organizational stability and talent sustainability through comprehensive training and retention mechanisms.

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2023-2025 Group Annual New Hires and Turnover Headcount

Region	Item	Age Group	2023						2024						2025					
			Male		Female		Total		Male		Female		Total		Male		Female		Total	
			Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion
Taiwan	Number of New Hires and Hiring Rate	<30	96	20.5%	132	28.1%	228	48.6%	166	23.3%	114	16.0%	280	39.3%	116	23.1%	112	22.3%	228	45.4%
		30~49	108	23.0%	126	26.9%	234	49.9%	214	30.1%	208	29.2%	422	59.3%	126	25.1%	132	26.3%	258	51.4%
		>50	6	1.3%	1	0.2%	7	1.5%	8	1.1%	2	0.3%	10	1.4%	12	2.4%	4	0.8%	16	3.2%
	Subtotal		210	44.8%	259	55.2%	469	100.0%	388	54.5%	324	45.5%	712	100.0%	254	50.6%	248	49.4%	502	100%
	Number of Departures and Turnover Rate	<30	113	22.9%	71	14.4%	184	37.2%	85	19.6%	49	11.3%	134	30.9%	74	14.9%	76	15.3%	150	30.2%
		30~49	158	32.0%	133	26.9%	291	58.9%	130	30.0%	147	33.9%	277	63.8%	162	32.7%	161	32.5%	323	65.1%
		>50	10	2.0%	9	1.8%	19	3.8%	10	2.3%	13	3.0%	23	5.3%	13	2.6%	10	2.0%	23	4.6%
	Subtotal		281	56.9%	213	43.1%	494	100.0%	225	52%	209	48%	434	100.0%	249	50.2%	247	49.8%	496	100%
Mainland China	Number of New Hires and Hiring Rate	<30	864	25.7%	1,072	31.9%	1,936	57.6%	901	30.3%	1,060	35.6%	1,961	65.9%	493	29.0%	651	38.3%	1,144	67%
		30~49	431	12.8%	978	29.1%	1,409	41.9%	352	11.8%	647	21.8%	999	33.6%	184	10.8%	367	21.6%	551	32%
		>50	3	0.1%	11	0.3%	14	0.4%	5	0.2%	9	0.3%	14	0.5%	2	0.1%	3	0.2%	5	0%
	Subtotal		1,298	38.6%	2,061	61.4%	3,359	100%	1,258	42.3%	1,716	57.7%	2,974	100%	679	39.9%	1,021	60.1%	1,700	100.0%
	Number of Departures and Turnover Rate	<30	704	25.1%	877	31.3%	1,581	56.4%	941	28.7%	1,138	34.7%	2,079	63.4%	486	26.1%	637	34.3%	1,123	60.4%
		30~49	397	14.2%	785	28.0%	1,182	42.2%	400	12.2%	771	23.5%	1,171	35.7%	235	12.6%	444	23.9%	679	36.5%
		>50	17	0.6%	21	0.7%	38	1.4%	8	0.2%	20	0.6%	28	0.9%	22	1.2%	35	1.9%	57	3.1%
	Subtotal		1,118	39.9%	1,683	60.1%	2,801	100%	1,349	41.2%	1,929	58.8%	3,278	100%	743	40.0%	1,116	60.0%	1,859	100%

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Region	Item	Age Group	2023						2024						2025					
			Male		Female		Total		Male		Female		Total		Male		Female		Total	
			Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion of Employees in the Age Group (%)	Number of Employees	Proportion
Vietnam	Number of New Hires and Hiring Rate	<30	-	-	-	-	-	-	-	-	-	-	-	-	43	19.6%	66	30.1%	109	49.8%
		30~49	-	-	-	-	-	-	-	-	-	-	-	-	30	13.7%	76	34.7%	106	48.4%
		>50	-	-	-	-	-	-	-	-	-	-	-	-	0	0.0%	4	1.8%	4	1.8%
	Subtotal		-	-	-	-	-	-	-	-	-	-	-	-	73	33.3%	146	66.7%	219	100%
	Number of Departures and Turnover Rate	<30	-	-	-	-	-	-	-	-	-	-	-	-	34	19.2%	49	27.7%	83	46.9%
		30~49	-	-	-	-	-	-	-	-	-	-	-	-	28	15.8%	65	36.7%	93	52.5%
		>50	-	-	-	-	-	-	-	-	-	-	-	-	0	0.0%	1	0.6%	1	0.6%
	Subtotal		-	-	-	-	-	-	-	-	-	-	-	-	62	35.0%	115	65.0%	177	100%

Notes:

1. Proportion of new hires by age group = number of new hires in the age group ÷ total number of new hires
2. Proportion of new hires by gender and age = number of new hires by gender and age ÷ total number of new hires
3. Proportion of employee departures by age group = number of departures in the age group ÷ total number of departures
4. Proportion of employee departures by gender and age = number of departures by gender and age ÷ total number of departures

4 Happy Enterprise

④ Workplace Equality — Female Management Representation

SZS is committed to fostering a fair and diverse workplace. In response to Taiwan's Sustainable Development Goals and the Taiwan Stock Exchange's advocacy related to corporate governance and corporate social responsibility, which encourage listed companies to appoint women to managerial positions, Shin Zu Shing has continued to focus on talent development in this area.

As of 2025, the SZS Group employed 1,805 female employees and 1,585 male employees. The proportion of female employees stood at 53.2%, while women accounted for 29.3% of management positions. Going forward, SZS will continue to promote a 'DEI (Diversity, Equity, and Inclusion)' corporate culture to achieve workplace equality.

⑤ Parental Support, Protection of Rights and Return-to-Work Assistance

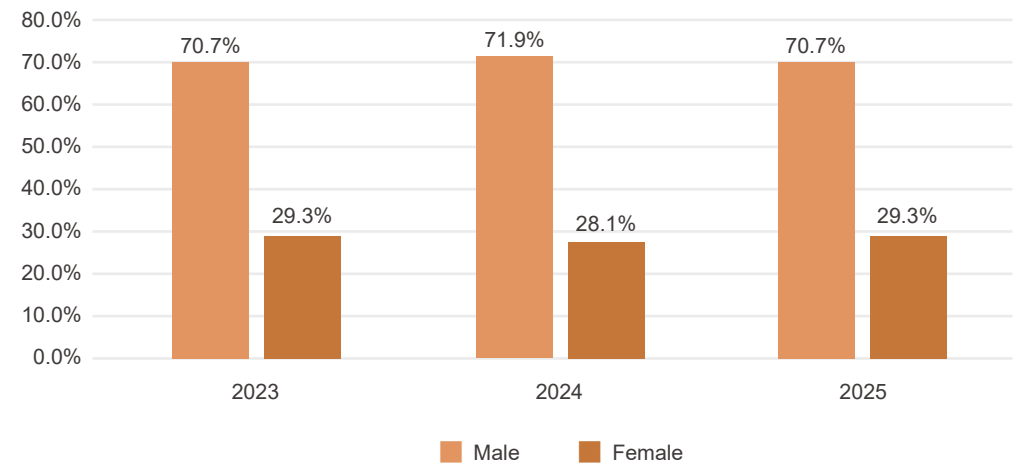
SZS is dedicated to building a comprehensive maternal protection and child support system. In Taiwan sites, legally compliant unpaid parental leave is provided to eligible employees of all genders before their children reach three years of age. For Mainland China sites, while local regulations do not mandate unpaid parental leave, statutory maternity leave is fully guaranteed in accordance with the law.

SZS is committed to building a friendly and equitable workplace. In alignment with government policies increasing parental leave allowances, tangible benefit support is provided to advance workplace gender equality.

Parental Leave Statistics

Region	Year	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Taiwan	Number of employees eligible for parental leave (A)	15	25	40	56	66	122	42	61	103
	Number of employees who applied for parental leave during the year (B)	9	38	47	5	35	40	5	33	38
	Number of employees expected to return from parental leave during the year (C)	7	22	29	3	25	28	4	19	23
	Number of employees who actually returned from parental leave during the year (D)	4	15	19	1	11	12	2	15	17
	Number of employees who returned from parental leave in the previous year (E)	4	7	11	4	15	19	1	11	12
	Number of employees who remained employed for one year after returning (F)	2	5	7	1	10	11	1	10	11
	Parental Leave Return Rate (%) (=D/C)	57.1%	68.2%	65.5%	33.3%	44.0%	42.9%	50.0%	78.9%	73.9%
	Parental Leave Retention Rate (%) (=F/E)	50.0%	71.4%	63.6%	25.0%	66.7%	57.9%	100.0%	90.9%	91.7%

Group Female Manager Ratio 2023–2025



Notes:

1. Eligible employees (A) for 2023–2024 include all individuals who applied for maternity and paternity leave during those respective years. For 2025, this refers to the cumulative number of individuals who applied for maternity and paternity leave between 2023 and 2025.
2. In 2022–2023, actual applicants exceeded the number eligible because some employees became eligible in the prior year.
3. Overseas subsidiaries are subject to local regulations and do not have parental leave benefits — only maternity leave — and therefore statistics cannot be compiled.

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4.1.2 Talent Cultivation Performance

SZS places importance on talent development. To enhance colleagues' professional skills and deepen the inheritance of experience, the Company plans and promotes digital learning and in-person training activities. Development plans are designed to align with organizational workforce planning and job competency assessments, setting training objectives across multiple dimensions — from current job suitability and competency gaps to future capability requirements — to strengthen talent development.

Departmental development plans incorporate external training providers to deliver professional and advanced courses, helping colleagues refine their capabilities and enhance workplace competitiveness. Through the internally built digital Learning Management System (LMS) and mobile learning devices, the Company promotes a flexible digital learning model, creating

a learning environment unconstrained by time or location, facilitating knowledge sharing and organizational learning, and responding to SDG 4 'Quality Education' — specifically the goal of providing equitable vocational training— thereby realizing the concept of sustainable business operations.

The talent development system at SZS encompasses formal internal and external training, on-the-job continuing education, general education, and sustainability seed talent programs, catering to the Company's short-, medium-, and long-term operational development needs. In 2025, the Group's total training hours reached 41,001 hours, with an average of 8.9 training hours per employee in Taiwan, demonstrating the Company's commitment to talent investment and development.

Diverse Talent Development Programs and Self-Learning Resource

New Employee Orientation

- Introduction to the Company's history and future direction; explanation of employee rights and obligations; and basic general education on occupational safety, information security, and quality.

Quality Training and Information Education

- Implementation of quality systems such as ISO, IATF 16949, and GP, including lab quality standards.
- Reinforcement of employee awareness on information security and regular social engineering simulations.

Professional Training and Technology Transfer

- Departmental annual training plans led by internal lecturers and external experts, covering professional skills and industry knowledge.

Management Training

- Development of managerial competencies and awareness of corporate social responsibility and sustainable development topics.

Occupational Safety, Labor Rights, and Ethics Training

- At least one hour of annual training on occupational health and labor rights to strengthen awareness.

Sustainability Seed Training

- Dissemination of ESG, net-zero carbon, GHG inventory, SDGs, and corporate governance knowledge to sustainability representatives in each department.

Leadership Training for Managers

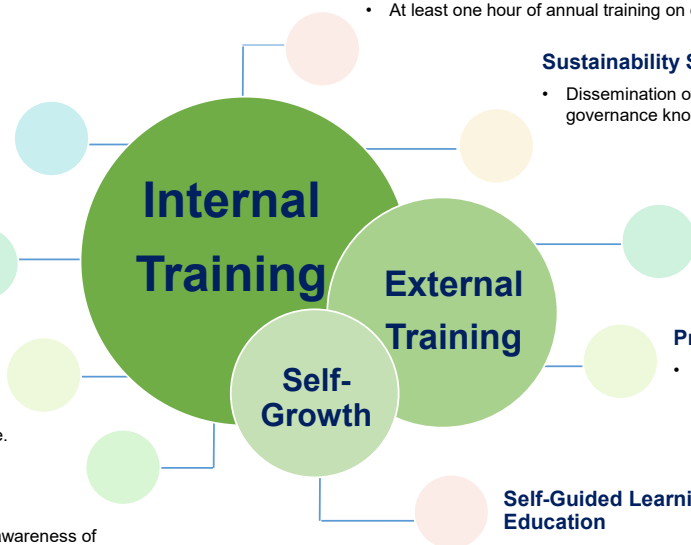
- Seminars and core training programs to strengthen leadership among junior managers and align with corporate values.
- Regular off-site team-building programs for midand senior-level managers.

