



2024 Sustainability Report



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About This Report

YAGEO Corporation (hereinafter referred to as “YAGEO” or “the Company”) has long been concerned about corporate sustainable development and trends, and actively practicing sustainability. YAGEO has been publishing a Sustainability Report annually since 2016. This year marks the ninth consecutive year the Company has released this report. By releasing this report, we hope to communicate with all stakeholders about the efforts and results achieved by YAGEO in corporate sustainable development. Any comments are also welcomed to help YAGEO continually improve itself and respond to stakeholders’ expectations as they pertain to corporate sustainable development.

Reporting Period

This Report primarily discloses YAGEO’s commitments in the areas of economics, environment, and human rights, and specific performance thereof, in 2024 (from January 1, 2024 to December 31, 2024). To present the completeness of sustainable practices, some content is backdated to 2022.

- Report release period for the current year (2024): August 2025
- Report release period for last year (2023): August 2024
- Expected report release period for next year (2025): August 2026

Report Scope

This Report primarily covers YAGEO's operational locations in Taiwan and the following subsidiaries under YAGEO Holding (Bermuda): YAGEO Electronics (China), YAGEO Electronics (Dongguan), YAGEO Components (Suzhou), Guangdong BrightKing Electronics Co., Ltd., and Vitrohm Portuguesa. It does not include information on other subsidiaries from the consolidated financial report. The Social Participation section also includes information about the YAGEO Foundation and the YAGEO Sports Games Development Association. This Report is prepared in accordance with general standards, industry standards, and the topic standards announced by the Global Reporting Initiative (GRI) (collectively referred to as GRI Standards) and the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” announced by Taiwan Stock Exchange Corporation. Relevant content is disclosed according to the SASB Standards for Electronic Manufacturing Services & Original Design Manufacturing Industry announced by the Sustainability Accounting Standards Board (SASB). The financial figures are taken from the annual consolidated financial report audited by Deloitte Taiwan, denominated in NTD. Notwithstanding, subject to the completeness of the data statistics, the scope of disclosure of certain performance data has been noted in this report.

Reporting Criteria

This Report is prepared based on the GRI Universal Standards 2021 published by The Global Reporting Initiative (GRI) and the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” published by TWSE. This Report is prepared based on the information provided by the task forces dedicated to the preparation of the sustainability report consisting of various responsible unit supervisors and compiled and internally audited by the Marketing Department.

Information Assurance

Deloitte Taiwan has been commissioned to conduct an independent limited assurance and issue the limited assurance report in accordance with the ROC Statements of Assurance Engagements Standards No 1. “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, issued by the Accounting Research and Development Foundation (ARDF) based on the International Standard on Assurance Engagements (ISAE) 3000 Revised. It has been confirmed that the content disclosed in the Report is in compliance with the GRI Standards and “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.” For the Limited Assurance Report, please refer to the Appendix of this Report.

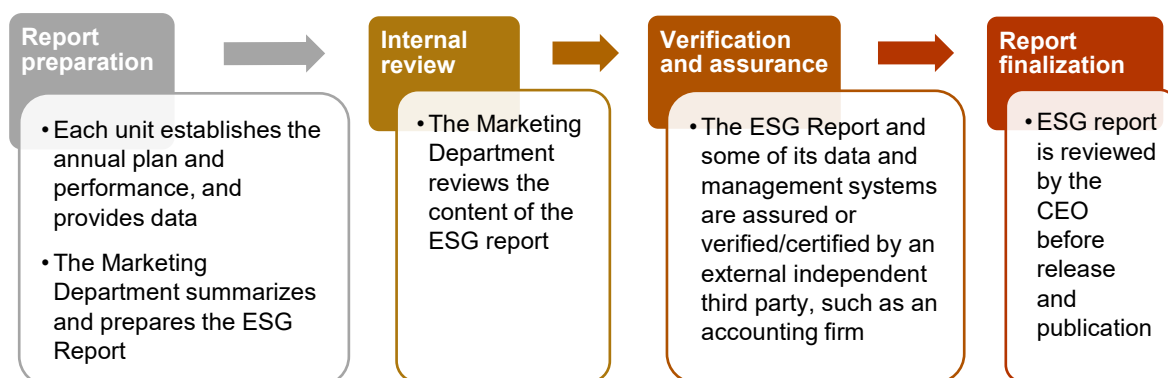
The compliance standard and inspection/assurance institution for relevant information are as follows:

Type	Compliance standard	Inspection/Assurance institution
Sustainability Information	Assurance Standards No . 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information”	Deloitte Taiwan (Deloitte & Touche)
Financial Information	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards	Deloitte Taiwan (Deloitte & Touche)
Environmental Data	ISO 14064-1 Greenhouse Gas Inventory Inspection	SGS Taiwan
	UL2799A - Platinum Zero Waste to Landfill certificate (Dashe Factory)	UL Solutions
Management System	ISO 9001 Quality Management System	DNV GL Business Assurance Co., Ltd. (DNV)
	ISO 14001 Environmental Management System	DNV GL Business Assurance Co., Ltd. (DNV)
	SO45001 Occupational Safety and Health Management System	DNV GL Business Assurance Co., Ltd. (DNV)
	IATF 16949 Quality Management System for Organizations in the Automotive Industry	DNV GL Business Assurance Co., Ltd. (DNV)

Type	Compliance standard	Inspection/Assurance institution
Others	ISO/IEC 17025 General Requirements for Competence of Testing and Calibration Laboratories	DNV GL Business Assurance Co., Ltd. (DNV)

Report Preparation and Management Process

This Report is prepared based on the information provided by the task forces dedicated to the preparation of the sustainability report consisting of various responsible unit supervisors and compiled and reviewed by the Marketing Department.



Contact Details

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[YAGEO Sustainable Development Section](#)

Message from the CEO

In an era where technology and sustainable development are rapidly converging, YAGEO steadfastly adheres to its core strategy of "staying rooted in Taiwan while expanding globally". It continues to deepen technological innovation, strengthen sustainable governance, and, with a people-centered approach, actively responds to the diverse demands of global markets and society. As one of the world's leading electronic component companies, we are driven by innovation and responsibility. We are committed to exercising a critical influence throughout the industry chain and actively shaping a sustainable brand image that combines a global perspective with local development.

We firmly believe that the momentum for corporate growth comes from a long-term commitment to quality, innovation, the environment, and talent, as well as a long-term investment in creating social value. Facing the trends of rapid technological evolution and the deep integration of humanistic values, YAGEO continued to act as an industry leader in 2024, to deepen its innovative capabilities with steady, pragmatic steps and partner with global value chain partners to collectively shape a sustainable future.

Technological innovation enhances core competitiveness

In the fast-changing technology industry, YAGEO continues to pursue growth through technological innovation, and strengthens its product capabilities and competitive market advantage. In 2024, we focused on high-growth application fields, such as electric vehicles, 5G communications, and artificial intelligence (AI), while launching a series of high-power, miniaturized, and high-precision resistor and capacitor products. Particularly noteworthy is the PA0100, a current-sensing resistor developed by YAGEO that is the world's smallest. Additionally, the new-generation PK series features a design breakthrough that can replace conventional specifications and significantly reduce material usage by 75%. This demonstrates our innovative integration capabilities, which balance performance, miniaturization, and sustainable manufacturing.

Behind these innovative achievements lies YAGEO's long-term investment in R&D resources. This year, we increased our R&D expenses to 2.9% of total revenue, representing a year-on-year growth of 14.9%. Our R&D team has also expanded to 147 people. We are actively promoting collaboration with academic institutions and fostering internal innovation to drive a comprehensive upgrade of our products, from design to manufacturing processes, thereby maintaining and consolidating YAGEO's technological leadership in global niche application markets.

Low-Carbon Actions Toward Net Zero by 2050

In response to the global trend of net-zero emissions and the challenges of climate risk, YAGEO is actively promoting smart manufacturing and a low-carbon transition, to strive to become a leader in sustainable industry transformation. In 2024, we integrated three key strategies—automated production, digitalized processes, and optimized energy management—to create a new benchmark that balances environmental protection and operational efficiency. We are progressively expanding our use of renewable energy and

advancing water resource management goals to ensure that our business operations and environmental protection go hand-in-hand. At the same time, YAGEO has fully aligned its climate risk identification and information disclosure with the TCFD framework. We have established a tracking mechanism for key indicators, such as carbon emissions, water consumption, and renewable energy, to strengthen our foundation of sustainable governance and move steadily toward our 2050 net-zero emissions target. Furthermore, we consistently participate in the international CDP's climate change and water security questionnaires. Since 2022, we have received a "Management Level B" rating for three consecutive years, demonstrating our strong commitment and execution of climate action.

Cultivating Talent and Building a Resilient Organization

YAGEO firmly believes that talent is the core driver of a company's sustainable development. We continue to deepen talent development and organizational learning through the "YAGEO Academy," which features five key subject areas: ESG management, AI, smart manufacturing, quality systems, sales practices, and product knowledge. This creates a diverse and systematic learning platform. In total, employees received 380,000 hours of training, with an average of 58 hours per person, hitting a record high. This fully demonstrates our commitment to investing in our people.

We also partnered with the Institute for Information Industry to offer an "AI-Enhanced Smart Manufacturing Training Program," which includes hands-on courses in AI visual recognition and defect detection to strengthen the critical technical skills needed for our smart factories. Furthermore, we have implemented a tiered training system for key roles, to help employees progress steadily through Junior, Senior, and Master levels. We also provide tuition subsidies for master's and doctoral degrees to encourage continuous learning. These innovative systems and courses not only enhance our technical expertise and organizational resilience but also inject powerful momentum into cultivating YAGEO's future talent with innovative thinking and a sustainable mindset.

Cultural Cultivation, Building Sustainable Value Together

Adhering to the principle of "giving back to society," YAGEO has long been dedicated to promoting arts and culture through the YAGEO Foundation and actively giving back to the community. In 2024, we collaborated with the Tate Museum in the UK to co-curate the exhibition "Capturing the Moment", which was held at the Kaohsiung Museum of Fine Arts. The exhibition attracted over 160,000 visitors, successfully bringing world-class art into local life and expanding the public's engagement with the arts in Taiwan.

We also continue to participate in various international loan and curatorial collaborations, including exhibitions of master artists, such as Jeff Wall, Mark Rothko, and Francis Bacon. This effort strengthens the connection between Taiwanese collectors and the international art community, thus enhancing the depth and richness of cultural exchange. Meanwhile, the "Aesthetics of Life" book and documentary series, which was initiated in 2023, entered its creative peak in 2024. Starting from the life experiences of the Company's founder, the

series meticulously portrays the intersection of art, design, culture, and emotion, thus shaping a cultural legacy and brand spirit unique to YAGEO.

Looking ahead, YAGEO will continue to use technological innovation and sustainable governance as its twin engines, to deepen the integration of global resources and value chain collaboration to create more resilient and sustainable corporate value for our customers, employees, and society. We are also actively planning a new group-wide sustainability information integration system. This system is designed to consolidate operational and ESG-related data, to facilitate real-time collaboration and communication between YAGEO and its suppliers. This will enhance the efficiency and transparency of our data management and strengthen collaborative effectiveness across departments and with external partners. YAGEO will continue to use a data-driven, high-efficiency management system to advance both sustainable governance and digitalization, while partnering with global value chain partners to jointly create a new paradigm for industry sustainability.

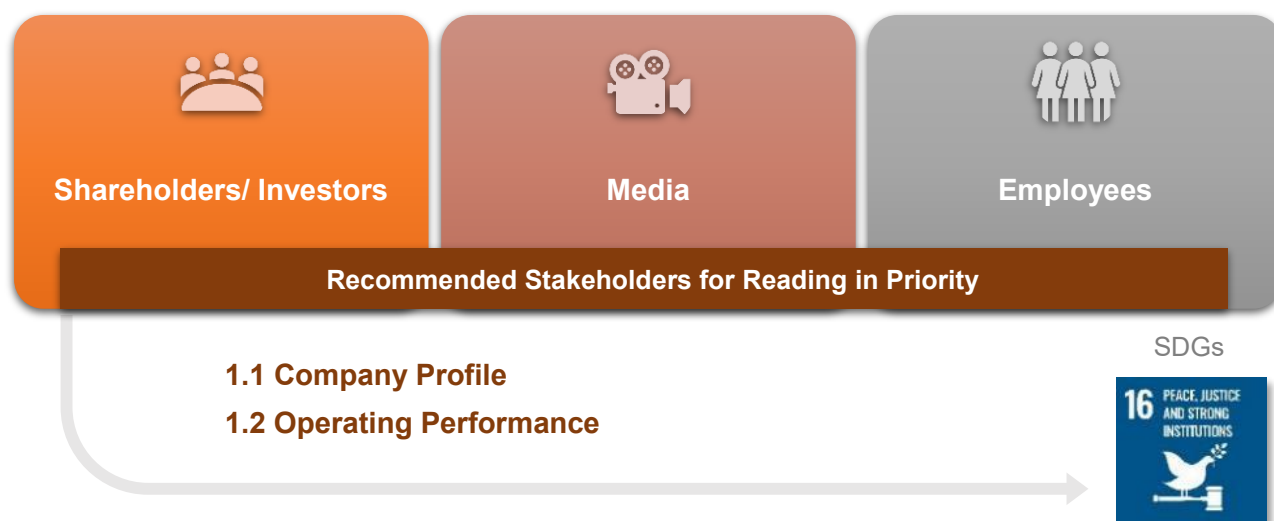
YAGEO's CEO
David D.R. Wang

A handwritten signature in black ink, consisting of stylized, overlapping loops and a trailing line, positioned above a horizontal line.

2024 Sustainability Key Performance

Economy and governance	
• 19.356 billion Net profit after tax (NT\$) • 0 Number of cases involving proven information disclosure or theft or loss of customer data • 11 Number of research & development projects launched by the YAGEO and National Cheng Kung University Joint Research Center • Cumulative 7,428 participants YAGEO's 2024 Quality Month activities	• 100% New suppliers that passed environmental and social screening • 7.58 million Green procurement amount (NT\$) • 3.472 billion Annual R&D expenses (up 13.4% from the previous year) • 103 Patents obtained by the end of 2024 (119 applications in total)
Environmental Side	
• ↓5.69 GJ / NT\$ million Greenhouse gas intensity compared to the previous year • 17 Energy Conservation Projects (Can save approximately 12.7 million kWh of electricity per year, while reducing emissions by 2,558 metric tons of CO₂e) • 487.48 million liters Annual water resources recovered and reused from six major water-saving projects (representing 13.8% of total water withdrawal)	• 76.16% Recycling rate of hazardous waste generated this year • 24.539 million kWh Green electricity purchased by the two plants in Suzhou (SZ-R, SZ-C) • 1.647 million kWh Annual power generation from self-built solar PV equipment at the two plants in Dongguan (Backend + TH) (reducing approximately 939 metric tons of CO₂e)
People (including Human Rights)	
• 8 International fresh graduates recruited through the YOUNG Program • 5 Campus recruitment fairs held (5 job fairs were held) • 384,780 hours Employee training program (Human rights policy training reached 16,257 hours) • 4.64 out of 5.0 Training course satisfaction score (an increase of 0.04 points from last year)	• Over 160,000 visitors Number of visitors to the exhibition CAPTURING THE MOMENT, co-organized by the YAGEO foundation and the Tate Museum in the UK in 2024 • NT\$65.41 million Funds invested in social participation in 2024 (NT\$) • 12 participants YAGEO Sports Competition Development Association held 1 free surfing seed camp

Chapter 1 Operating Overview



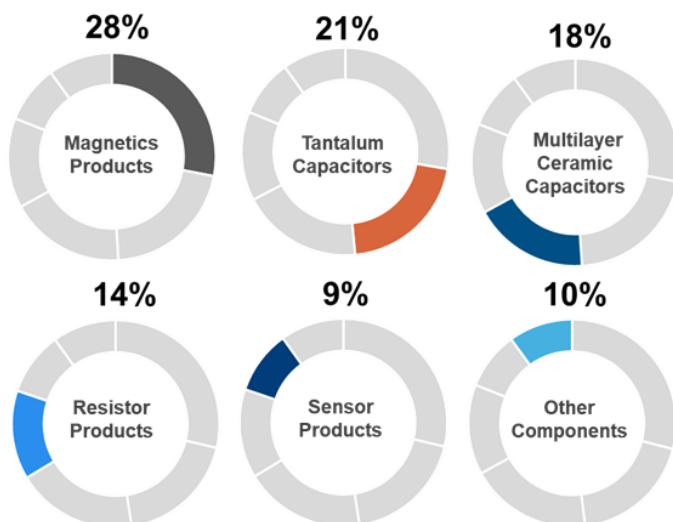
1.1 Company Profile

Founded in 1977, YAGEO Corporation (Taiwan Stock Exchange: 2327) is a leading global electronic component service provider with capabilities on a global scale, including production and sales facilities in Asia, Europe, and the Americas. YAGEO provides the “one-stop-shopping service,” offering passive components including resistors, capacitors, inductors, protection components, magnetic power, and wireless components to meet the diverse requirements of customers.

YAGEO is the world's No. 1 R-Chip manufacturer, No.1 tantalum capacitor manufacturer, No. 3 MLCC supplier and No. 3 Inductors supplier. Many of YAGEO's products target key vertical markets, including automotive applications, industrial specifications, 5G and IoT, healthcare, aerospace, smart phones, PCs, power management, and green power.

The primary brands under the YAGEO Group are YAGEO, KEMET, and PULSE. YAGEO serves a wide range of customers, including leading brands, EMS, ODM, OEM, and distributors in the world. The main markets served are other parts of Asia Pacific (55%), Europe (18%), and the Americas (27%).

2024 Revenue Contribution by YAGEO Product Categories



More product
information

Global locations of YAGEO Group

YAGEO Group is headquartered in Taiwan, has 29 marketing/service locations, 59 production bases and 20 R&D centers around the world. The global service locations cover 25 countries including the USA, Germany, Italy, Hungary, Singapore, China, Japan, Korea and Malaysia, etc.



Note: In 2024, there were no significant changes to the Company's industry or value chain compared to the previous year.

1.2 Operating Performance

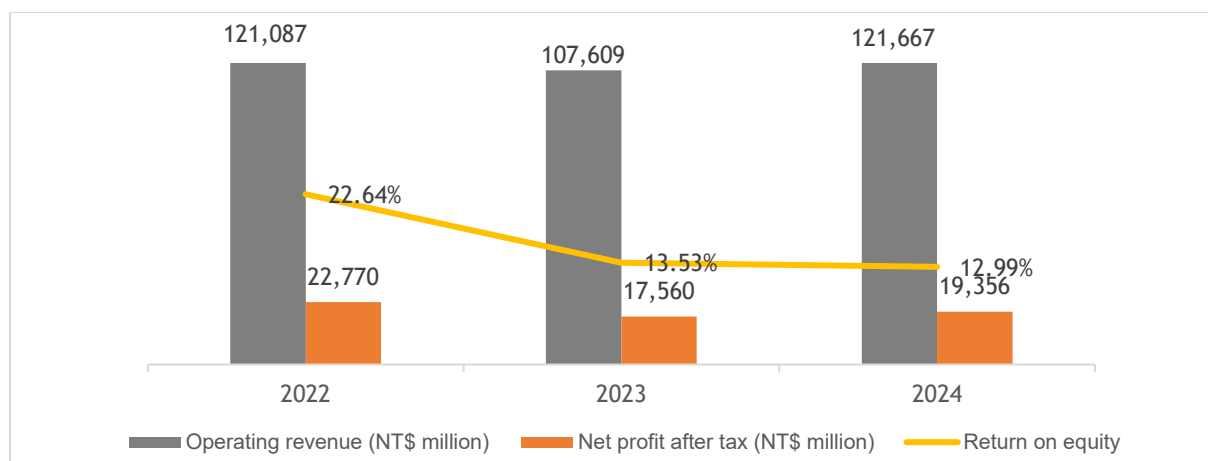
■ YAGEO's five major development strategies

YAGEO continues to practice the following strategies thoroughly, in hopes of continuing to create value for shareholders, customers, and employees.



■ Consolidated financial performance for the past three years

In 2024, the Company's consolidated revenue was NT\$121.667 billion, an increase of 13.1% from the previous year. Consolidated net profit after tax was NT\$19.356 billion, with earnings per share (EPS) of NT\$38.13. Looking ahead, despite escalating geopolitical tensions and ongoing international conflicts, customers' inventory levels continue to move toward a healthy position. The Company will closely monitor market supply and demand dynamics and remains optimistic about the business momentum and future prospects of AI applications.



Unit: NT\$ thousand

Item	2022	2023	2024
Operating revenue	121,086,925	107,609,336	121,667,329
Operating cost	75,068,171	71,583,509	79,863,840
Operating expenses	17,030,993	15,595,639	18,417,958
Operating income	28,987,761	20,430,188	23,385,531
Non-operating revenue/expenditure	2,140,259	3,926,902	3,477,819
Income before tax	31,128,020	24,357,090	26,863,350
Income tax expenses	8,358,145	6,838,279	7,376,719
Net profit in the current year	22,769,875	17,518,811	19,486,631

Note 1: For detailed financial figures, please refer to YAGEO's 2024 consolidated financial statements.

Note 2: In 2024, the total amount of government grants received from the Industrial Park Management Bureau of the Ministry of Economic Affairs and the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of the Workforce Development Agency, Ministry of Labor, was NT\$1,596,800.

Note 3: No green bonds were issued in both 2023 and 2024.

Note 4: The return on equity for 2022 and 2023 has been revised from 20.61% and 13.6% to 22.64% and 13.53%, respectively. Additionally, due to a retrospective restatement of the financial statements in 2023, the figures for operating expenses, operating profit, profit before tax, and net profit for the year have been updated.

■ Participation by industrial associations/unions

So far, YAGEO has not yet executed external initiatives in any form but has already enrolled in several industrial associations/unions. This helps communication between YAGEO and its stakeholders and also control over the development in the same trade.

Enrolled Associations and Trade Unions	Membership
Dafa Industrial Park Association	Member
Friends of the Police Association, Police Station of Dafa Industrial Park	Member
Export Processing Industrial Relations Association	Member
Taiwan Technology Industrial Park Electrical and Electronic Manufacturer's Association	Member
Kaohsiung Chamber of Industry	Member
Passive Components Industry Association	Member
Kaohsiung Nantze Technology Industrial Park Occupational Health and Safety Promotion Association	Member
Taiwan Ciaotou Science Park Academia Industry Consortium	Member

Chapter 2 Sustainable Management



2.1 Sustainable Governance and Strategy

To enhance sustainable governance, YAGEO has established the Sustainable Development Committee, and the CEO and two independent directors, along with the management representatives recommended by the functional organizations related to finance, economy, environment and corporate governance, promote the sustainable development jointly. The Board of Directors, responsible for sustainability reporting and executive oversight, has entrusted the Sustainable Development Committee to promote YAGEO's sustainable development strategy and to review the progress of sustainability initiatives annually. Sustainability progress was reported to the Board of Directors on April 18, 2024, July 30, 2024, and October 29, 2024. (For more details, please see the [YAGEO Corporate Governance section](#)).

Members of the Sustainable Development Committee cover all departments, including responsible departments in charge of HR, financial accounting, audit, legal affairs, information, procurement and logistics, business, marketing public relations, factories, production control, EHS and QC. This committee supports the board in reviewing the sustainability reporting process. The annual sustainability report is published after being reviewed and approved by the CEO. The Sustainable Development Committee holds regular meetings to examine the organization's performance on major issues of concern to stakeholders in sustainable development implementation. Based on the principle of materiality, risk assessment of each issue is assessed to further incorporate sustainable development into the YAGEO's business strategy using purposeful, systematic and organized means to fulfill the Company's sustainable development responsibilities. For the Company's material information announcements, please refer to the Market Observation Post System (MOPS).

As a leader in the global passive components industry, YAGEO aims to become a sustainable enterprise through environmental friendliness, excellent operation, and social inclusion, while further developing its

corporate sustainability strategy. YAGEO pays attention to the demand of stakeholders and establishes further corporate sustainability strategies as needed, including cooperation between customers and the supply chain on climate initiatives, such as carbon reduction goals, expansion of our innovative product portfolio, maintenance of the ethical corporate governance framework, and maintenance of the organization's high-efficiency operation, cultivation of talents, and promotion of culture and sports, in order to fulfill its commitment to corporate social responsibility.

YAGEO continues to listen stakeholders on topics including employees, customers, shareholders, suppliers, governments and society, hoping to create the sustainability environment and also higher corporate value for the stakeholders.

Sustainability mission

- Environmental friendliness
- Excellent operation
- Social inclusion

Sustainability Strategy

- Support the climate initiatives
- Expand innovative product portfolio
- Fair corporate governance framework
- Maintenance of the organization's high-efficiency operation
- Cultivation of talents and promotion of culture and sports



Sustainability vision

- Build a sustainable enterprise
- Create higher corporate value

YAGEO's Sustainable Development Goals

Aspect	Sustainability Issues (Material for this year)	2024 Target Performance	Short-Term Target (2025)	Medium-Term Target (2026–2027)	Long-Term Target (2028–2029)
Economic and governance	Corporate governance*	Achieved board diversification by adding 1 female director.	• Enhance management of all corporate organizations and strengthen corporate governance and sustainability through the board and various functional committees. • Maintain or improve our corporate governance evaluation ranking.		

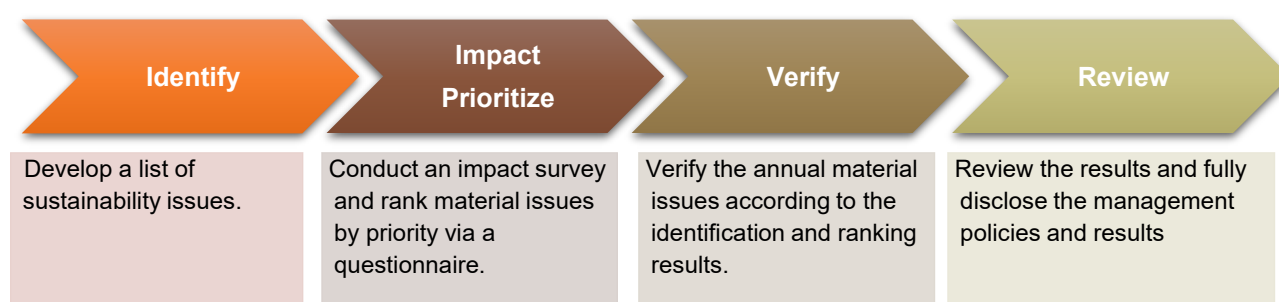
Aspect	Sustainability Issues (Material for this year)	2024 Target Performance	Short-Term Target (2025)	Medium-Term Target (2026–2027)	Long-Term Target (2028–2029)
Economic and governance	Customer relationship management*	Average customer satisfaction score of 8.2 points.	Achieve a score of 8.5 or higher.	Achieve a score of 9 or higher.	Achieve a score of 9 or higher.
		Customer complaint resolution target completion time (5 working days): 100% achievement rate.	- MLCC product resolution time (5 working days); short-to-mid-term target achievement rate: 99%; - R-Chip product resolution time (5 working days); short-to-mid-term target achievement rate: 98%; long-term target achievement rate: 100%; - CPT product resolution time (5 working days); short-to-mid-term target achievement rate: 98%; long-term target achievement rate: 100%		
	Compliance*	Zero major social, environmental, and economic legal or regulatory violations.	Zero major social, environmental, and economic legal or regulatory violations. *Major violation is defined as a fine of NT\$500,000 or more.		
	Sustainable supply chain*	100% of suppliers have signed the Supplier Code of Conduct.	100% of suppliers have signed the Supplier Code of Conduct.		
		Supplier audit pass rate is 100%.	Supplier audit pass rate is 95%.	Supplier audit pass rate is 100%.	
	Innovative research and development and green products*	19 patent applications submitted.	At least 12 patent applications per year.		
		100% compliance with international hazardous substance inspection standards	100% compliance with international hazardous substance inspection standards		
	Information security*	No major information (including personal data) leaks, theft, or loss of customer data, and no security incidents that impacted operations.	No major information (including personal data) leaks, theft, or loss of customer data, and no security incidents that impacted operations.		
Environment	Energy and GHG management*	Energy intensity reduced by 5.7 GJ per NT\$ million.	Achieve net-zero emissions by 2050.		
	Water Resource Management	20.44% of water recycled and reused in 2024.	Achieve a water recycling and reuse rate of 20%.	Achieve a water recycling and reuse rate of 40%.	Achieve a water recycling and reuse rate of 60%.

Aspect	Sustainability Issues (Material for this year)	2024 Target Performance	Short-Term Target (2025)	Medium-Term Target (2026–2027)	Long-Term Target (2028–2029)
People (including Human Rights)	Talent attraction & retention, employee development*	Added diverse internship positions: 2 IT, 1 finance, and 1 PM interns were added.	- Continued to add diverse internship vacancies, allowing students from departments other than science and engineering to have the opportunity to participate in the internship program - Add more summer PM positions.		
		Industry-academia collaboration program: Integrating industrial resources to achieve collaboration between academia and industry.	- Continue to implement the industry-academia collaboration program. - Offer 9 dedicated classes by 2026, with 300 program students recruited on-site. - Offer 10 dedicated classes by 2027, with 374 program students recruited on-site.		
		Strengthen the collaboration with domestic and international top universities and colleges, and arrange outstanding students to act as the bridge between enterprise and school, in order to assist the promotion of industry-academia research projects and to adapt to the workplace early	Continue to strengthen the collaboration with top domestic and international universities and colleges, and arrange outstanding students to act as the bridge between enterprise and academia, in order to assist the promotion of industry-academia research projects and help them adapt to the workplace early.		
		Completed two sessions of the Manager Onboarding leadership program with a total of 12 participants and 138 training hours at the Kaohsiung and HQ locations in 2024.	Continue to implement the Manager Onboarding Program, Emerging Talent Development Program, and Talent Forum Program to cultivate and strengthen the capabilities of middle and senior management.		
		Promote the YAGEO Talent Management and Succession (YTMS) program.	Continue to optimize the YTMS program, while extending it to the third, fourth, and even fifth-tier managers under the CEO. Systematically identify "key talent" for "key positions" to perfect YAGEO's talent reserve mechanism.		
Social participation	Social participation	Collaborated with the Tate Museum and Kaohsiung Museum of Fine Arts on the "Capturing the Moment" exhibition, which had over 160,000 visitors.	Published the "The Art of Living" series, which includes art, jewelry, culinary culture, interior design, and architecture, supplemented by digital video records.	- Continue to promote aesthetic education. - Hold guided tours and hands-on workshops for children during the exhibition, with at least 1,500 children benefiting.	

2.2 Materiality Analysis

To verify the issues of concern to stakeholders, YAGEO issues a questionnaire on topics related to sustainability in the areas of the economy, environment, society, and governance. Meanwhile, to verify the possible impact posed by various issues, YAGEO also invites its senior management to assess the level of impact and compiles the results into the major issue identification distribution chart. Further, the issues subject to a higher level of concerns and impact are identified as material issues and are covered in this report.

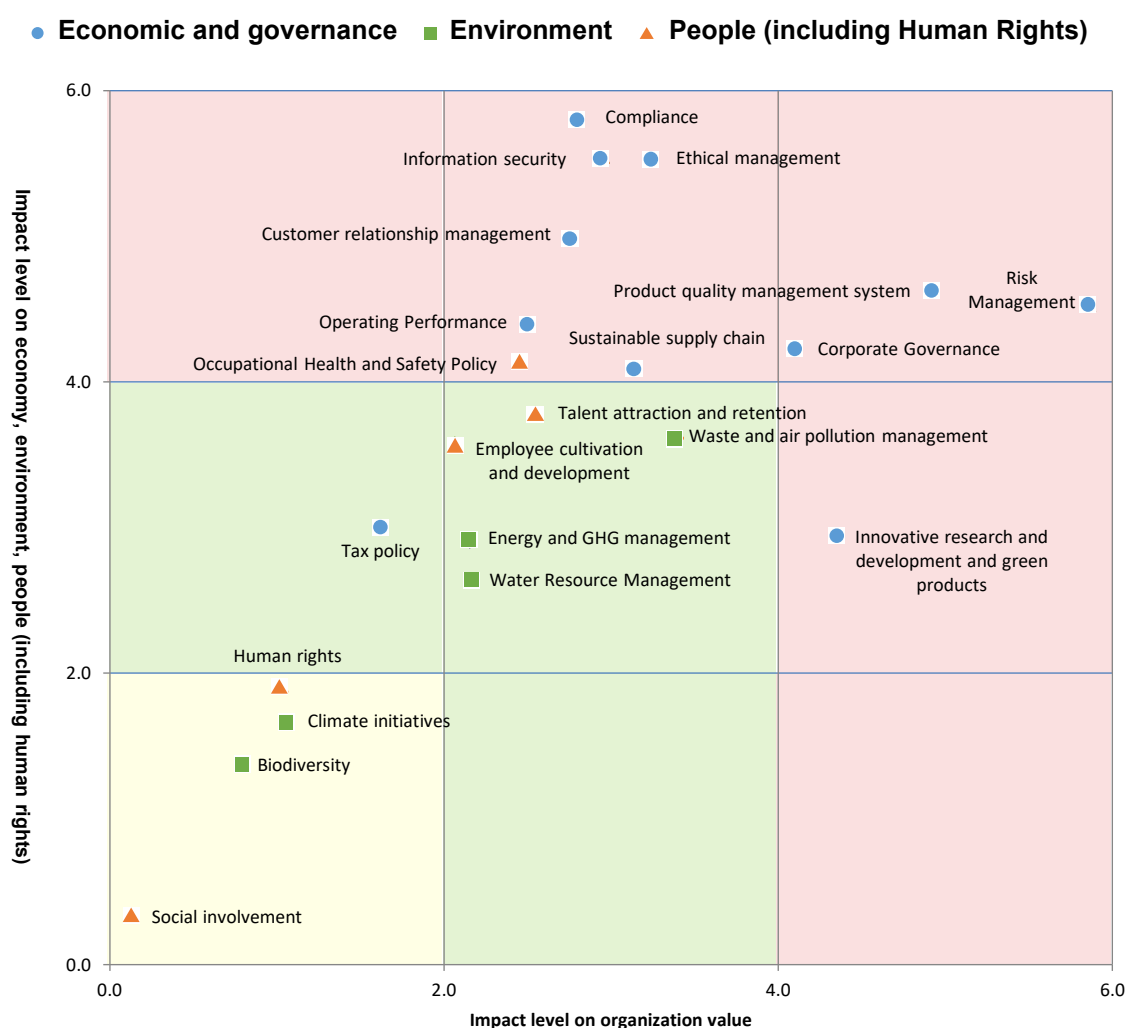
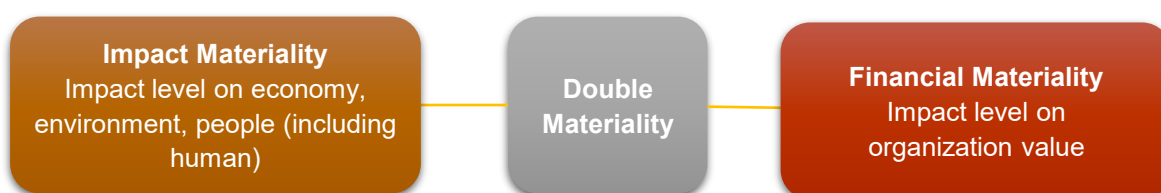
Material Issues Identification and Analysis Procedure



Number of issues under survey	Double Materiality Analysis	Material topics identified
21 issues, including: 11 issues on economy and governance 5 issues on environment 5 issues on people (including human rights) The list of sustainability issues was developed by referencing international sustainability standards and guidelines (including GRI, SASB, and TCFD), sustainability ratings (such as CDP), and regulatory requirements from governing authorities.	Stakeholders are invited to assess the impact level of sustainability issues, and the sustainability issues are assessed by the internal team: - Financial materiality: Impact level on “Organization Value” - Impact materiality: Impact level on “Economy, Environment, People (including Human Rights)” Preparation of Double Materiality Matrix The material topics are ranked according to the double materiality analysis results and a matrix diagram is prepared	14+1 issues - For 2024, the Company continued to use the same material issues identified in the previous year. These include risk management, product quality management, integrity and ethical business practices, corporate governance, information security, legal compliance, customer relationship management, innovation & green products, sustainable supply chain, operational performance, occupational health and safety, energy and green house gas management, climate action, and human rights. - Additionally, to reflect YAGEO's focus on talent and to meet stakeholder expectations, one new material issue was added this year: employee training and development.

Double Materiality Analysis and Matrix

YAGEO performs the materiality analysis according to the principle of “Double Materiality” as proposed by the European Union (EU) and also invites internal senior management to assess the actual and potential positive and negative impacts of the sustainability topics in compliance with GRI 3: Material Topics 2021. Finally, according to the assessment results of the sustainability issue impact level of the stakeholders, the Company engages in discussion on the “Impact Materiality” and “Financial Materiality” of the sustainability topics. If a sustainability topic satisfies any one of said materiality, it is identified as a material topic. The Company will continue to communicate with stakeholders through various communication channels, in order to understand the positive and negative impacts of each material topic, and to understand the opinions of stakeholders on the effectiveness of actions adopted by the Company.



