

Appendices

Appendix I: ESG Performance

Category	Sustainability indicators	Unit	2023	2024	2025
Corporate governance	The Company's corporate governance evaluation ranking is in the 6th to 20th percentile among all listed companies.	%	36~ 50	51~ 65	36~ 50
	Board Meeting Attendance Rate≥ 95%	%	97.78	98.61	100
Risk management	Examine the completion rate of hazard risk assessment by department	%	100	100	100
	Evacuation and fire drills≥ 1 times a year	time(s)	1	1	1
Customer satisfaction	Customer Satisfaction ≥ 80 points → Heat Exchanger Business Division	Minute(s)	87	81	88
	Customer satisfaction≥ 80 points → Fuel Cell Business Division	Minute(s)	91	98	99
	Customer satisfaction≥ 80 points → New Energy Division	Minute(s)	84	98	98
	Customer satisfaction≥ 80 points → Kaori Thermal Technology Co., Ltd.	Minute(s)	-	-	93
	Customer satisfaction≥ 80 points → Kaori Technology (Ningbo) Co., Ltd.	Minute(s)	-	90	90
Compliance	Violation of product or fair trade laws and regulations	Cases	0	0	0
	Violation of customer privacy or cybersecurity laws and regulations	Cases	0	0	0
	Non-compliance with product laws or patent regulations	Cases	0	0	0
	Non-compliance with air pollution laws and regulations	Cases	0	0	0
	Non-compliance with wastewater discharge regulations	Cases	0	0	0
	Non-compliance with waste management regulations	Cases	0	0	0
Product quality	Violation of labor, safety, and health regulations	Cases	0	0	0
	Pass the ISO 9001 Quality Management System certification every year	Passed	Passed	Passed	Passed
Supply chain management	Pass the Aerospace Quality Management System AS9100 every year	Passed	Passed	Passed	Passed
	Maintained average rating of qualified suppliers≥ 85 points	Minute(s)	93.6	86	92
	All suppliers have signed the code of conduct, achieving a 100% completion rate.	%	100	100	100
Energy conservation & carbon reduction.	Compliance rate of non-procurement of hazardous substances and conflict minerals	%	100	100	100
	Carbon inventory and third-party verification passed	Passed	Passed	Passed	Passed
	Zhongli Plant 1: Average annual electricity saving rate ≥ 1%	%/Year	1.85	2.33	2.15
	Kaohsiung Plant: Average annual electricity saving rate ≥ 1%	%/Year	3.67	4.32	4.01
Water resource management	Strengthening of climate resilience: Production interruption caused after climate disasters	0 day(s)	0	0	0
	Production loss due to water restrictions: 0 PCS	PCS	0	0	0
Waste treatment	Resource recycling rate≥ 80%	%	81.88	91.1	86.9
	100% of waste is disposed of by legal operators	%	100	100	100
Labor/management relations	Retention rate for Taiwanese new hires (at least 3 months)≥ 80%	%	73.4	93.6	87.1
	Total attrition rates≤ 5%	%	2	6.19	10.06
	Unpaid parental leave reinstatement rate≥ 90%	%	100	100	100
	New employee training pass rate: 100%	%	100	100	100
Human rights and equality	Average annual employee training hours≥ 15 hours	Hours	23.3	15.84	15
	0 cases of workplace abuse/bullying	Cases	0	0	0
	Employee complaint/Mediation cases: 1 case	Cases	0	0	0

Category	Sustainability indicators	Unit	2023	2024	2025
Health and safety	Passed ISO 45001 occupational safety and health system certification	Passed	Passed	Passed	Passed
	New employees' participation in safety and health education training reached 100%	%	100	100	100
	Health checkup participation rate≥ 80%	%	82	100	100
	Completion rate for high-risk operator training reached 100%	%	100	100	100
	Major occupational accidents ≤ 5 cases/year (excluding deaths)	Cases/Year	0	2	1
	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	4.08	4.95	2.18
	Disabling injury severity rate (SR)≤ 35	%/Year	4.08	49	1.09
	Fragile States Index (FSI) < 0.249	%/Year	0.129	0.49	0.07

