

Category	Sustainability indicators	Unit	2022	2023	2024
Health and safety	Passed ISO 45001 occupational safety and health system certification	Passed	--	Passed	Passed
	New employees' participation in safety and health education training reached 100%	%	100%	100%	100%
	Health checkup participation rate $\geq 80\%$	%	100%	82%	100%
	Completion rate for high-risk operator training reached 100%	%	100%	100%	100%
	Major occupational accidents ≤ 5 cases/year (excluding deaths)	Cases/Year	0	3	3
	Improvement rate for risks and opportunities reached 100%	%	100%	100%	100%
	Contractor disabling injury frequency rate <1.77	Cases/Year	0	0	0
	Disabling injury frequency rate (FR) <1.77	%/Year	20.7	4.08	4.95
	Disabling injury severity rate (SR) ≤ 35	%/Year	4.7	4.08	49
	Fragile States Index (FSI) < 0.249	%/Year	0.31	0.129	0.49

Appendix II: Comparison of GRI: 2021

General disclosure (2-1 ~ 2-30)				
	GRI indicators	Corresponding ESG chapters	Page	Remarks
Organization and Reporting Practices	2-1 Details of the organization	2.1 Company profile	24	
	2-2 Entities included in the organization's sustainability reports	• Report Overview and Scope • Scope and boundaries	4	
	2-3 Reporting period, frequency, and contacts	• Reporting period • Frequency of issuance • Contact window	4	
	2-4 Restatement of information	• Changes in reporting	5	
	2-5 External assurance/verification	• Ensuring the accuracy of public information • External verification	6	
Events and Workers	2-6 Activities, value chain and other business relationships	3.1 Operating Performance 3.3 Customer Relations Management	52 55	
	2-7 Employees a. Total number of employees, and the total number by gender and region b. Report the total number of different categories of employees	7.2 Manpower structure The distribution of the manpower structure in the last two years	103	
	2-8 Workers Who Are Non-Employees	The distribution of the manpower structure in the last two years	103	
Governance	2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Operations of the Board of Directors • Powers of the Board of Directors	28 29	The Company has established a Sustainable Development Committee
	2-10 Nomination and Selection of the Highest Governing Body	2.2.2 Operations of the Board of Directors • Board of directors nomination and election procedures • Annual general meetings • Powers of the Board of Directors	29	The candidate nomination system is adopted for the election of directors.
	2-11 Chair of the highest governance body	• Educational experiences of Board members • Powers of the Board of Directors	30	The Company's Chairman serves as the Chair.