Professional External Certification Training

- Certification and refresher courses for operating equipment, hazardous work, and first aid to ensure employee safety and legal compliance.

Self-Guided Learning, On-the-Job Development, and General Education

- Encouragement to enhance job-related skills or develop secondary specialties.
- Participation in internal/external seminars and lectures, with financial support provided.
- Focused learning for employees in management, auditing, taxation, finance, and EHS roles to stay updated on professional knowledge.
- Access to digital learning platforms, internal newsletters, and training portals for soft/hard skill development and digital transformation trends.



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Total Annual Education and Training Hours of the Group

Training Category	Training Item	2023			2024			2025		
		Taiwan Operations	China Operations	Total	Taiwan Operations	China Operations	Total	Taiwan Operations	China Operations	Total
Internal Training	New Employee Orientation	2,261	5,325	7,586	4,998	17,485	22,483	3,109	9,092	12,201
	Quality Training	2,084	1,710	3,794	2,531	1,861	4,392	2,225	3,402	5,627
	Information Education	1,811	187	1,998	1,759	675	2,434	1,100	105	1,205
	Professional Training and Technology Transfer	5,042	1,954	6,996	4,762	3,669	8,431	7,530	1,342	8,872
	Management Training/Sustainability Seed	475	134	609	591	93	684	2,451	276	2,727
	Occupational Safety, Labor Rights, and Ethics Training	3,539	5,014	8,553	4,230	4,731	8,961	3,849	1,844	5,693
External Training	Leadership Training for Managers	376	44	420	-	104	104	600	92	692
	Professional External Certification Training	796	664	1,460	363	730	1,093	228	3,185	3,413
Self-Growth	Self-Guided Learning, On-the-Job Development, and General Education	846	2	848	375	-	375	555	16	571
Total		17,230	15,034	32,264	19,609	29,348	48,957	21,647	19,354	41,001

Average Annual Training Hours per Employee

Region	Statistical Items	2023				2024				2025			
		Supervisory		Non-supervisory		Supervisory		Non-supervisory		Supervisory		Non-supervisory	
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Taiwan Plant Area	Total Training Hours in Reporting Period	866	2,252	6,387	7,725	540	1,630	7,926	9,513	1,028	3,138	8,043	9,438
	Total Number of Employees at Period-End	41	135	1,092	868	35	130	1,213	1,036	35	116	1,215	1,054
	Average Hours of Training per Employee	21	17	6	9	15	13	7	9	29	27	7	9
China Plant Area	Total Training Hours in Reporting Period	298	683	8,742	5,311	271	339	18,159	10,579	590	573	11,668	6,522
	Total Number of Employees at Period-End	32	41	819	533	34	46	605	436	30	41	525	374
	Average Hours of Training per Employee	9	17	11	10	8	7	30	24	20	14	22	17

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4.1.3 Internal Innovation Mechanism

In accordance with the 'Employee Improvement Proposal Incentive Program,' SZS encourages and rewards employees who put forward improvement suggestions and proposals in the areas of process optimization, energy conservation and waste reduction, management efficiency, and other areas aligned with the 17 action indicators of the United Nations Sustainable Development Goals (SDGs). Through this proposal mechanism, colleagues' ideas are transformed into actions, implementing the Group's sustainability policy, enhancing operational

efficiency and business performance, and fostering a culture of improvement.

Over the past three years, a total of 161 outstanding employees have been recognized, and total bonus awards have exceeded NT\$1,000,000, demonstrating the Company's recognition of employees' participation in improvement and innovation initiatives.

Number of Group-Wide Annual Improvement Proposals and Recognized

Year/Number of Proposals				2023			2024			2025		
Proposal Category	Taiwan Operations	China Operations	Total	Taiwan Operations	China Operations	Total	Taiwan Operations	China Operations	Total	Taiwan Operations	China Operations	Total
Operational Costs Reduction	217	187	404	227	224	451	106	256	362			
Product Quality Enhancement	197	110	307	130	133	263	72	154	226			
Workplace Safety Improvement	120	46	166	132	31	163	84	27	111			
Energy-Saving and Optimization Programs	28	26	54	29	16	45	19	79	98			
Production Technology Advancement	205	16	221	152	12	164	98	15	113			
Work Process Optimization	198	161	359	155	241	396	120	180	300			
Management Efficiency Optimization	809	69	878	703	27	730	598	25	623			
Total Number of Improvement Proposals	1,774	615	2,389	1,528	709	2,237	1,097	736	1,833			
Number of Employees Recognized	67	16	83	62	3	65	13	-	13			
Total Bonus Awarded for Outstanding Proposals (NT\$)	469,500	34,925	504,425	421,025	9,447	430,472	73,750	-	73,750			

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4.1.4 Employee Compensation and Benefits

SZS provides competitive salary and compensation packages. Total compensation includes base salary, allowances, bonuses, and employee profit sharing, paid based on factors such as performance, educational background and work experience, competencies, market conditions, the Company's development, and retention of high-performing employees. The total compensation of all employees is free from discrimination based on gender, age, race, skin color, nationality, religion, political affiliation, marital status, sexual orientation, disability, blood type, or any other personal characteristic. Regardless of position, the ratio of basic salary and remuneration between female and male employees is 1:1, reflecting the Company's commitment to equal pay for equal work. The Company conducts annual reviews of basic pay levels to monitor conditions across regions and benchmark companies, ensuring that employees' compensation remains competitive in the market.

Salary Information for Full-Time Employees (Non-Supervisory Positions) at the Taiwan Operations

Unit: NT\$ thousands

Year	Average Salary	Median Salary
2023	602	535
2024	664	577
2025	628	565

Note: Full-time employees (non-supervisory positions) refer to all employees excluding those in supervisory roles, part-time employees, employees of overseas subsidiaries, and those exempted from statistical reporting, including both local and foreign staff

Average Employee Benefits and Salary at Taiwan Operations

Unit: NT\$ thousands

Year	Average Benefit	Average Salary
2023	658	558
2024	736	632
2025	687	580

Notes:

1. The calculation formula is as follows:

- (1) Average Employee Benefit = (Total Employee Benefits - Directors' Remuneration)/(Number of Employees as per Financial Notes - Number of Directors Not Serving as Employees)
- (2) Average Employee Salary = (Total Salary Expense)/(Number of Employees as per Financial Notes - Number of Directors Not Serving as Employees)

2. Employee headcount is based on the average number of employees in Taiwan. The data excludes personnel from plants in mainland China.

Ratio of Annual Total Compensation of the Highest-Paid Individual to Median Annual Compensation of All Other Employees (Taiwan Plant)

Year	2023	2024	2025
Ratio	8.01x	11.09x	6.71x

Notes:

1. The ratio of the annual total compensation of the highest-paid individual at the Taiwan Plant Area to the median annual total compensation of all other employees decreased by 39.5% in 2025 compared to 2024.
2. The annual total compensation of the highest-paid individual decreased by 57.4% in 2025 compared to 2024.
3. The median salary of all other employees (excluding the highest-paid individual) decreased by 2.1% in 2025 compared to 2024.

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In addition to competitive salaries, SZS establishes a diversified reward and dynamic incentive system to recognize employee performance and stimulate organizational potential. The specific incentive items are detailed below.

Item	Description
Year-End Bonus	Awarded to share business results and express gratitude for employee contributions. Bonuses are linked to company performance, team outcomes, and individual performance.
Employee Profit Sharing	A portion of annual profits is allocated for employee bonuses, which are linked to company performance, team outcomes, and individual performance.
Annual Salary Adjustment / Promotion	Based on business conditions, employee performance, and other relevant factors.
Employee Stock Options	Implemented according to company policies to attract and retain talent, enhance morale, and align employee interests with company and shareholder value.

Notes:

1. Order-taking is a key upstream link in the Company's value chain, affecting customer selection and resource allocation. Therefore, Taiwan is an important operating base.
2. The above benefits apply to key operating locations.

① Employee Benefits and Supportive Care

SZS is committed to establishing a comprehensive employee care system. Beyond providing legally compliant foundational benefits, the framework encompasses financial support, workplace adaptation, and diversified talent cultivation to support employees and their families.

② Employee Benefits

SZS provides employees with basic protections and a related benefits system in accordance with local regulations, supporting employees in balancing work and life. The related benefits system applies to full-time employees. Benefit items include:

- Insurance plans
- Pension/retirement system
- Leave entitlements
- Other corporate welfare measures



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Key Employee Benefits and Supportive Care at Each Stage

Compliance with Statutory Leave Regulations

The Company strictly upholds and protects employees' rights to leave, and places great emphasis on physical and mental rest by offering paid leave in accordance with the Labor Standards Act.

Early Leave Before Holidays

On the last working day before a national holiday, the Company allows employees to leave work early to begin their holiday travel, providing a small gesture of appreciation.

Diverse Activities and Subsidies

To show care for employees, the Employee Welfare Committee distributes holiday bonuses or gifts for major holidays (Labor Day, Dragon Boat Festival, Mid-Autumn Festival), birthday gifts, team meals, company trips, and various other benefits.

Scholarships for Further Study

Scholarships are provided to employees who pursue further education in fields related to production and operations, in accordance with internal guidelines and eligibility requirements.

Meal Services and Meal Subsidies

To support employee nutrition and health, catering suppliers are carefully selected based on food safety and calorie control. The Company provides lunch and dinner services with meal subsidies, ensuring diverse and healthy options. We also offer meal subsidies.

Comprehensive Health Workplace

Employee physical and mental health is a top priority. Free health checkups are offered every two years, with expanded items such as ultrasound and ECG. Special operations personnel undergo risk-based health classification and monitoring. Onsite medical consultations are available through partnered medical institutions, along with health education and promotional events.

Partially Flexible Working Hours

Partially flexible working hours are provided to support work-life balance.

On-the-Job Training Subsidy

To enhance employee expertise and promote self-directed learning, SZS partners with high-quality external training providers to offer professional development programs. Full tuition reimbursement is provided for approved courses.

Employees are also scheduled for refresher courses as needed to meet regulatory and safety certification requirements. In 2025, a total of 250 employees received training subsidies, with expenses totaling NT\$411,445.

Item	Training Participants	Training Hours	Subsidy Amount (NT\$)
Government-Required Certificate Training	38	228	66,250
Professional Competency On-the-Job Training	212	1,451	345,195
Total	250	1,679	411,445

Comprehensive Retirement System

(1) Defined Contribution Plan: In accordance with the Labor Pension Act, the Company adopts a government-managed defined contribution retirement system, contributing 6% of monthly wages to the employee's personal pension account with the Bureau of Labor Insurance. Employees may also contribute voluntarily.

(2) Welfare Plan: SZS implements a welfare retirement plan aligned with statutory retirement systems.

Condolence Payment for Death Caused by Disaster

In the event of death due to a disaster, SZS provides condolence payments in accordance with Company rules. In addition, comprehensive group life insurance, fully funded by the Company, is provided to enhance employees' overall living security and protection.

In Service • Marriage • Pregnancy • Childbirth • Retirement • Parental Support • Bereavement and Loss

Wedding Gifts

Cash gifts are offered for employee marriages and their children's weddings.

Marriage Leave

Employees are entitled to eight days of fully paid marriage leave.

Paid Prenatal Checkup Leave

Seven days of fully paid prenatal leave are provided to support pregnant employees in monitoring their health.