Appendix II: Comparison of GRI: 2021

Statement of Use	Reported in accordance with GRI Universal Standards 2021
Reporting period	January 1 to December 31, 2025

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	
	2-2 Entities included in the organization's sustainability reports	<ul style="list-style-type: none"> Report Overview and Scope Scope and boundaries 	
	2-3 Reporting period, frequency, and contacts	<ul style="list-style-type: none"> Reporting period Frequency of issuance Contact window 	
	2-4 Restatement of information	<ul style="list-style-type: none"> Changes in reporting 	
	2-5 External assurance/verification	<ul style="list-style-type: none"> Ensuring the accuracy of public information External verification 	
Events and Workers	2-6 Activities, value chain and other business relationships	3.2 Operating Performance 3.3 Customer Relations Management	
	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 Workforce Structure The distribution of the manpower structure in the last two years	
	2-8 Workers Who Are Non-Employees	The distribution of the manpower structure in the last two years	
Governance	2-9 Governance structure and composition	2.2 Corporate Governance 2.2.2 Operations of the Board of Directors <ul style="list-style-type: none"> Powers of the Board of Directors 	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 <ul style="list-style-type: none"> Board of directors nomination and election procedures Annual general meetings Powers of the Board of Directors 	The candidate nomination system is adopted for the election of directors.

General disclosure (2-1 ~ 2-30)			
GRI indicators	Corresponding ESG chapters	Page	Remarks
2-11 Chair of the highest governance body	<ul style="list-style-type: none"> Educational experiences of Board members Powers of the Board of Directors 		The Company's Chairman serves as the Chair.
2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> Powers of the Board of Directors 		The vision, strategy, and verification timeline for promoting sustainable management
a. The role of the highest governance unit and the role of senior management in the organization's purpose, values or vision, and strategy	<ul style="list-style-type: none"> 2.3 Business Integrity 2.4 Legal Compliance Improve the grievance mechanism, channels and investigation process Investigation process 		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.
b. The role of the highest governance body in overseeing organizational due diligence and reviewing the effectiveness of organizational procedures	<ul style="list-style-type: none"> 2.7 Internal Audit and Management Verification System 		
2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> 1.1.1 ESG organization and responsibilities Responsibilities of the ESG Committee 		
a. How the highest governance body delegates responsibility for managing the organization's economic, environmental, and population impacts	<ul style="list-style-type: none"> 2.1.2 Organizational Structure and Responsibilities 1.2 Major stakeholder communication and grievance channels 		
b. Management procedures for the economic, environmental, and population impacts of senior management or other employees on the highest governance unit	<ul style="list-style-type: none"> 2.6 Risk Management 		
2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> 0 Message from the Chairman Promote the vision and strategy for sustainable operations (including the progress of initiatives, such as verification timelines). 		
a. The highest governance unit shall review and approve the reported information	<ul style="list-style-type: none"> ESG Vision and Strategy 		
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	<ul style="list-style-type: none"> Responsibilities of the ESG Committee Regularly report the ESG implementation plan and results to the Board of Directors every year. 		
2-15 Conflicts of interest	<ul style="list-style-type: none"> 2.3 Business Integrity Business and Ethical Code of Conduct Implementation Effectiveness Reporting/Grievance system 		Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
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			
2-16 Communication on key major incidents	<ul style="list-style-type: none"> 2.2.2 Operations of the Board of Directors 		The Company did not have any major incidents that needed to be reported to the Board of Directors this year.
a. How to communicate key material events with the highest governance unit	<ul style="list-style-type: none"> 1.1.1 ESG organization and responsibilities 		
2-17 Collective knowledge of highest governance body	<ul style="list-style-type: none"> 2.2.2 Operations of the Board of Directors Educational experiences of Board members 		Continuing education of Board members
a. Group knowledge, skills, and experience of the highest governance unit in sustainable development	<ul style="list-style-type: none"> 2.2.3 Continuing education and performance of Board members Board diversity 		
2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> Board performance evaluation procedures and frequency 		
a. Procedures for the highest governance body to oversee the organization's performance in managing economic, environmental, and population-related impacts			
2-19 Remuneration policy	<ul style="list-style-type: none"> 2.2.2 Operations of the Board of Directors Director remuneration 7.4.1 Salary policy 		
2-20 Remuneration determination process	<ul style="list-style-type: none"> 2.2.2 Operations of the Board of Directors Director remuneration 		
a. The organization designs its compensation policy and compensation decision process	<ul style="list-style-type: none"> 7.5.1 Salary policy 		
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> Ratio of highest executive annual salary to median employee annual salary The ratio of entry-level employee salary to the legal salary in 2025, and the ratio of general employees to middle and senior managers in the past two years 		