Ranking of positive and negative impact topics

2024 Sustainability issue impact ranking	
Top 5 Positive Impact Issues	Top 5 Negative Impact Issues
Compliance	Ethical management
Information security	Compliance
Customer relationship management	Information security
Ethical management	Product quality management system
Risk management	Customer relationship management

Materiality topic corresponding rules and impact explanation

Material topics	Corresponding international standard topic and framework	Positive and negative impact explanation	Activities involving negative impact		
			Upstream (Suppliers)	Organizational operation (YAGEO)	Downstream (Customers)
Economy and governance					
Risk management	Self-specified topic	As the risks encountered are complicated, YAGEO performs risk identification for accidents occurred at the plant site and also establishes response procedures, in order to ensure that the business of the Company is able to operate continuously in case of occurrence of risk, and to reduce the failure or accident impact on key processes caused by material risks.	●	●	●
Product quality management system	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling	Product quality stability and level are able to affect the overall operation of YAGEO directly. Accordingly, YAGEO endeavours to provide customers with the best products and services all over the world. It maintains the high process quality from acceptance of orders to product supply based on perfect quality management policies, and periodically conducts external quality inspections to ensure that the product quality targets are met.		●	●
Ethical management	GRI 205: Anti-corruption	YAGEO's reputation is built on the highest principles and standards of ethical conduct. For this reason, the Company emphasizes the importance of integrity and adherence to ethical principles by all employees in its Global Code of Conduct.		●	●
Corporate governance	GRI 405: Diversity and Equal Opportunity	YAGEO understands that effectiveness and implementation of corporate governance are critical to business. Therefore, it establishes related regulations and procedures, and also commits itself to disclose information transparently, in order to maintain the stakeholders' interests and rights		●	

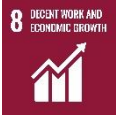
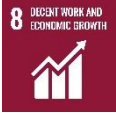
Material topics	Corresponding international standard topic and framework	Positive and negative impact explanation	Activities involving negative impact		
			Upstream (Suppliers)	Organizational operation (YAGEO)	Downstream (Customers)
Information security	GRI 418: Customer Privacy	YAGEO understands the importance of privacy protection. Therefore, it manages customers' data under the strictest confidential requirements and promotes the policy to its employees, in order to prevent the Company's risk of facing information equipment failure or loss of customer information		●	●
Compliance	416- Customer Health and Safety GRI 417: Marketing and Labeling	With legal compliance as a basic principle, YAGEO is committed to avoiding any violations and sanctions. In addition, the Company also monitors whether its partners engage in any potential violations, in order to reduce operational impact caused by violations		●	
Customer relationship management	Self-specified topic	YAGEO is committed to providing customers with premium quality and robust services and uses its best efforts to verify customers' needs and thoughts, in order to continue strengthening customer trust and satisfaction		●	●
Innovative research and development and green products	Self-specified topic	YAGEO continues to invest in R&D resources, engages in industry-academia collaboration with top domestic universities and exchanges customized design requirements with clients. These efforts aim to expand our innovative and green product mix, provide customers with new products, and advance green innovation.		●	●
Sustainable supply chain	GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment SASB TC-ES raw material sourcing	Suppliers are important partners of YAGEO. In addition, YAGEO is also an important supplier for passive components. YAGEO ensures product quality through supply chain management in order to reduce operational risk, and also works with excellent long-term suppliers as assessed to set forth strategies for win-win situations and continue to build a sustainable supply chain.	●	●	
Operational Performance	GRI 201: Economic Performance	YAGEO continues to develop operational strategies according to the industry and market development trend. In addition, through continuous optimization of product portfolio, stable growth of high-end market and advanced applications, the growth of Company's operation and shareholders' value can be ensured.		●	●

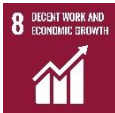
Material topics	Corresponding international standard topic and framework	Positive and negative impact explanation	Activities involving negative impact		
			Upstream (Suppliers)	Organizational operation (YAGEO)	Downstream (Customers)
Environmental Side					
Energy and GHG management	GRI 302: Energy GRI 305: Emissions	YAGEO is aware that greenhouse gas emissions cause environmental harm. In recent years, we have actively performed a systematic GHG emissions inventory and registry. We have also established internal documentation and verification procedures, aiming to achieve our goals of energy conservation, industrial waste reduction, and resource recycling and reuse.		●	
Climate initiatives	Task Force on Climate Related Financial Disclosures (TCFD) Recommendations	As the impact of climate change becomes more severe, YAGEO assesses climate change risks and opportunities, in order to establish strategies and adopt response measures early, thereby reducing the loss caused by the climate change risk to the minimum		●	●
People (including Human Rights)					
Occupational Health and Safety Policy	GRI 403: Occupational Health and Safety SASB TC-ES Labor Conditions	YAGEO values employee health and safety significantly, especially for specific areas of the plant site with relatively higher concentration of volatile solvents in the environment that may cause impact on the health of employees. Accordingly, each plant has established occupational safety and health management measures and polices, in order to protect the health of employees		●	
Human rights	GRI 406: Non-discrimination GRI 408: Child Labor SASB TC-ES Labor Conditions SASB TC-ES Labor Behaviors	YAGEO values the human rights of each employee and stakeholder, and actively establishes a diverse, equal and friendly corporate culture and working environment. In addition, the Company also continues to implement a human rights related survey, in order to identify, prevent, and mitigate any negative impacts on human rights.		●	
Employee cultivation and development	GRI 404: Training and Education	Through a comprehensive training system and career planning, we help employees enhance their professional skills and provide assistance for continuous employment and retirement transitions. This effectively improves human resource efficiency, strengthens overall team performance, and promotes organizational stability.		●	

Note: ● represents a hotspot that causes, facilitates, or is directly related to an impact.

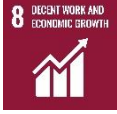
■ Material Topic Management

With respect to identified material topics, YAGEO has developed a complete management system that responds to stakeholders' concerns and mitigates potential negative impact via systematic management, appropriate response measure, and a thorough review mechanism. Meanwhile, in response to international trends, YAGEO actively responds to the UN Sustainable Development Goals (SDGs), integrating them into existing management policies to fulfill our responsibility as an international corporate citizen.

Aspect	Material topics	Notes to Management Policy		Corresponding SDGs	Corresponding Chapters
		Strategies and Objectives	2024 Actions and Outcomes		
Economy and governance	Risk management	- Manage risks through risk identification, measurement, supervision, and reporting and disclosure - The plant site has established the Business Continuity Plan (BCP), and risk identification is performed for accidents and response procedures established	Identify current operating risks and emerging risks, and identify each risk impact and management measure		3.5 Risk Management
	Product quality management system	- Quality policy - "Quality is the foundation of the future." The Company strictly adheres to this principle in all its quality policies and related product inspections - Continue to refine the quality management system and product environmental certification	- There were no incidents of non-compliance concerning the health and safety of products and services 100% of products tested for harmful substances meet international standards - Continue to organize quality month campaigns	 	5.2 Product Quality Management

Aspect	Material topics	Notes to Management Policy		Corresponding SDGs	Corresponding Chapters
		Strategies and Objectives	2024 Actions and Outcomes		
Economy and governance	Ethical management	YAGEO demands that all of its employees and officers strictly comply with strict ethical principles and expressly regulates its company-wide code of conduct. It also arranges directors and members to attend continuing education courses regularly to enhance their competency in professional management.	- There were no incidents of corruption or material penalties related to unethical behavior. 100% of personnel have taken part in education and training on anti-corruption policies and procedures. 100% of personnel have received anti-corruption training.		3.2 Ethical Management
	Corporate governance	- Elect directors according to diversity, independence and professionalism - Establish numerous regular and flexible measures, including organization of quarterly investor conferences, irregularly participation in global investor conferences and overseas seminar tours	- A total of 8 Board meetings were held, and the communication topics included group operation, sustainable development, financial reports and mergers and acquisitions, etc. - The Board's self-evaluation score was 4.87 (Excellent), and the self-evaluation by individual Board members was 4.92 (Excellent)	 	3.1 Corporate Governance
	Information security	- Information security policy is the highest management directive for information security, and the highest responsible unit is the Board of Directors - We have adopted the ISO 27001 Information Security Management System and Trusted	No proven information disclosure or theft or loss of customer data took place.		3.6 Information Security

Aspect	Material topics	Notes to Management Policy		Corresponding SDGs	Corresponding Chapters
		Strategies and Objectives	2024 Actions and Outcomes		
		Information Security Assessment Exchange (TISAX). Organize information security education and training annually			
Economy and governance	Compliance	- Periodically identify applicable updated laws and regulations - Irregularly track the compliance and improvement status of each department - We have established internal and external complaint channels.	No major violations, and no occurrence of anti-competition practice and anti-trust related litigations occurred.		3.3 Compliance
	Customer relationship management	- Conduct the customer satisfaction survey regularly - Define the operating procedure for processing customers' complaints and responding to customers' comments immediately	- The overall satisfaction survey score reached 8.1 points (out of 10 points) 100% of responses to customers are done within the prescribed time limit.	-	5.3 Customer Relationship Management
	Innovative research and development and green products	- An internal innovation incentive system has been established. We collaborate with top domestic universities and communicate with customers regarding customized design requirements. - We have developed low-energy processes and high-power products.	- R&D investment accounted for 2.9% of total revenue. - By year-end, 103 patents had been obtained.		5.1 Innovative Research and Development and Green Products

Aspect	Material topics	Notes to Management Policy		Corresponding SDGs	Corresponding Chapters
		Strategies and Objectives	2024 Actions and Outcomes		
Economy and governance	Sustainable supply chain	- Establish the suppliers' management policy and supplier evaluation system to conduct review regularly or irregularly - Request suppliers to sign the letter of undertaking and provide suppliers with the whistleblowing hotline and mailbox	- The ratio of procurement from local suppliers was 41.27%. - The pass rate for suppliers audited against environmental and social standards was 100%. - Percentage of new suppliers that were screened using environmental and social criteria was 100% 100% of the suppliers signed the letter of undertaking	 	4.1 Supply Chain Composition 4.2 Sustainable Supply Chain Management
	Operational Performance	- The Audit Committee is set up under the Board of Directors to supervise the accuracy of financial statements and the effectiveness of internal controls - The Group's consolidated operational and financial information is announced periodically	For 2024, operating revenue was NT\$121.667 billion, net profit after tax was NT\$19.356 billion, and the return on equity (ROE) was 12.99%.		1.2 Operating Performance
	Energy and GHG management	- Continuously implement energy-saving measures and plan for the purchase and installation of renewable energy equipment. - Establish an environmental information collection platform. - Conduct annual greenhouse gas inventories.	In 2024, the usage of green electricity was 26,848,271 kWh. The greenhouse gas emissions intensity was 5.57 metric tons of CO₂e per NT\$ million of revenue.		6.3 Energy and Greenhouse Gas Management

Aspect	Material topics	Notes to Management Policy		Corresponding SDGs	Corresponding Chapters
		Strategies and Objectives	2024 Actions and Outcomes		
	Climate initiatives	- Identify climate change risks and opportunities and formulate response measures - Strengthen supplier/customer climate change strategies	- Complete climate change risk and opportunity assessment and scenario analysis - Replied to the CDP climate change and water management questionnaires.		6.2 Climate Initiatives
People (including Human Rights)	Occupational Health and Safety Policy	- The Occupational Safety and Health Committee regularly organizes safety drills and awareness-raising campaigns. - Certified under the ISO 45001 Occupational Health and Safety Management standard.	- Organized employee occupational safety and health training for a total of 75,551 hours - Organized the contractor occupational safety and health training for 7,934 hours	 	7.4 Occupational Health and Safety
	Human rights	- Support and respect international labor human rights standards - Construct a diverse and equal working environment - Provide human rights education and training	16,257 hours of education and training on human rights - No discrimination incidents		7.3 Human Rights
	Employee training and development	- Utilize the training and development platform, "YAGEO Academy," to enhance employee skills. - Each plant formulates annual education and training plans based on job functions and legal requirements.	- Total employee training hours: 384,780 hours. - Average course satisfaction score: 4.64 (out of 5).		7.2 Employee Training and Development

2.3 Stakeholder Engagement

In the process of promoting sustainable management, YAGEO attaches great importance to the voice and expectations of stakeholders. The highest governance body has delegated the sustainability report preparation team and senior management to review the stakeholder identification results of relevant peers in the same industry. Then, according to AA 1000 SES (Stakeholder Engagement Standard), the importance and influence rendered by various stakeholders on YAGEO are assessed in terms of five major indicators, namely Dependency, Responsibility, Diverse Perspectives, Influence, and Tension. Consequently, it has identified 7 major stakeholder categories, including government agencies, customers, employees, shareholders and investors, suppliers, the media, and society. For 2024, we used the same stakeholder identification results from the previous year and focused on understanding the issues of greatest concern to them. This information serves as an important reference for YAGEO's ongoing sustainable management and development. For stakeholders of different nature, YAGEO also adopts diverse communication channels to perform regular or irregular opinions exchange, in order to ensure the effectiveness of the engagement.

■ Stakeholder Communication

Stakeholder categories	Significance to YAGEO	
 Government Agencies	Strictly comply with laws and regulations, and maintain fair interactions with local governments at all our operational sites to fulfill our responsibility as a corporate citizen.	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Topics of Concern
- Compliance - Information security - Ethical management - Talent attraction and retention - Occupational Health and Safety Policy	- Market Observation Post System (MOPS)(information updated as required) - Correspondences (from time to time) - On-site audit by government units (from time to time)	3.2 Ethical Management 3.3 Compliance 3.6 Information Security 7.1 Talent Attraction and Retention 7.4 Occupational Health and Safety

Stakeholder categories	Significance to YAGEO	
 Employees	YAGEO's operational growth is boosted by employee contributions. Therefore, uninterrupted communication channels with employees and fair Employment/Management Relations are considered important factors for YAGEO's stable business growth	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Topics of Concern
- Talent attraction and retention - Compliance - Waste and air pollution management - Occupational Health and Safety Policy - Ethical management	- Workplace Health and Safety Committee meeting (once per quarter) - Employee Handbook and Internal Correspondence (from time to time) - Employee Training (from time to time) - President's Mailbox/HR Dept.'s Open Mailbox (from time to time) - Industry-Academia Cooperation Project (from time to time)	3.2 Ethical Management 3.3 Compliance 6.5 Waste and air pollution management 7.1 Talent Attraction and Retention 7.4 Occupational Health and Safety

Stakeholder categories	Significance to YAGEO	
 Customers	YAGEO values customers' needs. When customers request new specifications, YAGEO expects to provide them with optimal solutions and high-quality products.	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Concerned Topics
• Customer relationship management • Sustainable supply chain • Risk management • Occupational Health and Safety Policy • Ethical management	• Customer Satisfaction Survey (once per year) • Customer feedback review (once per quarter) • Customer visits (from time to time)	3.2 Ethical management 3.5 Risk Management 4.1 Supply Chain Composition 4.2 Sustainable Supply Chain Management 5.3 Customer Relationship Management 7.4 Occupational Health and Safety

Stakeholder categories	Significance to YAGEO	
 Shareholders/ Investors	All shareholders and investors have profound expectations of YAGEO and YAGEO has always considered them as the foundation and cornerstone of growth.	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Concerned Topics
• Biodiversity • Waste and air pollution management • Innovative research and development and green products • Sustainable supply chain • Customer relationship management	• Shareholders' Meeting (once per year) • Investor Meeting (once per year) • Financial Report (once per quarter) • Company's Website (from time to time) • Material Messages Disclosed on MOPS (from time to time)	4.1 Supply Chain Composition 4.2 Sustainable Supply Chain Management 5.1 Innovative Research and Development and Green Products 5.3 Customer Relationship Management 6.1 Environmental Management 6.5 Waste and air pollution management

Stakeholder categories	Significance to YAGEO	
 Suppliers	Under a mutually agreed cooperative framework, YAGEO works with suppliers and distributors to build a complete sustainable value chain.	
Top Five Major Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Concerned Topics
• Ethical management • Compliance • Sustainable supply chain • Information security • Product quality management system	• Audit/Assessment on Suppliers (from time to time) • Letter of Undertaking for Suppliers (to be signed whenever executing a contract with a new supplier)	3.2 Ethical Management 3.3 Compliance 3.6 Information Security 4.1 Supply Chain Composition 4.2 Sustainable Supply Chain Management 5.2 Product Quality Management

Stakeholder categories	Significance to YAGEO	
 Media	Present YAGEO openly and transparently to the public via the media	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Concerned Topics
• Water Resource Management • Waste and air pollution management • Product quality management system • Energy and GHG management • Innovative research and development and green products	• Press Release (from time to time) • Media Interview (from time to time)	5.1 Innovative Research and Development and Green Products 5.2 Product Quality Management 6.3 Energy and GHG management 6.4 Water resource management 6.5 Waste and air pollution management

Stakeholder categories	Significance to YAGEO	
 Social Aspect	YAGEO considers community care and the promotion of and investment in arts, cultural exhibitions, and sports events as part of its corporate social responsibility, while aiming to give back to society in the areas where it has cultivated a presence.	
Top Five Topics of Impact Assessed	Mode and Frequency of Communication	Corresponding Chapters for Concerned Topics
• Product quality management system • Corporate governance • Employee training and development • Human rights • Information security	• Communication with and Visit to Community Residents Nearby Factory Premises (from time to time) • YAGEO Foundation's arts & culture exhibitions (from time to time) • YAGEO Professional Games Development Association's physical education activities (from time to time)	3.1 Corporate Governance 3.6 Information Security 5.2 Product Quality Management 7.2 Employee Cultivation and Development 7.3 Human Rights

Chapter 3 Accountability Governance

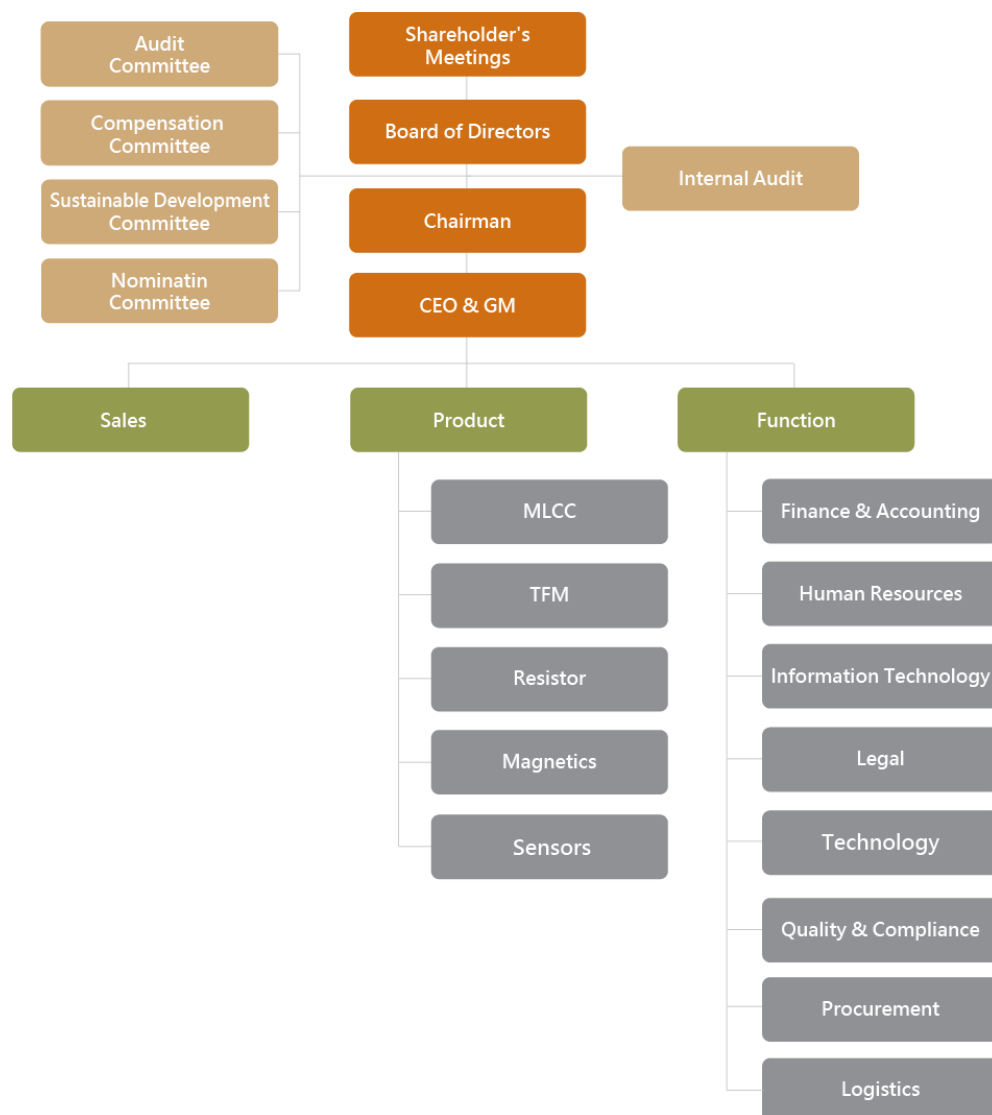


3.1 Corporate Governance

YAGEO has grown rapidly over the past decade through successful mergers and acquisitions, a continuous production capacity expansion strategy, and through its outstanding technology, delivery and product portfolio. While upgrading YAGEO's publicity in the global market, YAGEO also complies with higher standards on disclosure of business and financial information. YAGEO believes that practicing of corporate governance should be more important than public relations, and also adheres to transparency and integrity standards, which has brought benefits through effective risk management, more efficient organizational operation, and greater market appeal. Therefore, even in times of economic turmoil, investors retain their confidence in YAGEO. In the process of pursuing the title as the world top passive component service supplier, YAGEO proves that enhancement of the corporate governance is as important as an effective business model.

YAGEO adopts the strictest business and information disclosure standards internally, and discloses information in a timely, accurate, and consistent fashion. In order to improve information transparency, YAGEO has established multiple regular and flexible measures, including the organization of institutional investors' conference, regular publication of the information on the group's consolidated operations and finances on its website, and irregular participation in global institutional investors' conferences and overseas tour conferences. Meanwhile, YAGEO voluntarily convenes meetings with securities analysts and juristic person shareholders individually to proactively conduct two-way communication on company culture, execution of strategies, and financial performance.

Fair corporate governance framework



Board of Directors

YAGEO's Board of Directors consists of 9 renowned members who are world-class business leaders or scholars with diverse experience and knowledge from various sectors. Under Chairman Pierre Chen's leadership, YAGEO's Board of Directors members take a straightforward and serious approach to their duties to form a proficient and independent Board. With regard to the election of independent directors of the Company, shareholders holding more than 1% of total number of shares issued submit a director candidate roster (including independent directors) to the Company in writing according to Article 192-1 of the Company Act. The candidate roster is reviewed by the Board of Directors to ensure the qualifications and relevant supporting documents of each independent director complies with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". For the review process of the nominated directors, resolutions are reached during the Board of Directors' meeting.

Board Members and Resume

Profile			Professional Qualifications and Experience				Expertise							
Job Title and Name	Gender	Nation-ality	Industry	Academic	Legal	Accounting & Finance	Operational Judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industrial Knowledge	International market prospective	Leadership	Decision-Making
Chairman Pierre Chen	Male	Taiwan	●	●		●	●	●	●	●	●	●	●	●
Director Xue Chang Hsing Enterprise Co., Ltd. Representative: Victor Wang	Male	Taiwan	●			●	●	●	●	●	●	●	●	●
Director Xue Chang Hsing Enterprise Co., Ltd. Representative: Shu-Chen Tsai	Female	Taiwan	●			●	●	●	●	●	●	●	●	●
Director Xue Chang Hsing Enterprise Co., Ltd. Representative: Shih-Chien Yang	Male	Taiwan	●			●	●	●	●	●	●	●	●	●
Director Xue Chang Hsing Enterprise Co., Ltd. Representative: Tan-Ju Wang	Male	Taiwan	●			●	●	●	●	●	●	●	●	●
Director Xue Chang Hsing Enterprise Co., Ltd. Representative: Ching-Chang Yen	Male	Taiwan	●	●	●	●	●	●	●	●	●	●	●	●
Independent Director Jerry Lee	Male	Taiwan	●			●	●	●	●	●	●	●	●	●
Independent Director Lai-Fu Lin	Male	Taiwan	●			●	●	●	●	●	●	●	●	●
Independent Director Tsung-Sheng Lin	Male	Taiwan	●			●	●	●	●	●	●	●	●	●

Note 1: In 2024, the nine board members consisted of eight men and one woman, and all were 50 years of age or older.

Note 2: A total of 8 Board of Directors' meetings were held in 2024, and the material matters communicated included group operation, sustainable development, financial statements and merger/acquisition cases, etc. For the Board of Directors' annual operations and attendance of directors, please refer to YAGEO's 2024 Annual Report.

Note 3: For the Company's material information announcements in 2024, please refer to the MOPS.

Note 4: For detailed nomination and selection procedures and guidelines for the Board of Directors and functional committees, please refer to YAGEO's [Corporate Governance Best Practice Principles](#) and [Nomination Committee Charter](#).

Directors' Continuing Education

YAGEO values the diverse expertise, sophistication, and experience of directors and believes that the personal abilities of board members should be considered as the key factor driving upgrading of the organizational competitiveness. Therefore, YAGEO arranges the Board members to attend continuing education courses outside the organization. To strengthen sustainable governance, in 2024, all directors attended special training sessions on legal liabilities and case studies related to "Corporate Control Battles", and corporate ESG topics, including legal liabilities and case studies on "Gender Equality and Human Rights". Every director completed six hours or more of professional training, reaching a combined total of 67 training hours.

Name	Title	Organizer	Name of Course	Training hours	Total hours
All directors and independent directors		Accounting Research and Development Foundation	Legal Responsibilities and Case Studies related to "Corporate Control Battles"	3	27
		Accounting Research and Development Foundation	Corporate ESG Practices: Legal Responsibility and Case Studies for "Gender Equality and Human Rights"	3	27
Lai-Fu Lin	Independent Director	CPA Association, R.O.C. (Taiwan)	Corporate M&A Strategy - Discussion of Laws and Practices	4	4
		CPA Association, R.O.C. (Taiwan)	Latest Regulations on the Money Laundering Control Act and Practical Case Studies	3	3
Victor Wang	Director	Securities and Futures Institute	How Directors and Supervisors can oversee Corporate Risk Management and Crisis Handling (including gender equality)	3	3
		Securities and Futures Institute	Carbon Credit Trading Mechanisms and Carbon Management Applications	3	3
Total Training Hours for Directors					67

Performance Evaluation

The Company established the [Regulations Governing Board of Directors Performance Evaluation](#) in 2020. Performance evaluation results of the Board of Directors are used as a basis for the nomination and selection of directors and individual evaluation results are referred to in the determination of an individual director's remuneration. In 2024, the Board's self-evaluation score was 4.87 (Excellent), and the average self-evaluation for individual Board members was 4.92 (Excellent). For more performance evaluation results, please refer to [YAGEO's 2024 Annual Report](#).

■ Functional Committees

Functional Committees	Operating Situation
Audit Committee 	The Audit Committee is made up of 3 independent directors who assist the board in monitoring the quality and integrity of YAGEO's implementation of accounting, auditing, financial reporting process, and financial controls. In 2024, the Audit Committee has convened a total of 6 meetings. The independent directors' attendance rate attained 94.44%.
Remuneration Committee 	The Remuneration Committee consists of 3 independent directors, responsible for adopting the remuneration system, standards and structure. In 2024, the Remuneration Committee convened a total of 4 meetings. The independent directors' attendance rate was 91.67%.
Nomination Committee 	The Company established the Nomination Committee in 2020. The Committee consists of 3 independent directors, aiming to improve the Board of Directors' performance. In 2024, the Nomination Committee convened a total of 2 meetings. The independent directors' attendance rate was 100%.

Note: For detailed information on the operations of each functional committee, please refer to the YAGEO's 2024 Annual Report.

■ Board of Directors and Senior Management Remuneration Policy

The remuneration of Directors shall reflect both individual performance and the Company's long-term business results, while taking into account overall operational risks. Independent Directors may receive reasonable compensation that differs from that of other Directors. According to Article 16-1 of the Articles of Incorporation, the Board of Directors is authorized to determine Directors' remuneration based on general industry standards. If the Company records a profit for the fiscal year, Directors may receive remuneration of up to 3% of the profit before tax, before deducting employee and director compensation, in accordance with Article 24.

The compensation for senior management includes fixed salaries and performance-based bonuses. Salaries are determined according to job duties, professional competence, and responsibilities, while bonuses are based on the Company's annual performance, operational status, and individual results. Employee remuneration is allocated based on the profitability of the current year and the provisions of the Articles of Incorporation. For retirement benefits, the Company contributes an amount equivalent to 6% of each employee's monthly salary to the Bureau of Labor Insurance. The overall compensation framework takes into consideration future operational needs and development, ensuring reasonable remuneration that supports sustainable growth and effective risk management.

Annual total compensation ratio	
Item	2024
Total compensation change ratio	1.2
Total compensation ratio	245
Note 1: Annual total compensation change ratio = The percentage increase in the annual total compensation of the highest-paid individual in the organization / The median percentage increase in the annual total compensation of all employees (excluding the highest-paid individual).	
Note 2: Annual total compensation ratio = The annual total compensation of the highest-paid individual in the organization / The median annual total compensation of all employees (excluding the highest-paid individual).	

3.2 Ethical Management

YAGEO engages in business activities based on the principles of fairness, honesty, creditworthiness, and transparency. In order to practice the ethical management policy and prevent unethical conduct proactively, in 2020, it adopted the [Procedures for Ethical Management and Guidelines for Conduct](#) to specifically define the instructions to be followed by YAGEO's staff when performing their job duties. In 2024, in accordance with the RBA's standards, YAGEO adopted Version 8 of the [Responsible Business Alliance \(RBA\) Code of Conduct](#). This code explicitly prohibits forced labor and child labor within our supply chain, ensures a safe working environment, and promotes compliance with environmental regulations and resource conservation.

YAGEO demands that all its employees, officers, and managerial officers strictly comply with ethical principles and expressly regulates the company-wide code of conduct. Various operations, including business activities and procurement practices, must strictly comply with relevant laws and regulations and strictly adhere to Company policies. Specific regulations shall be defined expressly to govern the offering of or solicitation for bribes in any form, and unjustified gifts, treatment, or any other improper advantages, as well as commitments to antitrust and unfair competition, are expressly prohibited to safeguard customers' interest and rights, and also to protect YAGEO from damages to assets, fines, and impairment on goodwill. In 2024, YAGEO had no incidents of corruption or fraud or other violations of ethical business practices. For details on our integrity practices and any differences from the Taiwan Stock Exchange's Ethical Corporate Management Best Practice Principles, please refer to [YAGEO's 2024 Annual Report](#).

Highlights of the Employee Code of Conduct:

- Select suppliers based on the principles of good faith and impartiality, and choose the most competitive products or services as the first priority.
- Not borrow financial funds, or accept any gift or invitation for a party, from suppliers, firms or customers trading with the Company, directly or indirectly, lest the Company's goodwill and routine business should be affected adversely.
- Not collect rebates or other unjustified benefits from suppliers.
- Employees and their family members are strictly prohibited from accepting gifts, gift money, or valuable things in any form from suppliers.
- Employees are strictly prohibited from seeking unjustified benefits or committing other corruption by taking advantage of their job duties.
- Employees are strictly prohibited from defrauding, embezzling, or stealing another person's or the Company's property.
- Employees shall claim the reimbursement of expenses on an actual consumption basis.
- Any collusion or conspiracy between employees, or employees and business partners, is strictly prohibited.

Communication and training

YAGEO implemented ethical management anti-corruption policy communication, and the training subjects included all board members and employees.

Communication and training for anti-corruption policy	Board of Directors (Members)	Employees					
		Taiwan		China		Portugal	
		Managers	Non-managers	Managers	Non-managers	Managers	Non-managers
Number of personnel who took part in the campaign on anti-corruption policies and procedures	9	111	3,423	146	5,378	7	40
Percentage of personnel who took part in the campaign on for anti-corruption policies and procedures	100%	100%	100%	100%	100%	100%	100%
Number of personnel who received anti-corruption training	9	111	3,423	131	4,848	7	40
Percentage of personnel who received anti-corruption training	100%	100%	100%	90%	90%	100%	100%

Note: The statistical scope for the Taiwan region includes the Kaohsiung-Nantze Plant, Dafa Plant, Dafa III Plant, and Dashe Plant.

Internal audit procedure

YAGEO's internal auditors draft the annual audit plan based on the Enforcement Rules for Internal Audit and risk assessment results, in order to check the Company's internal control system. The annual audit plan shall be subject to approval upon resolution by the Board of Directors. The same shall apply where the plan is amended. The internal auditors conduct the audit per the annual audit plan and disclose the deficiencies and extraordinary circumstances found in the internal control system in the audit report. The audit report shall be delivered to independent directors for review by the end of the following month after the audit items are completed. After follow up measures are in place, a follow-up report is prepared quarterly and submitted to the Board of Directors until the deficiency is corrected in order to ensure that the related unit has taken appropriate corrective actions in a timely manner. In 2024, no material deficiencies were found during the internal audit, and all other deficiencies were tracked and improved. In the future, YAGEO will continue to focus on the internal control and management of the Group, in order to enhance operational efficiency.



Sustainability Information Management Procedures

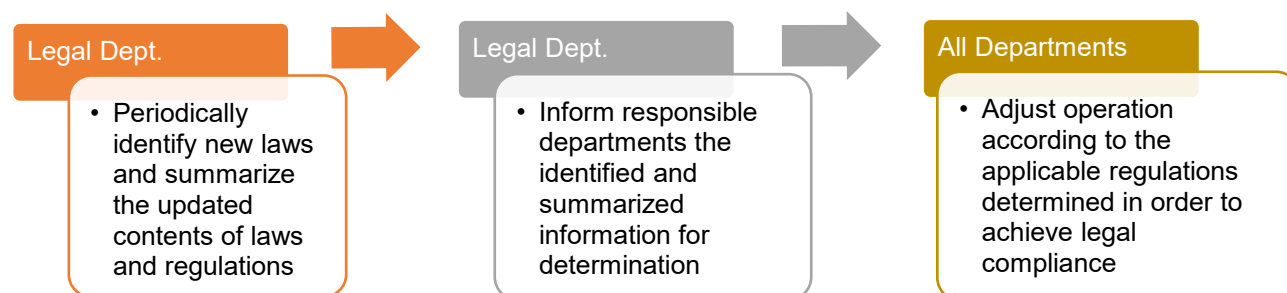
In accordance with the "regulations governing establishment of internal control systems by public companies," YAGEO has established a "sustainability information management procedure" within its internal control policies. The board of directors designates a qualified director to oversee the internal control of sustainability information. To ensure the completeness and reliability of sustainability information, the company has inventoried its sustainability activities and reporting, established management responsibilities, and set up appropriate control measures. Furthermore, YAGEO has established clear guidelines for how designated personnel should collect, record, store, process, and prepare information. It is also stipulated that sustainability information or reports must undergo third-party assurance/verification to ensure the completeness, reliability, effectiveness, and access control of relevant information. Sustainability information is planned to be included in the 2025 annual audit plan.

Key control points

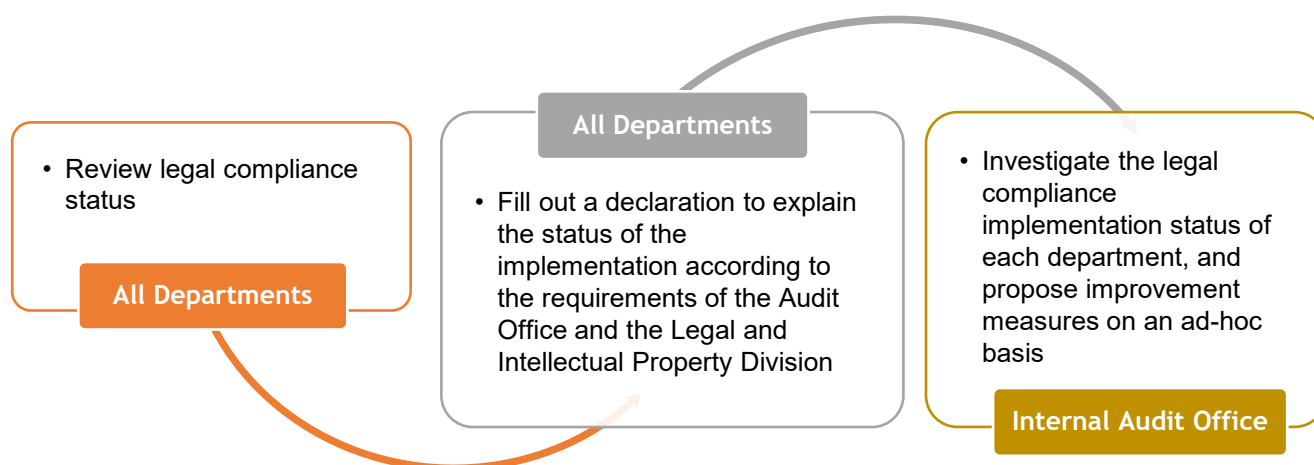
1. Important sustainability information should be managed and processed by authorized personnel.
2. Sustainability information processing should comply with applicable laws, regulations, company procedures, and formatting requirements.
3. All information must be properly preserved and archived for the specified duration.
4. The provision and transmission of important and confidential information should be appropriately controlled.
5. The public disclosure of sustainability information must be properly approved and comply with relevant laws and regulations.