Prenatal Rest Leave

To allow pregnant employees to rest before delivery, a prenatal rest leave is offered (included within 30 days of half-paid sick leave).

Maternal Health Protection Program

Occupational nurses proactively visit worksites and provide care and counseling for employees during pregnancy and up to one year postpartum.

Childbirth

Paid Maternity Leave

Female employees are entitled to paid maternity leave in accordance with the law, with salary level maintained upon return.

Paid Paternity and Prenatal Accompaniment Leave

Leave is granted to support spouses during pregnancy and after childbirth.

Retirement

Birth Subsidy

Cash subsidies are provided for employees or their spouses upon childbirth.

Breastfeeding Room

A dedicated and well-managed lactation room is available, overseen by professional nursing staff.

Parental Support

Parental Leave

Both spouses are eligible to apply for up to six months of parental leave, receiving 80% of insured salary.

Educational Subsidies for Children

The Company offers education subsidies for employees' children from elementary school onward, in line with internal planning.

Bereavement and Loss

Note: Applicable to Taiwan Plant Area

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3 Performance Management and Employee Development

SZS conducts employee performance reviews twice a year. The appraisal process is executed in accordance with internal operating guidelines, where employees and supervisors establish mutual consensus on annual performance targets based on corporate development strategies and job expectations.

The performance appraisal system is utilized not only to establish alignment on work objectives but also as a core basis for salary adjustments, promotions, and training development. Through this mechanism, individual competencies are continuously enhanced to motivate and retain top talent, thereby driving corporate competitiveness and overall organizational efficiency.

Percentage of employees receiving regular performance and career development reviews each year

Region	Item	2023			2024			2025		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Taiwan	Supervisory	95.6%	95.1%	95.5%	94.6%	97.1%	95.2%	98.3%	94.3%	97.4%
	Non-supervisory	85.0%	77.9%	81.1%	88.4%	89.9%	89.2%	99.6%	97.7%	98.6%
China	Supervisory	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	92.7%	83.3%	88.7%
	Non-supervisory	89.5%	87.5%	88.3%	100.0%	100.0%	100.0%	94.1%	95.0%	98.0%

4.1.5 Talent Retention

SZS views its workforce as the core driving force behind its sustainable growth. Within the manufacturing sector, SZS secures top-tier talent by providing competitive remuneration, holistic welfare programs, and secure retirement schemes. Moreover, SZS establishes a comprehensive talent pipeline—bridging student internships with professional careers—and continuously upgrades its technological and managerial capabilities to cultivate long-term employee loyalty and optimize corporate performance.

Employee Retention Rate - Taiwan Plant Area

Year	2023	2024	2025
Employee Retention Rate	77.1%	79.7%	79.5%

Note: Employee Retention Rate = (Year-end number of employees - number of new hires during the period) ÷ Beginning-of-year number of employees

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4.2 Diversity, Equity, and Inclusion

① Human Rights Policy

Talent is the key to sustainable corporate development. SZS complies with laws and regulations in all global operating locations and is committed to becoming an employer with international competitiveness, adhering to the principles of fairness, respect, and inclusion in its employment practices, and welcoming individuals from diverse backgrounds. In human resources activities including recruitment and hiring, compensation, education and training, and promotion and development, the Company does not engage in discrimination on the basis of gender, race, language, religion, political affiliation, sexual orientation, age, marital status, appearance, disability, zodiac sign, blood type, or any other personal characteristic, ensuring equal employment opportunities and workplace dignity.

SZS monitors human rights issues, implements compliance with laws and regulations, and extends its human rights management philosophy to the supply chain, inviting supply chain partners to participate in and practice these principles. SZS references the United Nations Universal Declaration of Human Rights (UDHR), the UN Global Compact, the UN Guiding Principles on Business and Human Rights (UNGPs), the International Labour Organization (ILO) conventions, and the Responsible Business Alliance (RBA) Code of Conduct to establish the 'Shin Zu Shing Corporate Social Responsibility Policy' and the 'Supplier Code of Conduct,' which set out the principles and requirements for human rights protection.

In addition, all supply chain partners are required to sign the 'Supplier Corporate Social Responsibility Commitment Letter,' fulfilling the responsibility to respect and protect human rights. Going forward, SZS will continue to work with stakeholders to deepen human rights governance and supply chain management, creating an equitable, diverse, and inclusive workplace.

② Employee Communication Mechanisms and Labor-Management Participation

To promote a culture of communication among colleagues, SZS builds and optimizes communication channels, and provides anonymous grievance mechanisms to protect whistleblowers' rights and implement a non-retaliation policy, enabling colleagues to reflect their opinions and concerns. In the spirit of the Collective Agreement Act, the Company has formulated the 'Shin Zu Shing Employee Management Work Rules' and conducts employee satisfaction surveys and annual labor rights interviews, establishing dialogue mechanisms and strengthening the protection of colleagues' labor rights.

SZS regularly conducts labor-management meetings. In Taiwan, the coverage of these meetings encompasses all 2,414 employees, representing a 100% coverage rate. In the 2025 fiscal year, meetings were held quarterly for a total of 4 sessions, covering topics such as catering management, environmental and occupational safety, and employee benefits. Out of 43 proposals submitted, 29 were approved. Meeting minutes are disclosed on bulletin boards and the internal website.

Labor unions have not been established at Taiwan sites, where labor-management meetings are held in accordance with the law as an alternative. At overseas subsidiaries (China and Vietnam plants), all employees have joined labor unions, and union representatives sign collective bargaining agreements with management.

2025 Labor-Management Meeting Communication Outcomes

Item	Approach / Mechanism	2025 Outcomes
Diverse Communication Channels	Continuously developing and optimizing communication channels to promote friendly, equal interaction	Operating normally (including grievances / suggestions / feedback)
Anonymous Grievances and Non-Retaliation	Accepting anonymous grievances, protecting complainants, eliminating concerns about retaliation	Mechanism maintained and operational (protecting grievance safety)
Rules and Regulations	Formulating the 'Shin Zu Shing Employee Management Work Rules' in the spirit of the Collective Agreement Act	Regulations continuously applicable with rolling review
Employee Satisfaction Survey	Conducted periodically to understand employee opinions and improvement directions	Regularly promoted (conducted per company planning)
Labor Rights Interviews	Annual interviews to strengthen identification and communication of labor rights issues	Conducted annually (executed per company planning)
Frequency of Labor-Management Meetings	Once per quarter annually; regular dialogue and consultation	4 meetings in total
Coverage of Labor-Management Meetings	All employees in the Taiwan region	2,414 persons (coverage rate 100%)
Number of Proposals	Meeting topics include catering, environmental safety, welfare, etc.	43 proposals
Proposals Approved	Proposals reviewed and resolved through deliberation	29 proposals
Information Disclosure	Meeting records disclosed on bulletin boards and internal website	Consistent information and transparent communication implemented

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During the reporting period, the following labor and human rights protection goals were achieved:

- No reported incidents of discrimination or related complaints
- No violations of freedom of association or collective bargaining rights
- No employment of child labor
- No incidents of forced or compulsory labor
- No major labor disputes
- No delayed or accumulated employee feedback or grievance cases

In the event of major operational changes, SZS complies with Article 16 of the Labor Standards Act, exercising the minimum notice period required by law for the termination of labor contracts.

During the reporting period, no major operational changes occurred. To maintain a gender-equal working environment, the Company treats sexual harassment prevention as a priority. In addition to strengthening advocacy at the plants, the Company has established a complaint handling process. Should any incidents occur, protection and assistance are provided to victims. There were no sexual harassment complaints in 2025.

Labor-Management Communication Channels

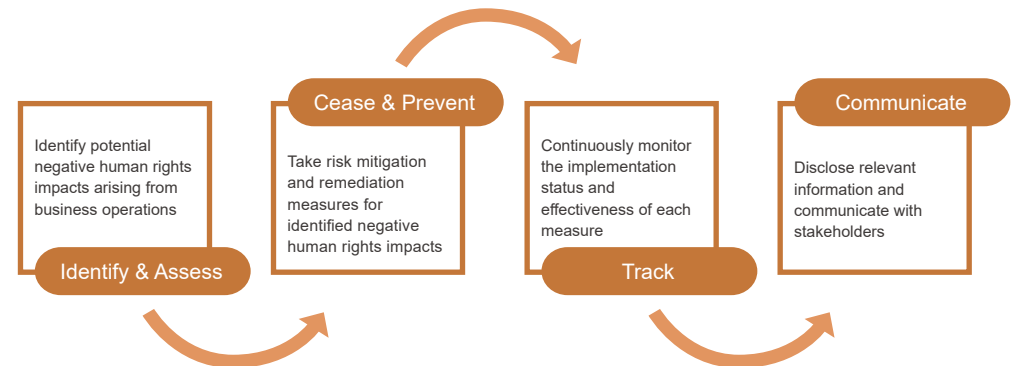
One-way Communication	Face-to-Face Communication	Employee Grievance Channel	Labor Rights and Sexual Harassment Prevention
• SZS Official Website • SZS Employee Intranet • Bulletin Board • Digital Displays • Internal Newsletters	• Labor-Management Meeting • Occupational Safety Meeting • Management Forum • Work Hours Meeting • Employee Welfare Committee • Individual Employee Counseling	• Complaint Hotline • Physical Complaint Box • Email Complaint System • QR Code Feedback Platform	• Sexual Harassment and Violence Prevention Training • Labor Rights Training • Safety Awareness • Labor Rights Survey

3 Human Rights Due Diligence

SZS bases its human rights due diligence procedures on the Responsible Business Alliance (RBA) and the OECD Due Diligence Guidance for Responsible Business Conduct, conducting human rights risk assessments and questionnaire surveys. Based on the results of risk assessments, the Company adopts remediation and mitigation measures and pursues improvement and follow-up to reduce the impact of human rights risks.

The 2025 human rights due diligence is described as follows:

- **Scope of investigation:** All employees of the Company.
- **Investigation process:** Through questionnaires, the Company conducts human rights investigations and risk assessments of employees, and based on the results, establishes a risk matrix to assess the likelihood and impact of human rights issues, serving as the basis for human rights risk management and topic prioritization.



- **Material issues:** The Company will prioritize management of human rights issues with higher likelihood and degree of impact. The following human rights issues have been identified:
 1. Working hours issues
 2. Freedom of association and labor-management communication
 3. Employee benefits and welfare

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- Mitigation or remediation measures:** Based on the assessment results, the human rights issues identified are, in order: 'working hours issues,' 'freedom of association and labor-management communication,' and 'employee benefits and welfare.' For these issues, mitigation and remediation measures have been planned according to their risk impact, and related systems and management mechanisms are reviewed to reduce the impact on employees' human rights.

Human Rights Concern Group	High-Risk Issue	Remediation Measures	Risk Mitigation
Employees	Working Hours Issues	1. Re-examine scheduling to reduce overtime hours. 2. Review the recruitment process to meet required headcount.	1. Regularly monitor working hours and overtime to prevent excessive work. 2. Accelerate the introduction of automated processes. 3. Optimize processes to reduce manual labor.
Employees	Freedom of Association and Labor-Management Communication	1. Produce promotional materials and strengthen awareness of feedback channels and anonymous complaint protection mechanisms through management forums, bulletin boards, and the EIP internal website. 2. Add online communication platforms, made accessible via QR Code, to improve the convenience of employee feedback and communication.	1. Continuously track the handling of employee feedback to strengthen the effectiveness of labor-management communication. 2. Strengthen two-way labor-management communication through labor-management meetings and management forums.
Employees	Employee Benefits and Welfare	1. Collect employee opinions through employee benefits needs questionnaires, and evaluate the feasibility of improvements based on results. 2. Continue to hold health consultations, mental health, stress adjustment, and gender equality awareness activities, and strengthen the promotion of assistance channel information.	1. Track questionnaire results and employee feedback as a reference for subsequent improvements. 2. Continuously promote welfare measures and care channels to improve employee utilization and participation rates.