General disclosure (2-1 ~ 2-30)			
GRI indicators	Corresponding ESG chapters	Page	Remarks
2-12 Role of the highest governance body in overseeing the management of impacts a. The role of the highest governance unit and the role of senior management in the organization's purpose, values or vision, and strategy b. The role of the highest governance body in overseeing organizational due diligence and reviewing the effectiveness of organizational procedures	• Powers of the Board of Directors 2.3 Business integrity 2.4 Business philosophy and legal compliance • Improve the grievance mechanism, channels and investigation process • Investigation process 2.7 Internal audit and management verification system	37 41 43	The vision, strategy, and verification timeline for promoting sustainable management The Company reports the state of communication with stakeholders, including shareholders, employees, customers, communities, competent authorities, and suppliers, to the Board of Directors every year.
2-13 Delegation of responsibility for managing impacts a. How the highest governance body delegates responsibility for managing the organization's economic, environmental, and population impacts b. Management procedures for the economic, environmental, and population impacts of senior management or other employees on the highest governance unit	1.1.1 ESG organization and responsibilities • Responsibilities of the ESG Committee 2.1.2 Organizational structure and Responsibilities 1.2 Major stakeholder communication and grievance channels 2.6 Risk management	7 24 10 48	
2-14 Role of the highest governance body in sustainability reporting a. The highest governance unit shall review and approve the reported information b. If the highest governance body does not have the responsibility for reviewing and approving reported information (including the organization's material topics), explain the reasons	0 Message from the Chairman Promote the vision and strategy for sustainable operations (including the progress of initiatives, such as verification timelines). • Responsibilities of the ESG Committee • Regularly report the ESG implementation plan and results to the Board of Directors every year	3 7	
2-15 Conflicts of interest a. Describe the process by which the highest governance body ensures that conflicts of interest are avoided and mitigated b. Whether the report discloses conflicts of interest to stakeholders	2.3 Business integrity • Business and Ethical Code of Conduct • Implementation Effectiveness • Reporting/Grievance system	37	Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
2-16 Communication on key major incidents a. How to communicate key material events with the highest governance unit	2.2.2 Operations of the Board of Directors 1.1.1 ESG organization and responsibilities	29 7	The Company did not have any major incidents that needed to be reported to the Board of Directors this year.
2-17 Collective knowledge of highest governance body a. Group knowledge, skills, and experience of the highest governance unit in sustainable development	2.2.2 Operations of the Board of Directors • Educational experiences of Board members 2.2.3 Continuing education and performance of Board members • Board diversity	29	• Continuing education of Board members
2-18 Evaluation of the performance of the highest governance body a. Procedures for the highest governance body to oversee the organization's performance in managing economic, environmental, and population-related impacts	• Board performance evaluation procedures and frequency	29	
2-19 Remuneration policy	2.2.2 Operations of the Board of Directors • Director remuneration 7.4.1 Salary policy	29 110	
2-20 Remuneration determination process a. The organization designs its compensation policy and compensation decision process	2.2.2 Operations of the Board of Directors • Director remuneration 7.4.1 Salary policy	29 110	
2-21 Annual total compensation ratio	Ratio of the general manager's annual salary to employees' median salary The ratio of entry-level employee salary to the legal salary in 2024, and the ratio of general employees to middle and senior managers in the past two years	111	
2-22 Statement on sustainable development strategy a. A statement of the relationship between the highest governance unit or top management and sustainable development strategies.	0 Message from the Chairman - Sustainable Development Strategy	3	
2-23 Policy commitments a. Describe the policy commitments related to responsible business conduct b. Describe a specific policy commitment to respect human rights	7.1 Talent Management Policy and Commitment • Corporate Sustainable Development Policy • Implementation of the eight human rights policies	102	Commit to the implementation of the eight human rights policies

General disclosure (2-1 ~ 2-30)				
	GRI indicators	Corresponding ESG chapters	Page	Remarks
Strategies, policies and practices	2-24 Incorporation of policy commitments a. How to integrate each Responsible Business Conduct policy commitment into its activities and business relationships	1.4.1 Responses to material and secondary issues • 10 material issues list management	15 143	"Appendix 2-1"
	2-25 Procedures for remediating negative impacts a. Negative impacts that the organization believes caused or contributed to b. Describe the method for identifying and handling grievances	1.2 Major stakeholder communication and grievance channels 6.4 Environmental and Energy Management 6.4.2 Greenhouse Gas Management	10 92	
	2-26 Mechanisms for seeking advice and raising concerns	1.2 Major stakeholder communication and grievance channels	10	Stakeholder communication on issues of concern and grievance channels
	2-27 Legal compliance a. Total number of major violations during the reporting period	2.4.2 Legal compliance	41	No violations in the past two years (2023-2024)
	2-28 Membership of associations	8.2 Participation in external organizations and initiatives • Participation in external organizations	138	
	2-29 Stakeholder engagement policy a. Describe the approach to stakeholder engagement	1.1.2 Identifying major stakeholders 1.2 Major stakeholder communication and grievance channels	7 10	
Stakeholder engagement	2-30 Collective bargaining agreements a. Percentage of total employees covered by collective agreements	7.5.3 Labor-management communication 7.5.4 Freedom of association	115	The Company does not have a collective bargaining agreement, but conducts labor-management meetings.
Material issues	Guidelines for determining material issues	1.1.1 ESG organization and responsibilities	7	
	3-1 Process for determining material issues	1.1.2 Identifying major stakeholders	10	
		1.2 Major stakeholder communication and grievance channels	11	
		1.3 Communication on issues of concern to stakeholders and the process of identifying material issues	15	
		1.4 Identification and ranking of material issues and responses	15	
	3-2 a. List of material issues b. Changes to the list of material topics	1. Implement sustainable management 1.5 Impact of sustainable management 1.5.1 Value chain relationships of material issues in Kaori 1.5.2 Risk management of material issues • Report Overview and Scope • Changes in reporting	19 4	
	3-3 Management of material issues	1.5.2 Risk management of material issues • List and management of 10 material issues	19 143	"Appendix 2-1"