3.3 Compliance

■ YAGEO's Regular Legal Compliance Process



■ Implement legal compliance of all departments



In 2024, YAGEO had no litigation cases related to anti-competition and anti-trust, and was not subject to any non-monetary sanctions or violations subject to a fine above NT\$500 thousand. However, there were 4 sanctions due to violations of relevant environmental regulations and the total fine was NT\$940, 000. In addition, all improvement measures were completed in 2024, in order to prevent recurrence of such events.

2024 Violations

In 2024, the Company had four environmental regulatory violations, with a total fine of NT\$940,000 (please refer to 6.1 Environmental Management for details).

2023 Violations

In 2023, there were 2 sanction due to violations of relevant environmental regulations and the total fine was NT\$120,000. In addition, all improvement measures were completed in 2023.

Note: YAGEO's definition of major violation refers to a punitive fine at an amount reaching or exceeding NT\$500 thousand.

Whistleblowing Mechanism

YAGEO has established several complaint channels in accordance with the Code of Ethical Conduct and the Global Code of Conduct, including the External reporting hotline and the CEO's email address.

- **Internal Reporting Channels**

Ethics Hotline: YAGEOGroupEthicsHotline.ethix360.com

Anonymous complaints can be submitted online. These complaints will be received by an external unit and then forwarded to YAGEO for response.

- **External Reporting Channels**

YAGEO's Whistleblowing Hotline: +886-2-6629-9999, CEO Office's

Whistleblowing Email: ceo.discipline@yageo.com

3.4 Tax Management

■ Tax Policy and Commitment

YAGEO has full knowledge of taxation and operations thereof, and endeavors to perform its corporate sustainability and information transparency duties effectively and transparently. The taxation management includes the following policies and five key commitments:

■ Tax Policy



Cultivate professional talents and improve the expertise in taxation



Manage and control taxation risk



Comply with any tax laws, regulations and requirements applicable locally



Upgrade the positive corporate value

■ Commitments

1. Perform effective risk assessment and control over taxation risk
2. Establish fair relationship with the tax collection authority
3. Execute any decision per the tax laws and regulations
4. Process financial and tax information per the requirement and guidelines, and make the information transparent.
5. Consider taxes and their effects when discussing and executing major business decisions.

■ Taxation governance

The chief executive in charge of YAGEO's taxation and decision making is the cfo. Routine taxation planning and management are executed by a dedicated and experienced taxation team. All reports on taxation are submitted to the cfo. YAGEO also contracts certain external taxation advisors to provide professional services and suggestions on taxation issues, in order to improve its professional knowledge and understanding about the tax laws. Meanwhile, the taxation team also maintains fair communication with and response to the tax collection authority within the jurisdiction where each business location is situated. The audit committee of YAGEO will review whether the finance, accounting, taxation, and audits are carried out in accordance with related policies and laws. Meanwhile, YAGEO will try to understand the stakeholders' views and concerns about taxation through investigation on the sustainability issues of concern to stakeholders. In order to improve taxation governance, YAGEO also plans to participate in the public policy initiatives on taxation.

■ Taxation Risk Management

YAGEO has operating locations all over the world, including Asia Pacific, America, and Europe, and handles its taxation in accordance with the tax laws applicable locally. Any changes in tax laws applicable within various jurisdictions would pose effects to YAGEO's effective tax rate and income after tax. Therefore, in order to manage the potential taxation risk effectively, YAGEO followed the internal management regulations, and also discussed with external experts to evaluate the taxation risk and control the potential taxation risk.

3.5 Risk Management

In a bid to strengthen our corporate governance and reduce possible risks, we have built a risk management mechanism to identify, measure, monitor and control risks based on YAGEO's business policies to achieve the objective of sustainable and stable operations.

Risk Management Organizational Framework

Board of Directors and Audit Committee

- YAGEO's Board of Directors is the highest unit in charge of its risk management policy. The Board is responsible for approving and reviewing the Company's risk management policy while monitoring the ongoing operation of the risk management mechanism, ensuring that the risk management is effective and complete.

Senior managers

- Senior managers review and monitor the ongoing operation of the risk management mechanism as well as assess countermeasures for risks.

Internal audit

- Internal audit: YAGEO's Audit Office is responsible for its internal control and internal audit. The Office submits an annual audit plan according to the risk assessment and reports the risk management implementation situation to the Audit Committee.

Functional units

- Managers of the functional units are responsible for risk management and analyze and monitor the relevant risks within their units, ensuring that the risk control management mechanism and procedures are effectively implemented.

Risk management procedure

To improve operational risk management, YAGEO verifies the scope of operational risks and takes appropriate actions through risk identification, risk measurement, risk monitoring and reporting, and disclosure procedures, ensuring the management of related operational risks. Meanwhile, YAGEO's plants have established Business Continuity Planning (BCP) to perform risk identification and adopt responsive procedures to deal with any contingencies at the factory premises, so as to ensure that it may continue managing its business even if any risks arise and also mitigate the effects posed to the critical procedures by failure or disaster resulting from significant risks. YAGEO adopts relevant risk management procedures and the factory's business continuity plan to manage the risk to prevent any risk.



Risk Impact and Management Measures

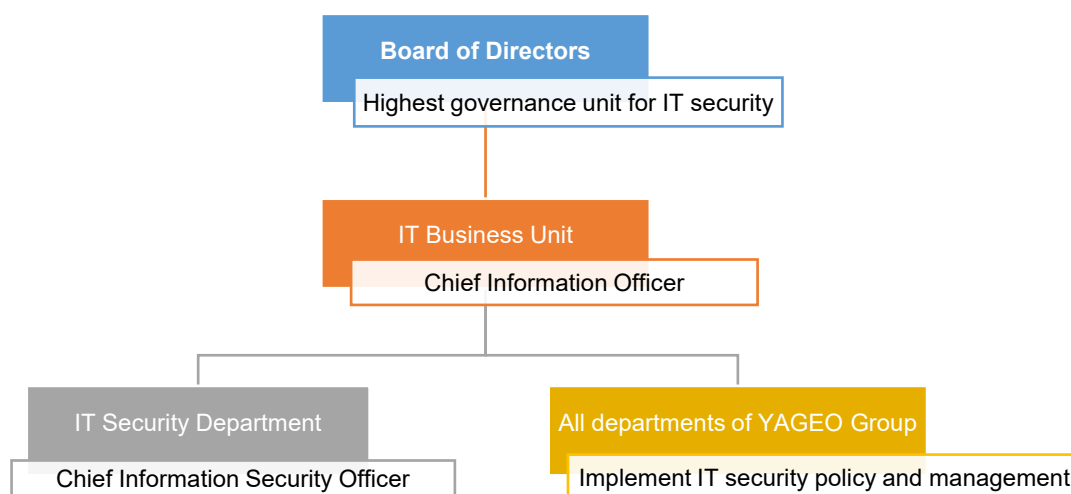
Risk aspect	Risk type	Responsible department	Potential impact	Risk management measures
Economic and governance	Financial risk	Finance	Impact of interest rate and exchange rate fluctuations and inflation on the Company's financial condition	- Keep bank liabilities low - Foreign exchange hedging - Optimized product portfolio
	Regulatory compliance risks	Legal	Effect on the Company's business and finances posed by changes in domestic or foreign policies and laws, and response measures	- Pay attention to changes in any laws, regulations, and policies - All business locations comply with the local regulatory requirements
	Information security risks	Information	Impact of information leakage or loss on the Company's financial operations	- Implement information security policy and management - Continue to plan the introduction of information security management system
	Risk in supply chains and raw materials /supplies	Procurement	Impact of supply chain concentration and raw material shortage or price increases on the Company's operations and finances	- Ensure no concentration of purchase customers and develop new suppliers - Ensure raw material supplies and implement cost control

Risk aspect	Risk type	Responsible department	Potential impact	Risk management measures
Environment	Environmental risk	EHS	Effect posed by environmental pollution to the Company's reputation and finances	• Implement an environmental management system. • Practice environmental policies • Equipment capable of improving pollution prevention
	Climate change risk	EHS	Impact of environmental pollution on the Company's operations and finances	• Set up the goal for reduction of greenhouse gas emissions, water consumption, and total waste volume • Invest in equipment to improve energy efficiency, water conservation, and recycling.
	Energy transition risks	Factory affairs	Evaluate the impact of renewable energy use and carbon fees on company operations and finances.	• Plan the budget for purchase of renewable energy • Calculate carbon fees and assess the future implementation of internal carbon pricing.
Social Aspect	Talent mobility risk	Human resources	High employee turnover may impact the Company's recruitment costs.	• Continue to promote employee care and benefit systems. • Offer salaries that are above market rates based on market salary levels.

3.6 Information Security

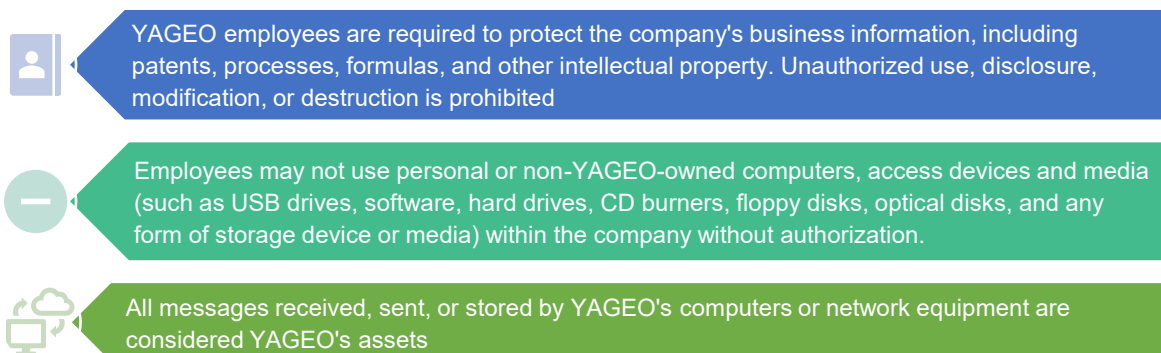
Information Security Management Framework

The responsible unit of the Company for the information security risk management is the Information and Technology Business Unit, and the Chief Information Officer acts as the information security general representative. The Information Security Department is established under the business unit, and the department head is the Chief Information Security Officer, who is responsible for the establishment of the information security policy, planning and execution of information security operations, as well as the promotion and implementation of information security policy of YAGEO Group. The Company reports its information security management to the Board of Directors on a regular basis.



Information Security Policy

The Information Security Policy is the highest guiding principle for the YAGEO Group's information security and applies to all internal employees (including contract workers). All relevant departments develop and design their necessary management measures and controls based on three core dimensions: People, Process, and Technology, to ensure the achievement of information security goals. The policy is intended to ensure that YAGEO's information assets may achieve Confidentiality, Integrity, and Availability, under appropriate protection and controls.



Information Security Management

In response to the demands of the electric vehicle market, YAGEO obtained TISAX certification in 2024. To strengthen overall information security, YAGEO continues to implement a number of security enhancement projects and measures.

Category	Implementation Measures
Network Security Control	- Equipped with firewalls and next-generation anti-virus systems. - Equipped with smart anti-hacking systems, such as Intrusion Prevention Systems (IPS), anti-phishing, and Endpoint Detection and Response (EDR). - Regularly review network service system logs to track abnormal activity. - Use advanced encryption technology (such as certificates or SSL/TLS) to enhance protection for confidential/sensitive data transmission. - Regularly perform system vulnerability scans on company information equipment and take corresponding strengthening measures. - Equipped with Managed Detection and Response (MDR) services to monitor network packets and operating system logs, identify malicious behaviors, and intervene in real-time. Regularly update abnormal monitoring rules. - Joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT) to get real-time security intelligence and update the Company's monitoring mechanisms to block the latest attacks.
Data Access Control	- Employ Multi-Factor Authentication (MFA) to strengthen identity verification for accessing network resources. - Maintain an inventory of computer equipment and assign dedicated personnel for their safekeeping. Grant appropriate access rights based on job responsibilities. - All data is thoroughly erased before information equipment is scrapped. - Maintain access logs for key systems to facilitate audits and tracking. - Implement USB blocking in critical factory areas to prevent data leakage and protect production lines.
Response and Recovery Mechanism	- Built a high-availability (HA) and disaster recovery (DR) mechanism for critical systems. - Established a system backup mechanism and implemented dual and off-site backup protection. - Developed an emergency response plan and regularly practiced system recovery drills.
Awareness-raising and Audits	- All new hires must sign an information security non-disclosure agreement. - Regularly conduct information security and personal data protection training and awareness-raising activities to enhance employee security awareness. - Perform social engineering exercises with in-service employees every six months.
Password Policy and Account Management	- The Company's account password policy follows international standards by utilizing an international-grade password policy that requires periodic password changes. - System accounts must be applied for before use; accounts are deactivated and deleted after an employee leaves the Company. - Equipped with an identity-aware security monitoring solution that tracks and detects brute-force attacks and abnormal login and usage behavior.

Under YAGEO's strict information security management, there have been no complaints or warnings from any external or regulatory agencies regarding customer privacy.

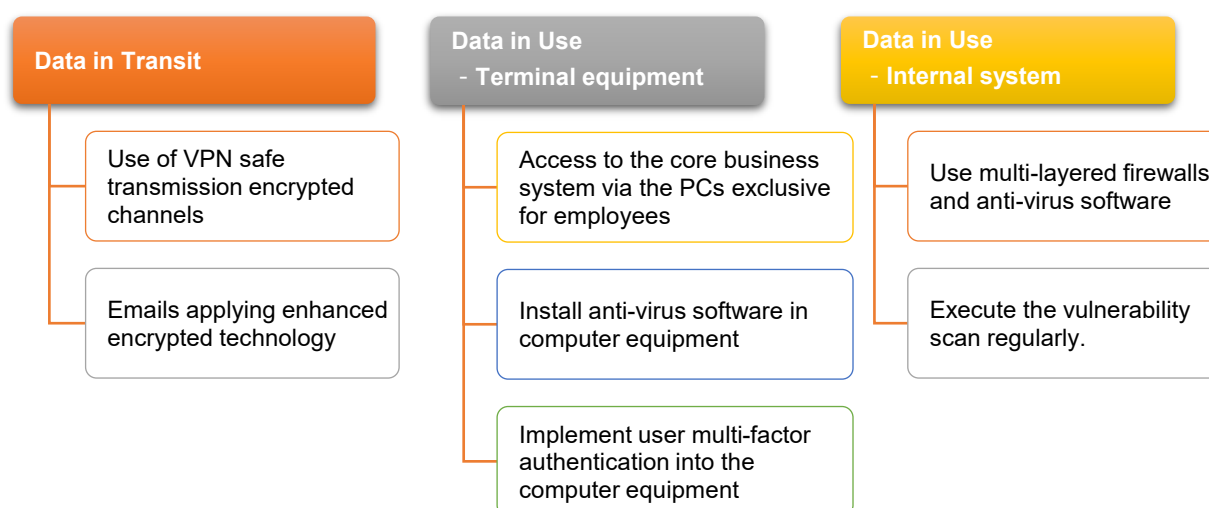
Total number of complaints proven to involve violations of customer's privacy.	Number of complaints from external parties as proven by the organization	0
	Number of complaints from regulatory agencies	0
Total number of cases involving proven information disclosure or theft or loss of customer data.		0

Information security education and training

To strengthen employees' information security awareness, YAGEO regularly updates its online security training materials on the Group's learning platform. We design our training materials based on each year's real security incidents, which helps increase employees' awareness of security issues and policies. In 2024, the course content not only reinforced employees' security knowledge but also promoted the latest company security regulations. A post-course test was required to ensure that every employee possessed the necessary knowledge.

Remote work information security management measures

YAGEO has established the secure data transmission mechanism to cope with the implementation of remote work. Regarding employee access to and transmission of data, YAGEO implements multiple protection measures subject to the data status, including the use of VPN secure transmission encrypted channels with two stages of authentication (MFA), enhanced encryption technology (e.g. SSL) to protect confidential and sensitive data, and installation of multi-layer firewalls and anti-virus software, in order to enhance the information security mechanism, to prevent information disclosure, and to reduce the risk of disclosure of personal data and confidential and sensitive information.



Chapter 4 Sustainable Supply Chain



4.1 Supply Chain Composition

■ Supplier Management

YAGEO has always placed a high priority on supplier management and has established a comprehensive supplier management policy. All suppliers who wish to join YAGEO's supply chain must have a complete management system, and their materials must undergo a rigorous review process. For major raw material suppliers, YAGEO uses the IATF 16949:2016 Automotive Quality Management System as a benchmark for quality system requirements to verify and strengthen their quality systems. We also use the ISO 14001:2015 Environmental Management System standard as a benchmark to screen suppliers' environmental systems. For suppliers other than raw material suppliers, we prioritize those who have received ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System certifications.

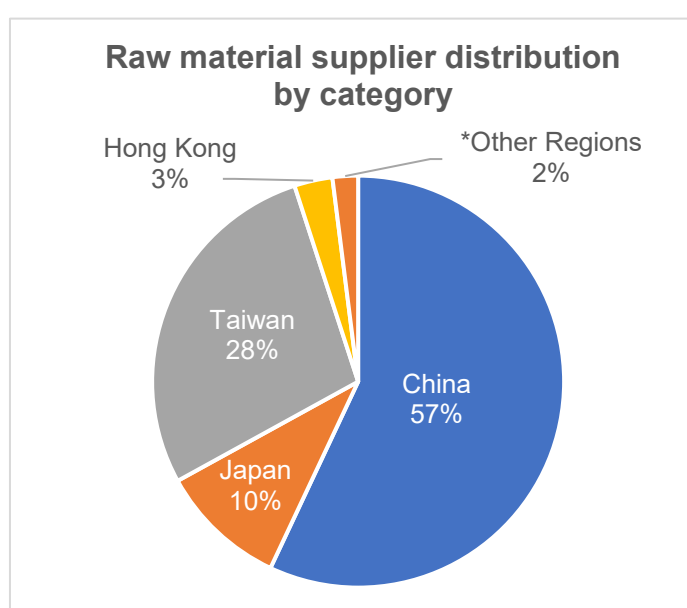
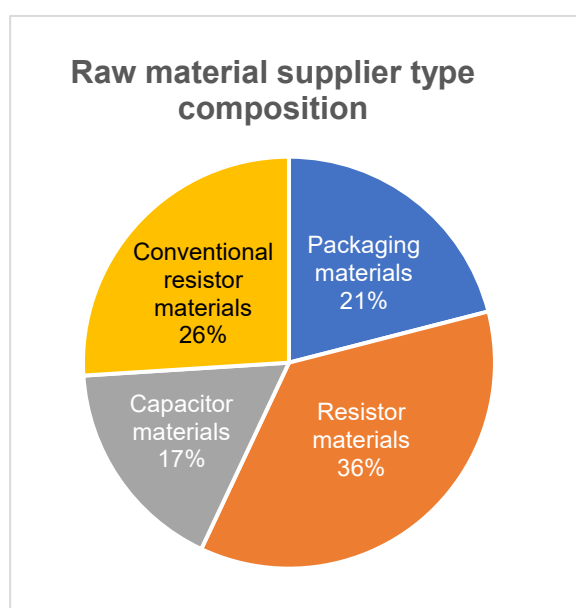
In our daily supplier management and monitoring, we conduct monthly evaluations and annual audits, and we set annual goals to monitor the quality of incoming materials. Our procedures for supplier management and auditing not only follow the IATF 16949 standard but also the RBA's guidelines, which require suppliers to prohibit the use of conflict minerals. We are committed to continuously improving our supplier management system. Furthermore, in the face of challenges, such as geopolitical tensions, international situations, and climate change, YAGEO incorporates the need to reduce material-outage risks and enhance supply chain flexibility into our strategic planning with suppliers. We continuously review our risk management countermeasures to maintain the stability and reliability of our supply chain. We are dedicated to ensuring that our supply chain remains stable even in severe external environments.

YAGEO is in the electronic component industry. The upstream industry mainly refers to component material suppliers, and the downstream mainly refers to the customer application end, including the industries of automotive, industry automation equipment, network communication, smart phones and computers, etc.

Product type	Upstream materials	Downstream customer application							
		Auto industry	Automation equipment	Network communication and 5G	IOT	Virtual Reality (VR) technology	Computers	Consumer electronics	Aerospace / Military
MLCC	Ceramic powder, electrode materials	●	●	●	●	●	●	●	●
Tantalum capacitor	Tantalum powder, electrode materials	●	●	●	●	●	●	●	●
Resistors	Substrates, resistive paste, oil ink	●	●	●	●	●	●	●	
Magnetic components	Annular core, mechanical components, electronic materials	●	●	●	●	●	●	●	●

In 2024, there were 166 main raw material suppliers in YAGEO's supply chain. There were 22 new main raw material suppliers, including 6 from Taiwan and 16 from China. There was no outsourcing of production activities or significant changes to the supply chain structure.

Category	China	Japan	Taiwan	Germany	Korea	Hong Kong	Malaysia	Total
Packaging materials	26	-	8	-	-	1	-	35
Resistor materials	21	8	25	1	-	3	1	59
Capacitor materials	9	8	10	-	2	-	-	29
Conventional resistor materials	38	-	4	-	-	1	-	43
Total	94	16	47	1	2	5	1	166



*Other regions include Malaysia, South Korea, and Germany.

■ Supplier Conference

Suppliers are a critical external resource for any business and a key source for managing costs, quality, and risks. YAGEO is aware that the closeness of its relationship with suppliers, as well as their quality and capabilities, are crucial to the Company's competitiveness and resilience. YAGEO values its partnerships with suppliers and regularly holds supplier conferences to facilitate direct communication. These events help build a sense of urgency, boost confidence, and encourage innovative improvements to enhance product quality, technology, and corporate sustainability. This process strengthens two-way communication and trust, allowing us to collaboratively adapt to market changes. We aim to reach a consensus with our suppliers to jointly build a healthy, long-term, high-quality, and sustainable partnership.

In 2024, the Supplier Conference was held remotely, bringing together suppliers and original manufacturers. During the event, we provided detailed explanations on core topics, such as quality policy, digital procurement, environmental compliance, and responsible supply chain management; and this receives an enthusiastic and active response from our partners. Key topics at the conference included promoting a digital and integrated procurement process, implementing a global Supplier Relationship Management (SRM) platform for paperless and real-time operations, and emphasizing the shift from a "passive supplier" to a "strategic partner" relationship.

For sustainability, YAGEO plans to use the SRM platform to survey suppliers' carbon footprints in the future and collect their international certifications (e.g., ISO 14001, ISO 45001). This will allow us to screen for partners that meet our ESG standards, thereby comprehensively improving supply chain sustainability and transparency. On the quality management front, we emphasize supplier certification and the requirements for writing 8D reports. For environmental management, we focus on the control of substances, including RoHS and REACH. We also reaffirmed the importance of the RBA Code of Conduct to strengthen social responsibility within our supply chain.

The conference concluded with the "Outstanding Supplier Awards Ceremony" to honor high-performing partners and encourage a continuous commitment to improving quality and service, thereby co-creating a sustainable supply value chain.

■ Local procurement percentage

YAGEO promises to expand investment in Taiwan as a mid-term and long-term business goal because it acknowledges that the importance of locality cannot be ignored in the globalized market. Given this, YAGEO values the spirit of local sourcing when considering and selecting suppliers and, therefore, prioritizes building cooperative relationships with local suppliers.

2024 Local Procurement Amount Ratio

Local procurement amount (NT\$ million)	Factory sites in Taiwan	Factory sites in China	Total
Local procurement amount	508	974	1,482
Total procurement amount	873	2,718	3,591
Local procurement percentage	58.19%	35.84%	41.27%

Note: Important business locations include China (Suzhou) and Taiwan (Kaohsiung). Local suppliers are defined as domestic trading partners.

■ Green Procurement

To fulfill our commitment to corporate sustainable development, and to reduce the environmental impact of our operations. YAGEO promotes green procurement through the purchase of products that are compliant with environmental protection and carbon reduction, and prioritize those with energy-saving marks and other eco-friendly certifications. In 2024, the total green procurement amount of the Company reached NT\$7.58 million. In addition, YAGEO will give priority to suppliers who have obtained ISO 14001 system certification.

2024 Green Procurement Amount Ratio

Green Procurement List	Green procurement amount (NT\$ million)	Green procurement item ratio (%)
Carbon reduction mark	0.44	5.79%
Forest Stewardship Council (FSC) Certification	0.10	1.34%
Programme for the Endorsement of Forest Certification (PEFC)	0.01	0.16%
Eco-friendly mark	5.36	70.76%
Other Eco-Labels - LED Light Tubes	0.27	3.57%
Other Eco-Labels - Copier Lease	0.85	11.25%
Renewable Energy Certificate (REC) Purchases	0.54	7.13%
Total	7.58	100%

4.2 Sustainable Supply Chain Management

■ Execution of Supplier's Code of Conduct

YAGEO demands that all suppliers execute the procurement agreement and letter of undertaking for integrity first and before becoming an official supplier with the opportunity to cooperate with YAGEO. In addition to compliance with laws/regulations and ethical transactions, YAGEO has expressly established the regulations governing intellectual property rights, product safety warranty, confidentiality, declaration and letter of the undertaking of integrity, use of forbidden or controlled substances, social and corporate responsibilities, etc. Execution of the following implementation results:

Execution of the Code of Conduct	Cooperating Suppliers		
	Taiwan	China	Total
Number of signed suppliers	54	112	166
Total number of suppliers	54	112	166
% of the suppliers that have signed the Code of Conduct	100%	100%	100%

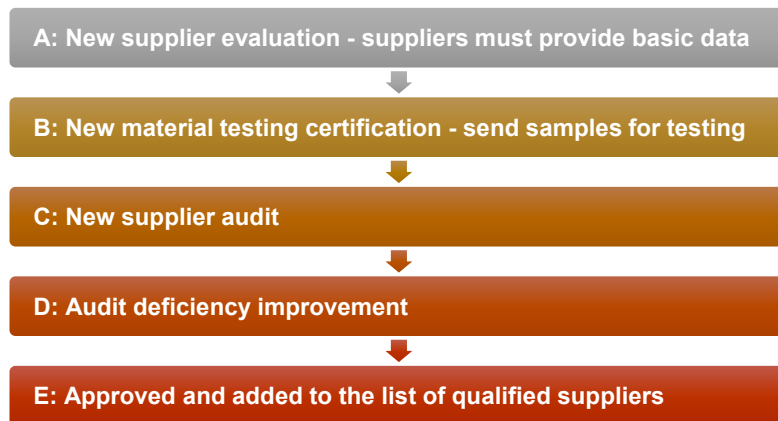
■ Supplier Commitment Letter

Order and delivery, price and payment terms, demand forecast, default liability, QA and warranty liability, intellectual property rights, product safety guaranty, confidentiality, declaration and letter of the undertaking of integrity, use of forbidden or controlled substances, social and corporate responsibilities, et al.

■ Criteria for Selection of Suppliers

Operations and Finance	• Must possess legal company and factory registration certificates. • Must have been established for more than 3 years and have regular revenue. • Material suppliers must have relevant business experience, sufficient production capacity and equipment, and sound financial status. • New suppliers (other than raw materials) must provide a basic supplier survey, business license, system certifications, and qualification certificates. • If the supplier is an agent, their financial capabilities will also be evaluated.
Integrity and Compliance	• Must have a robust internal control system and ethical management. • Must deal with the Company in good faith • Must confirm compliance with all relevant laws and regulations.
Environmental and Social	• For major raw material suppliers, the ISO 9001:2015 Quality Management System standard is used as the minimum quality system requirement. Priority is given to suppliers who are already certified under the ISO 14001:2015 Environmental Management System standard. We also use the IATF 16949:2016 standard as a target requirement for quality systems. • For suppliers of materials other than raw materials, priority is given to those who are certified under both the ISO 9001:2015 and ISO 14001:2015 management system standards. • Suppliers must control environmentally related substances. • Suppliers must establish an RBA management system and comply with the RBA and its standards. Priority is given to suppliers who have implemented the latest version of the RBA Code of Conduct.

■ Operating Procedure for Recognition of Suppliers and New Raw Materials/Supplies

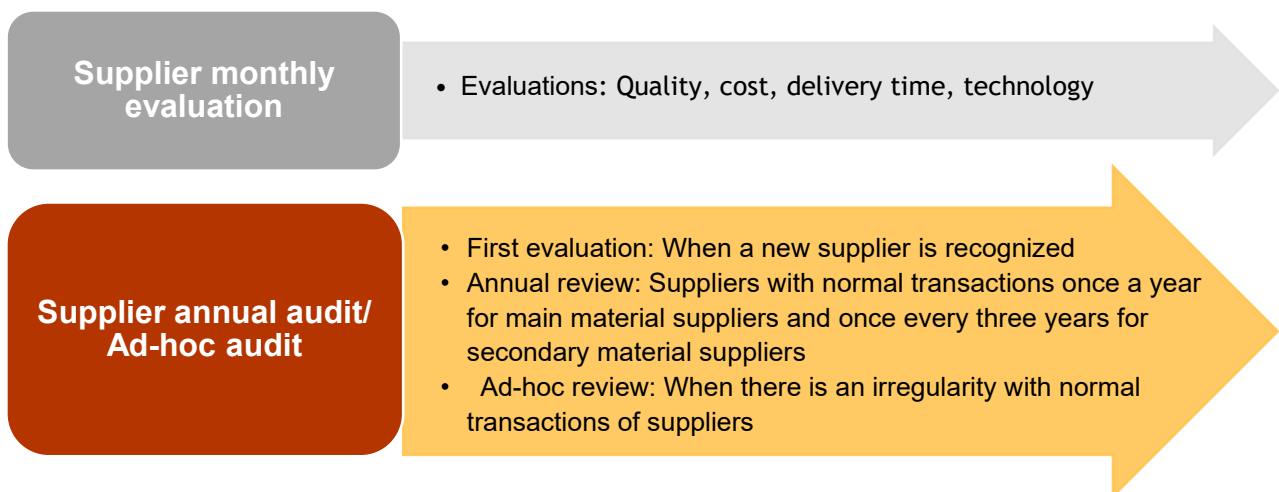


■ Supplier Risk Management

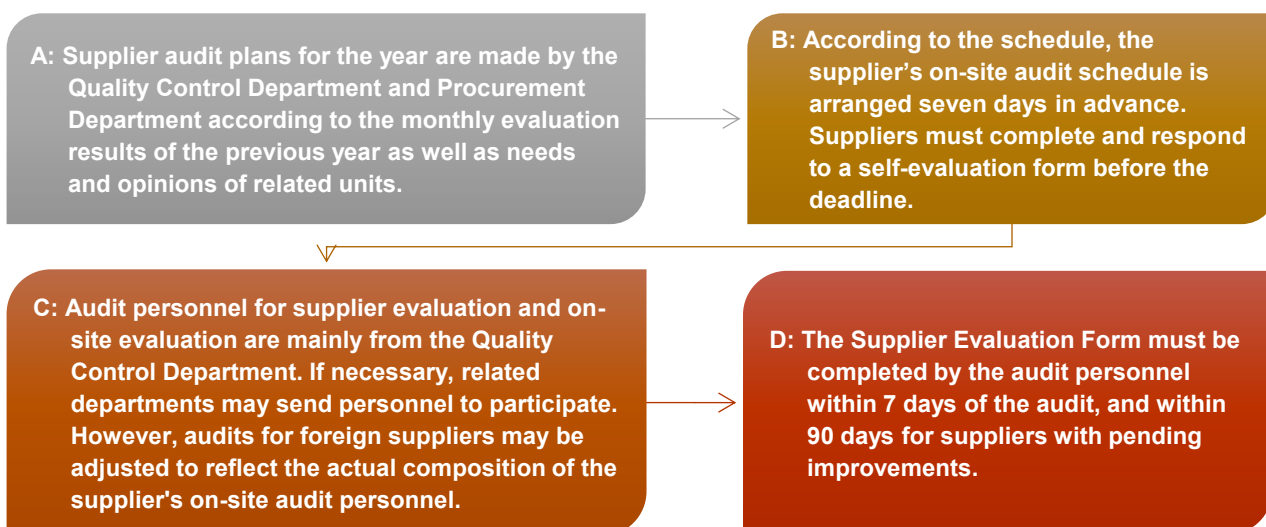
YAGEO conducts an annual assessment of suppliers across four dimensions to identify risk causes and levels. We then formulate corresponding strategies to address these risks. High-risk suppliers are audited and guided to ensure that their risks are effectively controlled and mitigated.

Aspect	Evaluation Content
Quality	Supplier's quality system, production status, and change management.
Supply disruption	Raw material shortages, natural disasters, utility outages, infrastructure damage, labor shortages, critical equipment failures, supplier operational or financial issues, or impacts from international events, such as war, trade disputes, or financial crises.
Delivery delays	Issues related to single suppliers, transportation, supplier capacity, and production status.
Industry compliance	Supplier's awareness of the RBA standards.

■ Supplier Evaluation System



Evaluation process (written, on-site review)



■ Scope of Audit on Supplier's environmental and social criteria

Selection Criteria in Terms of the Environmental Aspect	Selection Criteria in Terms of the Social Aspect
✓ Sign a guarantee not to use environmentally harmful substances ✓ Provide an annual hazardous substance test report (updated annually) ✓ EHS system certificate (updated periodically) ✓ Pass the environmental system audit (>80 points) ✓ Sign a procurement agreement and quality agreement ✓ Suppliers are requested to provide the substance composition analysis table	✓ Labor ✓ Health and safety ✓ Environmental ✓ Code of Ethics (ETHIC) ✓ Management systems

In 2024, 166 suppliers underwent an environmental and social criteria audit and all passed. On-site audits were carried out on 29 suppliers with 2 suppliers audited through video conference and the rest of the 135 suppliers audited on paper. In 2024, no suppliers with significant negative impacts were identified. Furthermore, all 22 new suppliers followed YAGEO's "Procedure for Approval of Suppliers and New Raw Materials" and were screened and approved according to our environmental and social standards. The pass rate for new suppliers screened with these standards was 100%.

Number and percentage of new suppliers screened with environmental and social standards

New suppliers that were screened using environmental and social criteria	Taiwan	China	Total
2024 new suppliers with transaction records	6	16	22
Number of new suppliers that were screened using environmental criteria	6	16	22
Percentage of new suppliers that were screened using environmental criteria	100%	100%	100%
Number of new suppliers that were screened using social criteria	6	16	22
Percentage of new suppliers that were screened using social criteria	100%	100%	100%

YAGEO conducts RBA audits of its suppliers and evaluates them in five key areas: labor, health and safety, environment, ethics, and management system. Our grading system for deficiencies includes: major deficiency, minor deficiency, and observation. A supplier is qualified if their total audit score is greater than 80 points, with fewer than 2 major deficiencies and fewer than 10 minor deficiencies. According to the 2024 audit results, no high-risk suppliers were identified. We also found no priority non-conformances or other non-conformance-level deficiencies among Tier 1 suppliers.

Percentage of Tier 1 suppliers that underwent RBA audits

New supplier audit	Number of First-Tier Suppliers	Number of High-Risk Tier 1 Suppliers
Supplier Audit Results	166	0
Total	166	0
Percentage	100%	0%

Note: A Tier 1 supplier is defined as one that has direct manufacturing transactions for goods and services with YAGEO.

■ Supplier Anti-corruption Policy Communication

To convey our anti-corruption policy to suppliers, YAGEO has included a declaration and guarantee of integrity as Article 14 of the procurement agreement. Suppliers are requested to comply with Article 14 and sign a letter of commitment to integrity. Whistleblowers are encouraged to use the established hotline or email to report any improper bribery/solicitation or otherwise unethical behaviors. In 2024, 100% of all Tier 1 suppliers in Taiwan and China completed anti-corruption policy communication.