Regarding the tracking of due diligence implementation, the effectiveness of mitigation and remediation measures is evaluated annually, with results reported to the Sustainability Development Committee. Furthermore, grievance mechanisms and channels are established for employees, suppliers, and other stakeholders to report illegal activities and human rights violations. (Grievance mailbox: szsappeal@szs.com.tw; Grievance hotline: 02-26843592)

4 Migrant Worker Care and Retention

In addition to protecting the welfare of domestic employees, SZS values the work and life care of non-domestic employees, providing welfare measures in support of SDG 10 'Reduced Inequalities.' The Company provides welfare measures for foreign employees, including employee dormitories, meals,

recreational facilities, and grievance mailboxes, helping colleagues maintain a good quality of life outside of work and ensuring that feedback channels remain open.

In terms of human rights protection, SZS enforces a zero-brokerage-fee policy for migrant workers to safeguard their basic human rights. To reduce the financial burden on migrant workers, all expenses that migrant workers would otherwise be responsible for (including overseas-to-SZS transportation and accommodation, overseas agency fees, health examination fees, domestic service fees, and resident permit-related fees) are paid by SZS on their behalf. In 2024, total expenses paid on behalf of migrant workers amounted to NT\$21,300,134; in 2025, the total amounted to NT\$25,407,781, demonstrating SZS's continued investment and support for foreign employees.

	2024	2025
Service and Processing Fees for New Migrant Workers	3,383,000	5,489,000
Dormitory Fees	7,046,531	8,218,655
Service Fees	8,304,243	8,717,418
Medical Examination Fees	1,538,182	1,504,640
Resident Permit Fees	562,000	601,000
Airfare	144,400	293,700
Overseas Agency Fees for New Migrant Workers (including transportation, accommodation, and meals)	275,416	496,624
Basic Accommodation Supplies	46,362	86,744
Total (Unit: NT\$)	21,300,134	25,407,781

Zero-Fee Policy	• Fully subsidizing all pre- and post-employment hiring costs for foreign workers, in full implementation of the RBA Zero Fee Policy.
Barrier-Free Communication	• Regardless of nationality, ethnicity, or gender, equal importance is placed on communication with every employee. • Communication channels designed to be distance-free and time-zone-free; dormitories are staffed with 24-hour native-language life counselors, providing comprehensive living support.

5 Employment of Employees with Disabilities

SZS applies the same employment standards to persons with disabilities as to other new hires in equivalent positions, safeguarding their rights. The Company supports national policies and promotes the employment of persons with disabilities.

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4.3 Occupational Health and Safety

All operational sites of the SZS Group have obtained ISO 45001 Occupational Health and Safety Management System certification, and the Taiwan plants have passed CNS 45001 (TOSHMS) certification. The Company advances occupational health and safety management through institutionalized processes and conducts internal and external audits to ensure the continuous operation and effectiveness of the management system.

Following GRI 403 disclosure guidelines, the Company has set short-, medium-, and long-term objectives, incorporating occupational health and safety into the risk management and sustainability governance framework. The Company integrates customer codes of conduct, the RBA Code of Conduct, and local laws and regulations, establishing safety and health management standards, education and training, risk assessment, incident investigation, and improvement mechanisms for colleagues and contractors at each operational site, with implementation by each site according to its operational characteristics.

All operational sites of the SZS Group have established Occupational Health and Safety Committees. In accordance with local laws and regulations, employee representatives participate in meetings and discuss occupational health and safety topics. The committees review occupational health and safety management operations, including internal and external audit results, occupational disaster prevention and improvement measures, health promotion activities, and safety education and training. Through the meeting mechanism, employee representatives' opinions are incorporated as reference for management improvement and future program planning, strengthening the communication and co-governance structure.

2025 Occupational Health and Safety Committees

OHS Committee Composition	Total OHS Committee Members	Number of Employee Representatives	Proportion	Number of Meetings Held
Shin Zu Shing	16	6	0.38	4
SZS (Suzhou)	33	18	0.55	4
REDSTAR (Fuqing)	12	2	0.17	3
SZS (Beijing, Vietnam)	12	2	0.17	1

A 2025 labor representative proposal indicated that the employee age structure is predominantly young and middle-aged, recommending an evaluation to include preventive health screening items for this demographic in the 2026 health checkups. Based on professional advice from medical institutions collected and analyzed by occupational nurses, glycated hemoglobin (HbA1c), bone mineral density (BMD), lipase, and amylase tests were added to the health checkup program.

The annual health checkup program has been expanded to 80 items to screen for early health risks and monitor chronic diseases and physiological changes among the young and middle-aged demographic.

Annual external third-party audits are conducted to verify the operational effectiveness of the ISO 45001 occupational health and safety management system, and management practices are adjusted based on audit results and implementation conditions.

4 Happy Enterprise

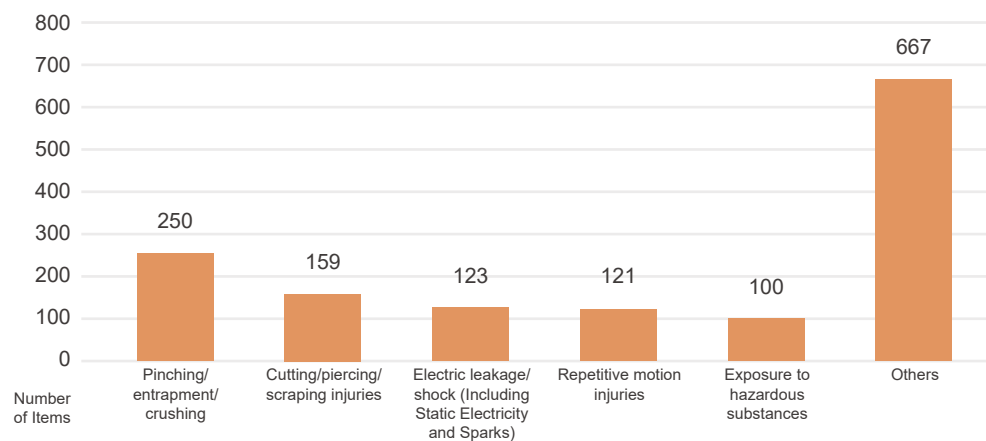
4.3.1 Hazard Identification and Risk Assessment

SZS considers safeguarding employee occupational health and safety as a foundational pillar of corporate governance and sustainable development. In the 2025 fiscal year, SZS introduced automated equipment into its assembly processes to reduce health risks associated with repetitive manual operations. To address operational safety risks from automated equipment, SZS incorporates these risks into its hazard identification and risk assessment mechanisms, implementing control measures for high-risk operations.

Each unit conducts annual hazard identification and risk assessment. A total of 1,420 potential hazards and risks were identified, with high-risk types including pinching/entrapment/crushing injuries, cutting injuries, electric shock, repetitive operations, and contact with hazardous substances. Each unit examines risk scenarios according to operational processes, confirms the effectiveness of engineering controls and administrative control measures, and re-evaluates hazard identification and risk assessments during the year when units submit change management content or workplace injuries occur, confirming health and safety status. Using engineering controls, administrative controls, and personal protective equipment to ensure employee safety, the Company reduces the risk of occupational disasters.

① Safe Workplace Management

2025 Types of Identified Hazards



SZS creates a safe working environment and occupational safety management system, implementing engineering controls, administrative controls, and personal protective equipment based on risk levels to reduce accident rates. The management scope encompasses equipment safety and contractor controls to comply with safety regulations. Reporting, investigation, and corrective action processes are enforced for accidents and near-miss incidents to prevent recurrence. Safety awareness and management effectiveness are maintained through training, safety walkarounds, and internal audits, with a long-term goal of zero work-related injuries.

Taiwan Operations promote corresponding measures, inspecting and maintaining fire extinguishers, fire hydrants, fire alarm systems, and automatic sprinkler systems to ensure fire protection facilities operate normally. Combustible and hazardous materials are managed to reduce the risk of fire. Emergency response procedures and evacuation routes are planned, and fire drills are conducted to improve colleagues' abilities in fire suppression and evacuation. Through advocacy, fire prevention awareness of employees is strengthened. Fire safety declarations and deficiency rectification are handled in accordance with regulations, ensuring management measures are implemented, creating a safe working environment.

Fire Emergency Drill Reporting



Fire Extinguisher Usage Training



First Aid and Emergency Care



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② Chemical Risk Control Assessment and Factory Hazardous Substance Management

In response to government requirements continuously strengthening factory hazardous chemical controls, Management measures are dynamically adjusted alongside on-site walkaround inspections to ensure system effectiveness and regulatory compliance. Management measures include reducing the storage volume of hazardous chemicals in plants and evaluating alternative chemicals. Annual declarations for hazardous and priority chemicals are completed in accordance with the law, and each department regularly inspects chemical storage conditions to ensure compliance with the Factory Management Act and fire safety regulations. For employees with potential chemical exposure risks, monitoring instruments and personal protective equipment (PPE) are provided, alongside continuous education on proper use, cleaning, and storage management.

Oxygen Detector Unit



Oxygen Concentration Display



Oxygen Detector Function Test

Respiratory Protective
Equipment Training

Quantitative Fit Testing



Qualitative Fit Testing



Taiwan Operations implements a respiratory protection program in accordance with regulations, conducting risk assessments and identifying protection needs for operational environments with potential exposure to dust, chemicals, or harmful gases. Based on assessment results, respiratory protective equipment is allocated, and standard operating procedures for donning, use, cleaning, and storage are established alongside training. For personnel required to use tight-fitting respirators, qualitative and quantitative fit testing is conducted regularly, accompanied by medical physiological evaluations, health questionnaires, and individual interviews.

Through institutionalized management, routine inspections, and continuous improvement mechanisms, respiratory hazards are reduced to ensure employee health and operational safety—demonstrating the Company's commitment to OHS and sustainable operations.

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4.3.2 Workplace Environmental Monitoring

Based on annual hazard identification, risk assessment results, and monthly on-site inspections, workplace operational environments are regularly reviewed, and semiannual monitoring sampling points are dynamically adjusted. Monitoring operations are conducted on-site by professional technicians and department managers, who provide explanations on monitoring criteria, health risk precautions, and personal protective equipment selection. Additionally, a historical monitoring database is established for tracking, enabling occupational nurses to plan and execute annual special health checkups and stratified health management for employees engaged in especially hazardous operations, including noise, dust, ionizing radiation, and organic solvents.

Technician Confirming On-Site
Sampling Points



Workplace Environmental
Monitoring Meeting



Noise Sampling



Special health checkups and stratified health management are periodically implemented for personnel engaged in especially hazardous health operations, and an operational environment monitoring database is established to track employee health conditions and reduce occupational health risks.

In the 2025 fiscal year, a total of 189 employees underwent special health checkups. Results for dust, ionizing radiation, and nickel and its compounds were classified as Level 2 management, with occupational nurses providing health education. For noise operations, some employees were classified under Level 3 management. Consequently, occupational medicine physicians were arranged to conduct on-site workplace visits to comprehensively evaluate employees' health checkup results, audiograms, and hearing threshold shifts, while providing education on noise exposure impacts and hearing protection measures as the basis for subsequent health management and operational protection.

2025 Special Health Examinations



Noise Hearing Protection Health
Education Materials



Occupational Medicine Physician
On-Site Reassessment



Regular on-site walkaround inspections are conducted to review equipment safety measures, warning signs, public safety facilities, fire fighting equipment, and relevant document records. With "chemical safety protection" designated as the key inspection focus for 2025, reviews and regulatory briefings are held quarterly at Occupational Health and Safety Committee meetings, resulting in a decrease in non-compliance incidents.

Occupational safety and health personnel at each plant conduct monthly safety audits of workplaces and observe the safety of equipment operations. During these audits, they communicate with on-site workers and managers to provide improvement suggestions reinforcing employees' health and safety literacy—a critical detail essential to driving the ISO 45001 management system.