General disclosure (2-1 ~ 2-30)			
GRI indicators	Corresponding ESG chapters	Page	Remarks
2-22 Statement on sustainable development strategy	0 Message from the Chairman		
a. A statement of the relationship between the highest governance unit or top management and sustainable development strategies.			
2-23 Policy commitments	<ul style="list-style-type: none"> 7.1 Talent Management Policy and Commitment Corporate Sustainable Human Rights Policy 7.6 Human Rights and Equality 		Commit to the implementation of the eight human rights policies
a. Describe the policy commitments related to responsible business conduct			
b. Describe a specific policy commitment to respect human rights			
2-24 Incorporation of policy commitments	<ul style="list-style-type: none"> 1.4.1 Responses to material and secondary issues 10 material issues list management 		"Appendix 2-1"
a. How to integrate each Responsible Business Conduct policy commitment into its activities and business relationships			
2-25 Procedures for remediating negative impacts	<ul style="list-style-type: none"> 1.2 Major stakeholder communication and grievance channels 6.4 Environmental and Energy Management 6.4.2 Greenhouse Gas Management 		
a. Negative impacts that the organization believes caused or contributed to			
b. Describe the method for identifying and handling grievances			
2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> 1.2 Major stakeholder communication and grievance channels 		Stakeholder communication on issues of concern and grievance channels
2-27 Legal compliance	<ul style="list-style-type: none"> 2.4.2 Legal compliance 		No violations in the past two years (2024-2025)
a. Total number of major violations during the reporting period			
2-28 Membership of associations	2.8 Participation in External Organizations and Initiatives		
2-29 Stakeholder engagement policy	<ul style="list-style-type: none"> 1.2.1 Identifying major stakeholders 1.2.2 Major stakeholder communication and grievance channels 		
a. Describe the approach to stakeholder engagement			
2-30 Collective bargaining agreements	<ul style="list-style-type: none"> 7.6.3 Labor-management communication 7.6.5 Freedom of association 		The Company does not have a collective bargaining agreement, but conducts labor-management meetings.
a. Percentage of total employees covered by collective agreements			
Guidelines for determining material issues	<ul style="list-style-type: none"> 1.1.1 ESG organization and responsibilities 1.2.1 Identifying major stakeholders 1.2.2 Major stakeholder communication and grievance channels 1.3 Communication on Issues of Concern to Stakeholders and the Process of Identifying Material Issues 1.4 Identification and Ranking of Material Issues and Responses 		
3-1 Process for determining material issues			
3-2 a. List of material issues	<ul style="list-style-type: none"> 1. Implement sustainable management 1.4 Identification and Ranking of Material Issues and Responses Description of Differences in Material Topics 1.5 Impact of Sustainable Management 1.5.1 Value chain relationships of material issues in Kaori 		
b. Changes to the list of material topics			
3-3 Management of Material Issues	<ul style="list-style-type: none"> 1.5.2 Risk management of material issues List and management of 10 material issues 		"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 Product Quality		Custom topic	4.5 Product Quality and Product Safety • Quality management procedures • Promotion of quality awareness • Quality assurance		The Company encountered zero instances of product recalls due to safety concerns or otherwise in 2025 and suffered no financial losses from lawsuits concerning product quality.
	201	Management and disclosure of material topics	3.1 Operation Performance Management Approach and Policies		Units produced by product category as a percentage of revenue
2 Operating Performance	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.		
	201-2	Financial impacts and risks of climate change	6.2 Management of Climate Change Risks and Opportunities • The types of climate change risks, potential operational impacts, and adaptation methods.		Climate Change Governance, Strategies, Risks, and Target Indicators