Anti-corruption policy communication	Cooperating Suppliers		
	Factory sites in Taiwan	Factory sites in China	Total
Total number of suppliers committed	54	112	166
Total number of suppliers	54	112	166
% of suppliers committed	100%	100%	100%

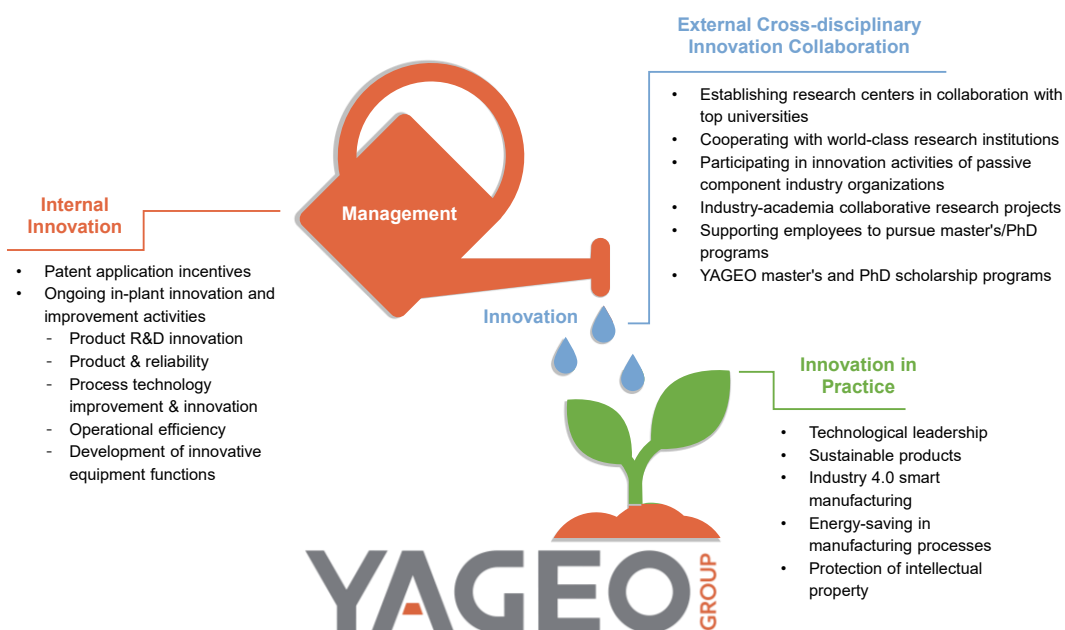
Chapter 5 Innovative Energy



5.1 Innovative Research and Development and Green Products

■ Innovative management framework

YAGEO is a leader in Taiwan's passive component industry and a major supplier in the global market. YAGEO is built on a foundation of innovation and continuously invests heavily in research and development. In addition to creating an internal innovation rewards system that encourages teamwork and the practical application of creative ideas, the Company focuses on sustainable development and the implementation of a green supply chain. YAGEO actively promotes industry-academia collaboration with top domestic universities. Through various programs, we enhance the combined effect of theoretical knowledge and practical application



We also work closely with our clients and engage in in-depth discussions about their customized design needs. These cross-field innovation activities have fostered the cultivation of industry-academia talent and enhanced the capacity for innovation in products and process technology. Furthermore, YAGEO is committed to achieving green supply chain innovation and advancing sustainable development. The Company not only focuses on providing innovative products but also works to reduce its environmental impact by improving manufacturing processes to ensure that every stage of the supply chain meets environmental standards so as to offer clients products with greater ecological value. Through these efforts, YAGEO not only enhances its own competitiveness but has also contributes to global sustainable development.

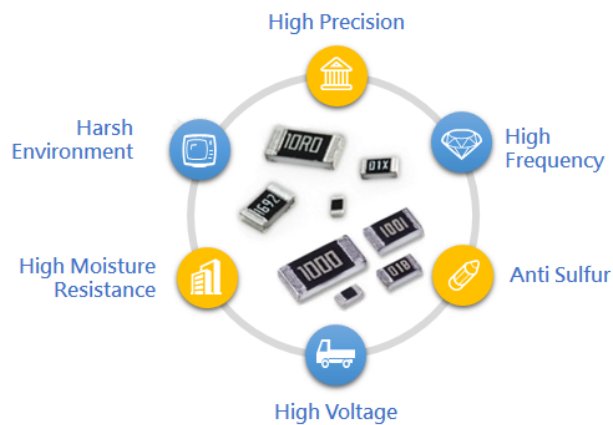
Amount of R&D investment, ratio of R&D investment funds to turnover, and number of R&D personnel in the past three years:

Unit: NT\$ million	2022	2023	2024
Ratio of R&D investment funds to operating revenue	2.3%	2.8%	2.9%
R&D investment growth rate	6.7%	1.3%	14.9%
Number of R&D personnel (persons)	124	128	147

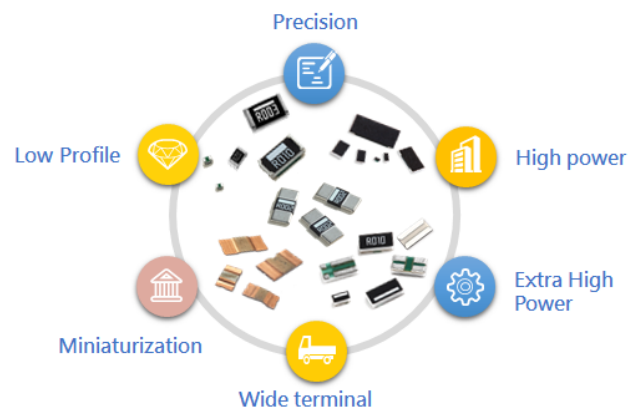
Note: Revenue and R&D investment data are from YAGEO's 2024 consolidated financial report. The investment growth rate is a comparison to 2021.

■ Innovative R&D and Green Process

YAGEO is committed to becoming a sustainable enterprise and a market pioneer, actively adapting to changes in industry and market trends. Building on our existing products and technology, we are investing in the development of high-end products and adjacent technologies to expand our innovative product portfolio, with a specific focus on niche products. By increasing the application of our products in automotive electronics, 5G communications, and power management, YAGEO provides clients with more diverse solutions that help achieve sustainable development. In R&D, YAGEO is focused on two primary development areas for chip resistors (R-Chips): First, for precision thin-film products, this includes products for harsh environments, high-reliability automotive series, high-voltage products, high-power products, and miniaturized products. These meet the market's demand for high performance and reliability. Secondly, for current sensing resistors, these products are designed for high power, ultra-thin, and miniaturization. They are especially suitable for various applications in electric vehicles and 5G. YAGEO's commitment extends beyond innovative R&D to include green processes and sustainable development. The Company uses eco-friendly materials and energy-efficient technologies to reduce the carbon footprint of its manufacturing processes, to ensure that every step of every process aligns with environmental standards. Through these efforts, YAGEO enhances the environmental value and market competitiveness of its products while promoting the progress of global sustainable development.



Thin film



Current sensors

R-Chip

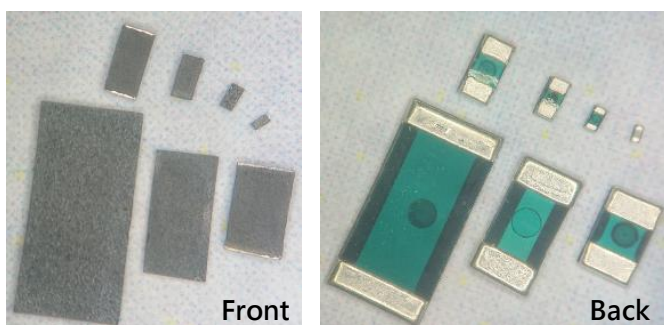
Chip resistor (R-Chip) innovation and green processes

World's smallest chip metal plate current sensing resistor (PA0100)

The PA0100 developed by YAGEO is the world's smallest chip metal plate current sensing resistor, with dimensions of merely 0.4mm x 0.2mm. Early current sensing resistors were primarily made through mechanical processing, but this method struggled to achieve the required precision tolerances for product miniaturization. To solve this issue, the PA0100 adopts a special miniaturization process and successfully achieves ultra-low resistance in the $<2\text{m}\Omega$ and $10\text{m}\Omega\sim100\text{m}\Omega$ ranges.

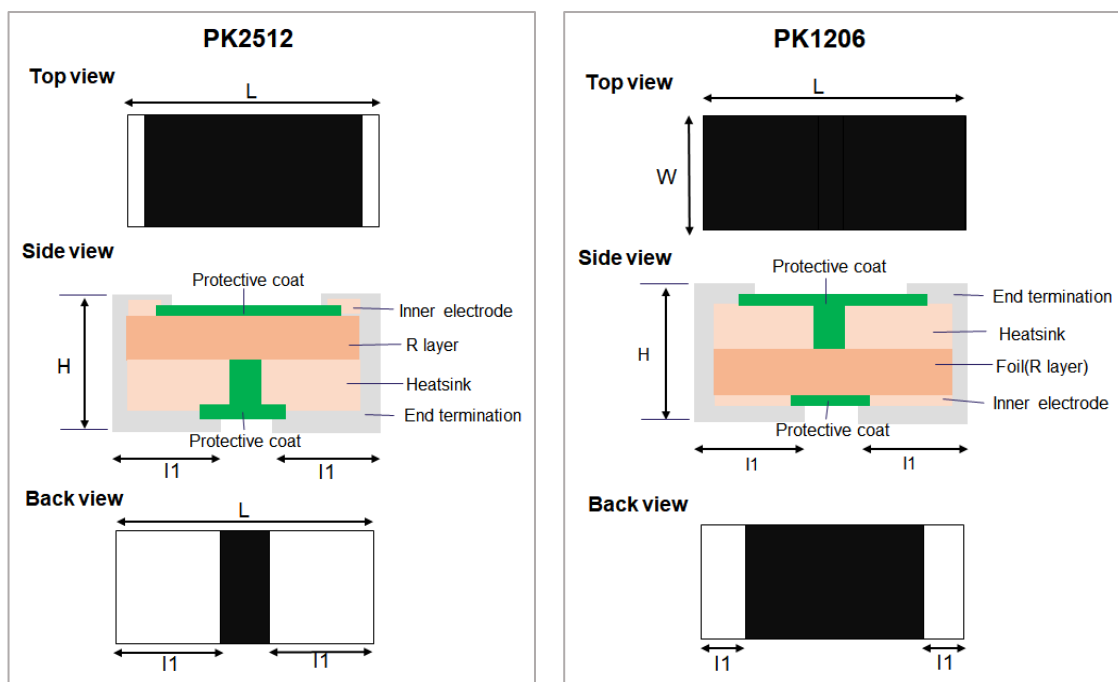
The PA0100 offers several advantages, including high precision, low temperature coefficient of resistance (TCR), and low thermal EMF. Specifically, the $<2\text{m}\Omega$ PA0100 can also be used as a metal jumper. Furthermore, it can withstand currents of up to 6 amps, providing high-power characteristics that reduce power consumption and achieve energy-saving effects for clients.

The PA0100/0201 current sensing resistors are primarily used in mobile devices that require a slim, compact, multi-functional, and high-density installation, such as smartphones, tablets, RF/PA modules, Battery Management Systems, and wearable devices. YAGEO's PA series of current sensing resistors offers a variety of size options, including 0100, 0201, 0402, 0603, 0805, 1206, 2010, and 2512, to fully meet clients' diverse application needs and achieve high performance and multi-functionality.



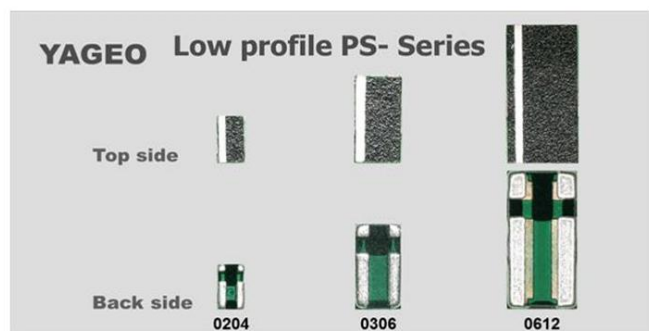
Ultra-high power chip metal plate current sensing resistors (PK2512 / PK1206)

Leveraging our own development experience, we achieved a design capable of handling ultra-high power and large currents by utilizing different pattern designs, eliminating the need for a high-heat dissipation protective layer, optimizing the side thermal conduction path, and increasing the surface area. With these two key breakthroughs, we have developed a high-specification product for the market. For example, a PK1206 with 1mΩ–10mΩ resistance can handle up to 2W of power, completely replacing the market's 2512 2W products. This application reduces material waste by 75%. Essentially, using just one-quarter of the original material is enough to meet the 2W power requirement that previously needed a 2512-sized component. This reduces resource waste and promotes resource conservation.



Global 4-Terminal Current Sense Resistors

YAGEO's global 4-terminal current sensing resistors include the 0612 and 0306 models, with a thickness ranging from 0.5mm to 0.75mm. To meet the demand for thin, compact, and miniaturized products, we used a special miniaturization process to successfully develop the smallest 0204 four-terminal product with a thickness uniformly below 0.45 mm. The ultra-thin design of these products perfectly meets clients' needs for slimness when integrating them with other electronic components.



Green automotive thin-film high-power products

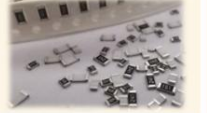
By combining lead-free ink with optimized laser cutting, YAGEO has developed a series of green thin-film high-power products for automotive applications. These products can withstand the strict conditions of high voltages in short bursts and intermittent full-load power over long periods. They also have excellent moisture and sulfur resistance, effectively preventing corrosion from moisture and sulfur gas. In addition, these products deliver high power while allowing for a smaller size. For example, an RP0402 0.125W can replace an RP0603 0.1W, an RP0603 0.2W can replace an 0805 0.125W, and an 0805 0.25W can replace a 1206 0.25W. This design not only reduces material usage but also effectively lowers resource consumption, thus achieving the goal of resource conservation.

Product	Maximum power tolerated
RP0402 Product	0.062W→ 0.125W
RP0402 Product	0.1W→ 0.2W
RP0402 Product	0.125W→ 0.25W
RP0402 Product	0.25W→ 0.4W

Thick film resistors

Thick film resistors are among the most commonly used electronic components, widely applied in key functions, such as voltage division, current limiting, signal conditioning, power management, feedback control, and interface circuits. At our Suzhou plant, we have achieved new breakthroughs in thick film resistors, with a focus on high voltage, high power, high precision, and resistance to harsh environments. These advancements provide critical support for the development of new energy vehicles and the AI industry.

Main Characteristics Performance

High Voltage	High Power	Anti-Hash Environment	High Precision	Customization
Max. Working Voltage 0603 : 75V => 350V 0805 : 150V=> 400V 1206 : 200V=> 1000V 2010 : 200V=> 2000V 2512 : 200V=> 3000V	0201 : 1/20w =>1/5w (4X) On going 0402 : 1/16w =>1/4w (4X) 0603 : 1/10w => 1/3w (4X) 0805 : 1/8w => 1/2w (4X) 1206 : 1/4w => 1w (4X)	Anti-High Temp. Standard : Life70°C & 100% Power Advanced : Life105 °C & 100% Power (0402~1206) Anti FOS Standard : FOS 60°C 500H Advanced: FOS 105°C 750H	TCR Standard : ±100PPM Advanced : ±50PPM Advanced Plus : -50~25PPM (0402~0805 On going ; 1206 : Done) 0201 : 200PPM =>±50PPM (10Q~10M)	- Automotive grade Leadfree - Non-magnetic - Anti-Solder joint crack. - Functional Combination products (Based on Customer request)
				

1. High-voltage products

Working voltages have been comprehensively upgraded, with various product sizes available: 0603, 0805, 1206, 2010, and 2512. Maximum working voltage has been increased; e.g., 0603 from a standard

75V to 350V; 1206 from a standard 200V to 1000V; and 2512 from a standard 200V to 3000V. These products are ideal for energy storage applications.

2. High-power products

The entire series now delivers 4 times the power and pulse resistance of standard products, with sizes including 0201, 0402, 0603, 0805, and 1206. They are widely applicable in new energy vehicles, electric vehicle chargers, AI server environments, controllers, and other fields.

3. Harsh environment-resistant products

These products have achieved new breakthroughs in lifespan and sulfur resistance. For example, their lifespan has been upgraded from 70°C to 100% full power at 105°C, making them suitable for special environments, such as high-temperature outdoor settings and base stations.

4. High-precision products

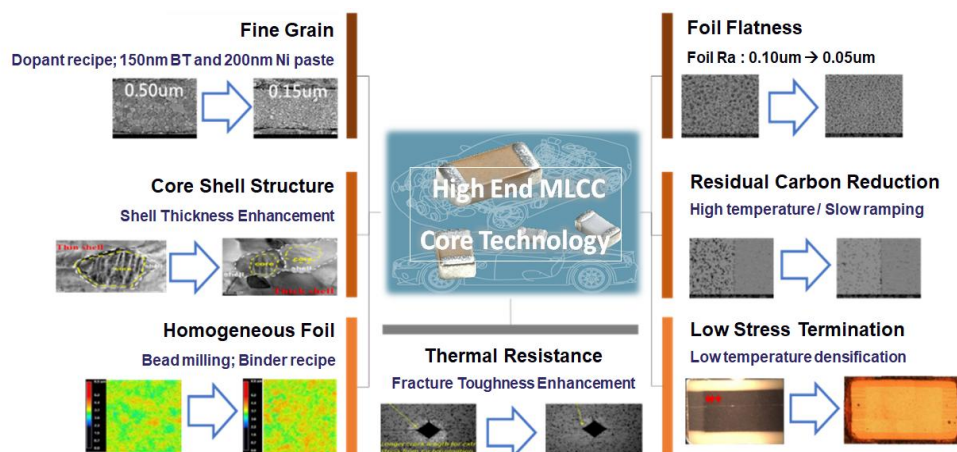
The Temperature Coefficient of Resistance (TCR) has been improved from a standard 100ppm to 25ppm, making these products suitable for new energy battery management systems and providing efficient and stable operation for AI big data computing.

MLCC

For MLCC, with the application of electric vehicles and 5G, the demand for products in various fields is growing. The R&D mainly covers six areas: high-capacity, high-reliability automotive series, high-voltage, high frequency, soft end electrodes and miniaturization. In addition, in order to deal with the issue of carbon reduction, innovative development is also being carried out in materials and processes.

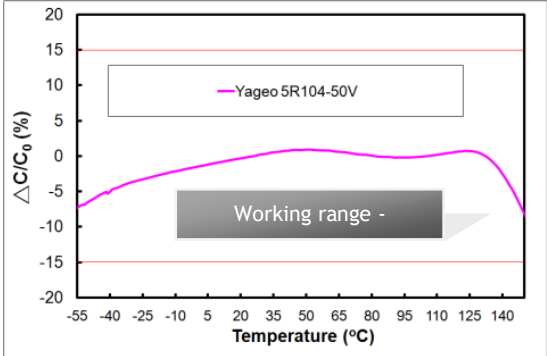
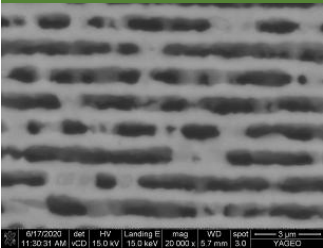
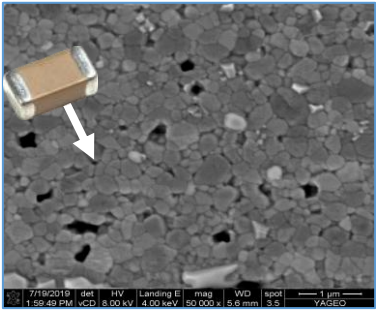
Innovative characteristics of MLCC

To expand our market share in niche MLCC products, YAGEO's R&D focus is on automotive and miniaturized applications. As demand for automotive components has grown and ITO technology has emerged, product trends are moving toward higher capacitance, higher voltage, and higher frequency to meet high-reliability requirements. At the same time, the mobile phone market is trending toward miniaturization, and YAGEO is committed to advancing our 01005 technology to meet the demand for high-capacitance applications.



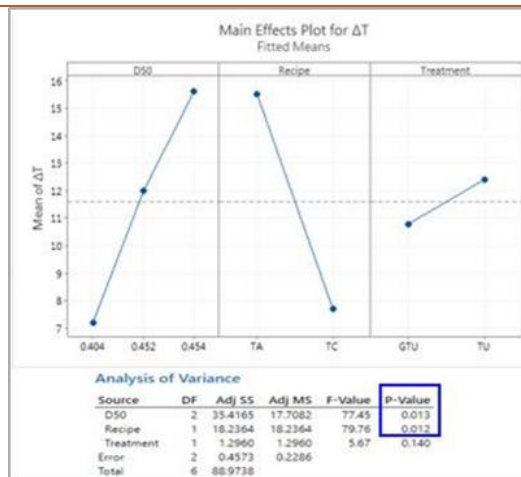
The increasing popularity of autonomous and electric vehicles has significantly boosted the need for MLCCs, and these vehicles require 4 to 5 times more MLCCs than traditional ones. To meet this challenge, we continuously raise our product reliability standards. By adopting new material systems and manufacturing techniques, we have successfully developed products with high-temperature and high-reliability characteristics, to ensure stable operation even in extreme environments.

YAGEO will continue to invest in R&D to drive technological innovation and satisfy market demand for high-performance, high-reliability MLCCs, maintaining our leading position in the global market. This series of initiatives not only helps us achieve our sustainability goals but also enables us to provide superior solutions for our clients.

01005 Product	X8R Product
 Product size: 0.4mm*0.2mm	
YAGEO 01005 104  ✕ 0.61 μm (dielectric thickness) ✕ 0.61 μm (electrode thickness)	 Grain size = 250 nm

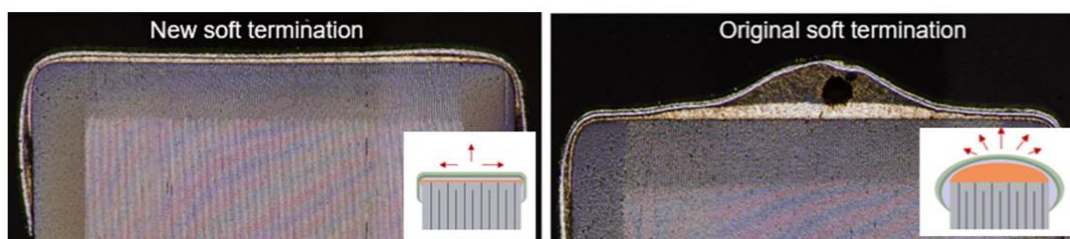
Development of low self-heating, high-voltage products

Both the electric vehicle itself and its external charging system, as well as the power applications, require the use of high-voltage products, but they operate at medium to low frequencies. This range is more prone to ripple current effects than high frequencies, resulting in self-heating. Overheating increases the product's thermal stress and reduces its reliability. Therefore, we reduce self-heating by adding trace amounts of materials and optimizing the manufacturing process to meet low thermal stress requirements.



Development of soft termination capacitors

YAGEO's soft termination CS series capacitors can withstand at least 3mm of circuit board bending. This flexibility allows them to be used in a wide range of end systems, such as car lights, infotainment systems, batteries and chargers, and power supplies. These soft termination capacitors also offer excellent resistance to bending, thermal shock, and mechanical vibration, making them ideal for high-stress applications, such as bent circuit boards, power switching, and base stations.



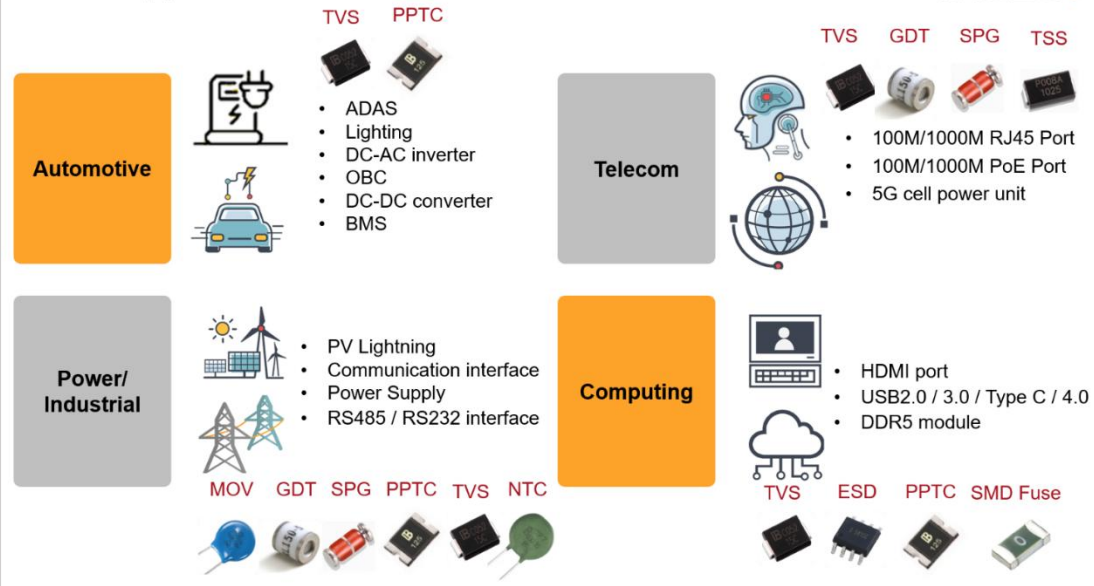
Green products and processes

- Nantze Plant's improvements: In the binder burnout process, the Nantze Plant successfully reduced nitrogen usage, thus shortening the process time by approximately 27.6% and decreasing the amount of nitrogen used by about 32%. These improvements have not only boosted production efficiency but also effectively reduced energy consumption and carbon emissions.
- Suzhou Plant's optimization: The Suzhou Plant has lowered its sintering temperature by replacing ceramic materials. This measure reduces energy consumption and helps extend the lifespan of the equipment, further improving the environmental benefits of our production process.

Circuit protection components

YAGEO provides comprehensive circuit protection solutions that limit voltage to a safe level and divert excess current to the ground to prevent circuit damage. These products can also adjust to temperature changes to ensure circuit safety. Our circuit protection products are widely used in the automotive, industrial, power, communications, and consumer electronics fields.

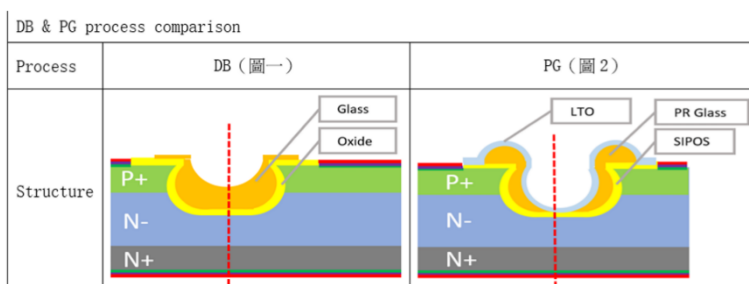
Focus Applications



In terms of R&D, YAGEO is dedicated to advancing process technology while developing smaller, more efficient, and high-power products to meet market demand. We also actively promote sustainable development by using eco-friendly materials and energy-efficient technologies to reduce our environmental impact. We are committed to lowering the energy consumption of our products to foster a sustainable future.

Circuit protection components (CPT) innovation and green processes

- Suzhou Plant's improvements: In the welding process, the Suzhou Plant will reduce the use of organic solvents during the isopropanol cleaning phase, further promoting green manufacturing and making a positive contribution to environmental protection.
- Dongguan Plant's improvements: The manufacturing process for our Metal Oxide Varistor (MOV) products was improved in March 2024, thus eliminating the use of organic solvents (isopropanol). This change reduces solvent usage by 1,800L per year. This consequently lowers environmental pollution and enhances the eco-friendliness of the production process.
- The Dongguan Plant introduced a Photo Glass (PG) process to create highly reliable Transient Voltage Suppressor (TVS) products. These products maintain stable performance in harsh environments with extreme temperatures, high vibration, high pressure, high humidity, and EMI. They have passed quality standards for the automotive industry, such as AEC-Q series certifications. A comparison between the traditional Doctor Blade (DB) and PG (Photo Glass) processes is shown in the attached image.



■ Low-carbon manufacturing and smart factories

To achieve the dual goals of high efficiency and low carbon emissions, YAGEO is actively implementing smart manufacturing technologies. We are optimizing key processes to move toward green production and the optimal use of resources. In the cutting, BBO, and plating processes, we have introduced automatic taping machines, automatic scraping machines, and automatic dispensing machines. By replacing traditional manual labor with automated machinery, we have significantly improved operational stability and production quality, which in turn reduces resource waste and our carbon footprint. As of 2024, we have installed a total of 19 automated machines, which are estimated to save the cost of approximately 277 employees annually. This also reduces the energy consumption and error risks associated with manual operation, thus showcasing the contribution of smart manufacturing to resource efficiency and an environmentally friendly business model.



In terms of digitalization, YAGEO is continuing its paperless initiative for manufacturing records. We have upgraded our equipment with information technology and integrated our systems to automatically collect and store machine parameters and operational data. This allows us to pursue a dual-track approach of data governance and environmental responsibility. As of 2024, YAGEO's Suzhou Plant has converted 51% of its forms to digital records, thus saving an estimated RMB 35,760 (approximately NT\$145,498) in paper costs and reducing carbon emissions by an estimated 4,889 kg per year. This not only cuts down on paper use and reduces deforestation and carbon emissions but also improves real-time information access and inter-departmental communication efficiency, thereby laying a solid foundation for the Company's journey toward digital sustainability and low-carbon management.

Additionally, YAGEO has implemented a smart warehousing system. We have installed automated storage equipment in our substrate storage area, which is integrated with robotic arms, Automated Guided Vehicles (AGV), and a Smart Management Platform (WMS). This has effectively increased warehousing efficiency and space utilization, further reducing energy and space waste. The storage capacity has increased from 17,000 boxes to 18,200, a 7.1% increase, while the number of required employees has decreased by nine. This exemplifies a smart, labor-saving, efficient, and environmentally friendly green warehousing management model.

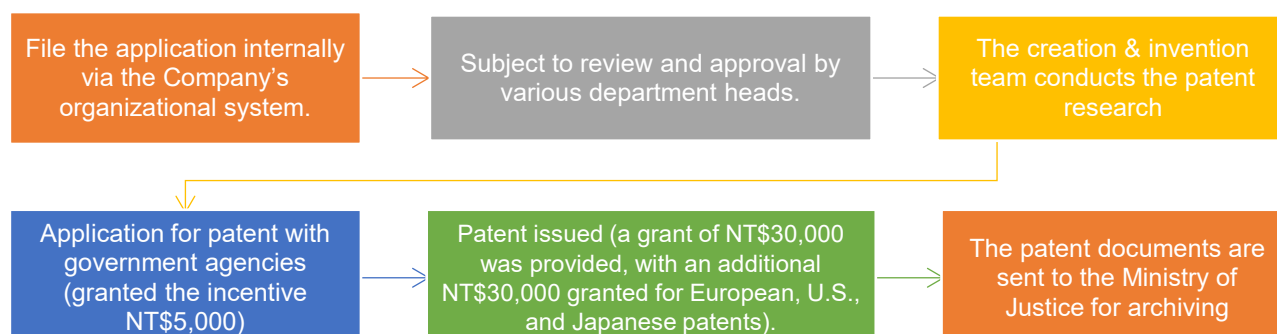
■ Creation and Invention & Patent Management

YAGEO has established the "Regulations Governing Invention and Creation Incentives" and "Operating Procedure for Application for and Maintenance of Patents" as the intellectual property management policies to be followed by YAGEO with respect to intellectual property rights and the management thereof. The Group's in-house staff are encouraged to continuously engage in R&D and innovation of products and technologies. In addition to internal control of intellectual property rights management, such as case status and rights

protection, YAGEO also appoints external attorneys to handle intellectual property management to mitigate risk effectively. In 2024, the Group submitted a total of 19 patent applications.

The purpose of establishing the Invention Rewards Regulations was to our employees to be brave in creation and invention in order to prompt technological improvement, further increasing overall productivity. Applicable subjects include any creation or invention which is completed or made for hire by any formal employee of YAGEO when the employee is working for YAGEO and can be used to apply for a patent domestically or overseas in terms of its contents.

Patent Application Process



Patent Maintenance Process:



YAGEO's 2024 Intellectual Property (IP) Achievements

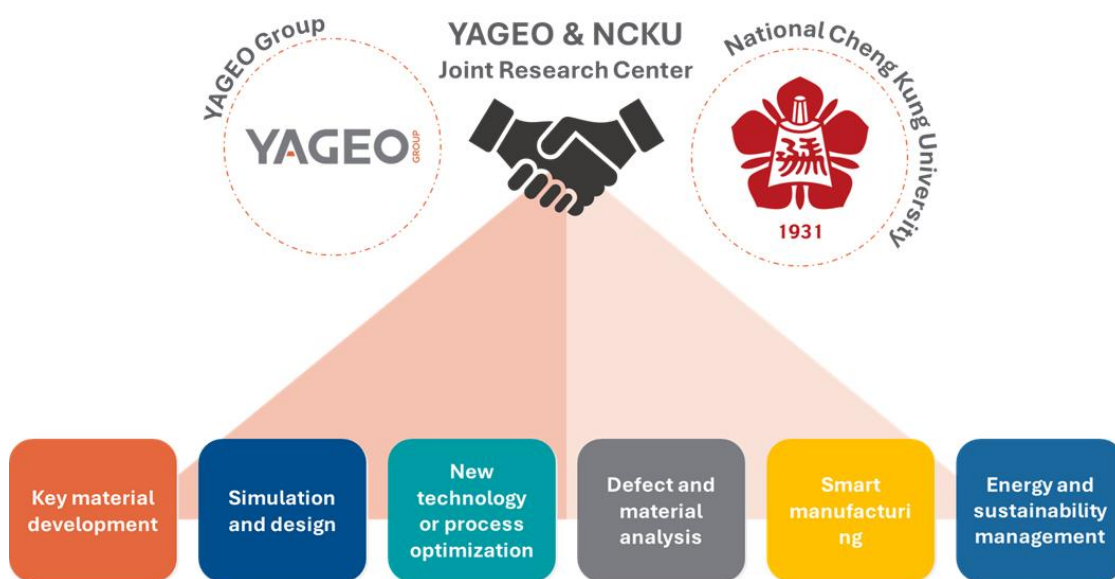
Type	Taiwan		Other Countries/Regions		Total
	Invention Patent	Utility Model Patent	Invention Patent	Utility Model Patent	
Granted	62	4	31	6	103
Pending	33	0	86	0	119

Note: Data is as of December 31, 2024.

Industry-academia joint research to stimulate the energy of innovation

For the time being, in addition to the product R&D department at each factory premises, there are also R&D units, such as the ceramics and electrode materials, equipment, advanced electroforming and high-end

analysis centers. In order to improve the development energy of passive component technology between YAGEO and the academic circle, the YAGEO–NCKU joint research center was established in 2020 to help YAGEO cooperate with National Cheng Kung University to promote R&D projects in various fields, and integrate theories and practices to engage in the industry-academia cooperation of R&D. In 2024, the center collaborated on three projects, with 3 professors serving as project leads. In partnership with our overseas business units, the research expanded beyond the four core areas—key material development, simulation and design, new process optimization, and defect and material analysis—to include studies on smart manufacturing and energy sustainability management.



Anticipated effects of joint research projects

These projects in various fields are expected to improve the income, market share, and product quality of the Group, as well as reduce costs, increase production efficiency, and accelerate technological breakthroughs. Meanwhile, in response to the establishment of the joint research center, YAGEO is eager to recruit R&D-related personnel. The joint research center also recruits talents from diversified channels. For the details about talent recruitment, please refer to 7.1 Talent Attraction and Retention.



5.2 Product Quality Management

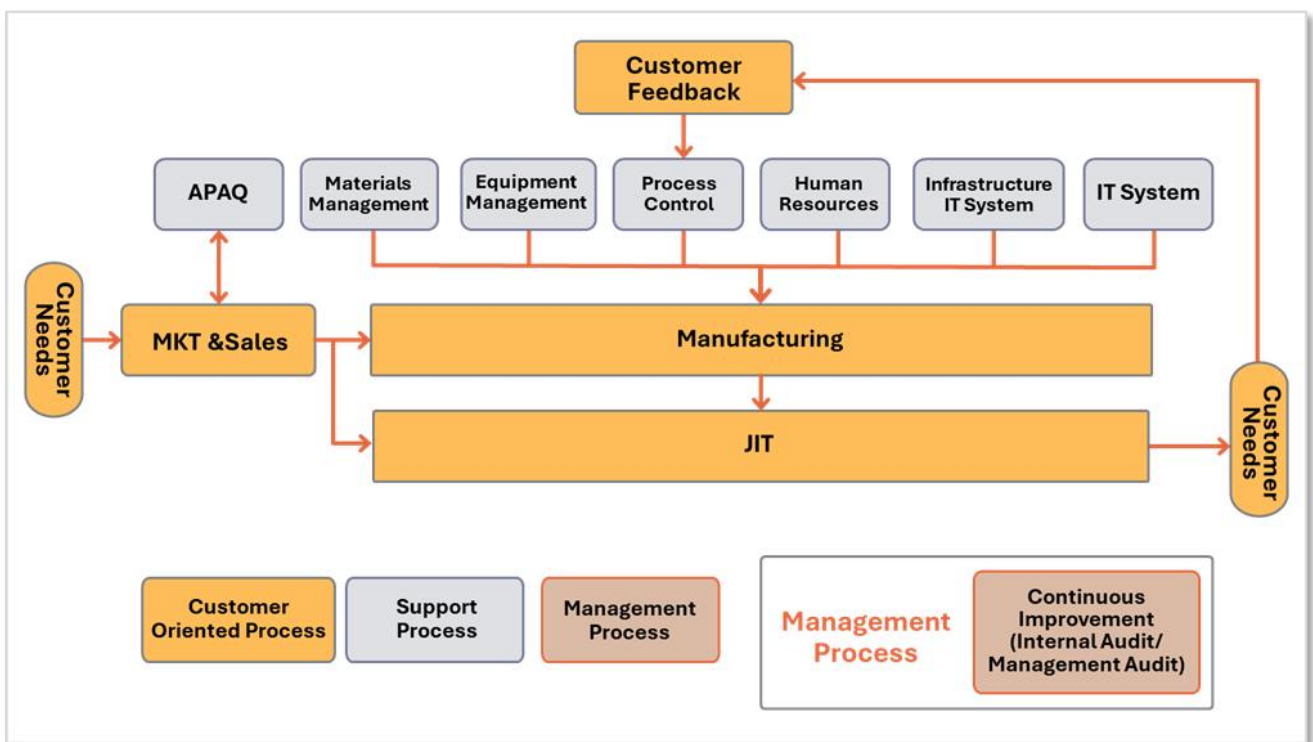
■ Quality Management Policy

YAGEO has implemented quality management systems, such as ISO 9001, including certifications from the Automotive Industry Action Group (AIAG), the VDA Quality Management Center (VDA | QMC), and the International Automotive Task Force (IATF)'s IATF 16949 automotive quality management system. This fully demonstrates YAGEO's compliance with and commitment to international quality standards. In 2024, YAGEO continued to adhere to the principle, "Quality Is the Foundation of the Future," by strengthening its quality management across seven key areas: The KPI control and quality policy over various processes are connected closely and monitored constantly via YAGEO's internal customer-oriented process, management process, and supporting process, in order to provide products and services to customers' satisfaction.