Workplace Color Management



Personal Protective
Equipment Zone

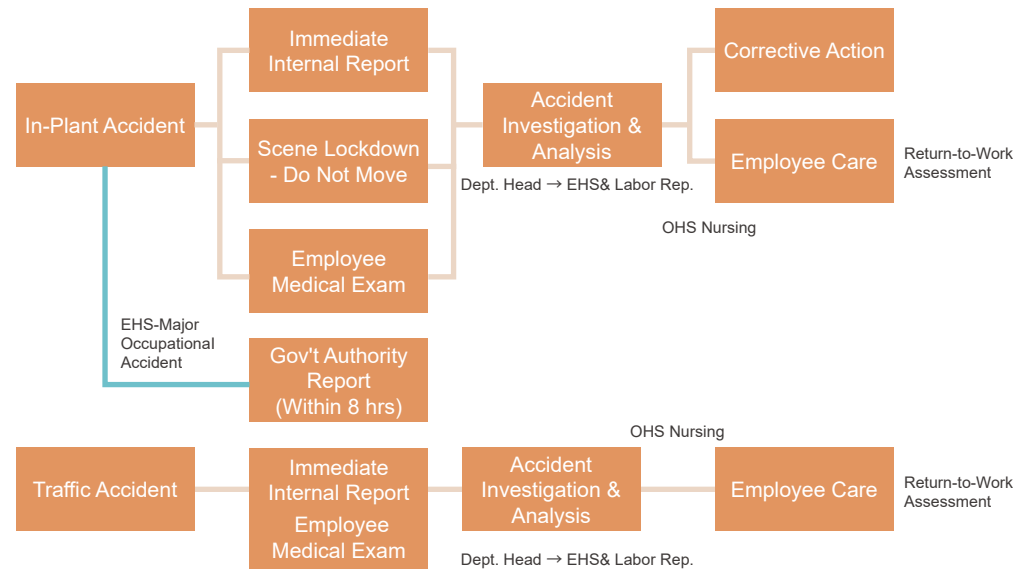


Fire Safety Equipment Enhanced
Warning Lines



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4.3.3 Occupational Injury Prevention



Awareness campaigns are conducted on work-related injury and commuting accident reporting mechanisms, while providing occupational health and safety information to build awareness of workplace risks and self-protection. Additionally, regular training, promotional activities, and on-site communication mechanisms are implemented, covering safe operations and health management.

During the reporting period, no occupational diseases or fatal accidents resulting from workplaces or operational activities occurred. SZS complies with the ISO 45001 occupational health and safety management system to implement hazard prevention and risk control.

Prevention and management measures are implemented with reference to the GRI 403 Occupational Health and Safety disclosure recommendations. In the 2025 fiscal year, a total of 20 work-related injury incidents occurred across the SZS Group, with 15 incidents occurring in Taiwan Operations (compared to 7 incidents in 2024). The long-term goal is zero work-related injuries. Management practices include an annual review of operational processes based on hazard identification and risk assessment results, alongside the execution of safe operating

procedures, training, autonomous inspections, and internal audits. Execution strategies are summarized as follows:

1. Immediate Corrective Actions & Process Review:

Following a work-related injury incident, cause analysis and corrective actions are executed, and identical or similar operational processes are reviewed to prevent the recurrence of similar incidents.

2. Verification of Ongoing Effectiveness:

For completed corrective actions, scheduled and unscheduled audits are conducted to verify their implementation and effectiveness.

3. Safety Walkarounds (Management-by-Walking-Around):

Scheduled and unscheduled plant safety and health audits are conducted to identify potential hazards and implement preventive measures.



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2024–2025 Groupwide Occupational Injury Statistics

Plant Area	2024								2025						
	Item	Male (persons)	Female (persons)	Total Number of Disabling Injuries	Total Lost Workdays from Injuries	Total Working Hours	Frequency Rate (FR) of Disabling Injuries	Severity Rate (SR) of Disabling Injuries	Male (persons)	Female (persons)	Total Number of Disabling Injuries	Total Lost Workdays from Injuries	Total Working Hours	Frequency Rate (FR) of Disabling Injuries	Severity Rate (SR) of Disabling Injuries
Taiwan	SZS	4	3	7	188	5,743,968	1.22	33	7	8	15	254	4,909,744	3.06	52
China	SZS (Suzhou)	2	1	3	148	2,290,076	1.31	64.8	1	3	4	221.5	1,550,387	2.58	142.7
	JENGJEA,Kunshan	0	0	0	0	168,064	0	0	Plant closed in 2025 due to operational adjustments						
	CHENGYUE,Dongguan	1	0	1	90	193,032	5.18	466	Plant closed in 2025 due to operational adjustments						
	REDSTAR,Fuqing	1	0	1	65	206,160	4.85	315	0	0	0	0	237,085	0	0
	SZS(Chongqing)	3	2	5	87	271,739	17.8	309.76	Plant closed in 2025 due to operational adjustments						
Vietnam	SZS(Beijiang)	Under construction in 2024.							0	0	0	0	118,424	0	0

Notes:

1. Injury types: Falls / slips: 6 cases; Pinching / entrapment / crushing: 4 cases; Cutting / lacerations / piercing / abrasions: 3 cases; Collisions / being struck: 2 cases.

2. There were no recordable occupational injuries among non-employees (contractors) of the Company.

2024~2025 Groupwide Near-Miss Incident Statistics

Plant Area	2024				2025	
	Item	Male	Female		Male	Female
Taiwan	SZS	0	0		3	1
China	SZS (Suzhou)	0	0		0	0
	JENGJEA,Kunshan	0	0		Plant closed in 2025 due to operational adjustments	
	CHENGYUE,Dongguan	0	0		Plant closed in 2025 due to operational adjustments	
	REDSTAR,Fuqing	1	2		3	1
	SZS(Chongqing)	1	1		Plant closed in 2025 due to operational adjustments	
Vietnam	SZS(Beijiang)	Under construction in 2024.		0	0	
Total		2	3		6	2

Remarks:

FR = (Number of disabling injuries × 1,000,000)/Total hours worked

SR = (Total lost workdays × 1,000,000)/Total hours worked

Statistics for 2023 and 2024 include all the China plant areas

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1 Taiwan Operations — Improvement Examples

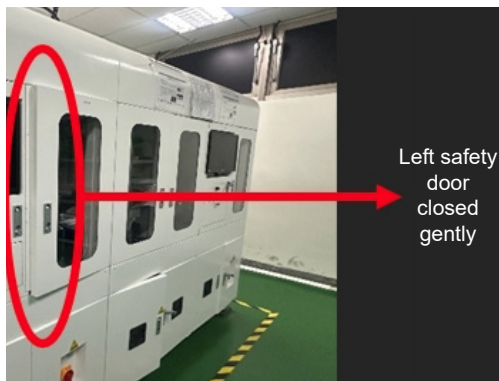
In 2025, to increase production capacity and reduce manual operation burden in assembly equipment, automated production lines were introduced to reduce occupational injury risks from repetitive operations. After introduction, although safety interlock devices had been confirmed and operating standards formulated, it was not identified that the original manufacturer had only installed the safety interlock device on one of the doors.

When the incident occurred, the colleague closed only the door with the safety interlock device; the other door without one could still be opened, causing the machine to continue operating in an un-isolated state. When a workpiece jam was discovered, the colleague proceeded to clear it before the equipment had fully stopped, resulting in a finger injury.

After the incident, a review meeting was held with unit supervisors and equipment engineering personnel. Safety interlock devices were installed on all doors, ensuring the machine stops whenever any door is opened, eliminating the possibility of personnel misjudging the situation or taking shortcuts. The operating standards were revised to specify that abnormalities must be cleared only after the machine has fully stopped and isolation procedures are completed. This was incorporated into shift handover confirmation items, requiring inspection of the machine status before handover proceeds, strengthening management control.

Colleagues face risks of pinching and crushing injuries when their hands approach the cylinder's return position due to repetitive operation of riveting machines. To prevent similar incidents, the department has implemented engineering controls on the equipment by installing dedicated jig baffles and protective guards in the danger zone to physically block colleagues' hands from entering the hazard area. Additionally, the department provides safety briefings and training to operating colleagues regarding safe clearance distances, integrating these items into regular and autonomous inspections to enforce both engineering and administrative controls.

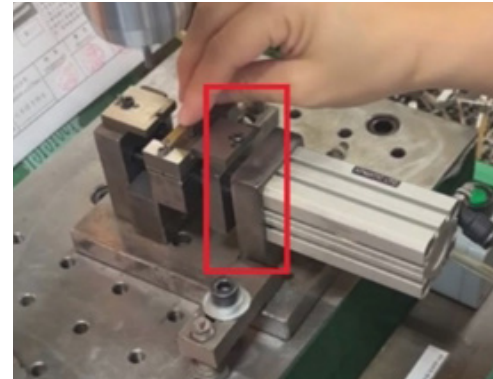
Before Improvement: Incomplete Safety Interlock Installation on Safety Doors



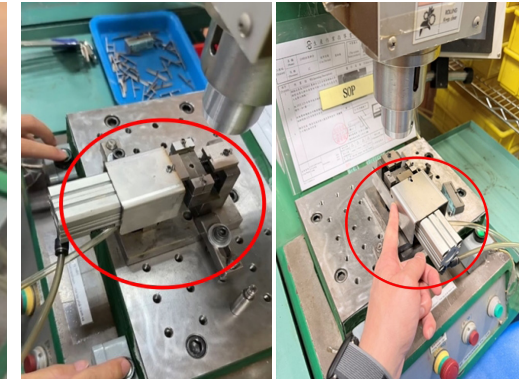
After Improvement: Safety Interlock Devices Installed on All Safety Doors



Before Improvement: Gap Present When Machine Returns to Original Position



After Improvement: Dedicated Jig Baffle Plate Installed



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4.3.4 Safety and Health Training

SZS utilizes "healthy workforce" as its core concept to implement health promotion and workplace health management measures, establishing a safe, healthy, and friendly working environment to support colleagues' physical and mental health as well as workplace well-being.

① Education and Training

SZS provides occupational safety and health education and training based on job attributes, covering occupational safety, health promotion, and management systems. The 2025 training curriculum included "Prevention of Unlawful Infringement and Communication Skills," "Environment and Hazard Identification & Risk Assessment," "Hazardous Chemicals In-service Training," "Management of Change Course," and "Internal Audit Pre-trip Briefing," assisting colleagues in hazard identification, system implementation, and regulatory compliance.

Through education and training, colleagues identify potential hazards prior to operations and perform risk assessments and response measures during changes or abnormal situations to reduce human error. Additionally, workplace communication and care mechanisms are implemented to enhance colleagues' psychological safety and teamwork, supporting incident prevention, health promotion, and organizational sustainability.

No.	Training Course Name	Number of Participants
1	Environmental and Hazard Identification and Risk Assessment Course	130
2	Hazardous Chemicals On-the-Job Training	1,835
3	Change Management Course	38
4	2025 Workplace Empowerment: Supervisor Care and Communication Skills UP Seminar	88
5	Oral Warning Signals — Understanding the Effects of Smoking and Betel Nut Seminar	51
6	Workplace Anti-Harassment & Communication Skills Campaign	2,150
7	Traffic Safety and Anti-Fraud Awareness Advocacy	346

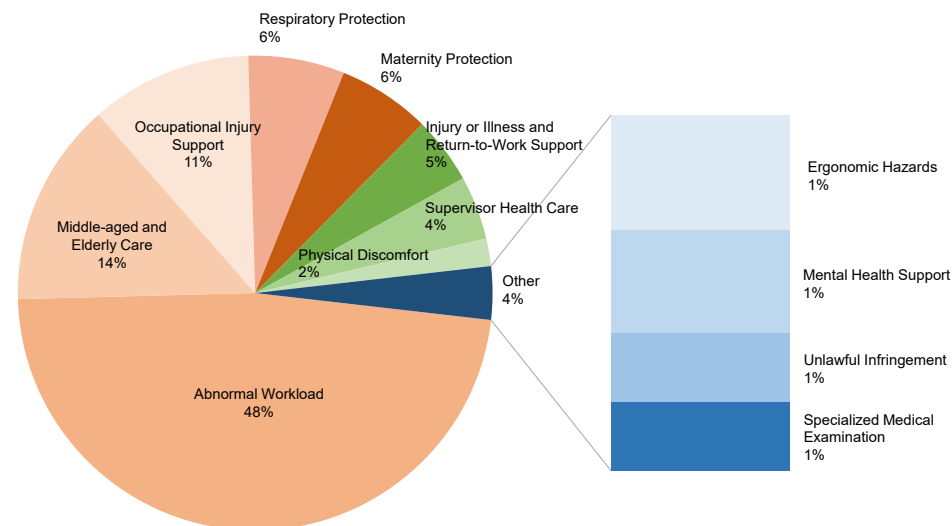
② Occupational Health Services

The SZS Group provides employees with health examinations and occupational medicine services in accordance with regulatory requirements, and assists employees in understanding their health status through the health management system.