	201-3	Defined benefit plan obligations and retirement plans	7.5 Remuneration and benefits 7.5.2 Retirement protection 7.5.3 Diversified welfare system		
	201-4	Financial subsidies received from the government	2.2.5 Tax management approach • Tax policy		No government financial subsidies
	416	Management and disclosure of material topics	4.5 Product Quality and Product Safety		The Company encountered zero instances of product recalls due to safety concerns or otherwise in 2025 and suffered no financial losses from lawsuits concerning product safety.
3 Product safety	416-1	Assessment of the health and safety impacts of product and service categories	4.5 Product Quality and Product Safety • Quality management procedures • Promotion of quality awareness • Quality assurance		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services			
4 Talent Attraction and Retention	3	Management and disclosure of material topics	7.3 Talent Attraction and Retention		
	401-1	New employee hires and employee turnover	7.3.1 Percentage of New Permanent Employees and Attrition Rate		
	401-2	Benefits provided	7.5 Remuneration and benefits 7.5.3 Diversified welfare system		
	401-3	Parental leave	• Reinstatement and retention of unpaid parental leave		
	402	Labor/management relations	7.6.3 Labor-management communication		
5 Risk Management	405-1	Diversity of governance bodies and employees	7.2 Workforce Structure		
	405-2	Ratio of basic salary and remuneration of women to men	7.5 Remuneration and benefits Year-over-year percentage change in total compensation from 2024 to 2025		
	3	Management and disclosure of material topics	2.6 Risk Management		
	201-2	Financial impacts and risks of climate change	2.6.2 Risk management process and countermeasures • Risk analysis outcome and response/management measures for 2025		
	308	Supply chain risk			
TCFD	205	Compliance risk			
	Financial Impacts of Climate Change on Businesses	6. Sustainable Environment 6.2 Management of Climate Change Risks and Opportunities 6.3 Response Strategies to Climate Change Risks and Opportunities			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
6 Corporate Governance	3	Management and disclosure of material topics	2.2.1 Management approach and policies		
	2-9 2-20	Corporate governance structure	2.2.2 Operations of the Board of Directors 2.2.3 Continuing education and performance of Board members 2.2.4 Corporate Governance Practices and Future Plans		
	2-26	Whistleblowing System	2.3 Business Integrity • Improve the grievance mechanism, channels and investigation process		
	205	Business Ethics	2.3 Business Integrity • Anti-bribery and anti-corruption		
7 Talent Development and Cultivation	404	Management and disclosure of material topics	7.4. Talent development and cultivation		
	404-1	Average hours of training per year per employee	7.4.1 Employee training priority planning • Training overview for 2025		
	404-2	Programs for upgrading employee skills and transition assistance programs	7.4.2 Performance evaluation and career functions (1) Employee career development (2) Employee performance evaluation and career development		
	404-3	Percentage of employees receiving regular performance and career development reviews			
8 Business Integrity	3	Management and disclosure of material topics	2.3 Business Integrity		
	205	Anti-corruption	• Anti-bribery and anti-corruption		
	2-23	Integrity Policy	• Integrity Management Approach		
	2-26	Whistleblowing System	2.3 Business Integrity • Improve the grievance mechanism, channels and investigation process		
	2-27	Compliance	2.4 Legal Compliance		
9 Sustainable Products	3 3-3	Management and disclosure of material topics Life Cycle Assessment (LCA)	4.2 Strategic Objectives for Future Technology Development 4.1. Sustainable products		Four core business units: See 1.6 Fulfill the UN Sustainable Development Goals (SDGs) for details.
10 Human Rights and Equality	3	Management and disclosure of material topics	7.6 Human Rights and Equality		Published the Human Rights Due Diligence Results Report in the first quarter of 2025.
	2-23	Human Rights Policy	7.6.1 Human rights promotion and management • The implementation status of human rights-related training in 2025		
	406	Non-discrimination			
	405	Diversity and equal opportunity			
	408	Child labor			
	409	Forced labor			