"Quality Is the Foundation of the Future" is a commitment to zero defects, emphasizing the precision and excellence of every produced component to ensure that each product achieves the highest quality standard. Achieving customer satisfaction means more than just meeting expectations; it is about providing an exceptional experience that fosters loyalty and positive engagement, ensuring long-term success. Prevention is better than cure, especially in quality management. By connecting systems and utilizing the right tools, the Company can prevent issues before they arise, continuously improve processes, mitigate risks, and enhance efficiency. A strong quality culture requires every employee to be dedicated every day. This daily, company-wide commitment to quality leads to a concerted effort to maintain high standards and achieve collective goals. Highlighting the value of people, and encouraging employee enthusiasm, skills, and commitment, are the key to building a high-performing organization. Investing in employee development and recognizing their contributions creates a positive work environment. This is more than just compliance. Leading companies actively seek ways to reduce environmental impact and make a positive contribution to society, which enhances corporate reputation and ensures sustainable development and operations. Finally, adhering to ethics and integrity, complying with the code of conduct, and having the courage to do the right thing is critical for maintaining trust and credibility. This culture of honesty and accountability is the cornerstone of long-term success.



■ Global Quality Management Organizational Chart



YAGEO's quality management organization is divided into the corporate level and the product business unit level to ensure comprehensive quality control and improvement measures. The Chief Quality Officer (CQO) is responsible for coordinating the quality management work across all Product Business Divisions. The CQO collaborates with the Quality Management Assistant Vice President of the Product Business Groups and the Quality Managers of each plant to supervise compliance with quality standards throughout the entire production process, from raw material procurement to finished product inspection. The monthly Quality Leadership Council (QLC) serves as a vital platform for ensuring compliance with quality standards and regulatory requirements, where the CQO and members from each Product Business Division jointly review and address any non-compliance issues.

All YAGEO's factories have achieved relevant ISO certifications, including ISO 9001 Quality Management System, ISO 14001 Environmental Management System, and ISO 45001 Occupational Health and Safety Management System. Furthermore, all production sites that manufacture automotive products have successfully obtained the IATF 16949 automotive industry quality management system certification. The quality system is continuously updated based on regulatory requirements and clients' feedback. The CQO operates independently of the Product Business Divisions, allowing for an objective and impartial review of quality requirements across all product lines, ensuring that quality standards remain uncompromised.

In addition, YAGEO annually evaluates the product quality indicators from the previous year, such as the defect rate, and identifies priority improvement items. For each item, a corresponding Quality Improvement Team (QIT) is established. Each QIT is composed of cross-departmental professionals based on the required area of improvement. They regularly review improvement progress and report their findings in monthly meetings.

YAGEO is committed to providing global clients with exceptional products and services. Our comprehensive quality management policy guarantees that every process, from receiving clients' needs to product delivery, meets high quality standards. We regularly conduct external quality testing to ensure impeccable product quality, to firmly support clients' trust and expectations.

R-chip product inspection SGS report	MLCC product inspection SGS report	Protection Component HSF Quality Report
		

■ Quality Month Activity

To implement the quality management policy and strengthen employees' awareness of the importance of quality, YAGEO holds an annual Quality Month event in November. The theme 2024's Quality Month is "Do it

Right, Do it Once". This theme was formally launched in the second half of the year following intensive internal preparation and meetings in the Group.

The Quality Month campaign is designed to raise quality management awareness in the Group and foster a collaborative effort to achieve the zero-defect goal. Through these activities, we aim to further deepen all employees' zero-defect mindset, thereby raising product quality and service levels to meet clients' expectations for high-quality products. Quality Month is not only a manifestation of YAGEO's unwavering commitment to quality but also an important platform for continuous improvement and learning. We anticipate that these efforts will further reinforce our competitive advantage and clients' trust in the market, thus realizing a win-win situation for sustainable development.

2024 Quality Month Five Major Activity Themes



1. Kick-off meeting and poster promotion in the quality month

The YAGEO Group establishes annual goals and policies, and each plant creates posters and large banners to publicize the Quality Month themes in prominent locations and entrances across the plant. Considering employees of different nationalities, we produced multi-language promotional videos to effectively convey the Company's quality policy message.

The Quality Month activities began with a cross-plant meeting on the launch day, where senior executives officially announced the start of the campaign for a quality consensus and commitment across the entire YAGEO Group. A total of 7,428 participants were involved in the 2024 Quality Month, with an investment exceeding NT\$370,000 and approximately RMB 70,000. The use of these resources not only enhanced the effectiveness of quality management promotion but also encouraged employees' active participation and contribution to quality improvement. Through these efforts, YAGEO will continue to elevate its quality culture and ensure the continuous optimization of products and services to achieve high client and market recognition.



2. Zero-Defect Training and Quiz



During the 2024 Quality Month event, YAGEO created and broadcasted engaging, easy-to-understand materials to convey the core principle of "Do it once, do it right". This initiative aimed to strengthen employees' understanding and application of the Company's core values, which include prevention and continuous improvement, client satisfaction, environmental and social responsibility, and ethics and integrity.

To deepen employees' understanding of quality, YAGEO planned a series of educational training and courses themed around "Zero Defects" to help employees understand how to achieve zero-defect quality and engage in practical discussions. A quiz was also held during the event to encourage enthusiastic participation and boost interaction and learning effectiveness, with prizes available to winners. This training adopted a dual approach, using both educational materials and quizzes, allowing employees to verify their understanding of zero-defect knowledge while participating in the competition, to further enhance all employees' consensus on quality management and zero-defect goals. In 2024, our knowledge quiz activity was held via an online questionnaire, with a total of 4,450 participants.

These activities not only motivate employees' active involvement in quality management but also help establish quality-first values in the corporate culture, thus ensuring that YAGEO moves further along the path of continuous pursuit of excellence in quality.

3. Quality management education and training

YAGEO's quality management training is tailored to each plant's specific products and needs. In 2024, the Dongguan Plant held training sessions for IATF 16949:2016 Automotive Quality Management System and VDA 6.3 Process Audit. The goal was to optimize and integrate quality management systems and related documents, while using scientific on-site evaluation to enhance managerial personnel's management capabilities and professional standards, thereby strengthening product competitiveness and brand value. A total of 10 sessions were held with around 500 participants. The training focused on the specialized knowledge of IATF 16949 and VDA 6.3. As a result, 50 people obtained VDA 6.3 audit qualifications, and approximately 350 management documents were revised.

In addition, the Kaohsiung Plant hosted internal education courses on sustainability, to communicate the Company's net-zero emission goals and social responsibility principles to all employees. Approximately 2,000 people participated, demonstrating the Company's commitment to promoting sustainable development.

4. Short film competition

YAGEO holds a short film competition to actively establish and convey the idea that "maintaining quality requires attention to every detail, and every employee in every department is vital". This also helps promote the core principle of "Do it once, do it right". Every year, our plants hold a short film competition based on an annual theme, encouraging full participation and creative expression.

In 2024, a total of 5 plants participated in the Quality Month short film competition. The selected films were aired at each plant after the event to not only enhance the effectiveness of quality culture promotion but also motivate all employees to actively engage in quality management.

To strengthen safety management and employee compliance, the Suzhou Plant launched a short film competition, focusing on the "Top Ten Violations" and Mistake-Proofing Improvement Measures. This initiative served to identify and disclose common non-compliant behaviors within the plant, thereby boosting employees' awareness and execution of safety regulations and further enhancing overall management effectiveness and safety in the work environment. The submitted films were reviewed by a professional judging panel that selected the most representative and educational short films. These films are now aired internally at the plants and at partners' work sites as a regular part of occupational safety education, to reinforce employees' awareness of risk prevention and foster a safe and compliant work environment.

To recognize the creators of the outstanding films, YAGEO awarded a total of NT\$50,000 in prize money. These activities are not only an incentive for employee participation but also an effective way to motivate a collective effort toward continuously improving quality management standards and the Company's overall competitiveness.

A total of 62 teams participated in the 2024 short film competition, with prizes totaling approximately NT\$18,000 and RMB 3,000 awarded.

5. Statistical Quality Control (SQC) Competition

YAGEO's SQC competition is a large, year-long project. Each team, led by a team leader, proposes improvement topics and implementation details according to a project timeline. They then systematically complete each project item. Throughout the project, team members are responsible for helping resolve any issues and ensure smooth progress. The judging criteria include a mid-term written review, a final written review, and a final presentation of results. This entire process is based on a year's worth of meetings, discussions, and experimental validation.

The 2024 SQC competition at the Suzhou Plant began registration in January. A total of 10 teams with 48 participants registered. After mid-term briefings in June and final reports in November, each team presented their project results in December, and they received support from senior executives and recognition from the judging panel. This activity not only strengthened each team's skills in improvement project management and execution but also effectively promoted cross-departmental collaboration and knowledge sharing, thus further fostering YAGEO's efforts in continuous improvement and innovation.



Quality management and environmental certifications

YAGEO's plants have obtained numerous quality management system and product environmental certifications, such as the IATF 16949:2016 Automotive Quality Management System. This demonstrates our strong commitment to product reliability and process consistency, aligning us with the sustainable quality requirements of the industry supply chain. All products are regularly inspected and managed for hazardous substances in accordance with EU-RoHS/REACH standards and the U.S. California Proposition 65. We are dedicated to reducing the potential harm to human health and the natural environment, to fulfill our dual commitment to user safety and ecological protection.

In response to global regulatory trends and clients' demands, some of our plants are also evaluating the U.S. Toxic Substances Control Act (TSCA) and the EU Packaging and Packaging Waste Regulation (PPWR) for future quality management certifications. This shows our proactive preparation and actions in response to the circular economy and waste reduction policies. This year, we conducted a health and safety impact assessment on all products. The results of the hazardous substance inspections show that 100% of our products comply with international standards, which is a testament to our efforts in green processes and material compliance. In the future, we will continue to work toward achieving 100% compliance with international hazardous substance standards to strengthen environmental risk control in our supply chain.

In 2024, we had no incidents of non-compliance with regulations related to product information, labeling, or the health and safety of our products and services. This reflects our continuous commitment to meeting all relevant regulatory requirements and ensuring the legality and safety of our products in the global market. It also reinforces our comprehensive focus on environmental responsibility, customer trust, and social well-being.

Quality management system and certification	MLCC				R-chip		Circuit protection components				Trial packaging
	Nantze YP	Dafa YF	Dafa Plant III YF3	Suzhou SZ-C	Dashe YR	Suzhou Z-R	Dong-guan CPC DG	Dong-guan TH DG	Suzhou TH MD	Portugal Vitrohm	Dong-guan Back-end
ISO 9001:2015 Quality Management System	•	•	•	•	•	•	•	•	•	•	•
ISO/IEC 17025:2017 Laboratory Quality Management System	•			•	•	•	•				
IATF 16949:2016 Automotive Quality Management System	•	•	•	•	•	•	•	•	•		•
IEQC QC 080000:2017 Hazardous Substance Process Management							•		•		
Authorized SONY Green Partner				•	•	•					•
ASUS Green Management System	•				•						
SAMSUNG Eco-Partner	•	•									

Note: Please refer to the official website for details on certifications: [About YAGEO– Certifications](#).

5.3 Customer Relationship Management

YAGEO considers every customer as its business partner and hopes to maintain a long-term partnership with all customers. Therefore, YAGEO's sales teams visit key customers and business partners periodically, and hold meetings with customers and distributors quarterly to discuss services and products and exchange market intelligence, in order to provide feedback to customers immediately. Our annual target for each sales representative is to conduct at least 20 customer visits.

-  Annual/quarterly quotations - discussion on issues, such as price negotiation, expansion of business scale, and production capacity.
-  Technical conference - introduce products to customers or update the progress in product development, etc.
-  Institutional investors conference (Road Show)- Present to customers about the update on organization and overview of YAGEO Group's products.
-  Routine visit to customers - Routine daily visits to customers, solicitation for business opportunities and enhancement of relationship with customers, etc.
-  Quality Issues - Discussion on quality issues, including how to improve quality and prevent quality problems.
-  Large customer event (Customer Day) - Organize large event to maintain proper customer relationship and to exchange opinions at the same time

■ Response to sustainability initiatives

To implement our commitment to sustainability engagement with clients, YAGEO was invited by both Gigabyte Technology and Pegatron Corporation to participate in beach cleanup events. Working together, we removed a total of 1,894 kg and 591 kg of marine debris, respectively. The waste included plastic bottles, bottle caps, containers, straws, fishing nets, and buoys, collectively contributing to a cleaner ocean.

Response to clients' beach cleanup events

Gigabyte Technology's Beach Cleanup

Date: March 22, 2024

Location: Pig Nose Beach, Dayuan

Marine Debris Removed: 1,894 kg



Pegatron Corporation's Beach Cleanup

Date: October 19, 2024

Location: Shalun Beach, Tamsui

Marine Debris Removed: 591 kg

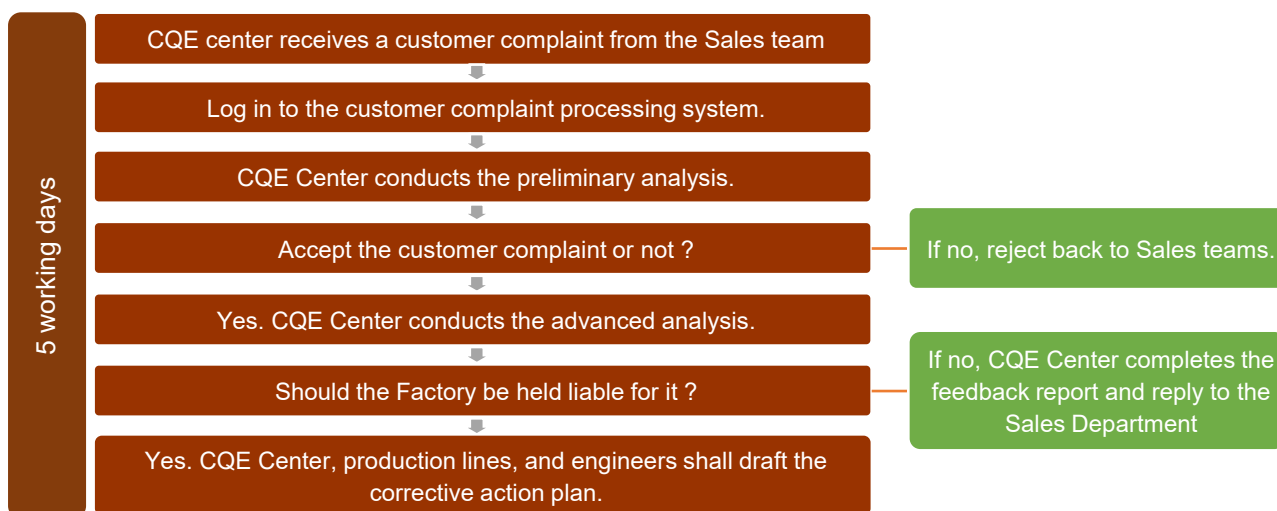


■ Customer Feedback Management

YAGEO values suggestions from each customer. Upon receiving any written opinion from customers, the Sales department will refer it to the Quality Assurance Center. The Center conducts a preliminary analysis and responds to customers within 24 hours. Cause analysis, feedback reports, and documentation for such complaints are completed within 5 days by the Quality Assurance Center. All YAGEO plants aim to respond to customer complaints within 5 working days. With the support from related units' co-workers, in 2024, each plant processed most customers' complaints within the prescribed time limit. We received no major customer complaints during the year.

2024	MLCC				R-chip		Circuit protection components				Trial packaging
	Nantze YP	Dafa YF	Dafa Plant III YF3	Suzhou SZ-C	Dashe YR	Suzhou SZ-R	Dong-guan CPC	Dong-guan TH DG	Suzhou TH MD	Portugal Vitrohm	Dongguan Backend
Customer complaint resolution target completion rate (within 5 working days) %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Customer Feedback Process Flow Chart



■ Customer Satisfaction

In addition to immediate customer feedback, the annual "Customer Satisfaction Survey" questionnaire, initiated by the Market Department at the end of each year, is also a key indicator. Customer Satisfaction Survey Report, covering the items including software and hardware service, personnel service quality, and other administrative support quality (please refer to the following table). Each item is considered an item for internal assessment on service quality, and the evaluation results are to be fed back to the management and

factory as a reference for ongoing improvement. The Market Department, which maintains close contact with customers, sets a customer visit schedule and travels together with the Technical Department. This ensures a clear understanding of clients' R&D direction, product needs, and suggestions. The information is then reported to senior management via email as necessary to formulate solution or improvement plans, and the data is used as a reference for measuring internal service quality.

When it is impossible to respond to a complaint or suggestion in a manner that meets the customer's satisfaction, the content of the complaint or suggestion and the reasons for being unable to meet customer satisfaction shall be included in the agenda of the next monthly management meeting. If the total average scores of the customer's satisfaction survey are less than 7 points (out of 10 points), it is necessary to document the case and discuss what actions shall be taken to satisfy the customer's needs. If necessary, a "project" shall be established to correct the situation. The Customer Satisfaction Survey return rate for 2024 was 100%, with an overall satisfaction score of 8.1. The long-term goal is to achieve an average customer satisfaction score of 9 points.

Customer Satisfaction Survey Report

Item		
- Level of satisfaction with the sales representative - Date of delivery - Customer service worker's response speed - Product logistics	- Product quality control - Environmental quality control over products - Whether the product applies to you in terms of the model and development thereof? - Length of time spent in processing a customer's complaint	- Technological support and exchange - Product catalogue design - Time spent in providing samples - Information on the Company's official website

Customer Satisfaction	R-Chip	MLCC
Average customers' satisfaction	8.2	8.1
Overall satisfaction	8.1	

Note: The percentage of satisfied customers (those with a satisfaction score higher than 7) is 100%.

Chapter 6 Green Manufacturing



6.1 Environmental Management

■ YAGEO's Environmental Policy

Adhering to the principle of "clean production, sustainability, and eco-friendliness," YAGEO has established a group-wide environment, social, and governance (ESG) Policy. The policy covers environmental compliance, energy and resource management, and greenhouse gas emissions reduction to ensure that the Company's operations align with our sustainable development goals.

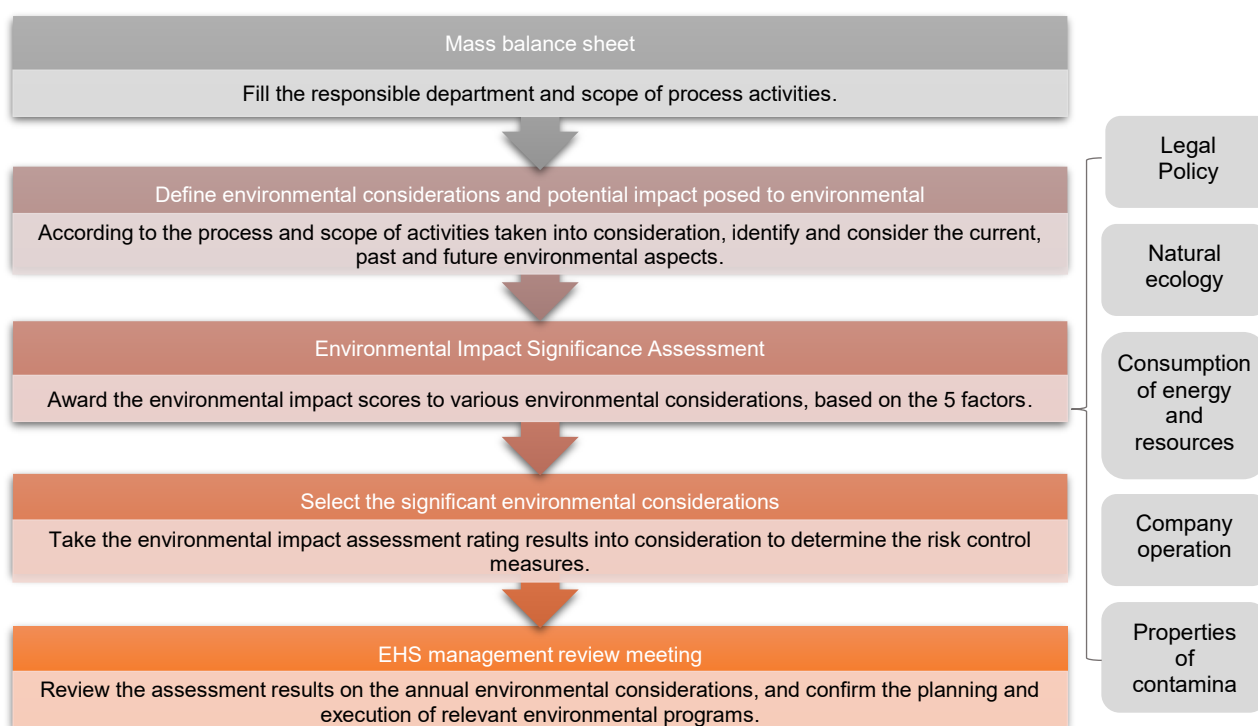
ISO 14001
Certificate



All our plants have passed ISO 14001 environmental management system certification. Through regular management reviews, internal and external audits, and a quarterly environmental committee, we monitor our environmental targets. When necessary, we make rolling adjustments to our management procedures and pollution prevention efforts to ensure that our operations comply with all environmental regulations. For external engagement, each YAGEO plant has established environmental complaint channels and a corresponding "Environmental Safety Corrective and Preventive Management Procedure" to ensure that all issues are reported and handled by the appropriate units. Internally, through the "Communication Form", we accept suggestions made by employees regarding environmental safety issues. Depending on needs, training plans are arranged or environmental policies revised. Related improvements will be made through the internet, bulletin boards, and emails and review meetings held to convey the implementation results.

■ Environmental Impact Assessment

In order to mitigate the impact posed by the operating procedures to environment, each of of YAGEO's factories has the labor safety department and environmental safety committee provide assistance, and, in accordance with the "Operating Procedure for Evaluation in Terms of Environment," demand that each unit evaluate the potential environmental impact of its operating procedures before starting operation, and then subsequently rate the environmental risk based on the evaluation results. Where any significant environmental impact is confirmed by the evaluation, YAGEO will craft a corresponding correction plan and evaluate the environmental impact again upon completion of the response program to confirm that the environmental risk is indeed mitigated and improved.



Responsive measures against environmental impact significance rating (e.g. Kaohsiung Nantze Plant, Dafa Plant, and Dafa Plant III)

Environmental Impact Significance Risk Level List Results can be divided into acceptable and unacceptable risk control measures. However, if it doesn't satisfy the legal requirements, it should be identified as requiring immediately improvement			
A (high risk) Unacceptable risk; subject to submission of an EHS management program	B (Moderate risk) Evaluate and consider the corrective actions; prioritize submission of an EHS management program	C (low risk) To be included into the routine monitoring management; propose management method, if necessary.	D (Minor risk) To be excluded from the corrective action plan.

■ Prevention and correction of environmental incidents

YAGEO Environmental Safety Correction and Prevention Process



Note: The Kaohsiung and Suzhou Plants in Taiwan have established an EHS corrective procedure, and no related notifications were received by the plants in 2024.

With respect to the requirements of environmental authorities, we take a proactive approach and do our utmost when it comes to protecting the environment. In 2024, there were 4 violations of environmental regulations:

Plant	Penalty date	Amount of fine	Cause	Action taken for improvement and execution results
Nantze Factory (YP)	April 22, 2024	NT\$195,000	During normal operation of the capacitor manufacturing process (M01), a distinct sintering odor was detected in the scrubber (A500) of the air pollution control equipment. An investigation found that the pipeline section at the front of the scrubber was not fully sealed, allowing the odor to escape into the atmosphere through a gap in a blind flange, in violation of Article 32, Paragraph 1, Subparagraph 3 of the Air Pollution Control Act.	The blind flange, along with the piping sections both before and after it, was replaced. The blind flange is no longer in use, eliminating the risk of odor escaping into the atmosphere through gaps.

Plant	Penalty date	Amount of fine	Cause	Action taken for improvement and execution results
Nantze Factory (YP)	May 14, 2024	NT\$195,000	During normal operation of the capacitor manufacturing process (M01), a distinct, intermittent sintering odor was detected in the air pollution control equipment's scrubber area. Handheld VOC gas detector (PID) readings ranged from 2638 ppb to 17.52 ppm. Investigation revealed a damaged pipeline with green markings (labeled 2A28) that was not fully sealed or blind-flanged, allowing the odor to escape into the atmosphere. Violation of Article 32, Paragraph 1, Subparagraph 3 of the Air Pollution Control Act.	The previously disconnected pipeline was replaced and sealed. Subsequent handheld VOC gas detector (PID) readings were 0 ppb, eliminating the risk of odor escaping into the atmosphere.
Nantze Factory (YP)	December 2, 2024	NT\$450,000	The capacitor manufacturing process (M01) was operating normally, with authorized exhaust from the M02 cleaning and mixing area (E039) collected via a hood, processed by the scrubber (A300), and emitted through the discharge stack (P003). A drain hole was discovered in the ductwork between E039 and A300, which emitted exhaust gas. PID measurements at this hole showed a Volatile Organic Compound (VOC) concentration of 20.12 ppm. The air pollutants were being discharged directly through this hole, bypassing A300 treatment and P003 emission, thus failing to effectively collect air pollutants. Violation of Article 23, Paragraph 1 of the Air Pollution Control Act.	The drain hole in the ductwork was plugged. Subsequent handheld VOC gas detector (PID) readings were 0 ppb, indicating air pollutants are now effectively collected.
Dafa Factory (YF)	August 28, 2024	NT\$100,000	The analysis of odor pollutant concentration collected at the discharge stack exceeded the emission standard value of 2000 for odor pollutants from "discharge stacks" under the "Standards for Air Pollutant Emission from Stationary Pollution Sources". Violation of Article 20, Paragraph 1 of the Air Pollution Control Act.	- The ozone addition rate was increased from 220 to 310 liters per minute (LPM). - Scrubber scheduled drainage was changed from 8 times a day for 15 minutes each to 30 minutes each time. - Raschig rings were replaced to boost treatment efficiency. - Sprinklers were replaced, increasing the circulating water flow rate from 640 LPM to 820 LPM or higher.

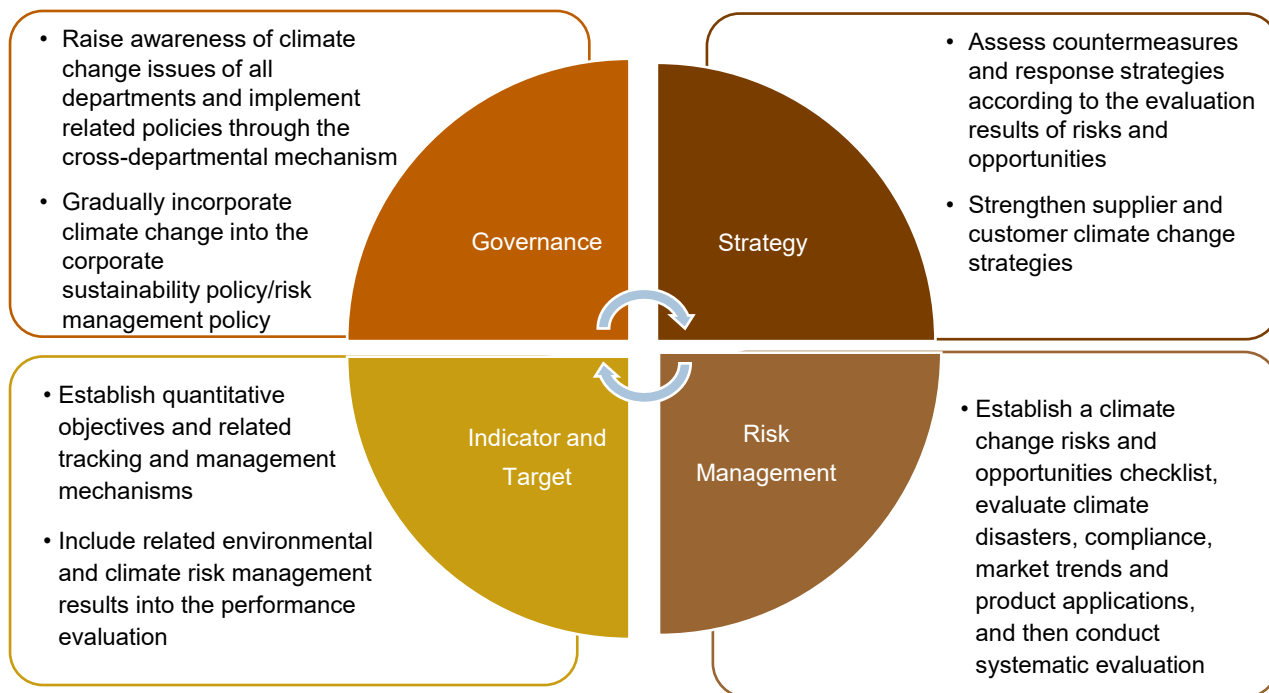
6.2 Climate change management

YAGEO has adopted the Task Force on Climate-related Financial Disclosures (TCFD) Framework, and constructed the management architecture of the Company in response to the climate risks with respect to the four main aspects of governance, strategy, risk management, and indicators and goals. In addition, the Company also identifies the potential risks and relevant opportunities associated with the climate change, in order to assess the level of impact of each climate topic on the Company.

■ Climate Governance

The Board of Directors of YAGEO is the key unit for climate risk management and assessment, and it is also responsible for the review and supervision of the environmental sustainability related budget and implementation outcome submitted by each business department. YAGEO established the Sustainable Development Committee in 2020 (former name of Corporate Social Responsibility Committee) which is comprised of the CEO and two independent directors and representatives appointed by functional organizations responsible for finance, economics, environment, and corporate governance. The team members are from all departments of the Company. The Sustainable Development Committee performs risk assessment on climate related topics according to the materiality principle, integrates sustainable development into the business strategy of the Company, and regularly reports to the Board of Directors on the implementation of climate risk and opportunity strategies in order to track the implementation progress of each strategy. Furthermore, YAGEO also actively participates in the Carbon Disclosure Project (CDP) questionnaire to disclose the Company's management of climate change and water consumption.

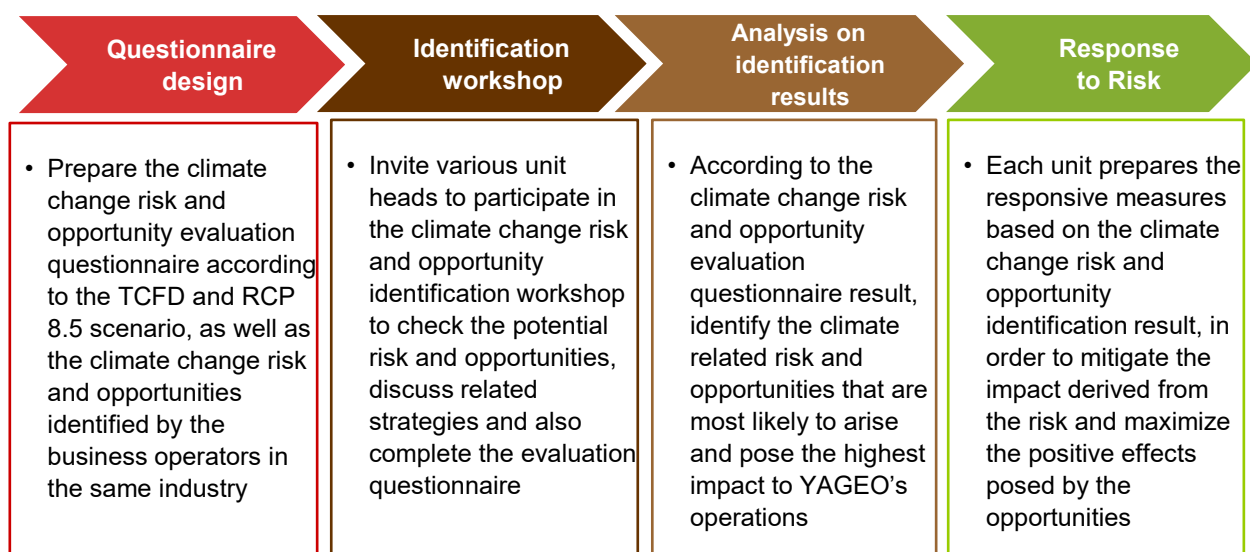
YAGEO discloses its assessment and management of climate-related risks and opportunities based on the four core elements under the Task Force on Climate-related Financial Disclosures (TCFD). The assessment criteria for strategic and financial planning cover the three impact aspects in terms of sustainable operation, finance, and society, and countermeasures are proposed with respect to risks and opportunities and are classified as short-term, mid-term, or long-term. At present, YAGEO's main strategy is to reinforce our R&D capabilities so as to meet customers' needs for products that pose lower environmental impact. At the same time, by increasing the utilization rate of renewable energy, YAGEO sets energy-saving goals for all factories and improves unit production capacity to reduce production energy consumption. Furthermore, YAGEO is also gradually building a renewable energy system in all factories and implementing ISO 50001 energy management system.



■ Climate Strategy

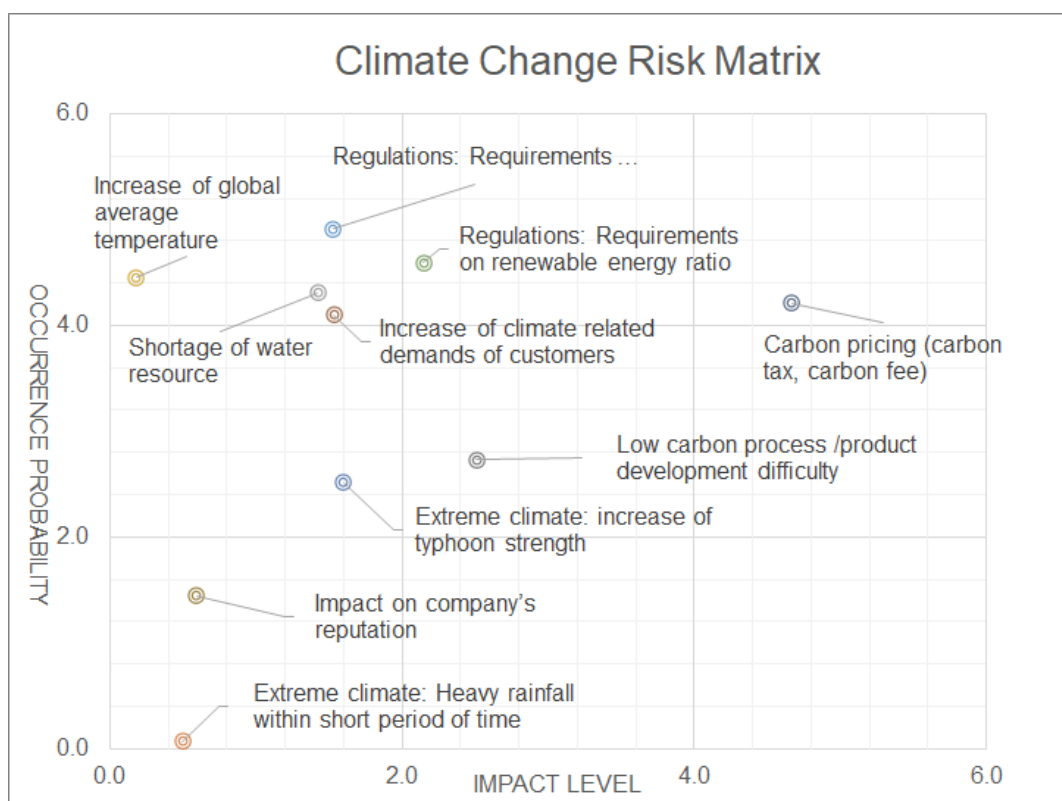
YAGEO referenced the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report and used the high-emission RCP 8.5 scenario ("Business As Usual," or BAU) to simulate the potential impact of future climate conditions on the Company's operations. This was incorporated into the design of the climate change risk and opportunity assessment questionnaire. YAGEO convened unit managers for a TCFD Workshop to jointly discuss and identify climate change risks and opportunities. A matrix was used to analyze these risks and opportunities. Department heads then analyzed the impact of various risks on YAGEO's products or services, while considering the severity and likelihood of occurrence to produce a risk identification and assessment form.