1. Overall Healthy Workplace Promotion Mechanism

SZS implements workplace health programs in accordance with the Practical Guide for SDGs Disclosure on Occupational Health and Safety. Physicians are scheduled to visit plants monthly to conduct health assessments and consultations. The scope of services encompasses maternal health care (pre-pregnancy and postpartum), ergonomic analysis and tracking, respiratory protection physiological evaluations, commuting accident follow-up and return-to-work assessments, psychological counseling, and emergency medical care for disease prevention and health promotion. Through systematic health management mechanisms, employees build proper concepts of treatment and disease prevention. Guided by a spirit of sustainability, full employee participation in health promotion measures is encouraged to actively cultivate a safe, healthy, and fulfilling workplace, realizing an appropriate and sustainable model for workplace health promotion.

2025 Statistical Chart of Health Monitoring and Care by Category



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2. Health Risk Tiered Management and Case Tracking

Results of periodic health examinations and special health checkups for new employees are imported into the health management system for health risk analysis and tiered management. Medical and nursing personnel arrange follow-up appointments for high-concern individuals, tracking return visits and improvement progress. Based on each colleague's health abnormalities, medical and nursing personnel conduct health education in stages, providing dietary and routine adjustment suggestions and self-health management measures such as blood pressure records. Through tracking and health intervention, the effectiveness of preventive medicine and health promotion is strengthened. In 2025, a total of 65 colleagues achieved health improvement goals and were released from health management, demonstrating the Company's results in implementing workplace health management.

3. Occupational Injury Care and Safe Return-to-Work Assessment

In 2025, a total of 21 instances of care and return-to-work assessment for commuting accidents and occupational injuries were conducted, providing care for injured colleagues and conducting job content and operational risk assessments before return to work, ensuring colleagues can return to their positions when their condition has stabilized. To strengthen colleagues' understanding of wound care, the Company planned and produced a 'First Aid Care Advocacy Trilogy,' including 'Precautions for Sprain Care,' 'Three Techniques for Wound Hemostasis,' and 'How to Make Wounds Heal Quickly — First Aid Care Methods,' for posting and advocacy use by each unit. Through care, return-to-work assessment, and health education, colleagues' self-care abilities are enhanced and the risk of injury deterioration and recurrence is reduced, implementing workplace safety and health promotion.

Precautions for Sprain (Acute Phase) Care



Three Techniques for Wound Hemostasis



Helping Wounds Heal Quickly — Proper First Aid Care



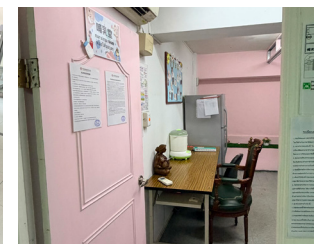
4. Maternal Health Protection and Workplace-Friendly Support Measures

In 2025, a total of 33 prenatal and postpartum maternal health care visits were conducted. Occupational health nurses and safety personnel visited work sites to understand colleagues' work content, chemical use, and environmental conditions, and compiled health history data as the basis for physician care visits. After physician visits and analysis, all related risks were incorporated into Level 1 management, ensuring the safety of the working environment during pregnancy. During pregnancy, information from the 'Expectant Father's Guide' was provided, encouraging partners to participate in prenatal care and strengthening family support. After childbirth, a breastfeeding/lactation room is provided, equipped with sofas, bottle sterilizers, and refrigerators for storage of breast milk. Cleaning personnel conduct environmental cleaning and disinfection of the room daily, with disinfection after each use to reduce the risk of cross-infection, protecting the health of all users.

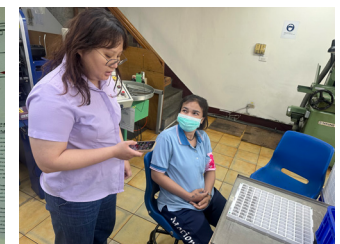
Care and Assessment for Foreign Pregnant Colleagues



Breastfeeding / Lactation Room



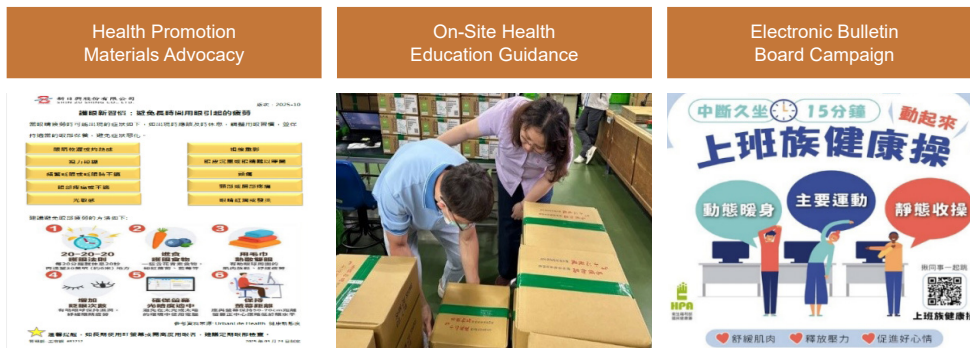
On-Site Visit to Assess Postpartum Colleagues' Work Content



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5. Ergonomic Risk Analysis and Prevention Advocacy

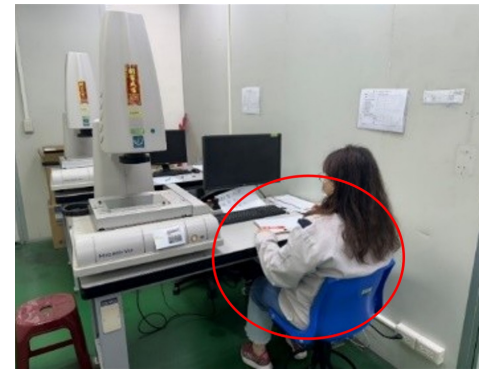
Through biennial health examinations, special health checkups, and hazard identification and risk assessment data from each unit, analysis of ergonomic hazards is conducted. Analysis results show that ergonomic risks include musculoskeletal injuries from inappropriate work postures, improper operating heights or workspace configurations, injuries from repetitive operations, and risks from manual handling exceeding load limits. In response, occupational health nurses provide advocacy materials on ergonomics for posting and use by each unit, with on-site health education. Through systematic analysis and advocacy, colleagues' awareness of ergonomic hazards is enhanced, mitigating occupational injury risks and reinforcing workplace health promotion outcomes.



6. Work Posture Improvement and Ergonomics Optimization Case

In response to a colleague's report of hand discomfort during operations, an on-site assessment was conducted in the measuring room to review the working posture and environment. The assessment confirmed that the measuring table was too high and the original chair was unadjustable, causing the colleague's hands to remain suspended during work, thereby increasing muscle burden. Following discussions with the department manager, an adjustable chair was purchased to align the working posture with ergonomic principles, reducing the burden from repetitive motions and poor posture to prevent occupational injuries.

Before Improvement: Work position
— measurement table too high, but existing chair too low and could not be further adjusted



After Improvement:
An adjustable-height ergonomic chair has been purchased.



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3 Health Promotion Activities

In addition to health management measures required by regulations, the Company promotes health promotion activities to enhance employees' health and work safety. Health promotion integrates the three dimensions of physical, mental, and spiritual well-being, aimed at improving health rather than merely preventing disease. Implementations include regular exercise, balanced diet, mindfulness meditation, stress relief activities, and self-exploration and learning. Workplace and family support are the main drivers, achieved through creating a supportive environment, health lectures, and care measures.

2025 Workplace Empowerment:

Supervisor Care and Communication Skills UP Seminar

SZS conducts advocacy on unlawful infringement in performing duties, covering workplace violence, workplace bullying, sexual harassment, and employment discrimination, along with explanations of legal cases, the Company's complaint channels, and medical and nursing consultation and external psychological counseling resources. The '2025 Workplace Empowerment: Supervisor Care and Communication Skills UP' seminar was held to strengthen supervisors' awareness and care capabilities regarding subordinates' physical and mental conditions. The course used cases to guide supervisors in identifying emotional and behavioral abnormalities in colleagues, and to learn empathetic listening and communication skills to reduce conflicts and build trust. Through advocacy and training, the aim is to create a respectful and supportive workplace, enhancing psychological safety and team cohesion.

Occupational Physician
Plant Campaign



Post-Session
Questionnaire Assessment



Occupational Physician
Plant Campaign



Oral Warning Signals — Understanding the Effects of Smoking and Betel Nut

The habit of smoking and betel nut chewing poses cancer risks to colleagues and may also affect surrounding family and friends. To raise awareness of these hazards, a nurse from Far Eastern Memorial Hospital was invited to conduct a health seminar.

The seminar covers the effects of betel nut and cigarettes on the body, and through sharing of experiences from cancer patients, enables colleagues to understand the health threats they pose.

The seminar also provides skills and resources, including methods for refusing betel nut and cigarettes, government-provided smoking cessation classes, and dental care and oral cancer prevention measures, helping colleagues reduce the risk of oral cancer. The seminar is conducted through question-and-answer interactions, video screenings, and picture displays, allowing colleagues to gain knowledge in a relaxed atmosphere.



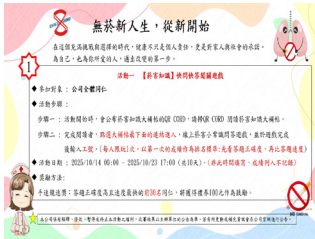
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【A Smoke-Free New Life, Starting Fresh】 Tobacco Hazard Knowledge Quick Q&A Challenge Game & Smoking Cessation Classes

Smoking produces more than 7,000 chemicals, many of which are carcinogenic. Smoking raises the risk of cancer, cardiovascular disease, and respiratory diseases, and causes decreased immunity. Secondhand and thirdhand smoke are harmful to non-smokers, with impacts on pregnant women, infants, and patients with chronic diseases. In the workplace, smoking may also increase the risk of fires and safety accidents. Research shows that quitting smoking at any age can improve health and reduce disease risk.

Smoking hazards trivia quiz games and smoking cessation classes are conducted to enable colleagues to understand cigarette ingredients, the health impacts of smoking, and the hazards of secondhand and thirdhand smoke, while explaining smoking refusal methods and company smoking control regulations. Additionally, tobacco hazard awareness and smoking cessation support are provided to assist colleagues in adopting a smoke-free lifestyle, maintaining a safe and healthy workplace environment.

A Smoke-Free New Life,
Starting Fresh



Smoking Cessation Class
Health Education



Tobacco and Betel Nut
Hazard Seminar



60th Anniversary Sports Family Day — Sharing Glorious Moments Together!