List of 10 Material Issues and Management and ESG Responses "Appendix 2-1"					
NO	Provisions	Highlights of the GRI Provisions	Corresponding ESG chapters	Page	Remarks
1 Operating performance	201	Management and disclosure of material topics	Operation performance management approach and policies	52	Units produced by product category as a percentage of revenue
	201-1	Direct economic value generated by the organization	3.2 Operating Performance • Operating strategies and management guidelines • The operational results of the generation and distribution of direct economic value over the past three years	53	
	201-2	Financial impacts and risks of climate change	6. Sustainable environment • The types of climate change risks, potential operational impacts, and adaptation methods	86 90	Climate Change Governance, Strategies, Risks, and Target Indicators

List of 10 Material Issues and Management and ESG Responses "Appendix 2-1"

NO	Provisions	Highlights of the GRI Provisions	Corresponding ESG chapters	Page	Remarks
1 Operating performance	201-3	Defined benefit plan obligations and retirement plans	7.4 Remuneration and benefits 7.4.2 Retirement protection 7.4.3 Diversified welfare system	110	
	201-4	Financial subsidies received from the government	2.2.5 Tax management approach • Tax policy	37	No government financial subsidies
2 Energy and GHG management	302	Energy: Management and disclosure of material topics	Energy and Greenhouse Gas Management approach and policies 6.4 Environmental and Energy Management	86	Specific Results of Energy Conservation Improvement Plans in 2024
	302-1	Energy consumption within the organization	• Energy management and goals	92	
	302-3	Energy intensity	• Energy efficiency and electricity intensity		
	302-4	Reduction of energy consumption	• Power conservation rate by Plant • Energy conservation targets		
	305	Emissions: Management and disclosure of material topics	Energy and Greenhouse Gas Management approach and policies 6.4.2 Greenhouse Gas Management		
	305-1	Direct GHG emissions(Scope 1)	• 2024 Scope 1 and 2 total emissions table		
	305-2 305-6 305-7	Indirect GHG emissions (Scope 2) Emissions of Ozone-Depleting Substances (ODS) Emissions of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	• Air Pollution Management: No emissions of such gases (not applicable)		
3 Risk management	Risk management: Management and disclosure of material topics		Risk management policies and approach 2.6 Risk management 2.6.2 Risk management process and countermeasures	48	
	201-2	Financial impacts and risks of climate change	6. Sustainable environment • The types of climate change risks, potential operational impacts, and adaptation methods	90	Climate Change Governance, Strategies, Risks, and Target Indicators
	TCFD	Financial Impacts of Climate Change on Businesses			
4 Product quality	Product quality: Management and disclosure of material topics		Product quality policy and management approach	68	The Company encountered zero instances of product recalls due to safety concerns or otherwise in 2024 and suffered no financial losses from lawsuits concerning product safety. Free of hazardous substances and conflict metals
	416	Customer health and safety	4.5 Quality management • Quality management procedures • Promotion of quality awareness • Quality assurance • Comply with hazardous substances management regulations • Responsible mineral procurement	68	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		83	
5 Innovative R&D	Management and disclosure of material topics: Innovative R&D		4. Product innovation and quality management 4.1 Development of innovative products • Innovative R&D policy and management approach Four core business units: Fulfill the United Nations Sustainable Development Goals (SDGs)	59 60	Kaori prides itself for being able to persistently innovate and support the industry's transition to net-zero emissions.
6 Customer Relations Management	416	Management and disclosure of material topics	Risk management approach and policies 3.3 Customer Relations Management 3.3.1 Customer Satisfaction Survey Process and Results 3.3.2 Customer Complaints and Subsequent Improvement Measures 5.5 Suppliers' implementation of social responsibilities • Comply with hazardous substances management regulations • Responsible mineral procurement	55	Free of hazardous substances and conflict metals
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		82	