Risk Identification and Management Flow Chart



YAGEO has identified 10 climate risks and 9 climate opportunities after comprehensive consideration of domestic and foreign climate change development trends and the Company's current operation status. Relevant responsible departments of the Company then jointly assessed their impact level and likelihood of occurrence. According to this impact level assessment, key climate change related topics requiring response of the Company are identified and ranked. In addition, strategies and goals are established in order to implement climate change management.

Climate Risk Identification Result



Note: Horizontal axis-impact level: the most severe impact level on the Company's revenue or operation for a risk item;
Vertical-axis-occurrence probability: the probability of occurrence of a risk factor having impact on the Company.

Climate Risk and Response Strategy

No.	Risk type	Risk item	Potential impact on YAGEO	Term	Impact scope			Potential impact on operation or finance	Response strategy
					Upstream	Operation	Downstream		
1	Transformation risk - regulations and policies	Carbon pricing (carbon fee)	Governments of various countries have started imposing carbon related fees on enterprises and products. Presently, YAGEO has been listed by the Ministry of Environment as part of the 2nd group of companies subject to carbon emissions reporting. If the Company does not implement actions focusing on energy and carbon reduction, operating expenses will increase.	Short-term	V	V		• The potential financial impact was assessed by analyzing the future carbon price under different scenarios. This analysis focused on the financial impact YAGEO might face under two mechanisms: the imposition of a carbon fee and carbon fines under a cap-and-trade system. • Under the BAU scenario, the estimated overall financial impact of climate risk and opportunity on YAGEO by 2030 is approximately NT\$407.41 million. • Under the Net-Zero Emissions (NZE) scenario, the estimated overall financial impact of climate risk on YAGEO by 2030 is projected to be NT\$561.32.	• Convene a monthly meeting to review the promotion status and outcome of energy and carbon reduction plans • The Company has implemented ISO 14064 Greenhouse Gas Inventory, covering Scope 1, 2, and 3 emissions. • The Nantze and Dafa Plants plan to propose a Voluntary Reduction Plan in 2025 to lower greenhouse gas emissions by 6% before 2030.

No.	Risk type	Risk item	Potential impact on YAGEO	Term	Impact scope			Potential impact on operation or finance	Response strategy
					Upstream	Operation	Downstream		
2	Transformation risk - regulations and policies	Requirements on renewable energy ratio	The government requires large electricity consumption users to install renewable energy power generation facility or purchase of green electricity. It is necessary to complete the installation of 10% of green electricity by 2025. If such requirement is not complied, a penalty may be imposed by the competent authority	Short-term		V		• Increase of capital expense due to purchase of green electricity or installation of renewable energy device • If the requirements of the competent authority are not met, the Company may face penalties	• The Dashe Plant plans to purchase green power in 2025. • The Nantze and Dafa Plants plan to purchase green power in 2026.
3	Transformation risk - regulations and policies	Energy-saving requirements for corporations	The Ministry of Economic Affairs' Bureau of Energy's "Energy Saving Goal and Implementation Plan Specified for Energy Users" stipulates that large industrial and commercial users with electricity consumption above 800 kW are compulsorily required to reduce electricity consumption by 1% annually and must continue to invest in energy saving improvement cost. In addition, if failing to satisfy the 1% requirement, the competent authority may impose a penalty.	Short-term		V		• Increase of capital expense due to purchase of energy-saving products • If the requirements of the competent authority are not met, the Company may face penalties	• Convene a monthly meeting to review the promotion status and outcome of energy and carbon reduction plans • An annual target of 1% electricity savings has been established.
4	Transformation risk - technology	Low carbon process/product development difficulty	To implement sustainable development, the Company must head toward the development of green (low carbon) products and green (low carbon) process improvement, the investment in human resource and R&D time will cause the operating cost to increase	Medium-term		V		• R&D of low carbon process technology requires human resource and R&D time, such that the operating cost is increased	• Continue to develop high end and low energy consumption process technologies and innovative applications

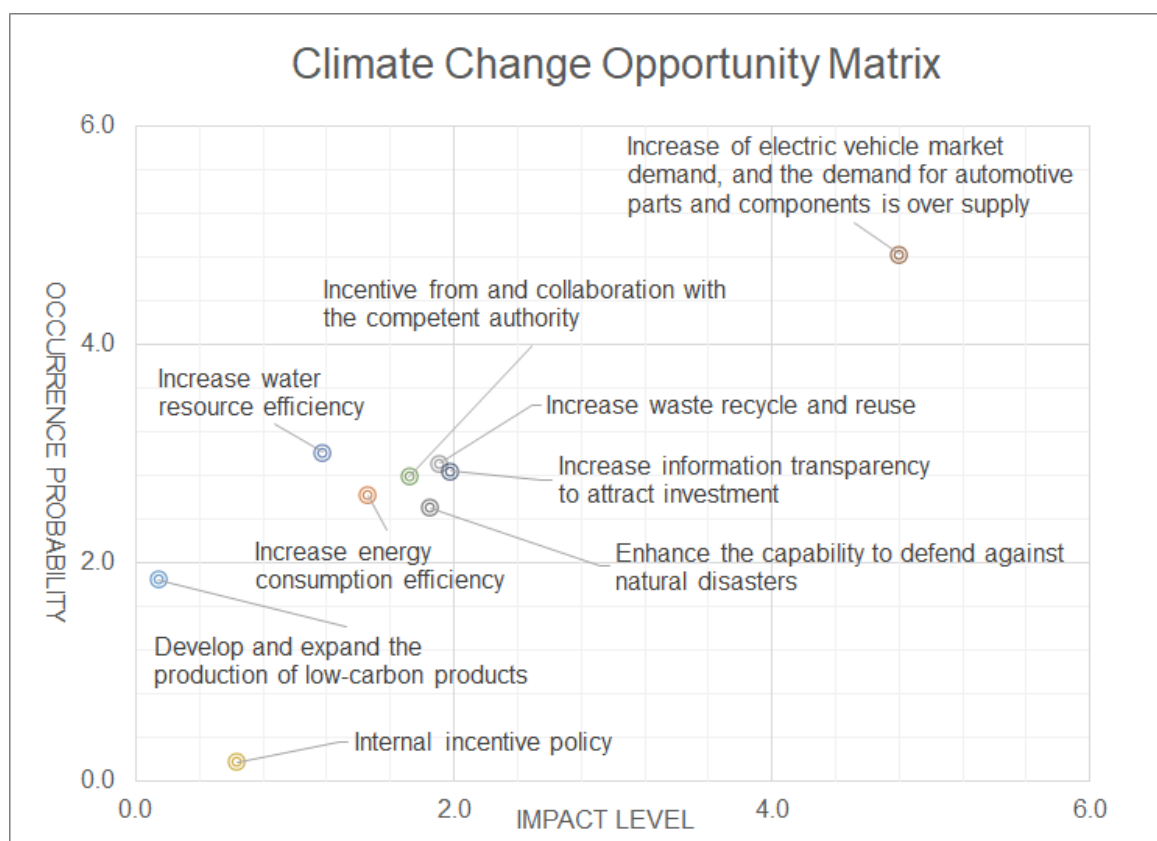
No.	Risk type	Risk item	Potential impact on YAGEO	Term	Impact scope			Potential impact on operation or finance	Response strategy
					Upstream	Operation	Downstream		
5	Transformation risk - market	Increase of climate related demands of customers	Customers request suppliers to reduce carbon emissions jointly as they expand carbon reduction into the supply chain. Accordingly, customers may request that products of YAGEO use a certain ratio of renewable energy or respond to the international initiatives, such as Paris Agreement and Carbon Disclosure Project (CDP), etc.	Medium-term		V	V	- To satisfy customer demands, the purchase of green electricity or implementation of renewable energy devices may increase the capital expense - Corresponding international initiatives will cause increases in operating costs	- To satisfy customer demands, presently, the Company has planned to purchase green electricity and to implement renewable energy equipment - The Company continues to respond to the CDP questionnaire.
6	Physical risk - long-term	Shortage of water resource	Extreme climate events resulting from climate change cause uneven rainfall, resulting in water shortages in the southern region of Taiwan that are relatively more severe than in the northern region of Taiwan. Drought causes a shortage of water and resulting water restriction policies can result in the interruption of product manufacturing and decrease in production capacity	Long-term	V	V		- To overcome emergency water shortages, the activation of water trucks to transport water may cause an increase in operating costs and result in an increase in product investment cost - An analysis of the financial impact of water resource shortages on YAGEO showed that under any predicted situation—near-future, mid-century, or end-of-century, and under either the RCP 2.6 or RCP 8.5 scenarios—the financial loss exceeds NT\$47 million.	- The Company has established a Business Continuity Planning (BCP) in order to consider climate related situations like flood, torrential rainfall, and drought, and to identify the hazard level, maximum tolerable period of disruption (MTPD) and recovery time objective (RTO). - Water trucks for water transportation will be activated in case of emergency

No.	Risk type	Risk item	Potential impact on YAGEO	Term	Impact scope			Potential impact on operation or finance	Response strategy
					Upstream	Operation	Downstream		
7	Physical risk - Immediacy	Increase of typhoon strength	According to the research, the number of typhoons striking Taiwan at the end of 21st century will decrease by 55%; however, the ratio of strong typhoons will increase by 50%. YAGEO may face typhoon-level rainfall and wind that can cause direct damage to operating equipment, power interruption, and personnel injury/death, and may also cause indirect impacts such as upstream/downstream supply chain service interruption	Short-term	V	V	V	• Increase of operating cost due to overcoming the power interruption and the damage of operating equipment caused by typhoon • Decrease of revenue due to operation interruption caused by typhoon	• The Company has established a Business Continuity Planning (BCP) in order to consider climate related situations like flood, torrential rainfall, and drought, and to identify the hazard level, maximum tolerable period of disruption (MTPD) and recovery time objective (RTO).
8	Transformation risk - reputation	Impact on company's reputation	Due to the increasing environmental awareness of the government, community, and other various stakeholders, if there is any negative environmental-related news on the Company due to enterprise of large carbon emissions or legal matters, the Company will need to invest in manpower to provide appropriate response timely. If it fails to meet the expectation, it can affect the reputation of the Company or even the crisis of suspension of operation. In addition, to improve the reputation, the Company will also need to publish ESG Report, participate in the international evaluations (such as CDP, DJSI, etc.) such that the operating expense of the Company will also be increased.	Short-term		V	V	• Increase of operating cost due to responding to stakeholder demands or corresponding international initiatives • Purchase willingness of customers can be affected due to poor brand image, resulting in decrease of revenue	• Implement wastewater, waste, and air pollution management, in order to prevent occurrence of illegal activity • Respond stakeholders in various sectors through participation in international evaluation and release of ESG Report, in order to improve the green enterprise image of YAGEO

No.	Risk type	Risk item	Potential impact on YAGEO	Term	Impact scope			Potential impact on operation or finance	Response strategy
					Upstream	Operation	Downstream		
9	Physical risk - long-term	Increase of global average temperature	Global average temperature continues to rise. According to the analysis of Academia Sinica, the temperature increase speed in Taiwan is faster than the global temperature. Under the most severe situation of the global warming, the temperature may increase by 3.4 degree Celsius by the end of 21st century. Under the impact of continuous increasing temperature, the energy consumption of the air conditioning and chiller unit systems also increase, resulting in increase of cost and expense	Long-term		V		• Increase of operating cost due to increase of energy consumption of the air conditioning and chiller unit systems	• The Company has established the BCP in order to consider climate related situations of flood, rainfall and drought for the operation, and to identify the hazard level, maximum tolerable period of disruption (MTPD) and recovery time objective (RTO)
10	Physical risk - Immediacy	Heavy rainfall within short period of time	Climate change can cause the increase of extreme rainfall events. Academia Sinica predicts that by the end of the 21st century, the single-day heavy rainfall strength in Taiwan will increase by at least 15.3%. Heavy rainfall within a short period of time can cause flooding at YAGEO's factory sites, such that machines and equipment may be damaged, and some of the production lines will not be able to operate normally. In addition, the equipment repair expense will cause the operating cost to increase	Short-term		V		• Increase of operating cost due to overcoming the damages of machines and equipment caused by heavy rainfall • Decrease of revenue due to production lines' failure to operate normally caused by heavy rainfall	• The Company has established a Business Continuity Planning (BCP) in order to consider climate related situations like flood, torrential rainfall, and drought, and to identify the hazard level, maximum tolerable period of disruption (MTPD) and recovery time objective (RTO).

Note: Short-term - 2025; Mid-term - 2 to 3 years; Long-term - 4 to 5 or more years

Climate Opportunity Identification Result



Note: Horizontal axis - impact level: if the opportunity item occurs, the amount of revenue or cost saved to the Company;
Vertical axis - occurrence probability: the occurrence probability of the opportunity factor providing benefits to the Company

Climate Opportunity and Response Strategy

No.	Type	Opportunity item	Opportunity Descriptions	Term	Impact scope			Potential impact on operations or finances	Response strategy
					Upstream	Operation	Downstream		
1	Market	Increase of electric vehicle market demand, and the demand for automotive parts and components is over supply	The electric vehicle market trend is clear, such that the demand for automotive components (automotive capacitors, automotive chip resistors) will be driven to grow. Ensure stable supply of products through the increase of automotive component production, in order to seize opportunities to engage in long-term cooperation with automotive giant manufacturers	Short-term	V	V	V	Successfully establishment of long-term cooperation with automotive giant manufacturers will increase the revenue of the Company	- Continue to track the electric vehicle market development status - Actively research and develop relevant products in order to seize the market trend

No.	Type	Opportunity item	Opportunity Descriptions	Term	Impact scope			Potential impact on operations or finances	Response strategy
					Upstream	Operation	Downstream		
2	Market	Increase information transparency to attract investment	Publicly disclose information of the Company's ESG performance/sustainability indicator, etc., strengthen the Company's management on the climate-related risks and opportunities, in order to gain the trust of investors and customers	Medium-term		V	V	Establish proper sustainability brand image of the Company and proper relationship with stakeholders, and gain the trust of investors and customers, in order to increase the revenue of the Company	- Periodically release the Chinese and English versions of ESG Report, and improve the transparency and communication of sustainability information disclosure - Continue to respond to CDP questionnaire
3	Resource efficiency	Increase waste recycle and reuse	Introduce circular economy model based the consideration of product lifecycle. Recycle and reuse waste liquids and wastes generated from the manufacturing process, in order to reduce the use of new raw materials and output of wastes, thereby promoting sustainable use of resources as well as reducing production cost and waste treatment expense	Medium-term		V	V	Promotion of waste recycle and reuse and reduction of waste output will be able to reduce the waste treatment expense, such that the operating cost of the Company is reduced	- Collaborate with Nan Ya Plastics in the PET film recycle project, in order to increase the waste recycle and reuse rate - Implement technology improvement to reduce waste generation
4	Market	Incentive from and collaboration with the competent authority	Cooperate with the domestic competent authority encouraging domestic enterprises to invest in renewable energy development. Through the installation of renewable energy peripheral equipment, such as solar power, the Company is able to participate in the carbon reduction incentive projects and to maintain stable and proper cooperation relationship with the competent authority	Short-term		V		Introduce renewable energy device to comply with the requirements of the competent authority and to reduce operating cost of the Company	- Continue to monitor market trend and requirements of the competent authority - Periodically perform greenhouse gas inventory inspection and verification, in order to review the carbon reduction project execution outcome

No.	Type	Opportunity item	Opportunity Descriptions	Term	Impact scope			Potential impact on operations or finances	Response strategy
					Upstream	Operation	Downstream		
5	Resilience	Enhance the capability to defend against natural disasters	Develop the adaptive capability to climate change, identify and manage climate change related risks early, establish disaster protection measures and emergency response strategy, reduce financial impact of physical and transformative risks on the operation	Medium-term		V		Reduce the probability of operation interruption through establishment of disaster preventive measures and reduce financial loss of the Company due to natural disaster	- Manage various climate related risks through BCP management, and establish response measures and management strategies - Periodically inspect the safety condition of facilities and structures
6	Resource efficiency	Increase energy consumption efficiency	Through the inspection of the overall operation performance of the machines, equipment and facilities, seek the opportunity for improving the energy use efficiency. In addition to the compliance with the regulations and customers' requirements for low-carbon products, reduce energy consumption at the same time in order to reduce operating costs	Short-term		V	V	Continue to improve energy use efficiency in order to reduce the electricity consumption of the Company, thus save operating cost and increase production capacity	- Convene energy-saving meeting monthly to review the promotion status and outcome of energy saving and carbon reduction plans periodically - The goal of annual electricity saving of 1% has been set
7	Resource efficiency	Increase water resource efficiency	Use water resource sufficiently, increase water resource recycle and reuse rate in order to reduce the reliance on natural water resource, and enhance the operational resilience against extreme climate, as well as reduce the probability of impact and loss	Short-term	V	V		- Continue to improve water resource use efficiency in order to reduce the water consumption of the Company, thus save operating cost - Since water plays an important role in the manufacturing process, the reduction of reliance on natural water resource is able to reduce the probability of operation interruption	- Continue to promote process improvement, such as change the original printing process to electroplating printing, in order to reduce water consumption - Introduce wastewater recycle equipment in order to increase the wastewater reuse ratio

No.	Type	Opportunity item	Opportunity Descriptions	Term	Impact scope			Potential impact on operations or finances	Response strategy
					Upstream	Operation	Downstream		
8	Products and services	Develop and expand the production of low-carbon products	To cope with the international trend of carbon reduction, product/raw material carbon footprint has become the key indicator for customers to select suppliers. If low-carbon process technology can be developed, product carbon footprint can be reduced, and the Company is able to seize the low-carbon business opportunities and to increase the market competitiveness.	Medium-term	V	V		Develop and expand the production of low-carbon products will satisfy future customer demands, and the Company's competitiveness is improved such that the revenue is also increased.	Continue to understand customers' demand for low-carbon product transformation trend.
9	Energy source	Internal incentive policy	Through the setting of climate-related KPI of each department or the organization of energy saving, water saving and waste reduction action proposals and contests, remuneration can be combined or proposal incentives can be provided to attract employees to respond to the climate actions of the Company, in order to improve the overall energy saving and carbon reduction performance of the Company, thereby achieving the goal of decreasing resource usage and reducing the operating cost of the Company.	Short-term		V		The actions of energy saving and water saving of the Company through internal incentive policy will be able to save the operating cost of the Company.	Presently, no relevant strategy has been established.

Note: Short-term - 2025; Mid-term - 2 to 3 years; Long-term - 4 to 5 or more years.

■ Scenario Analysis

Transformation risk: carbon pricing (carbon fee)

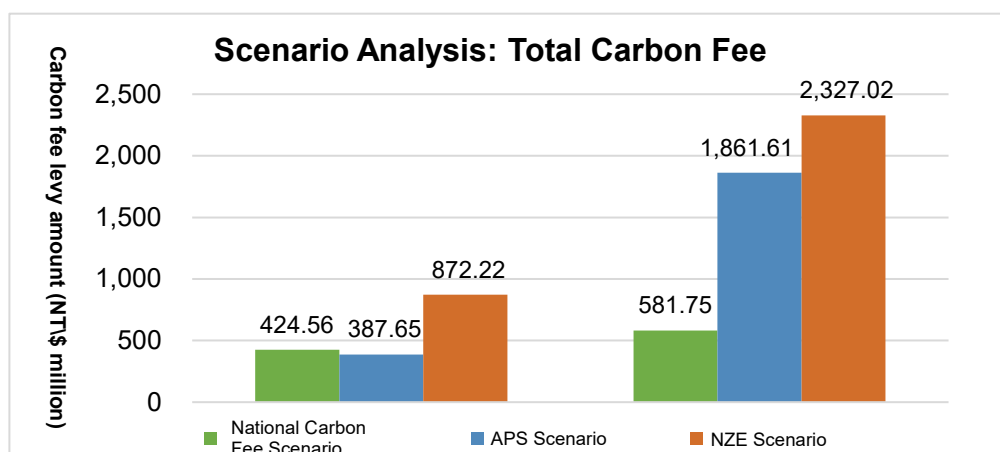
To align with the global 2050 NZE goal, Taiwan passed the Climate Change Response Act in 2023, and the Ministry of Environment will collect carbon fees from businesses in phases, with the collection set to begin in 2025. To assess the risks posed by tightening carbon regulations and the pricing of carbon, YAGEO referenced the International Energy Agency (IEA)'s World Energy Outlook 2021. The Company used two scenarios from the report—the Announced Pledges Scenario (APS) and the Net Zero Emissions by 2050 Scenario (NZE 2050)—along with Taiwan's current carbon fee collection system, as the basis for its assumed carbon prices. At the same time, YAGEO also referenced Taiwan's 2050 Net-Zero Emissions Pathway and Strategy released by the National Development Council in 2022 to set the following assumptions: annual average energy demand growth rate is 0.2% and electricity demand growth rate is 2%. Using YAGEO's 2023 greenhouse gas emissions status as the baseline year and setting a reduction target of 1% annually for both Scope 1 and Scope 2 emissions, the Company estimated the potential financial impact it may face under three scenarios.

Scenario	Scenario description	Parameter description
National Carbon Fee Scenario	The expected Exemption Cap for greenhouse gas emissions subject to the carbon fee will be lowered annually: 25,000 metric tons/plant(2025), 10,000 metric tons/plant (2030), and no cap (2050).	Carbon price: NT\$300 (2025), NT\$1,500 (2030), and NT\$1,500 (2050).
Announced Pledges Scenario (APS)	Incorporates all the latest climate commitments made by various countries, to keep the global average temperature rise at approximately 2.1°C above pre-industrial levels by 2100.	Carbon price: USD 40 in 2030, and USD 160 in 2050
Net Zero Emissions by 2050 (NZE) scenario	Assess the progress of the 1.5°C goal and other energy related sustainable development goals	Carbon price: USD 90 in 2030, and USD 200 in 2050

Note: In the National Carbon Fee Scenario, the scope for calculating the exemption threshold includes only the four Taiwan plant sites (Nantze, Dafa, Dafa III, and Dashe).

Under Taiwan's current carbon fee system, YAGEO's carbon fee payment will be approximately NT\$424.56 million in 2030 and NT\$581.75 million in 2050. In the APS scenario, YAGEO's carbon fee costs are projected to be NT\$387.65 million and NT\$1,861.61 million in 2030 and 2050, respectively. Under the NZE scenario, YAGEO's carbon fee costs are projected to be NT\$872.22 million and NT\$2,327.02 million in 2030 and 2050, respectively. Overall, regardless of Taiwan's current carbon fee system or the carbon prices that may be imposed internationally in the future, YAGEO will face hundreds of millions of NTD in climate-related costs.

To mitigate the potential financial impact of carbon pricing, in addition to establishing the existing decarbonization roadmap, YAGEO is actively developing comprehensive response strategies and measures to minimize the financial impact resulting from greenhouse gas emissions. All YAGEO's plants are actively implementing various energy-saving and carbon reduction measures, such as replacing old water chillers, upgrading LED lighting, and optimizing compressed air piping for electricity savings, to enhance energy efficiency and equipment performance and reduce greenhouse gas emissions. For detailed information on energy conservation and carbon reduction, please refer to Section 6.3 Energy and GHG Management.

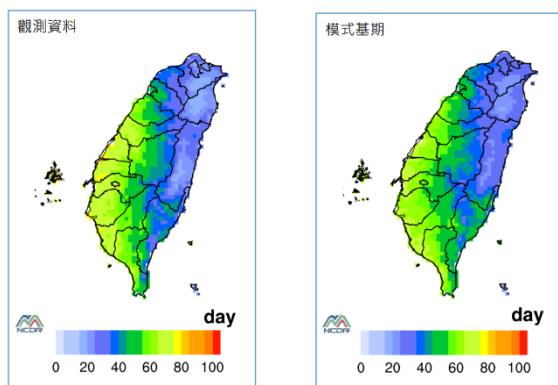


Carbon fee collection system (unit: NT\$ million)			
Year	National Carbon Fee Scenario	APS scenario	NZE scenario
2030	424.56	387.65	872.22
2050	581.75	1,861.61	2,327.02

Physical risk: water resource shortage

The drought report announced by the United Nations Convention to Combat Desertification (UNCCD) in 2022 indicated that due to the increasing severity of climate change, the global drought occurrence frequency and continuation period increased by 29% in comparison to 2000. Extreme climate is causing uneven rainfall, with precipitation in southern Taiwan repeatedly hitting record lows. Water resource scarcity poses a potential impact on YAGEO's manufacturing processes, which could lead to production disruption and loss of operating revenue.

YAGEO collected data on water shortages from previous years to calculate the average number of annual water-shortage days. Using 2024 as the baseline year, and referencing the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the Company utilized the IPCC Fifth Assessment Report's RCP 2.6 (2°C warming) and RCP 8.5 (BAU) scenarios. Using the key climate indicator "average rate of change in the maximum number of consecutive non-rainy days per year in Kaohsiung City" (defined as the maximum number of consecutive days with a daily cumulative rainfall of less than 1 mm), YAGEO projected water shortages at its four Kaohsiung plants—Nantze, Dafa, Dafa III, and Dashe—in the near future (2016-2035), mid-century (2046-2065), and end-of-century (2081-2100), to quantitatively analyze the potential financial impact.

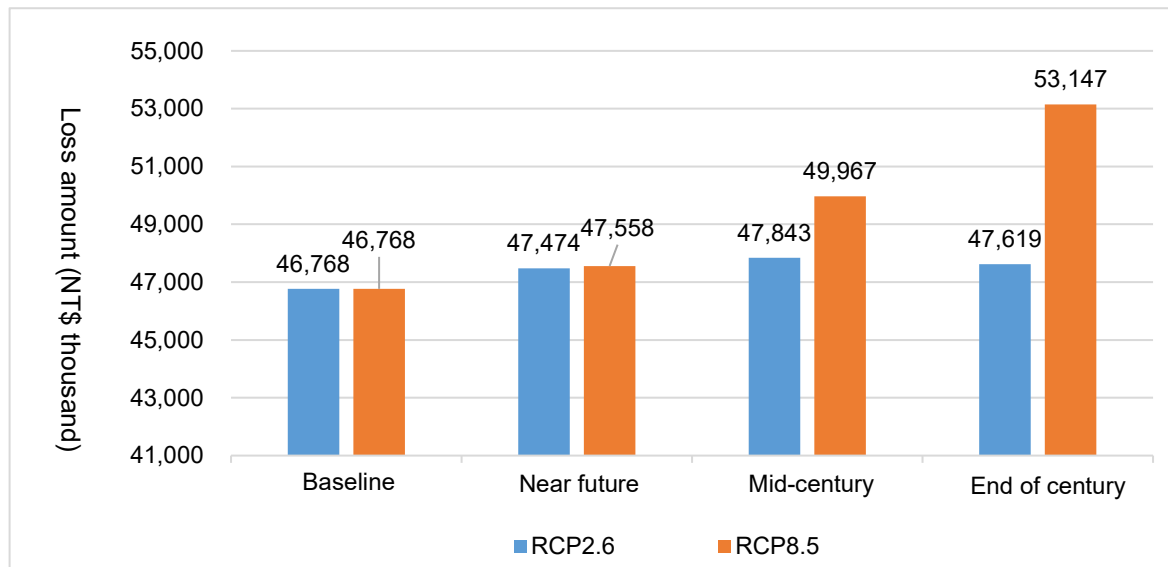


Under the near-future RCP 2.6 scenario, YAGEO could face financial losses of NT\$47,474,000. In the RCP 8.5 scenario, the potential loss is NT\$47,558,000. For the mid-century period, in the RCP 2.6 scenario, YAGEO could incur financial losses of NT\$47,843,000; in the RCP 8.5 scenario,

Scenario	Scenario description	Parameter description
RCP 2.6	At the end of 21st century, the radiative forcing per square meter will be increased by 2.6 W, representing a low radiative forcing mitigation scenario	Average change rate of annual maximum consecutive number of days without rainfall in Kaohsiung City Near future: 1.51 % Mid-century: 2.30 % End of century: 1.82 %
RCP 8.5	At the end of 21st century, the radiative forcing per square meter will be increased by 8.5 W, representing a scenario of high greenhouse gas emissions	Average change rate of annual maximum consecutive number of days without rainfall in Kaohsiung City Near future: 1.69 % Mid-century: 6.84 % End of century: 13.64 %

the potential loss is NT\$49,967,000. By the end-of-century, under the RCP 2.6 scenario, YAGEO could face financial losses of NT\$47,619,000 due to water scarcity; in the RCP 8.5 scenario, the Company could face financial losses of up to NT\$53,147,000.

Overall, regardless of whether it is the near-future, mid-century, or end-of-century, and under both the RCP 2.6 or RCP 8.5 scenarios, the predicted financial losses all exceed NT\$47,000,000. Therefore, YAGEO is developing comprehensive response strategies and measures to minimize the financial impact caused by water resource shortages. These include ensuring the ability to activate backup water sources (e.g., water trucks) in the event of an emergency water supply interruption; establishing water resource management targets for each plant site; and implementing various water conservation measures, such as recovering recycled water from the pure water system and cooling tower water-saving management. Through the measures above, YAGEO can secure the stable water resources necessary for its operations, reduce its reliance on water resources and its overall impact, and actively increase the efficiency of recycled water use. This prevents the high financial losses anticipated in the aforementioned scenarios and enhances YAGEO's operational resilience in extreme situations. For more information on water resources, please refer to 6.4 Water Resource Management.



■ Climate Risk Management

YAGEO established the “Risk Management Policy” in 2020, and the Board of Directors is the highest responsible unit for the Company’s risk management policy. The Board is responsible for approving and reviewing the Company’s risk management policy while monitoring the ongoing operation of the risk management mechanism, ensuring that risk management is effective and complete. In addition, the internal audit unit has also be established and manages the internal control system and internal audit operations. The annual audit plan is submitted according to the risk assessment, and the risk management implementation status is also reported to the Audit Committee. To improve operational risk management, the Company defines the scope of operational risks and adopts appropriate measures through risk identification, risk measurement, risk monitoring and reporting, and disclosure procedures, ensuring the management of related operational risks.

Furthermore, to ensure the Company’s business continues to operate when facing risks and to minimize the impact of major risks, failures, or disasters on critical processes, YAGEO has established a BCP document to identify risks and set response procedures for natural disasters and sudden incidents within the factory areas. For the operation continuity plan, the Operation Continuity Management Committee has been established, with the Vice President acting as the chairperson, the Factory Director as the Secretary-General and department heads as the committee members. In addition, at least one meeting is convened annually to assess the sufficiency, appropriateness and effectiveness of the operation continuity management plan.

YAGEO has also established the “Emergency Response Management Procedure”, such that emergency response is implemented according to this procedure in case of occurrence of disaster. In the event of interruption of key business operations, the business process responsible person is required to inform the convener of the operation continuity management meeting to convene a meeting, and the Operation Continuity Management Committee will discuss and initiate appropriate management procedures. The responsible person shall report the on-site rescue status and property loss estimation during the review

meeting. According to the review meeting assessment result, the responsible person shall establish the post-disaster loss reduction plan for the operation continuity strategy, and its content shall include: resource type, goal/management item, measure content (strategy or recommendation), action plan and responsible unit. Finally, after the Operation Continuity Management Committee determines that the business process and operations are normal and reports to the Vice President, the recovery plan for the operation continuity management process is then complete.

■ Indicators and Goals

To effectively manage climate change response actions, the Company has established various risk related indicators in order to measure the outcome of climate actions. Through the TCFD governance framework, the Company implements climate strategies at all levels and establishes climate related goals along with flexible adjustments according to global trends, policies, and regulations. In addition, the Company periodically reviews the goal achievement status, continually reducing the impact of climate change on the Company while increasing the Company's resilience against climate change in the future.

TCFD disclosure content	Promotion strategy
Organizational indicators for assessing climate related risks and opportunities according to the strategy and risk management process	Greenhouse gas emissions, electricity consumption, renewable energy consumption, and water recycle rate have been established as the measurement indicators for climate related risks and opportunities
Scope 1, Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and related risks	YAGEO's factory sites in Taiwan have performed greenhouse gas emissions inventory according to ISO 14064-1 and relevant data has been disclosed. Please refer to 6.3 Energy and Greenhouse Gas Management for details
Organizational goals used for managing climate related risks and opportunities and the status of achievement for such goals	Climate related goals have been established, including goals pertaining to water resources, electricity, renewable energy, and greenhouse gases. For relevant data and objective outcome, please refer to 6.3 Energy and Greenhouse Gas Management and 6.4 Water Resource Management for details

Climate related aspect	Indicator	Goals
GHG management	Greenhouse gas emissions	Greenhouse gas emissions to reach net zero emissions by 2050 (Scope 1+Scope 2)
Water consumption	- Wastewater recycling rate - Water consumption per production capacity unit - Water consumption	- The Dafa Plant III aims to achieve a water savings rate of 45% by 2028 (baseline year: 2023). - The Nantze Plant aims to achieve a water savings rate of 30% by 2028 (baseline year: 2019). - The Dashe Plant aims to achieve a water savings rate of 5% by 2028 (baseline year: 2021).
Renewable energy consumption	Renewable energy consumption ratio	Starting in January 2025, 20% of the Dashe Plant's building electricity consumption will be switched to green power.

6.3 Energy and GHG management

In recent years, environmental disasters around the world have been a result of global warming. At YAGEO, we are aware of the damage GHG emissions pose to the environment. Given our dedication to life and society, YAGEO has established a systematic inventory for GHG emissions and started a GHG emissions inventory. Moreover, YAGEO also formulated internal documentation and verification procedures. By achieving energy conservation, industrial waste reduction, resource recovery and reuse, we hope to make an effort towards a low-carbon economy society for the future of Taiwanese industry. In an effort to effectively manage YAGEO's energy use and prevent waste of resources and energy while also seeking to improve the efficiency of utilization, all factories have set a goal to save energy by 1% or more each year in response to the government's regulations on energy conservation, and the Taiwan and China plants have received third-party verification annually, with the Portugal Plant planning to complete third-party verification in the near future.

2024 Greenhouse Gas Emissions Inventory Inspection and Verification Implementation Status

(●: Implemented ○: Not yet implemented)

Plant	HQ	Nantze Plant YP	Dafa Plant YF	Dafa Plant III YF3	Dashe Plant YR	Suzhou Plant SZ-C	Suzhou Plant SZ-R	Suzhou Plant TH MD	Dongguan Plant II Backend + TH DG	Dongguan Plant CPC	Portugal Plant Vitrohm
GHG Emission Inventory	●	●	●	●	●	●	●	●	●	●	○
GHG Emission Verification	●	●	●	●	●	●	●	●	●	●	○

■ GHG Emissions

Item	Unit	2021	2022		2023		2024	
			Location-Based	Market-Based	Location-Based	Market-Based	Location-Based	Market-Based
Scope1 (Direct) GHG emissions	Metric tons of CO ₂ e	4,653	3,915		13,889		13,878	
Scope2 (Indirect) GHG emissions	Metric tons of CO ₂ e	406,429	342,299	339,843	289,512	282,457	326,722	310,167
Scope1+Scope2 GHG emissions	Metric tons of CO ₂ e	411,082	346,213	343,758	303,400	296,345	340,600	324,046
Revenue	NT\$ million	68,190	47,446		49,390		59,897	
GHG emissions intensity	Metric tons of CO ₂ e/NT\$ million	6.03	7.29	7.24	6.14	6.00	5.69	5.41
Scope3 (Other indirect) GHG emissions	Metric tons of CO ₂ e	33,378	41,396		84,264		151,614	

- Note 1: The statistical scope for these four years includes the headquarters building, Taiwan plants, the two Suzhou plants in China (SZ-R and SZ-C), and the two Dongguan plants (Backend + TH DG). In 2024, the Scope 1 emissions for the Taiwan plants and headquarters office building were approximately 8,561 tons CO₂e, and Scope 2 emissions were 120,028 tons of CO₂e; the Scope 1 emissions for the China plants were approximately 5,317 tons of CO₂e, and Scope 2 (location-based) was 206,694 tons of CO₂e; Scope 2 (market-based) was 190,139 tons of CO₂e.
- Note 2: The emission factor of the plant sites in Taiwan used the "Greenhouse Gas Emission Factor" announced by the Ministry of Environment, Executive Yuan. The electricity carbon emission coefficient used the 2024 electricity carbon emission factor of 0.474 kg CO₂e/kWh announced by the Energy Administration, Ministry of Economic Affairs; the China plants adopt the 2023 national power grid emission factor of 0.6205 tCO₂/MWh announced by the Ministry of Ecology and Environment of China. The 2021 IPCC Sixth Assessment Report is adopted for all Global Warming Potential (GWP) values. Considering that the GHG include CO₂, CH₄, N₂O, HFCs and NF₆.
- Note 3: The greenhouse gas emission intensity is calculated based on the total emissions under Scope 1 and Scope 2. GHG emissions under Scope 1 and Scope 2 are aggregated under the operational control method.
- Note 4: Greenhouse gas emission intensity is defined as the amount of greenhouse gas emissions per unit of revenue.
- Note 5: YAGEO's 2024 Scope 3 greenhouse gas inventory scope covers the Taiwan plants and China plants (the two Suzhou plants (SZ-R and SZ-C), the two Dongguan plants (Backend and TH DG), and the Dongguan plant (CPC)). The emission categories mainly include "purchased products and services," "activities related to fuel and energy," "upstream transportation and distribution," "waste generated during operations," "business travel," "employees' commuting," "upstream leased assets," "downstream transportation and distribution," and "processing of products sold," with new emission categories added in 2024 being "capital goods" and "end-of-life treatment of sold products". The increase in 2024 Scope 3 emissions is due to the inclusion of Scope 3 emissions from the two Suzhou plants (SZ-R and SZ-C) and the Dongguan plant (CPC).
- Note 6: The difference between 2024 Scope 2 (location-based) and Scope 2 (market-based) is due to the purchase of 24.54 million kWh of renewable energy (wind power) by the China Suzhou Plant (SZ-R) and the Suzhou Plant (SZ-C), equivalent to 15,226 tons of CO₂e0.
- Note 7: The 2023 revenue has been corrected to NT\$49,390 million, and the 2023 greenhouse gas inventory data for the Dongguan Plant (CPC) has been included (verification completed in February 2025), thus adjusting the greenhouse gas emission data—Scope 1: 13,889 tons of CO₂e, Scope 2: 289,512 tons of CO₂e (location-based), 282,457 tons of CO₂e (market-based), Scope 3: 84,264 tons of Co₂e, and greenhouse gas emission intensity: 6.14 (location-based), 6.00 (market-based).