SZS held its "60th Anniversary Sports Family Day" on October 25, 2025, at the Tucheng District General Stadium in New Taipei City. Centered around the core spirit of "Journey of 60 Years: Stepping Forward to a Sustainable Future," the event integrated family interaction, teamwork, and sustainability concepts, inviting colleagues and their families to participate. The program included creative team entrances, group warm-ups, parent-child fun competitions, sports tournaments, and on-site mobile food trucks. Through this initiative, SZS demonstrates its corporate culture of valuing employees and families, while symbolizing a firm commitment to driving sustainable development through collective teamwork amid the waves of globalization.

Contractor Safety and Health Management

SZS Group requires contractors and suppliers to comply with occupational safety and health regulations, conducting safety management and supervision to mitigate occupational safety risks generated by operational activities within the value chain.

Contractor safety management in manufacturing plants is executed based on qualification and safety performance assessments to confirm that operational personnel possess required certifications and safety awareness. Prior to entry, operational personnel receive safety training and operational hazard disclosures, and are required to sign a safety commitment letter. For high-risk operations—including hot work, machinery maintenance, chemical handling, and high-temperature work—manufacturing plants establish work permit and risk control systems, adjusting operational schedules and protective measures based on climate anomalies to mitigate the risk of heat stroke and climate-related incidents.

Regular toolbox meetings, on-site patrols, and audits are conducted to review contractor operational safety and equipment conditions, verifying the compliance of the vendors' tools and methods. If unsafe conditions are detected, a work stoppage is executed, and operations may only resume after the contractor completes corrective actions. Contractors are required to report any incidents immediately during construction, followed by investigation, corrective action, and tracking. Furthermore, education, training, and safety meetings are provided to reinforce the safety culture of contractors and mitigate work-related injury risks.

Heat Hazard Awareness Campaign



Pre-Construction Toolbox Meeting



No Entry to Construction Zone



5

Social Inclusion

- 5.1 Spreading Hope: Connecting Today to a Better Tomorrow
- 5.2 Protecting All: Building a Society Where No One is Forgotten



5 Social Inclusion

5.1 Spreading Hope: Connecting Today to a Better Tomorrow

SZS Charity Day

SZS held a Charity Day event on August 28, 2025, featuring a blood donation drive and a local farmers market. To address the seasonal blood shortage in August, SZS mobilized employees to donate a total of 71 bags of blood. The farmers market invited organic small farmers from Shulin and Sanxia districts to provide a direct sales platform and promote safe agriculture. Two charitable organizations were also invited to participate. SZS continues to plan and execute related philanthropic activities in 2026.



SZS Beach Cleanup: Taking Action to Protect the Ocean

SZS integrated its corporate milestone celebration with community service by organizing a beach cleanup event at Sanzhi Shallow Water Bay to remove marine debris and enhance the ocean conservation awareness of colleagues and partners. The event was attended by nearly 200 participants, including company executives, the volunteer group, and suppliers, collecting a total of 154 kilograms of marine waste, demonstrating the environmental sustainability commitment of SZS and its supply chain partners.



5 Social Inclusion

SZS Cup New Taipei City Junior High and Elementary School Calligraphy Competition

SZS organized the 2025 (3rd) SZS Cup Calligraphy Competition to promote educational philanthropy. The event received a total of 221 entries, with the finals held on August 23. Supported by teachers, parents, and volunteers, the Company inherits local culture and deepens community connections through local calligraphy education, thereby enhancing students' aesthetic literacy and encouraging continuous proficiency.



Supporting Aesthetic Education, Providing a Performance Stage for Students

SZS has long been committed to local education. Since 2019, the Company has sponsored the operating expenses of the harmonica clubs at Sando Elementary School, Datong Elementary School, and Yude Elementary School in Shulin District. At the end of each semester, seven elementary schools in Shulin and Yingge jointly hold

the 'New Taipei City Shulin and Yingge Districts 2025–2026 Academic Year Seven-School Harmonica Club Invitational Exchange Competition,' building a dream stage together for the children. Music is a language that transcends barriers and also a source of children's confidence.

In the competition, the students demonstrated remarkable focus and enthusiasm. From the touching melody of 'The Wind Rises' performed by Sando Elementary School, to the majestic vigor of 'American Patrol' played by Yulin Elementary School, and the vibrant vitality brought by Pengfu Elementary School's 'Flowers Are Blooming,' each piece symbolized the rich fruits of aesthetic education. The Company specially prepared stationery gifts to give the most direct affirmation to every young musician who practiced diligently.

When the seven schools' students played the designated piece 'Taiwan the Bravest' together in unison, the stirring music at the scene not only demonstrated the spirit of teamwork but also symbolized the close partnership between enterprise and community. Through continued support of arts and cultural activities, we hope to create more diverse development opportunities for the next generation and allow the seeds of art to grow and flourish in Shulin and Yingge.



5 Social Inclusion

From Recipients to Self-Reliance: Supporting Students at Wu-Jing Love Home Through Action

We invited Wu-Jing Love Home from Changhua to hold a charity sale in the plant, hoping to build a bridge so that the fruits of the Wu-Jing students' hard work can be seen by more people. On the day of the event, all colleagues showed their support through action, giving students the most direct feedback by purchasing their products. When students personally handed the products to colleagues and received a heartfelt 'Thank you, you've worked hard,' the confident glow on their faces was something that cannot be measured in money. A total of NT\$19,720 was raised through this charity sale. Every dollar represents a message of 'I support you,' not only channeling resources into the institution but also enabling students to gain a sense of achievement in the process of connecting with society, concretely practicing social inclusion.



A Gentle Promise from Farm to Table — Cooperative Purchasing Plan for Ji Xian Sheltered Workshop

SZS firmly believes that the skilled workers at the sheltered workshop have presented results they are proud of — these are not just healthy snacks, they are a promise to life.

This collaboration is centered on the core value of 'Love 1~4.' We not only purchased the delicious snacks carefully crafted by the sheltered workshop partners, emphasizing eco-friendly ingredients and a healthy, guilt-free approach, but also embrace their environmental commitment to reducing production and packaging pollution. Through this purchasing plan, the Company has concretely achieved the dual goals of green consumption and social inclusion, allowing a single snack to simultaneously carry both care for the earth's environment and support for social welfare partners in achieving self-reliance.



5 Social Inclusion

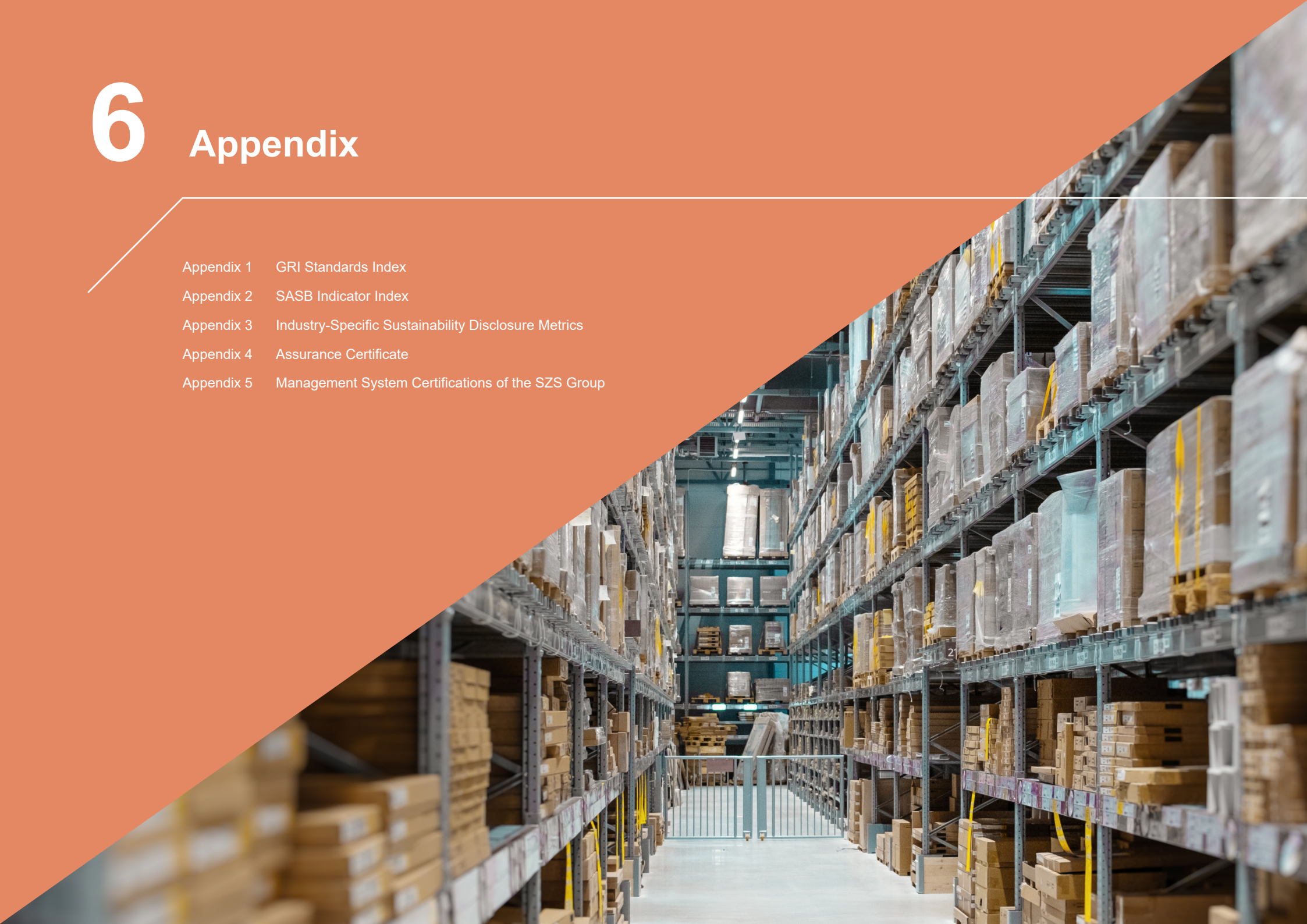
5.2 Protecting All: Building a Society Where No One is Forgotten

Item	Content	Outcomes
Donation to the Shulin District Elderly Group Meal Program in Sanlong and Zunan Neighborhoods	SZS hopes to encourage elders to step outside their homes, participate in community activities, stay physically strong, and eat together for health through group meal events.	A total of 7,720 participants; donation of NT\$579,000.
Donation to the New Taipei City 'Beauty of Shulin' Lunar New Year Lantern Festival	The "Beauty of Shulin Chinese New Year Carnival Lantern Festival" is hosted by the Shulin District Office, alongside local religious centers Zhennan Temple and Haiming Temple. SZS has operated in Shulin District for over fifty years and sponsors this local event.	Donation of NT\$75,000.
Donation to the Shulin District Office Winter Warmth Care Program for Elderly Living Alone	SZS sponsored the Shulin District Office with 160 sets of New Year meal kits and warm supplies, delivered by volunteers to each elderly household.	Donation of NT\$30,000.
Donation to the Harmonica Clubs at Sando, Datong, and Yude Elementary Schools in Shulin District	To cultivate children's diverse interests, Shin Zu Shing has sponsored the operating expenses of the harmonica clubs at Datong Elementary School, Yude Elementary School, and Sando Elementary School in Shulin District since 2019.	Donation of NT\$286,000.
Shulin High School FRC Robotics Team	SZS has provided technical guidance to the Shulin High School FRC team since 2024 to address structural transmission challenges. In 2025, the team won the "All-Star Progress Award" in the world championship and finished as the runner-up in the Taiwan competition, receiving congratulatory messages from the President and Vice President. This initiative fulfills UN Sustainable Development Goal 4 (SDG 4): Quality Education.	Donation of NT\$100,000.