List of 10 Material Issues and Management and ESG Responses "Appendix 2-1"					
NO	Provisions	Highlights of the GRI Provisions	Corresponding ESG chapters	Page	Remarks
7 Customer privacy	418	Customer Privacy: Management and disclosure of topics	Customer Privacy Policy: Compliance with policies and regulations to protect customer privacy.	58	Kaori received no complaints concerning violations of customers' privacy or secrets in 2024.
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of personal data	3.4 Customer Data Confidentiality Mechanism The Company values intellectual property rights and is committed to protecting its intellectual properties and those of others, particularly during the transfer of know-how and production experience.	58	
			1.2 Major stakeholder communication and grievance channels	10	
8 Health and safety	403 403-1	Occupational health and safety: Management and disclosure of topics Occupational health and safety management system	Material issue: Safety and health policy and management approach 7.6 Workplace Safety and Health • 2024 Benchmark Implementation Results	124	In 2023, the ISO 45001 Occupational Health and Safety Management System was implemented and certified by an independent international third party
	403-2	Hazard Identification, risk assessment, and incident investigation	• Implementation of safety and health indicators in 2024		
	403-3	Occupational health services	7.6.3 Occupational health services		
	403-4	Occupational safety and health worker participation, consultation, and communication	7.6.2 Occupational Safety and Health Committee • Professional certifications and training status		
	403-5	Training for occupational safety and health workers	• Occupational safety and health training implementation results in 2024		
	403-6	Promotion of worker health	• Measures taken for promoting employees' health in 2024		
	403-7	Mitigation or diminishing of direct impacts on occupational health and safety	• Worker involvement • 7.6.5 Promotion of work injury prevention		
	403-8	Occupational safety and health management system workers	7.6.2 Occupational Safety and Health Committee	124	
	403-9	Occupational injury and accident statistics	7.6.6 Workplace injury statistics • Health checkup with five major protection plans		
	403-10	Occupational diseases	• Health checkup risk management • Regular follow-up and care		
9 Sustainable products	Management and disclosure of material topics: Sustainable products		Sustainable product policy and management approach	64	Four core business units: See 1.6 Fulfill the UN Sustainable Development Goals (SDGS) for details.
			4.2 Strategic Goals for New Products and Technologies • Development cooperation and industry-academia partnership • Future development plans	64	
10 Talent development and cultivation	404	Management and disclosure of material topics	Policies and management approaches for talent development and cultivation	103	404 Education and Training
	404-1	Average hours of training per year per employee	7.3 Talent Cultivation and Development 7.3.1 Employee training priority planning • Training overview for 2024	103	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.3.2 Performance evaluation and career functions (1) Employee career development (2) Employee performance evaluation and career development		
Employment	401-1	New employee hires and employee turnover	7.2 Manpower Structure - Diverse and Inclusive Workplace 7.2.1 Employee structure	103	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.4 Remuneration and benefits 7.4.2 Retirement protection	110	
	401-3	Parental leave	7.4.3 Diversified welfare system • Reinstatement and retention of unpaid parental leave		
Human Rights Assessment	412-1	Operational Activities Subject to Human Rights Review or Human Rights Impact Assessment	7.5 Human rights protection and diversity inclusion 7.5.1 Human rights promotion and management	115	
	412-2	Employee Training on Human Rights Policies or Procedures	• The implementation status of human rights-related training in 2024	116	

Statement of Use	Reported by Kaori Heat Treatment Co., Ltd. in accordance with the GRI Standards
Reporting period	From January 1 to December 31, 2024
Use of GRI 1	Foundation 2021
Applicable GRI Industry Standards	None