■ Energy Use

Energy type	Unit	2021	2022	2023	2024
Power procured from external sources (general)	kWh	601,649,361	494,317,953	543,798,972	574,412,229
	GJ	2,165,938	1,779,545	1,957,676	2,067,884
Externally purchased electricity (renewable)	kWh	-	3,100,000	12,370,000	24,539,000
	GJ	-	11,160	44,532	88,356
Self-generated electricity (renewable)	kWh	-	1,013,334	1,744,575	2,309,271
	GJ	--	3,648	6,280	8,314
Natural gas (NG)	Cubic meter	494,083	555,787	653,686	1,204,806
	GJ	18,699	20,996	24,685	44,082
Diesel	liter	16,508	9,755	25,687	21,224
	GJ	581	343	915	764
Gasoline	liter	3,440	3,491	14,362	9,923
	GJ	112	114	464	322
	liter	1,860	1,209	3,896	4,181

Energy type	Unit	2021	2022	2023	2024
Liquid Petroleum Gas (LPG)	GJ	52	34	108	105
Steam	tons	-	58,385	53,512	61,224
	GJ	-	146,807	137,526	171,543
Total energy consumption	GJ	2,185,382	1,962,646	2,172,187	2,293,013
Revenue	NT\$ million	68,190	47,446	49,390	59,897
Energy intensity	GJ/NT\$ million	32.05	41.37	43.98	38.28

Note 1: The energy data scope includes YAGEO's plant sites in Taiwan and the headquarters building, as well as plant sites in China and Portugal.

Note 2: Energy calorific factor: The calorific value of power procured from external sources: 3,600 GJ/million kWh. For the factory premises in Taiwan, based on the "Greenhouse Gas Emission Factors" by the Ministry of Environment, Executive Yuan, the imported natural gas, automotive gasoline, diesel and liquefied petroleum gas adopt the factors 8,710 kcal/m³, 7,609 kcal/L, 8,642 kcal/L, and 5,959 kcal/L, respectively. The China plants use the 2023 China Regional Grid CO₂ Baseline Emission Factor announced by the Ministry of Ecology and Environment of China. The heat values for various fuels are set as follows: natural gas at 38,931 MJ/km³, diesel at 42,652 MJ/t, gasoline at 43,070 MJ/t, and liquefied petroleum gas at 50,179 MJ/t. For steam, an enthalpy value of 2,801.9 kJ/kg is derived from the Saturated Steam Pressure-Enthalpy Table of the "Energy and Water Statistics Reporting System" announced by the National Bureau of Statistics of China in January 2025. The Renewable Energy Heat Value Coefficient for the China plants is calculated using the Solar Photovoltaic Heat Value Coefficient of 860 kcal/kWh as published in the "Greenhouse Gas Emission Factors" by the Ministry of Environment, Executive Yuan, Taiwan.

Note 3: Each kcal is calculated as 4.1868 kJ.

Note 4: For the power procured from external sources, the electricity bill shall govern. For the NG and LNG, the payment receipt or procurement details shall apply. For gasoline and diesel, the meter reading or invoice shall serve as the basis for statistics.

Note 5: Renewable energy usage in 2024 includes green power purchased by the two Suzhou plants (SZ-R and SZ-C) totaling 24,539,000 kWh (88,356 GJ), with unbundled electricity and certificates, accounting for 4.08% of total electricity consumption; the Dafa Plant III and the Dongguan Plant have self-generated photovoltaic power totaling 2,309,271 kWh (8,314 GJ) which was not sold, accounting for 0.38% of total electricity consumption. The total is 26,848,271 kWh (96,671 GJ), which accounts for 4.22% of the total energy consumed in 2024.

Note 6: Total energy consumption in 2024 is calculated on a location-based approach, with the total consumption for each site as follows: Headquarters Building 7,015 GJ, Nantze Plant (YP) 313,910 GJ, Dafa Plant (YF) 269,993 GJ, Dafa Plant III (YF3) 186,113 GJ, Dashe Plant (YR) 179,238 GJ, Suzhou Plants (SZ-R and SZ-C) 1,206,517 GJ, Suzhou Plant (TH MD) 7,855 GJ, the two Dongguan Plants (Backend + TH DG) 63,974 GJ, Dongguan Plant (CPC) 56,606 GJ, and Portugal Plant (Vitrohm) 1,793 GJ.

Note 7: The overall percentage of purchased electricity in 2024 was 90.18%, with the breakdown by plant site as follows: Nantze Plant (YP) 99.93%, Dafa Plant (YF) 93.40%, Dafa Plant III (YF3) 85.80%, Dashe Plant (YR) 99.93%, Suzhou Plants (SZ-R and SZ-C) 85.54%, Suzhou Plant (TH MD) 100%, the two Dongguan Plants (Backend and TH DG) 90.63%, Dongguan Plant (CPC) 99.95%, and Portugal Plant (Vitrohm) 100%.

Note 8: Energy intensity is defined as the amount of energy consumed per unit of revenue.

Note 9: The significant increase in natural gas consumption in 2024 is due to the regenerative thermal oxidizer (RTO) unit at the Dafa Plant III (YF3) not being officially operational in 2023, but having been successively put into operation throughout 2024.

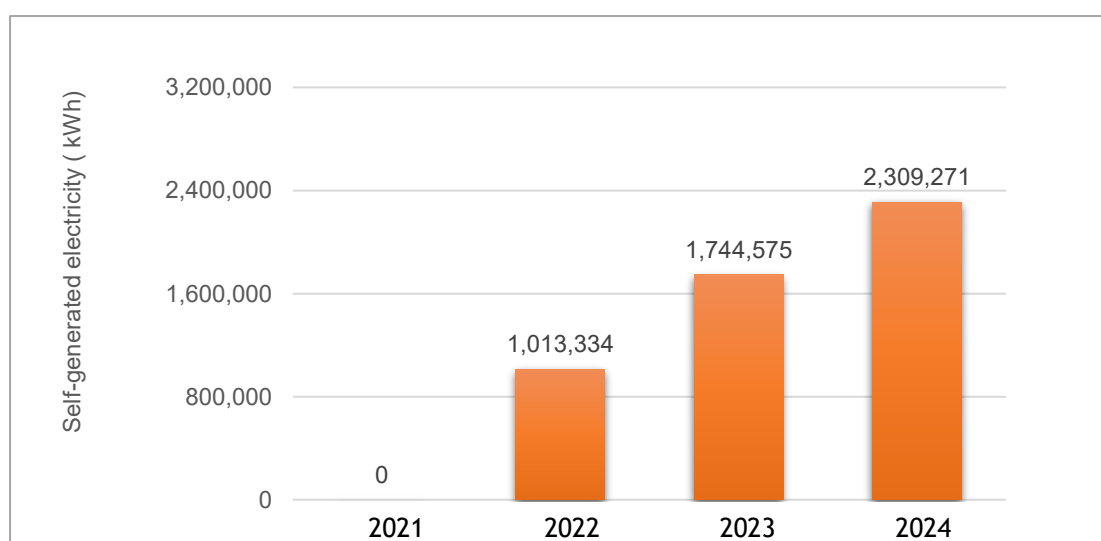
Note 10: The 2023 revenue has been corrected to NT\$49,390 million, thus adjusting the energy intensity to 43.98.

■ Renewal energy construction and consumption planning

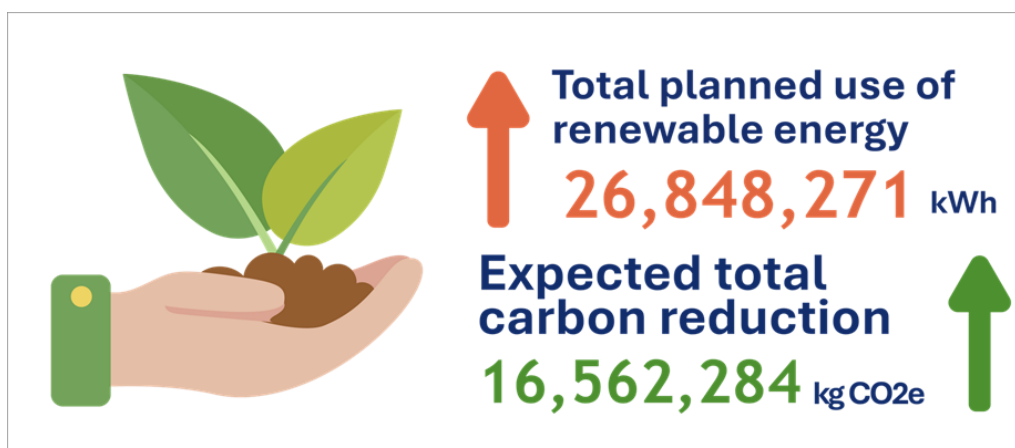
In response to the renewable energy trend, YAGEO has been planning renewal energy procurement and equipment construction in recent years. Renewable energy installation and usage plans for each plant are as follows:

Plant	Renewal energy construction and consumption planning	Renewable energy consumption (kWh)	Total carbon reduction (kg CO ₂ e)
Nantze Plant (YP)	Planning to purchase 6.7 million kWh of green electricity in 2026.	-	-
Dafa Plant (YP)	Planning to execute a green power procurement of 6 million kWh in 2025, with the contract taking effect in 2026.	-	-
Dashe Plant (YR)	Planning to change 20% of the facility electricity consumption to green electricity before December 2025	-	-
Dafa Plant III (YF3)	Began generating power in September 2023, with a total actual generation of 662,586 kWh of green electricity in 2024. This power was entirely provided to Taipower for subsequent transfer of green power to other users. Green electricity generated is equivalent to a GHG emission reduction of 314,066 kg CO ₂ e.	662,586	314,066
Two Dongguan Plants (Backend + TH DG)	Began installing solar photovoltaic equipment in 2021, with a total installed capacity of 1,700 kW and an annual designed total generation of 1.7 million kWh. Total actual generation in 2024 was 1,646,685 kWh, reducing carbon emissions by kg CO ₂ e.	1,646,685	1,021,768
Two Suzhou Plants (SZ-R, SZ-C)	Purchased 24,539,000 kWh of green electricity in 2024, resulting in a greenhouse gas (GHG) emission reduction of 15,226,450 kg CO ₂ e.	24,539,000	15,226,450

Self-generated renewable energy over the past four years



Expected benefits of YAGEO's renewable energy installations



■ Key Energy Conservation and Carbon Reduction Projects

Each of YAGEO's factories will identify the projects that may improve energy efficiency, energy conservation and carbon reduction in the environment of factory equipment and production process, and implement the same after setting forth the plans and evaluating the benefits thereof. The main categories of measures implemented in 2024 were equipment replacement, equipment performance enhancement, and process improvement. Examples include the replacement of old air compressors, variable frequency drive (VFD) adjustment for chillers, and VFD modification for air compressors (to replace line frequency operation and improve performance). The measures implemented in 2024 are expected to reduce electricity consumption by 2.203 million kWh and carbon emissions by 1,104.7 tons of CO₂e. Key measures for each plant are detailed in the table below:

Plant	Item	Estimated electricity saving benefit (10,000 kWh/year)	Estimated carbon reduction (Metric tons of CO ₂ e / year)	Scope of carbon reduction
Nantze Factory (YP)	Installation of zero-loss auto-drains on W3E air compressor drainage system	67.76	33.47	Scope 2
Dafa Factory (YF)	Switching off lights in unmanned areas of the plant	4.16	1.97	Scope 2
	Raising the MBK cooling water temperature	81.91	38.82	Scope 2
Dafa Plant III (YF3)	Air compressor variable frequency operation mode	233.09	115.15	Scope 2
	Energy-saving adjustments in YF3 3F cleanroom	362.45	179.05	Scope 2
Dashe Plant (YR)	Replacement of old chillers	35.24	16.70	Scope 2
	Adding VFDs to chiller circulation pumps for load reduction control	229.30	108.69	Scope 2
	Variable frequency control for dust collector motors	36.44	17.27	Scope 2
	Replacement of old chillers	562.50	266.63	Scope 2

Plant	Item	Estimated electricity saving benefit (10,000 kWh/year)	Estimated carbon reduction (Metric tons of CO ₂ e / year)	Scope of carbon reduction
	Replacement of T5 lights with T8 LED energy-saving ones	52.57	24.92	Scope 2
Two Suzhou Plants (SZ-R, SZ-C)	Improvement of dryer efficiency	460.03	275.01	Scope 2
	Replacement of lighting with LED	347.00	207.43	Scope 2
	Air compressor conversion to VFD unit	612.81	366.34	Scope 2
	Water pump energy efficiency upgrade	887.90	530.79	Scope 2
	Use of heat exchangers to replace chillers during winter	544.43	325.45	Scope 2
Dongguan Plant (CPC)	Improving air compressor piping for electricity savings	156	93.26	Scope 2
Two Dongguan Plants (Backend + TH DG)	Replacement of air compressor	The equipment is still undergoing replacement and modification and will be completed and installed with electricity meters in 2025. Tracking of power-saving benefits and carbon reductions will commence thereafter.		Scope 2
	Replacement of vacuum pumps			Scope 2
Suzhou Plant (TH MD)	Air compressor VFD modification			Scope 2
	LED lighting replacement			Scope 2

Note: For the calculation of carbon reduction volume, the plant sites in Taiwan adopted the 2024 factor of 0.474 kg CO₂e/kWh announced by Energy Administration, Ministry of Economic Affairs. For the plant sites in China, the Suzhou Plant adopts the 2023 national power grid emission factor of 0.6205 tCO₂e /MWh announced by the Ministry of Ecology and Environment of China. The power carbon emission primarily considers the GHG types including CO₂.

6.4 Water resource management

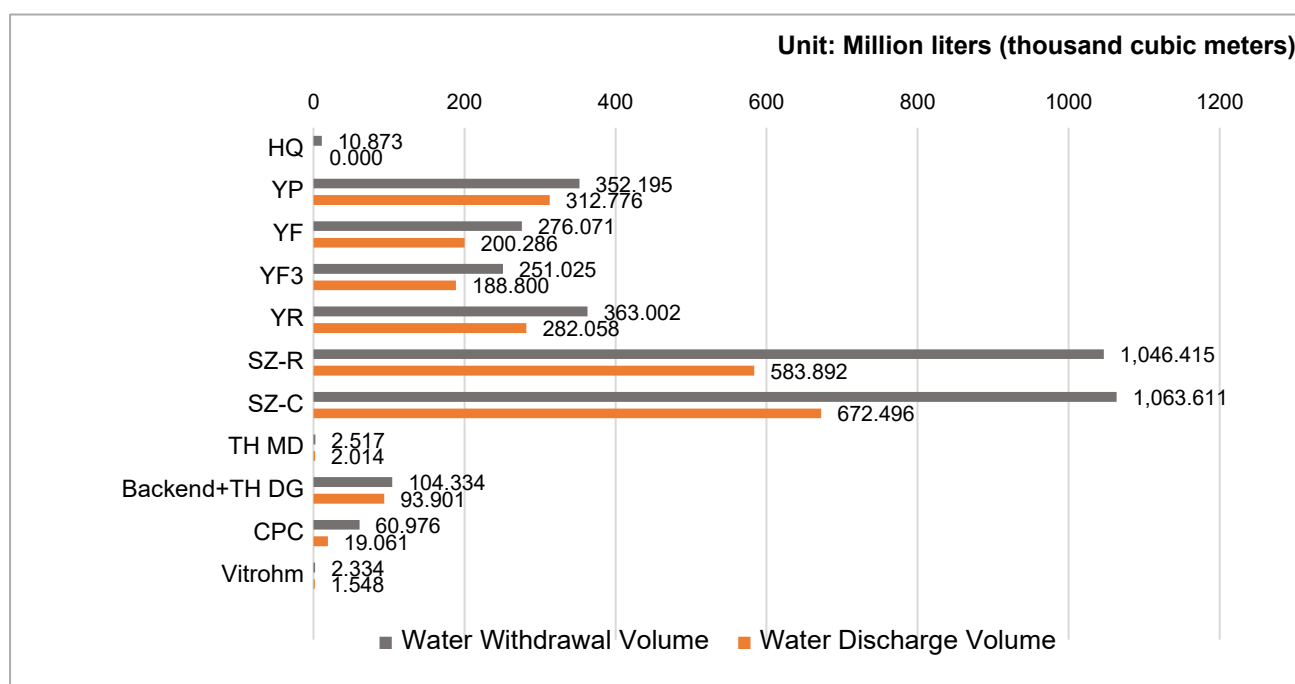
We implement an environmental management system based on the environmental policy of each factory by taking into account their geographical location, climate, air quality, water quality, land use, existing pollutants, availability of natural resources, and biodiversity. In an attempt to maintain the stable water resources necessary for operations while controlling the impact of YAGEO's raw water withdrawals and wastewater discharge posed on the environment, each factory has set a water management goal. While we are saving water, we are also proactively enhancing water recycling and water efficiency.

■ Total Water Resources Used in the Past Four Years

Unit: Million liters (thousand cubic meters)

Item		2021	2022	2023	2024
Water withdrawal	Withdrawn from a third party (tap water)	3,557.40	3,028.92	3,001.69	3,530.03
	Withdrawn from groundwater	-	-	1.50	0.79
	Withdrawn from a third party (water tanker)	7.70	1.36	3.48	2.54
	Total water withdrawal	3,565.09	3,030.29	3,006.67	3,533.35
Water Discharge	Discharged to the surface	293.89	317.36	264.84	282.06
	Discharged to the sea	-	-	-	-
	Discharged to the third party	1,829.66	1,245.89	1,421.42	2,074.77
	Total discharge volume	2,123.56	1,563.26	1,686.26	2,356.83
Water consumption	Total water consumption	1,441.54	1,467.03	1,320.41	1,176.52
Water recycled and reused	Water recycled and reused	714.20	569.95	660.92	722.26
	Recycling and reuse ratio	20.03%	18.81%	21.98%	20.44%

Water Withdrawal and Discharge Volume by Plant in 2024



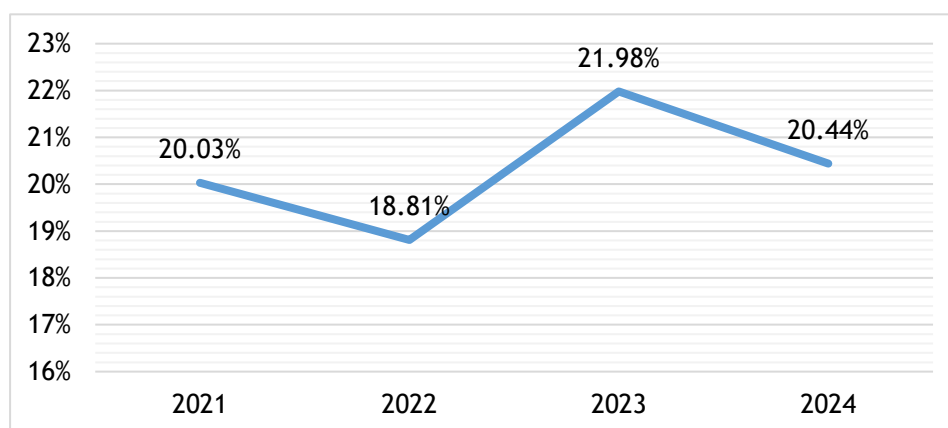
Note 1: For tap water withdrawal, the water bill shall apply. The water emissions shall be primarily based on the documents submitted to the government.

Note 2: The tap water of the headquarters building and plant sites in Taiwan comes from Taiwan Water and Fengshan Reservoir, and the tap water of the two Suzhou plants (SZ-R and SZ-C) comes from Suzhou Gaoxin District Water (Taihu Lake). In contrast, the tap water of the Dongguan Plant comes from Dongguan Water Group Water Supply Co., Ltd.; the Portugal Plant (Vitrohm) is sourced from groundwater and the local water company. Water tankers are sourced from mountain spring water in Dashu District (Dashe Plant YR), the Nantze CPC Water Treatment Plant (Nantze Plant YP), and the Pingtung Water Treatment Plant (Dafa Plant YF). All water is freshwater ($\leq 1,000$ mg/L total dissolved solids).

Note 3: According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas assessment, the Portugal Plant (Vitrohm) and the Dongguan plant site are located in medium-high water risk areas, the Suzhou plant site is in a high water risk area, and the remaining plant sites are in medium-low water risk areas. All discharge water bodies are freshwater ($\leq 1,000$ mg/L total dissolved solids). The Portugal, Suzhou, and Dongguan plant sites have not experienced any water scarcity. The water source is sufficient and there are water tankers in place as a backup source. The 2024 total freshwater ($\leq 1,000$ mg/L total dissolved solids) discharge volume in water-stressed regions: 1,372.91 million liters.

Note 4: Water consumption = Water withdrawal - Water discharge.

Percentage of recycled and reused water over the years



2024 Water resource management target

Plant	Descriptions about the target	Achievement of target
Nantze Factory (YP)	Wastewater recycling rate of all plants is greater than 15%	Wastewater recycling rate of all plants reached 24%
Dafa Factory (YF)	Overall water recycling rate of all plants is greater than 15%	Wastewater recycling rate of all plants reached 47.3%
Dafa Plant III (YF3)	Reduce wastewater discharge through recycling, aiming for a 65% reduction in wastewater discharge during full capacity operation	The full-capacity recycled water pool volume after construction is 114 CMH, and after a 65% RO system is designed, approximately 53,352 tons/month of recycled water can be recovered to the process water pool (continued through 2024).
Dashe Plant (YR)	Recycle and reuse dicing cleaning water to reduce tap water consumption; overall water recycling rate for all plants is greater than 10%.	Wastewater from the dicing process is recovered and filtered for reuse in the same process, totaling 55,166 tons/year (2024 achievement: 13.9%).
Suzhou Plant (SZ-C)	Overall water recycling rate of all plants is greater than 15%	Overall water recycling rate of all plants reached 16.9%

Plant	Descriptions about the target	Achievement of target
Suzhou Plant (SZ-R)	Overall water recycling rate of all plants is greater than 15%	Overall water recycling rate of all plants reached 17%
Suzhou Plant (TH MD)	No process wastewater	-
Two Dongguan Plants (Backend + TH DG)	No process wastewater	-
Dongguan Plant (CPC)	No process wastewater	-

■ 2024 Key Water-Conservation Measures

Item	Description	Benefit of water conservation
Pure water system regeneration and reclaimed water recycling	Recovery and reuse of RO concentrate discharge for cooling towers and site cleaning.	Dashe Plant (YR) saves 50.32 million liters of water per year. Suzhou Plant (SZ-R) saves 111.94 million liters of water per year. Suzhou Plant (SZ-C) saves 100.44 million liters of water per year.
Cooling tower water conservation management	Reducing unnecessary discharge by controlling discharge timing through conductivity detection, raising the cooling tower discharge interval, or piping air conditioning condensate to the reclaimed water system for reuse.	Dafa Plant III (YF3) saves 9.38 million liters of water per year.
Improvement of water resource recycling efficiency across all plants	Utilizing recovered water for utility purposes, such as cooling towers, scrubbers, or site cleaning after chemical coagulation and membrane treatment (via electroplating wastewater recycling, RO concentrate discharge, EDR recovery, ROR recovery, etc.).	Nantze Plant (YR) saves 84.77 million liters of water per year. Dafa Plant (YF3) saves 130.63 million liters of water per year.

■ Effluent Quality Management

All of YAGEO's plants will periodically monitor the effluent quality. Each factory defines different water quality standards subject to the characteristics of the production process in the passive component industry and the local regulatory requirements, and prioritize the management of discharged substances in accordance with the regulations applicable in each region. The waterbodies accepted by each factory refer to the discharge destinations approved by the government.

Plant	Water Quality Management
Nantze Factory (YP)	The effluent quality is subject to the standards set forth under the "Water Pollution Control Act," and some laboratory is contracted to take samples every morning to conduct analysis and tests to monitor COD (<280ppm), Ni (<1ppm), pH (6~9), SS (<30ppm)).
Dafa Plant (YF) Dafa Plant III (YF3)	The discharged water quality automatic monitoring system follows the "Standards for Water Quality of Dafa Industrial Zone Tenants' Waste (Sewage) Water Discharged into Sewage Sewer" to monitor the effluent items including chemical oxygen demand COD (every 2 hours), Ni (every 2 hours), pH (instant), suspended solids SS (instant), daily record showing wastewater discharged from the process and system parameters

Plant	Water Quality Management
Dashe Plant (YR)	The COD and heavy metals (Ni) of the discharge water are monitored daily, and the pH value of the discharge water is monitored in real time. In order to comply with the "Standards for the Land Discharge of the Electroplating Industry", the Ministry of Environment is entrusted to the laboratory to sample and analyze the quality of the discharge water every quarter.
Two Suzhou Plants (SZ-C, SZ-R)	In accordance with the "Integrated wastewater discharge Standard" and "Emission Standard of Pollutants for Electroplating," the nickel content (Ni<0.1mg/L) is monitored by an on-line instrument at the discharge outlet of the process wastewater. The test is conducted once per 4 hours. Before being discharged to the municipal pipeline network, online detectors are available to detect PH (6–9, real-time monitoring), ammonia nitrogen (<35mg/L, every 2 hours), COD (<400mg/L, every 2 hours), NI (0.1mg/L< every 4 hours).
Suzhou Plant (TH MD), Three Dongguan Plants (Backend+TH DG+ CPC)	The plants primarily contract a third party to monitor the domestic wastewater in accordance with the "Wastewater Quality Standards for Discharge to Municipal Sewers" (GB/T 31962) each year.

Effluent Quality Monitoring

Item	2021	2022	2023	2024
Biochemical oxygen demand BOD (mg/L)	22.04	3.33	4.33	3.66
Chemical Oxygen Demand COD (mg/L)	42.75	45.97	39.51	40.81
Total suspended solids TSS (mg/L)	8.77	10.96	24.28	12.21

Note 1: Only the Nantze Plant and Dongguan Plant tested the BOD value. As there are no compulsory requirements imposed by laws, the other factories have no related testing records.

Note 2: The water quality indicators are obtained from the weighted average of the annual average of each factory, and these are far below the regulated emission limits.

Wastewater Discharge Destination

Base	Discharge destination
Headquarters	Jingmei River
Nantze Plant (YP)	Nantze Technology Industrial Park Pumping Station, Ministry of Economic Affairs
Dafa Plant (YF), Dafa Plant III (YF3)	Dafa Industrial Park Sewage System Operations Center, Ministry of Economic Affairs
Dashe Plant (YR)	Dianbao River
Two Suzhou Plants (SZ-C, SZ-R)	Suzhou New District Water Purification Co., Ltd. - Shishan Water Purification Plant
Suzhou Plant (TH MD)	Mudu Wastewater Treatment Plant
Two Dongguan Plants (Backend + TH)	Lincun Wastewater and Sewage Treatment Station
Dongguan Plant (CPC)	Songshan Lake North Sewage Treatment Plant
Portugal Plant (Vitrohm)	Wastewater Treatment Plant

6.5 Waste and air pollution management

YAGEO promotes process improvement to reduce the consumption of raw materials, while also collecting resources for effective reuse, further reducing the generation of waste as well as the cost of subsequent treatment. By doing so, we can achieve the goals of waste reduction and resource reuse to fulfill the corporate responsibility of environmental protection and maximize profit for the Company.

Each factory has established its in-factory operating procedures in accordance with the relevant laws and regulations. General waste, general business waste, and hazardous business waste are disposed of in accordance with the regulations, while at the same time promoting waste reduction and implementing classified recycling. Each factory was committed to increasing the recycling amount of packaging materials and reducing and reusing projects to use organic solvents.

■ Waste Management and Reduction Measures

Clean water, glass sand, aluminum sand, and ink are among the chemical materials needed in producing passive components. These materials will go through sandblasting and a plastic burning process to produce resistors. To reduce the pollution posed to the environment and human body caused by chemical materials, we emphasize injury prevention management between the raw material supplier and working environment. The waste generated primarily includes liquid waste, waste electronic components, waste plastic, waste glass and a mixture of bricks and tiles, all of which are contracted to a qualified vendor or removal entity for disposal. We also carry out an annual on-site audit at the vendor that disposes of our business waste. All waste must be weighed prior to leaving the site to ensure the removal volume and disposal method to be reported to the competent authority. The Taiwan plant sites also require vendors to complete disposal within 30 days and provide proof of proper waste treatment.

Ministry of Environment certified Eco-Friendly Restaurants (Dashe Plant, Kaohsiung Plant III)

To minimize its environmental impact and address issues, such as climate change, food safety, and the circular economy, YAGEO is committed to the concept of environmental friendliness by providing employees with eco-friendly, low-carbon meals and a sustainable dining environment. The employee restaurants at the Dashe Plant and Kaohsiung Plant III achieved the goal of reducing waste and food scraps through measures such as using reusable tableware, selecting local ingredients, and promoting food-waste-reduction ordering. They were certified as eco-friendly restaurants by the Ministry of Environment in 2024.



◀ About Eco-Friendly Restaurant

Item	Description	Achieved Benefits
Waste alcohol recovery	Waste alcohol recovery at the Dafa Plant and Nantze Plant replaces 95% of the current alcohol usage.	The replacement rate reached 20%.
Waste wood pallet recycling	100% recycling and reuse of waste wooden pallets are achieved at the Dashe Plant.	Total recovered volume in 2024 was 14.96 metric tons.
Waste disc recycling and replacement	The two Dongguan plants (Backend+TH) requested suppliers to implement a recycling and replacement program where five damaged plastic discs (defective products) are exchanged for one good disc.	A total of 33,000 good discs were replaced in 2024.
Paper core recycling and reuse	The two Suzhou plants (SZ-C and SZ-R) generate a large volume of waste paper cores daily. The original recycling process involved transferring them to a general solid waste vendor designated by the Procurement Department who would then pass them on to sub-tier suppliers for subsequent treatment.	Starting in January 2024, YAGEO began sorting the paper cores intended for the Jiemee vendor. The Company selected cores that were clean and undamaged in appearance and returned them directly to the original manufacturer, Jiemei, for reuse. This effort achieved a recycling rate of 70%.
Change in waste disposal method	The Dashe Plant plans to change the treatment of waste black dicing tape from incineration to recycling and reuse by reprocessing it into a mixing material for hollow bricks.	Expected to achieve 100% recycling and reuse of waste black dicing tape; 2024 recovered volume was 43.69 tons.

■ Total Amount of Waste and Disposal Method

Unit: metric tons

Category			2021	2022	2023	2024
Output	Non-hazardous waste		4,685.84	3,954.34	3,842.60	6,384.52
	Hazardous waste		6,664.00	5,143.01	5,639.30	6,230.34
	Total output		11,349.84	9,097.35	9,481.90	12,614.86
Transfer	Non-hazardous waste	Preparation for reuse	0.00	0.00	0.00	0.00
		Recycling	2,550.71	1,967.12	1,827.69	2,127.67
		Other recovery operations	1608.79	1,033.36	1,598.24	3,031.54
	Hazardous waste	Preparation for reuse	0.00	0.00	58.98	0.00
		Recycling	1,886.52	1,749.14	3,188.21	1,587.41
		Other recovery operations	4,539.00	3,152.21	538.37	3,157.44
	Total transfer		10,585.01	8,122.28	7,211.49	9,904.06
Direct disposal	Non-hazardous waste	Incineration (including energy recovery)	341.57	280.52	229.92	839.15
		Incineration (excluding energy recovery)	5.18	4.66	12.96	0.00
		Landfill	26.22	22.05	60.28	48.58
		Other disposal operations (e.g., heat treatment + physical + chemical + biological treatment)	26.22	140.32	113.51	337.58

Category			2021	2022	2023	2024
Hazardous waste	Incineration (including energy recovery)		0.00	0.76	31.15	1,109.35
	Incineration (excluding energy recovery)		0.12	0.09	630.76	1.95
	Landfill		238.36	242.98	358.27	206.39
	Other disposal operations (e.g., heat treatment + physical + chemical + biological treatment)		0.00	0.00	833.57	167.81
	Total direct disposal		764.83	695.05	2,270.42	2,710.80

Note 1: The waste data scope includes YAGEO's plant sites in Taiwan and the headquarters building, as well as plant sites in China and Portugal.

Note 2: Waste is disposed of by a qualified third-party waste disposal entity.

Note 3: The recycling percentage of hazardous waste generated in 2024 was 76.16%.

■ Emissions and Air Pollution Reduction

The waste gas emissions of each of YAGEO's factories comply with the requirements defined in the relevant permits. Meanwhile, these factories execute the reduction measures voluntarily. They set the annual reduction target as 5%, in accordance with the "Total Air Pollutants Quantity Control Plans for Kaohsiung-Pingtung Area." Nantze Plant (W6) upgraded the negative pressure collection system to prevent air pollutants from spreading. It also implemented the most optimal and feasible control technology, and the regenerative catalytic oxidizer (RCO equipment was also constructed, and participated in the Environmental Protection Bureau's air quality purification project by coordinating the adoption of green spaces at nearby elementary schools. Dafa Plant's air pollutant treatment equipment has adopted the best available control technology, using the regenerative incineration control technology to burn to destroy volatile organic substances. It continued to participate in the Dafa Industrial Zone Service Center's road tree adoption project in 2022 to create a better environment together with the community. Dashe Plant participated in the Environmental Protection Bureau's air quality purification plan, and sponsored the elementary schools' tree planting projects nearby. To strengthen management, although Dongguan Factory is not controlled by the government, it continues to maintain the validity of its emission permit to control emissions of oil smoke and organic emissions.

▼ Letter of Appreciation for Air Quality Purification Zone for YAGEO Nantze Plant



▼ Letter of Appreciation for Roadside Tree Adoption for YAGEO Dafa Plant



▼ Award Plaque and Letter of Appreciation for Air Quality Purification Zone for YAGEO Dashe Plant



■ Emissions of Air Pollutants

Unit: kg

Item	2021	2022	2023	2024
Nitric oxide (NOx)	2,666.02	2,774.92	3,361.15	3,344.32
Sulfur oxide (SOx)	0	0	0	0.74
Persistent organic pollutant (POP)	0	0	0	0
Volatile organic compound (VOC)	185,568.73	240,895.59	98,942.24	129,116.04
Hazardous air pollutants (HAP)	0	8,563.90	0	0
Particulate matter (PM)	1,165.00	489.00	4,496.11	1,400.40
Other (particulate matter pollutant)	538.67	775.33	310.93	368.96

Note 1: The above items are calculated based on each factory's regular air pollution inspection data, or the coefficient suggested by the environmental protection authority. The production capacity is used to estimate emissions of each quarter which is then reported to the Ministry of Environment. At Dashe Plant, VOC is monitored; at Nantze Plant, Nox, VOC, and particulate matter pollutants are monitored; at Dafa Plant, NOx and VOC are monitored; at the 2 Suzhou Plants, VOC and particulate matters are monitored, while at Dongguan Plant, NOx, SOx and particulate matters are monitored.

Note 2: The primary reason for the rise in SOx emissions at the two Dongguan plants (Backend+TH) in 2024 was the older age of the generators, leading to insufficient combustion.