6 Appendix

- Appendix 1 GRI Standards Index
- Appendix 2 SASB Indicator Index
- Appendix 3 Industry-Specific Sustainability Disclosure Metrics
- Appendix 4 Assurance Certificate
- Appendix 5 Management System Certifications of the SZS Group



6 Appendix

Appendix 1 GRI Standards Index

Statement of Use	SZS has reported the information cited in the GRI Content Index for the period from January 1 to December 31, 2025, with reference to the GRI Standards.
GRI 1 Version Used	GRI 1: Foundation 2021
Application of the GRI Sector Standards	None

GRI 2: General Disclosures 2021

GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
2-1	Organizational details	1.1 Corporate Profile	31	
2-2	Entities included in the organization's sustainability reporting	About This Report	1	
2-3	Reporting period, frequency and contact point	About This Report	1	
2-4	Restatements of information	About This Report	2	
2-5	External assurance	Appendix 4 Assurance Certificate	130	
2-6	Activities, value chain and other business relationships	1.1 Corporate Profile	31	
2-7	Employee	4.2 Diversity, Equity, and Inclusion	102	
2-8	Workers who are not employees	4.1 Talent Cultivation & Retention	88	
2-9	Governance structure and composition	1.2.1 Board of Directors	34	
2-10	Nomination and selection of the highest governance body	1.2.1 Board of Directors	34	
2-11	Chair of the highest governance body	1.2.1 Board of Directors	34	
2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Corporate Governance — Governance Structure and Board Composition	34	

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GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
2-13	Delegation of responsibility for managing impacts	1.2 Corporate Governance — Governance Structure and Board Composition	34	
2-14	Role of the highest governance body in sustainability reporting	1.2 Corporate Governance — Governance Structure and Board Composition	34	
2-15	Conflicts of interest	1.2.3 Business Integrity — Prevention of Conflicts of Interest	39	
2-16	Communication of critical concerns	1.2.3 Business Integrity — Communication Mechanism for Critical Concerns	38	
2-17	Collective knowledge of the highest governance body	1.2.1 Board of Directors — Collective Capabilities and Performance Evaluation of the Board	35	
2-18	Evaluation of the performance of the highest governance body	1.2.1 Board of Directors — Collective Capabilities and Performance Evaluation of the Board	35	
2-19	Remuneration policies	1.2.1 Board of Directors — Director Remuneration and Decision-Making	35	
2-20	Remuneration determination process	1.2.1 Board of Directors — Director Remuneration and Decision-Making	35	
2-21	Annual total remuneration ratio	4.1.4 Employee Compensation and Benefits	98	
2-22	Statement on sustainable development strategy	Message from the Leadership Sustainability Strategy	3 10	
2-23	Policy commitments	Responsible Business Conduct Policy	11	
2-24	Embedding policy commitments	Responsible Business Conduct Policy	11	
2-25	Processes to remediate negative impacts	Human Rights and Management Mechanisms Management Approach for Material Topics	14 24	
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	16	
2-27	Legal compliance	1.2.3 Business Integrity	38	
2-28	Membership in industry and trade associations	Participation in Industry Associations and International Initiatives	13	
2-29	Approach to stakeholder engagement	Stakeholder Engagement	16	
2-30	Collective agreements	4.2 Diversity, Equity, and Inclusion	102	No labor union or collective agreement has been established; labor-management meetings are currently in place. (Applicable to Taiwan region)

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GRI 3: Material Topics 2021

GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
3-1	Process to determine material topics	Materiality Assessment	19	
3-2	List of material topics	Materiality Assessment	19	
3-3	Management of material topics	Materiality Assessment	19	

GRI Material Topics

GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
Energy Conservation and Carbon Reduction				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	2.2.3 Energy Management	63	
	302-3 Energy intensity	2.2.3 Energy Management	63	
	302-4 Reduction of energy consumption	2.2.3 Energy Management	64	
Waste Management				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	2.4 Waste Management	70	
	306-2 Management of significant waste-related impacts	2.4.1 Implementation of Waste Management	70	
	306-3 Waste generated	2.4.1 Implementation of Waste Management — Waste Classification and Disposal Methods	71	
	306-4 Waste diverted from disposal	2.4.1 Implementation of Waste Management — Waste Classification and Disposal Methods	73	
	306-5 Waste directed to disposal	2.4.1 Implementation of Waste Management — Waste Classification and Disposal Methods	73	

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GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
Talent Development and Retention				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.1 Workforce Structure and Policies	92	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.4 Employee Compensation and Benefits	99	
	401-3 Parental leave	4.1.1 Workforce Structure and Policies	94	
Occupational Health and Safety				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	4.3 Occupational Health and Safety	105	
	403-2 Hazard identification, risk assessment, and incident investigation	4.3.1 Hazard Identification and Risk Assessment	106	
	403-3 Occupational health services	4.3.4 Safety and Health Training	112	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Health and Safety	105	
	403-5 Worker training on occupational health and safety	4.3.4 Safety and Health Training	112	
	403-6 Promotion of worker health	4.3.4 Safety and Health Training	115	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3.4 Safety and Health Training	114	
	403-8 Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety	105	
	403-9 Work-related injuries	4.3.3 Occupational Injury Prevention	110	
	403-10 Work-related ill health	4.3.3 Occupational Injury Prevention	109	

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GRI Standards	Disclosure Item	Corresponding Chapter	Page No.	Note
Corporate Governance and Business Integrity				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.3.1 Financial Performance	43	
	201-4 Financial assistance received from government	1.3.1 Financial Performance	43	
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	1.2.3 Business Integrity	38	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2.3 Business Integrity	38	
Innovation and R&D				
Innovation and R&D	(Custom Topic)	1.4 Innovation and R&D	45	

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Appendix 2 SASB Indicator Index

In response to the Standards issued by the Sustainability Accounting Standards Board (SASB), taking into account the Company's own operational activities and in reference to the guidance of supervisory authorities, Shin Zu Shing has chosen to disclose information according to the Industrial Machinery & Goods industry standard.

Sustainable Disclosure Topics and Metrics

Topic	Metric	Type	Measurement Unit	Code	Corresponding Chapter	Page No.
Energy Management	(1) Total Energy Consumption, (2) Percentage of Grid Electricity, and (3) Percentage Renewable	Quantitative	Gigajoules (GJ), percentage (%)	RT-IG-130a.1	2.2.3 Energy Management	63
Labor Health and Safety	(1) Total Recordable Incident Rate (TRIR), (2) Fatality Rate, and (3) Near Miss Frequency Rate (NMFR) for (a) direct employees and (b) contracted workers.	Quantitative	Rate	RT-IG-320a.1	4.3.3 Occupational Injury Prevention	110
Fuel Economy and Use-Phase Emissions	Sales-weighted fuel efficiency of medium and heavy-duty vehicle fleets	Quantitative	Liters per 100 ton-kilometers	RT-IG-410a.1	Not applicable to the Company	
	Sales-weighted fuel efficiency of off-road equipment	Quantitative	Liters per hour	RT-IG-410a.2	Not applicable to the Company	
	Sales-weighted fuel efficiency of stationary power generators	Quantitative	Kilojoules per liter	RT-IG-410a.3	Not applicable to the Company	
	(1) Sales-weighted emissions of Nitrogen Oxides (NOx) and (2) Particulate Matter (PM) of (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium and heavy-duty engines, and (d) other off-road diesel engines	Quantitative	Grams per kilojoule	RT-IG-410a.4	The Company does not use the aforementioned engines.	
Material Acquisition	Description of risk management related to the use of critical materials	Discussion and analysis	Not applicable	RT-IG-440a.1	3.2 Product Compliance and Quality Assurance	85
Remanufactured Design and Services	Revenue from remanufactured products and services	Quantitative	Reporting currency	RT-IG-440b.1	2.4.2 Reuse and Circularity	74

Activity Metrics

Activity Metrics	Type	Measurement Unit	Code	Corresponding Chapter	Page No.
Number of units produced, categorized by product type	Quantitative	Quantity	RT-IG-000.A	1.1 Corporate Profile	32
Number of employees	Quantitative	Quantity	RT-IG-000.B	4.1.1 Workforce Structure and Policies	89

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Appendix 3 Industry-Specific Sustainability Disclosure Metrics

Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies: Sustainability Disclosure Metrics — Electronic Components Industry

No.	Metric	Corresponding Chapter	Page No.	Unit
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	2.2.3 Energy Management	63	Gigajoules (GJ), percentage (%)
2	Total water withdrawal and total water consumption	2.3.1 Water Resource Risk Assessment	66	Thousand cubic meters (1,000 m³)
3	Weight of hazardous waste generated and recycling percentage	2.4.2 Reuse and Circularity Resource Management	73	Metric tonnes (t), percentage (%)
4	Description of occupational injury types, number of cases, and incidence rate	4.3.3 Occupational Injury Prevention	110	Quantity, ratio (%)
5	Disclosure of product life cycle management: Including the weight of end-of-life products and e-waste, and the recycling percentage	NA		Metric tonnes (t), percentage (%)
6	Description of risk management related to the use of critical materials	3.2 Product Compliance and Quality Assurance	85	Not applicable
7	Total monetary losses resulting from legal proceedings related to anti-competitive behavior	1.2.3 Business Integrity	38	Reporting currency
8	Production volume of major products by product category	1.1 Corporate Profile	32	Varies by product type

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Appendix 4 Assurance Certificate



INDEPENDENT ASSURANCE OPINION STATEMENT

SHIN ZU SHING CO., LTD 2025 Sustainability report

The British Standards Institution is independent to SHIN ZU SHING CO., LTD (hereafter referred to as SZS in this statement) and has no financial interest in the operation of SZS other than for the assessment and verification of the sustainability statements contained in this report.

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

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

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

Scope

The scope of engagement agreed upon with SZS includes the following:

1. The assurance scope is consistent with the description of SHIN ZU SHING CO., LTD 2025 Sustainability report.
2. The evaluation of the nature and extent of the SZS's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

Opinion Statement

We conclude that the SHIN ZU SHING CO., LTD provides a fair view of the SZS sustainability programmes and performances during 2025. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the SZS and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate SZS's efforts recognized by its stakeholders.

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

Methodology

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

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

Conclusions

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

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

Assurance level

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

Responsibility

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

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14004, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Joe Hsieh

Joe Hsieh, Managing Director Northeast Asia, APAC Assurance



AA1000
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000-4/V3-6QPW0

Statement No: SRA-TW-808276
2026-05-17

Taiwan Headquarters: 2nd Floor, No. 37, Ji-Hu Rd., Nei-Hu Dist., Taipei 114, Taiwan, R.O.C.
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Appendix 5 Management System Certifications of the SZS Group

Management systems include the following: ISO 9001:2015 Quality Management System, IATF 16949:2016 Automotive Quality Management System, ISO 13485:2016 Medical Device Quality Management System Certification, ISO 27001:2013 Information Security Management System, ISO 45001:2018 Occupational Health and Safety Management System, IECQ QC080000 HSPM Hazardous Substance Process Management System, and ISO 14001:2015 Environmental Management System. All systems have been certified or verified by third-party organizations and remained valid throughout the reporting disclosure period.

Scope	Standards	SZS/ New Taipei	SZS/ Suzhou	JENGJEA/ Kunshan	REDSTAR/ Fuqing	SZS(Beijiang)/ Vietnam
Social Responsibility	RBA VAP Gold/Silver Certification	V	V	V	V	V
Quality	ISO 9001:2015 Quality Management System	V	V	V	V	V
	IATF 16949:2016 Automotive Quality Management System	V	—	—	—	—
	ISO 13485:2016 Medical Device Quality Management System Certification	V	—	—	—	—
Environment	ISO 14001:2015 Environmental Management System	V	V	V	V	V
	IECQ-QC080000:2017 Hazardous Substance Management System	V	V	V	V	V
	ISO 14064-1:2018 GHG Verification	V	V	V	V	V
Occupational Safety	ISO 45001:2018 Occupational Health and Safety Management System	V	V	V	V	V
Information	ISO 27001:2013 Information Security Management	V	V	—	—	—

Note:

The IATF 16949:2016 standard and ISO 13485:2016 requirements mandate the presence of an on-site manufacturing process. Currently, automotive components and medical devices are produced only at the New Taipei plant.

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