■ Primary air pollution management measures in 2024

Plant	Item	Contents	Estimated benefits
Nantze Factory (YP)	Electrostatic Precipitator (EP) System	Use of electrostatic precipitator (EP) + Cleaning tower in combination with added ozone treatment for BBO burn out and PK sintered waste gas	Reduce odor emission
	RCO combustion tower	VOCs are treated through RCO combustion, effectively managing volatile organic compounds.	VOC reduction rate exceeds 90%

Plant	Item	Contents	Estimated benefits
Dafa Factory (YF)	- RTO parameter adjustment - New negative pressure collection in ball milling zone	- By adjusting the temperature setting and zeolite runner frequency, it controlled the VOCs concentration in the furnace under the optimal combustion conditions. As a result, the NG consumption was reduced, while the VOC reduction rate improved accordingly. - Improving VOCs collection efficiency, reducing natural gas consumption, and enhancing VOC reduction efficiency.	VOC reduction rate raised to 93%.
Dashe Plant (YR)	Wet cleaning tower	Reduce volatile organic emissions and reduce acid gas emission	Comply with regulatory standard
Suzhou Plant (TH MD)	Replacement of activated carbon box	Reducing volatile organic compound emissions.	Waste gas pollutants discharge standards
Suzhou Plant (SZ-R)	- Waste gas pollutants discharge standards - New RTO and activated carbon waste gas treatment facilities	- Periodic replacement of waste gas treatment tower (energetic ion oxidation filling, spray tower filling) consumables, and regular replacement of activated carbon. - Utilizing natural gas combustion and activated carbon adsorption to effectively reduce VOC emissions.	Waste gas pollutants discharge standards
Suzhou Plant (SZ-C)			
Two Dongguan Plants (Backend + TH)	Waste gas pollutants discharge standards	Regular replacement of activated carbon.	Waste gas pollutants discharge standards

Chapter 7 Talent Growth



7.1 Talent Attraction and Retention

■ Talent is the Company's Most Important Asset

YAGEO emphasizes that “talents” shall be considered as the foundation of the future development. Each “YAGEO folk” is an important asset of YAGEO. In recent years, the Company continued to enhance the strategy of “Talent selection, employment, cultivation and retention” and has also initiated the “cross-border management trainee recruitment and cultivation program” (YOUNG Program), in order to develop YAGEO's unique corporate DNA (young, active, growth, efficiency and innovation) in the talents of management trainees. Through progressive improvement of talent development strategy, YAGEO's human capital cultivation can be continued.

■ Diverse Talent Recruitment and Development Channels

With regard to the talent recruitment and cultivation channels of YAGEO, in addition to the industry-academia cooperation with universities and colleges for joint R&D and cooperative recruitment with neighborhood communities and employment service stations. In 2024, YAGEO continued to expand the recruitment channel and integrated the Group's resources, in order to actively enter school campus for recruitment and joint education of talents. In addition to the deployment of “Industry-Academia Collaboration Program” and “YOUNG Program” in various universities and colleges in Kaohsiung, the Company has also responded to the government's policy to collaborate with key national scientific research schools and organized semi-conductor academy with National Cheng Kung University and National Sun Yat-sen University, such that through the combination of school learning with occupational training, students are able to enter the workplace early.

Talent management planning and target

Short-term - Recruitment	Medium-term - Retention	Long-term - Cultivate
Given the shortage of laborers in Taiwan's local human resource market in recent years, effective reduction of labor demand is a recruitment plan and target. YAGEO will implement the enterprise internship system and industry-academia cooperation program, as well as any other industry-academic cooperation projects, by enhancing relationships with campuses.	For human resources recruited based on the human resource recruitment strategy and plan, YAGEO will plan the employee retention incentive system and career development systems for key positions, with a view to improving the personnel retention rate and train the entry-level employees to be the middle-level management.	YAGEO, via diverse recruitment channels, works with Taiwan's top universities to organize research academes, and contributes capital to establish industry master/doctoral programs to solicit exceptional talents

Talent Recruitment Pipeline

Recruitment channel	Program description
Industry-academia collaboration	Industry-academia collaboration program: Integrating industrial resources to achieve collaboration between academia and industry. There were 71 students in the specialized on-the-job program in 2024.
	Corporate internship: In order to allow students to enter the workplace earlier, and apply academic knowledge and skills.
	Mid-to-high level talent: Established the "College of Smart Semiconductor and Sustainable Manufacturing" and "College of Semiconductor and Advanced Technology Research" in conjunction with National Cheng Kung University and National Sun Yat-sen University.
	The "cross-border management trainee recruitment and cultivation program" (YOUNG Program): Recruits international graduates who are assigned to domestic and overseas locations for service after training.
	Management trainee program: The Suzhou Plant continues to conduct master's and doctoral management trainee "campus recruitment" and collaborates with schools, such as Suzhou University.
Community partnerships	Job fairs: A total of 5 events in 2024.
Campus recruitment	Campus fairs: A total of 5 events in 2024.

1. Industry-Academia Collaboration - Human Resources Policy Targets Young Talented People

YAGEO has long been recruiting and nurturing talent in the passive components industry through industry-academia collaboration with universities and colleges. With this investment, schools and the industry can together improve the status of the domestic passive components industry and put Taiwan firmly on the map.

In 2024, YAGEO Group continued its collaboration with multiple universities and colleges in southern Taiwan by offering specialized industry-academia programs and providing short-term internship opportunities.

For students, the industry-academia cooperation programs or internship program cooperation may help them to enter the workplace early, so that they may become familiar with the future workplace earlier and help them choose their future career path. As far as YAGEO is concerned, participation by students helps satisfy YAGEO's demand for human resources and also cultivate talents needed by the enterprise earlier, reducing the divide between learning and application after they are hired, and helping future human resource development planning. Recruit and cultivate reserve talents in advance via the industry-academia cooperation and internship practices.

■ Industry-Academia Collaboration Program

The industry-academia cooperation program is promoted under the cooperation through the vertical connection between science and technology universities, and by combining the industrial resources to achieve the industry-academic-government cooperation between schools and the industry. The cooperative suppliers offer the job opportunities and salary to promote students' continued education and employment opportunity and also improve the quality and quantity of technical talents needed by the industry.

Students attending the programs may be employed by enterprises as part-time trainees during the programs, and complete their studies at the same time. After they are graduated, the company will plan the complete career development program for them, such as arrangement for a full-time job interview in advance, employment and allocation of retention bonus upon graduation, recognition of the service seniority during the program, and encouragement of continuing education obtaining employment upon graduation, issuing retention bonuses, recognizing seniority during the plan period, and encouraging continuous on-the-job training.

YAGEO has ongoing collaboration with local Kaohsiung universities and colleges, including Chen Hsiu University, Shu-Te University, and Fooyin University. In 2024, a total of 71 students were enrolled in the specialized on-the-job program. Furthermore, a new industry-academia program class is planned to be added with Chia Nan University of Pharmacy and Science in 2026. By 2027, the number of such cooperative specialized classes is expected to increase to 10, with an estimated enrollment of 374 students.

■ Enterprise Internship System

In order to allow students to enter the workplace earlier, and put the knowledge and skills learned by them in school into practice. YAGEO established the enterprise internship system in 2021, and organized the enterprise internship recruitment presentation meetings at various colleges/universities in Kaohsiung. Students participating in the internship program may freely choose to participate in the internship program during summertime, semester or academic year.

YAGEO has offered multiple internship job vacancies in process, equipment, research and development, quality control, production management, human resources, financial accounting and information, etc., available to students majored in relevant departments to help them join YAGEO to experience the workplace culture. A total of 16 students were accepted into YAGEO's internship program in 2024, including 12 students from the specialized class of the Semiconductor Passive Component Industry Program of the National Sun Yat-sen University. As of the end of 2024, 1 student had completed their internship. YAGEO will continue to expand its internship sites and available positions in the future.



2024 Enterprise Internship Recruitment Presentation Meeting

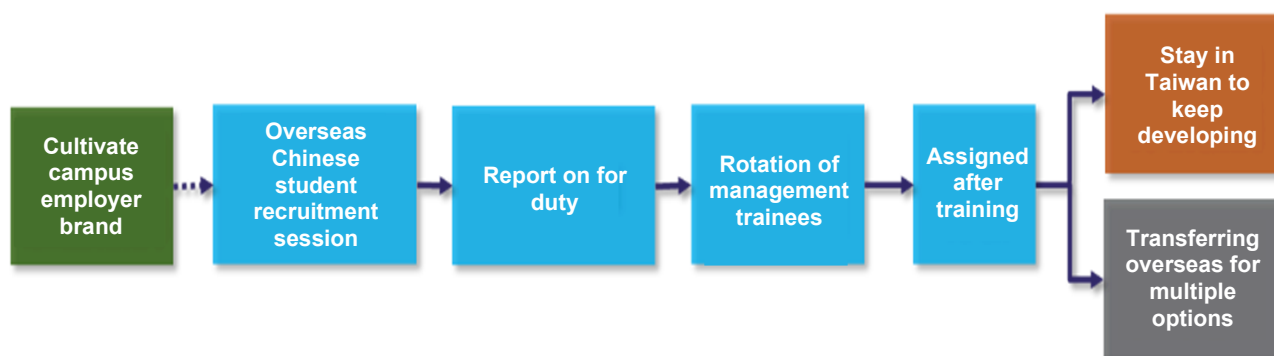
■ Demand for middle-level and senior talents

To effectively cultivate specialized talent required by the future industry while students are still in school, YAGEO, along with other renowned enterprises in Taiwan, established the “College of Smart Semiconductor and Sustainable Manufacturing” and “College of Semiconductor and Advanced Technology Research” in conjunction with National Cheng Kung University and National Sun Yat-sen University. During the students' academic period, the Company arranges for industry experts to lecture, reducing the knowledge-skills gap and enhancing the corporate brand's visibility on campus. This aims to create a high-tech corridor leading to future industries, cultivate a new generation of talent, drive innovative and sustainable development in the Greater South region, and strengthen Taiwan's leading international role in the passive component and intelligent manufacturing industries.

■ YOUNG Program

YAGEO initiates the “cross-border management trainee recruitment and cultivation program” (YOUNG Program) for fresh overseas ethnic-Chinese graduates in Taiwan. Students participating in the program will receive a two-year training for management trainees in Taiwan. During the training period, they will experience diverse assignments according to the demands of the organization, and such assignments may range from small local assignments to large cross-region assignments in order to help them exercise their expertise and competence thoroughly. Upon expiration of the two-year training period, the program participants may choose to stay in Taiwan or work at any overseas business locations of YAGEO Group. A total of 18 international graduates have been hired cumulatively since the program's launch in 2022 through

the end of 2024. They were assigned to R&D, equipment, process, information and procurement related units according to their expertise. During the training period, they were arranged to work on cross-department project or cross-border assignments, such that they were able to learn the profession of each job position during the training period. They were assigned to domestic and overseas locations for service according to the Company's plan after the training concluded.



YAGEO Group understands the global trend for talents well, and focuses more on the cultivation of multinational talents. Most of companies are used to introducing excellent talents from overseas. Instead, YAGEO Group hopes to export excellent talents to its overseas branches from Taiwan. Its future talent development strategy aims to apply the recruitment, retention and cultivation to help talents experience different functional positions and exercise their expertise and competence thoroughly. In the future, the foreign management trainees sent by YAGEO to develop overseas will play the role responsible for communication between the overseas and domestic companies to help achieve YAGEO's global layout vision.

■ Management trainees' training

YAGEO Suzhou Plant selected the Top 30 trainees from 985 and 211 engineering universities (985 and 211 refer to the national key universities recognized by the Ministry of Education) in the "campus recruitment" project for master and doctoral program students as the management trainees, in order to reserve the senior management talents for the passive component business domain expanded by the Company continuously.

The recruited outstanding management trainees from national universities undergo a three-month professional training program covering "theory and practice," which concludes with an evaluation and assessment. In 2024, recruitment channels were further expanded, resulting in the acceptance of two graduating interns from the University Putra Malaysia (UPM). No new management trainees were added this year; a total of 9 management trainees were employed as of the end of 2024.



▲ Management trainees' theory courses



▲ Management trainees' hands-on learning in factory



▲ Two graduating interns accepted from University Putra Malaysia (UPM)

Industry-academia collaboration performance and goal

Recruitment plan	Annual performance	Future goal
Industry-Academia Cooperation Program	A total of 71 students were enrolled in the specialized on-the-job program this year.	- Offer 9 specialized program classes by 2026, with 305 program students recruited on-site. - Offer 10 specialized program classes by 2027, with 374 program students recruited on-site.
Enterprise Internship System	A total of 16 interns were recruited this year.	Increase diverse internship vacancies, allowing students other than science and engineering related departments to have the opportunity to participate in the internship program
Demand for middle-level and senior talents	A total of 12 students of College of Semiconductor and Advanced Technology Research of National Sun Yat-sen University were admitted	Continue to strengthen the collaboration with top universities and colleges in the southern Taiwan, and arrange outstanding students to act as the bridge between enterprise and school, in order to assist the promotion of industry-academia research projects and to adopt to the workplace early
YOUNG Program	A total of 18 international graduates have been hired cumulatively since the program's launch in 2022 through the end of 2024	Assign to domestic and overseas business locations for service according to the Company's planning after the end of training
Management trainees' training	Seven management trainees were employed at the Suzhou Plant as of the end of 2024.	Dongguan Factory has established the management trainee system

2. Proactively Collaboration with the Committee to Provide Employment Counseling

YAGEO's human resources policy has always been "deepening local roots", which emphasizes working together with communities and recruiting local workers to serve in the vicinity of YAGEO. YAGEO proactively works together with neighborhood/community heads to regularly organizing talent recruitment fairs and career guidance. By doing this, it enables the public to better understand our work while also providing advice and consultation for individual career choices.



2024 Vocational Training/ High School Employment Matching Recruitment Fair

3. Cross-Group Collaboration for High-end Technology and R&D Talent Cultivation

YAGEO Group hopes to create a joint research environment of industry-academia collaboration. To achieve this, the Group works side by side with the academia through joint research of forward-looking technology and joint cultivation of R&D talent to accelerate technological development. This will allow industry research results to be closely aligned with the direction of technological development, enhancing the technology of the passive components industry. As YAGEO's main R&D center is located in Kaohsiung, we continue to invest in high-end products and produce them in Kaohsiung. At the same time, we have also established an R&D center and kept the roots of the development of high-end passive component technologies in Kaohsiung by integrating the high-end passive component technologies of Kemet and Pulse Electronics. YAGEO will root the high-end component technologies. In the future, the Group will continue to invest in the R&D center in Kaohsiung with equipment such as the most advanced high-resolution penetrating electron microscopes and related analysis equipment of nano ceramic power. By integrating the technological capabilities of the Group and strengthening the development of materials and product technologies, the Group's leading position in the global passive components industry will be enhanced.

The YAGEO-NCKU Joint Research Center refers to a long-term joint R&D technology exchange platform created by the companies within YAGEO Group, in order to have YAGEO lead the cooperation with the academic circle, hoping to jointly develop high-end products and technologies and cultivate talents through the industry-academia integration. By working with NCKU to organize passive component-related courses, YAGEO and NCKU cultivate talents together permanently to join the passive components industry, helping improving the positive research and development capabilities of the Group.

Taiwan's passive component production output is ranked No. 2 in the world, and YAGEO is a key manufacturer in the passive component industry in Taiwan. In addition to the collaboration with the National Cheng Kung University, the purpose of the organization of the dissertation contest is to encourage school teachers and students to continue to participate in research and development of passive component related technologies and to contribute effort to relevant industries. In addition to semiconductor industry, Taiwan's

electronic component and electronic ceramic industries also demonstrate remarkable development and are of great future outlook. The Company expects that all professors, students and business operators of passive components in Taiwan to unite together in order to achieve great outcome in relevant industries.

In line with the plans of the Ministry of Education, YAGEO worked with NCKU to open a “doctoral program in forward-looking passive components” in 2021. The doctoral program will last 4 years and be taught by a professor from NCKU and technical supervisors from the Group. The first and second years will take place at NCKU, while the third and fourth years will take place at the Group as interns. During this period, we will provide scholarships to students and they are welcome to work for us after graduation. By doing this, we aim to cultivate young talent for the Group.

In 2024, YAGEO Group's joint campus recruitment events took place at numerous universities and colleges, including National Cheng Kung University, National Sun Yat-sen University, National Chung Cheng University, National Kaohsiung University of Science and Technology, and Cheng Shiu University. By deeply cultivating the campuses in southern Taiwan, YAGEO provided fresh graduates with opportunities to understand industry trends and demands, thereby helping them find a more accurate career direction.



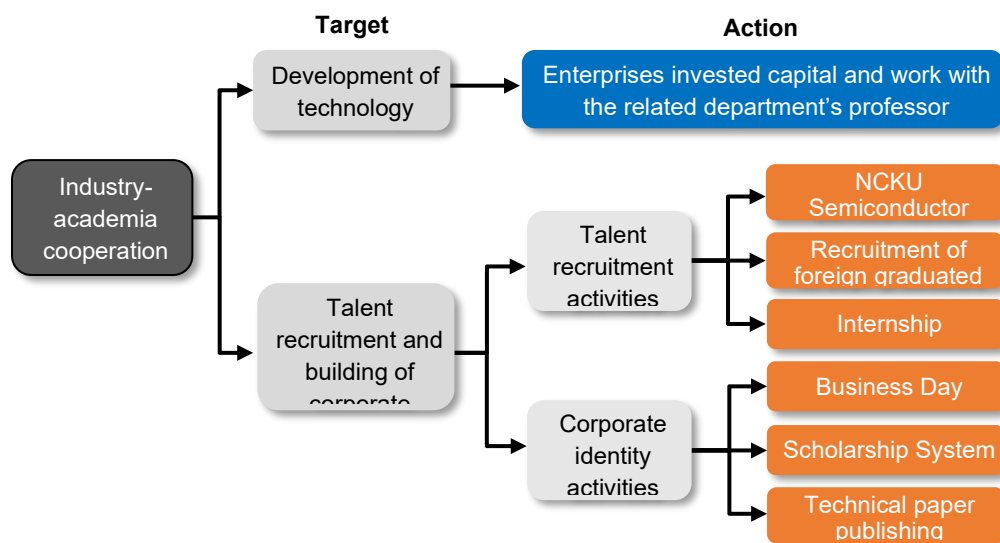
2024 YAGEO Group Joint Campus Recruitment

4. Joint R&D Center of YAGEO and National Cheng Kung University

As YAGEO Group's main R&D center is located in Kaohsiung, it continues to invest in high-end products and produce them in Kaohsiung. At the same time, YAGEO has also established an R&D center and kept the roots of the development of high-end passive component technologies in Kaohsiung by integrating the technologies of the Group. In 2020, YAGEO jointly established the R&D center with NCKU to cultivate talent and reinforce our technology. In the future, YAGEO Group will continue to invest in the R&D center in Kaohsiung with equipment such as the most advanced high-resolution penetrating electron microscopes and related analysis equipment of nano ceramic power. By integrating the technological capabilities of YAGEO Group and strengthening the development of materials and product technologies, YAGEO Group's leading position in the global passive components industry will be enhanced.



In 2024, YAGEO-NCKU Joint Research Center continued to develop the action planning toward two major targets. In terms of R&D of technology, it will continue to carry out the cooperative projects between YAGEO-NCKU Joint Research Center and the Air Center program of the Ministry of Science and Technology, and also seek the opportunities for co-research and development on the issues such as sustainable development and ESG. Meanwhile, YAGEO also set the targets for talent recruitment and brand identity, and completed the exposure of brand identity through diverse recruitment activities (establishment of key research academy, global management trainees' recruitment and campus recruitment) and organization of large-scale corporate academic activities, and establishment of the scholarship system. In 2024, a total of three projects were carried out in collaboration with the NCKU Joint Research Center, with three professors serving as principal investigators for the projects.



5. Cross-country Talent Development and Cultivation

• Cross-cultural management model

YAGEO has conducted a number of global mergers and acquisitions over the years. The Group's unique corporate DNA is demonstrated in the integration of various human resources policies and processes after mergers and acquisitions in terms of cross-organizational, cross-regional and cross-cultural management arrangements. Based on different business groups' organizational characteristics and talent capabilities, we arrange suitable organizational and manpower structure and management models, and even cross-country and cross-team talent dispatch.

For the time being, in response to the needs for organizational development, each management team also plans to recruit competent talents for certain human resource required overseas in Taiwan, in order to practice YAGEO Group's goal to stay in Taiwan, and also demonstrate its international management model beyond territories, nationality and race, et al.

YAGEO has a robust management model centering on “cross-cultural operations management” and “diversity and inclusive”. By relocating our employees to overseas bases such as Europe, the U.S., Japan and China, each “YAGEO employee” enjoys an immediate international connection. For new and resigned employees, given the higher turnover rate of workers in China, the Company's annual overall employment rate and turnover rate are relatively high, while the rates are more stable in Taiwan.

Number of new employees in 2024

Region	Gender	Age				Total	%
		30 years old or below	31~40 years old	41~50 years old	More than 51 years old		
Taiwan	Male	115	53	34	5	207	2.2%
	Female	122	68	53	2	245	2.6%
China	Male	4,948	1,620	105	4	6,677	70.8%
	Female	1,796	673	83	10	2,562	27.2%
Portugal	Male	8	0	0	0	8	0.1%
	Female	3	2	0	1	6	0.1%
Total	Male	5,071	1,673	139	9	6,892	73.0%
	Female	1,921	743	136	13	2,813	29.8%
	Total	6,992	2,416	275	22	9,705	102.9%
%		74.1%	25.6%	2.9%	0.2%	102.9%	

Note: New hire ratio = Total number of new hires for the full year 2024 / Total number of employees at the end of 2024 (9,435 people). For new employees, given the higher turnover rate of workers in China, the Company's annual overall employment rate is relatively high, while the rate is more stable in Taiwan.

Number of employee departures for 2024

Region	Gender	Age				Total	%
		30 years old or below	31~40 years old	41~50 years old	More than 51 years old		
Taiwan	Male	155	142	68	16	381	4.0%
	Female	136	177	108	30	451	4.8%
China	Male	4,804	1,653	111	3	6,571	69.6%
	Female	1,723	713	110	15	2,561	27.1%
Portugal	Male	1	0	0	0	1	0.01%
	Female	2	3	0	2	7	0.1%
Total	Male	4,960	1,795	179	19	6,953	73.7%
	Female	1,861	893	218	47	3,019	32.0%
	Total	6,821	2,688	397	66	9,972	105.7%
%		74.1%	25.6%	2.9%	0.2%	105.7%	

Note: Employee turnover ratio = Total number of employee departures for the full year 2024 / Total number of employees at the end of 2024 (9,435 people). The higher turnover rate in the China region is due to the use of fixed-term contracts for some employees. The average monthly turnover rate across all China facilities is approximately 8-10%.

Total number of employees at the end of 2024

Region	Gender	Employment contract		Type of employment		Total
		Full-time employees	Temporary employees	Full-time	Part-time	
Taiwan	Male	1,563	1	1,563	1	1,564
	Female	2,298	2	2,298	2	2,300
China	Male	3,031	92	3,031	92	3,123
	Female	2,343	58	2,343	58	2,401
Portugal	Male	19	0	19	0	19
	Female	27	1	27	1	28
Total	Male	4,613	93	4,613	93	4,706
	Female	4,668	61	4,668	61	4,729
	Total	9,281	154	9,281	154	9,435
%		98.4%	1.6%	98.4%	1.6%	100%

Note 1: In 2024, YAGEO did not employ any non-guaranteed hours employees.

Note 2: In 2024, the categories of non-employee workers of YAGEO mainly included contractors, security personnel, and cleaning personnel. Please refer to 7.4 Occupational Health and Safety for details of contractors, securities and cleaning personnel.

Note 3: The total number of employees at the end of 2024 (9,435 people) decreased by 42 people compared to 2023 (9,477 people).

Employee diversity indicator

Region	Gender	Age				Total	%
		30 years old or below	31~40 years old	41~50 years old	More than 51 years old		
Taiwan	Male	416	508	472	168	1,564	16.6%
	Female	406	671	740	483	2,300	24.4%
China	Male	1,424	1,254	348	97	3,123	33.1%
	Female	728	1,071	518	84	2,401	25.4%
Portugal	Male	1	4	2	12	19	0.2%
	Female	1	2	8	17	28	0.3%
Total	Male	1,841	1,766	822	277	4,706	49.9%
	Female	1,135	1,744	1,266	584	4,729	50.1%
	Total	2,976	3,510	2,088	861	9,435	100.0%
%		31.5%	37.2%	22.1%	9.1%	100%	

Note: The statistical methods of the number of employees are based on the number of employees and related information available on December 31, 2024. The percentage refers to the data divided by the number of active employees on December 31, 2024 (9,435 people).

■ Premium Employee Benefit System

As a worldwide passive components manufacturer, YAGEO always uses its best efforts to cultivate and train employees. In addition to complying with labor laws and regulations, YAGEO also provides employees with a clean, bright and orderly working environment, nutritious and healthy meals, and annual employee health checkups. Meanwhile, by virtue of multiple employee benefits and diversified employee creational activities, YAGEO reimburses a lot of employee clubs at the same time, in order to facilitate the relationship with employees, upgrade culture and humanity quality, and improve employees' productive capacity and morale. This allows our employees to put their expertise to full play and grow on the international stage.

Summarization of Benefits

Benefit items	Benefit contents	
	Taiwan	China
Life insurance	Managers or above may enroll into the life insurance program.	None
Medical insurance	We provide statutory labor insurance and national health insurance for all employees, along with group accidental injury and medical insurance, and overseas travel insurance for business trips.	The Company provides labor insurance and national health insurance for every employee as per law. Employees who need to perform duties out of the office are entitled to the group accidental insurance and medical insurance.
Reimbursement to clubs	Each group is subsidized with NT\$50,000 each year	Each group is subsidized with RMB10,000 each year
Health checkup	All direct employees/indirect employees/employees over 40 years old/manager-level employees receive an annual health examination.	Health checkup for the general employees/managerial officers or above
Cash gifts/gift boxes for three major festivals	All employees receive cash gifts, gift boxes, and vouchers for the three major festivals, totaling NT\$40 million per year.	All employees receive cash gifts, gift boxes, and vouchers for the three major festivals, totaling about RMB 2.5 million per year.
Travel allowance	All employees receive travel allowance, totaling about NT\$12 million per year.	All employees receive travel allowance, totaling about RMB 22 million per year.
Leave System	A leave system that is superior to the Labor Standards Act, providing 30 days of paid sick leave per year.	None
Childcare Support Program	Execute contracts with infant care centers to provide employees with certain preferential programs to help employees arrange the care for their children without worry.	None
Other benefits	Cash gift for marriage/maternity/funeral, movie ticket, and coffee coupon	Cash gift for marriage/maternity/funeral, spring part events, a green channel for the first-aid service of occupational injury treatment
Employee stock options	Yes	Yes

Note: Employees at the Portugal Plant also enjoy benefits, such as insurance, health checks, and leave, and the benefit system fully complies with local regulations.

Other Benefit Plans

- Retirement and Post-Employment Benefit Plans

YAGEO complies with various applicable local pension laws, regulations and systems, in order to protect employees' retirement interests and rights. The Company has established employee retirement regulations based on the Labor Standards Act and the Labor Pension Act to provide stable retirement fund contributions and payments. For employees in Taiwan, pension reserve is appropriated for depositing in the statutory account according to the pension system requirements specified in the Labor Standards Act. For employees in China, the endowment Insurance is applied for employees and sufficient amount is appropriated according to the local laws and regulations. The ratio of employees participating in the retirement plan is 100%, in order to secure the future retirement lives of employees. In order to enable the employees who are retired or terminate the employment with YAGEO to seek appropriate aids, YAGEO interviews resigned employees to extend appropriate care and channels to the employees who are going to retire or resign to help them seek appropriate aids successfully.

- Club Activities

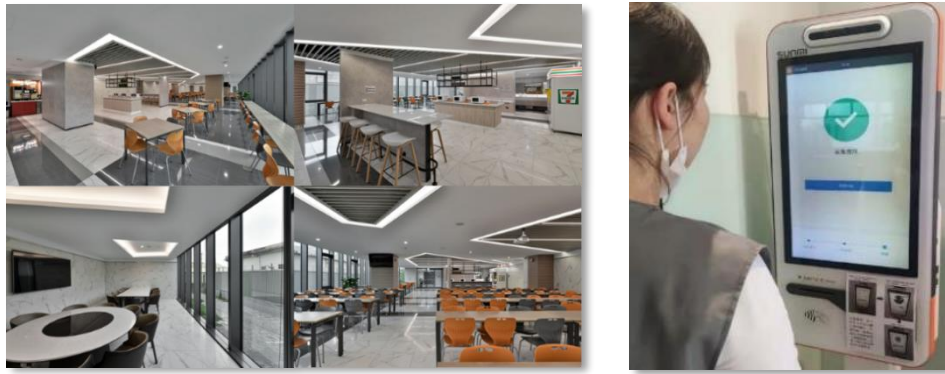
In an attempt to improve the physical and mental health of our employees as well as enrich their leisure life, 19 clubs have been set up and run by a group of passionate employees, including hiking, yoga, badminton, PARTY dance, aerobic kickboxing, road running, slow-pitch softball league, cycling, broadcast art appreciation, camping, and gardening. We provide diverse club activities and proactively encourage the participation of employees and their family members, achieving the objective of “work and life balance”.



2024 YAGEO Club Activity Photos

- Create Employee Friendly Space

To provide YAGEO's employees with a comfortable eating place, all factories are equipped with a canteen that seats over 100 people, as well as employee lounge areas equipped with vending machines and convenience stores. YAGEO's Dafa Plant III offers employees a bright, comfortable, and spacious dining environment. The activation of a facial recognition system at the Suzhou Plant has enhanced the efficiency and convenience of employee attendance and meal authentication processes.



• Seniority Reward Event

In 2024, a seniority reward event was organized during the annual spring party event to employees with 25, 30, 35, and 40 years of service. Employees with 5 to 20 years of service were presented with awards by their unit managers of the plant. A total of 282 employees (in the Kaohsiung Plant areas) were recognized, appreciating senior employees for their dedication and hard work toward the Company.



■ Remuneration Policy

Implemented in accordance with YAGEO's "Wages Management Regulations." YAGEO is deeply convinced that employees are the most important assets of an enterprise. On the condition that the performance of the Company's operation, groups and individual employees is upgraded, YAGEO conducts a survey on wages each year, adopts the remuneration policy most competitive in the market and adjusts workers' wages in a timely manner, in order to solicit for excellent talents to join YAGEO Group and work with YAGEO to achieve the business goals and share the results gathered therefor. The wages and remuneration to employees are decided based on the employees' academic background and work experience, expertise, seniority, and personal performance, instead of the employees' gender. Meanwhile, the starting basic salary to new employees of the main business locations would not vary depending on race, religion, political standpoint, gender, marital status, or membership of a trade union.

YAGEO will check the wages/remuneration via a third party professional consultation company each year, in order to verify the market competition level and trend, and establish the remuneration policy in the following manners:

Comply with related local laws and regulations, and build harmonious employment/management relations to move forward toward business sustainability.

Establish and adjust the same per the supply and demand in the market and profitability of product lines, in hopes of being competitive in the manpower market.

Based on the market value of various professional functions and contributions derived from the job duties performed by employees, as well as the performance management system, pay appropriate remuneration to encourage employees.

- The starting basic salary offered by YAGEO to direct labors is compliant with local laws and regulations. Meanwhile, subject to status in the same trade, YAGEO proposes starting basic salary standards competitive in the market. For the time being, the starting basic salary offered by it to direct labors is about double the statutory minimum wage in the territories of Taiwan, and China, which is identified as a different region, more than the local statutory minimum wage by 1.5%.
- In order to encourage employees, YAGEO allocates performance bonuses, and a year-end bonus based on the Company's overview of operation and individual employee's performance for the employees' contribution and continuous efforts. The amount of bonus allocable to each employee is decided based on the employee's job duty, contribution, and performance.
- Long-term incentive plans (stock awards) for senior executives.

Ratio of remuneration of women to men for 2024

Employee categories	Taiwan		China		Portugal	
	Female	Male	Female	Male	Female	Male
Other than managers	86%	100%	93%	100%	89%	100%
Managers	74%	100%	70%	100%	86%	100%

Note: Managers in Taiwan refer to managers listed on the financial report. Other than managers refer to other employees; managers in China and Portugal refer to those at manager level (or above) and other than managers refer to other employees.

■ Parental Leave Policy

YAGEO is committed to boosting the work-life balance. In order to deal with the infant care and breastfeeding problems faced by the employees in Taiwan, it allows the employees to apply for unpaid parental leave upon expiration of six months after they are hired, in accordance with the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children." The application may be filed at any time before their youngest child (including adopted child) attains the age of 3 years old, and the claimable time limit shall be no more than two years. Prior to the expiration of the leave, the Company will

contact the applicant voluntarily with his/her repatriation plan to help the Company properly arrange the job restart and allow new parents to bridge the family and workplace successfully. The reinstatement rate after unpaid parental leave in 2024 was 80%.



Statistics About Formal Employees Who Take Parental Leave in Taiwan Region

Item	Female	Male	Total
Number of employees qualified to apply for parental leave in 2024	15	12	27
Number of employees applying for parental leave in 2024	9	7	16
Number of employees to resume posts after parental leave in 2024 (A)	5	6	11
Number of employees to resume posts after parental leave in 2024 and the number of employees who resumed posts physically (B)	2	5	7
Number of employees who resumed posts after parental leave in 2023 (C)	12	3	15
Number of employees who resumed posts after parental leave without pay in 2023 and still served after 12 months (D)	9	3	12
Repatriation rate after parental leave %=B/A	40%	83.3%	63.6%
Survival rate after parental leave %=D/C	75%	100%	80%

7.2 Employee Cultivation and Development

YAGEO's talent cultivation strategy centers on its vision and core values, combined with development strategies and annual implementation policies to carry out various training objectives. In response to the global layout of YAGEO Group, the "YAGEO Group E-academy" was launched in 2021. Via the mechanism, YAGEO provides all colleagues with a training and development platform to improve the employees' skills, streamline new employees' training and occupational education, and improve the management skills, thus benefiting the Group's integration and development significantly.

In addition to the Group's training and development platform, each business unit adopts the annual education and training plan subject to the need for occupational development and according to laws and regulations. It organizes professional courses if necessary, and cultivate the employees' core management ability and quality management ability at the same time. All colleagues are expected to be good at theories and practices, and keep applying and improving them in practices. Meanwhile, through job rotation and internal and external trainers' curriculum planning, the employees can grow together with the Company, and work may be expanded in depth and width to achieve the functional cultivation.

■ YAGEO Group E-academy

Since the "YAGEO Group E-academy" was launched officially in 2021, YAGEO has provided all colleagues with a training and development platform to improve the employees' skills, streamline new employees' training and occupational education, improve the management skills, and enable all colleagues to learn in a systematic and targeted manner, ensuring that the colleagues may satisfy the quality requirements and customers' requirement for knowledge and skill, and develop their potential to make a high-efficiency organization, after receiving adequate training. All colleagues may log onto the online learning platform, E-academy, via their desktops, laptops or mobile apps, and start their study plans easily, customize their personal preferences, view the programs to be expired, track learning progress through the dashboard, and obtain certificates and awards upon completion of the course requirements.

The YAGEO Academy is divided into the following five parts:

1. **Sustainability:** Courses related to environmental management system, climate change and carbon management, green products and safe working environment.
2. **Leadership Academy:** Courses related to leadership and external communication to strengthen the cultivation of management abilities.
3. **Sales Academy:** Through customer and product line integration, sales personnel are able to respond to customers through the sales model of YAGEO.
4. **Product Academy:** Introduction to YAGEO Group's main products to enhance colleagues' knowledge and understanding about the products.

Quality and compliance: The introduction to YAGEO Group's global code of conduct includes the Company's mission and values, employees and managements' responsibilities, and installation of the ethics

hotline. When any employees have questions, or find any violations of laws, company policy or the code, they shall be responsible for speaking up to prevent themselves and the Company from any harm. Design related courses to help the employees understand the importance of information security.

Enhance ESG and AI smart course learning

In 2024, the annual training plan was based on five major themes with different learning models (online learning and in-person physical courses) to maximize learning effectiveness. In response to the trend of AI smart manufacturing, the Company collaborated with the Institute for Information Industry (III) this year to offer the "AI Value-Added Smart Manufacturing Training Class". The content covered five major topics: smart manufacturing, digital transformation, AI vision technology and applications, visual sensing technology and AI image processing, and AI defect detection. Industry and academic experts shared their experiences, and there were 247 total participants. The average course satisfaction score was 4.5 out of 5 points.



Additionally, YAGEO has designed a training level system for engineers holding key positions in production, R&D, engineering, and quality assurance. According to their knowledge and abilities, these engineers are divided into junior, senior, and master levels. A curriculum for the different levels are designed and engineers may move up a training level when all courses are completed. This approach is to avoid personnel of different levels taking the same course, resulting in low learning efficiency and wasted resources. YAGEO provides various practical courses that allow employees of all levels to develop their personal professional capabilities.

Key Courses Offered by YAGEO Group E-academy in 2024

Academy Name	Name of Course	Course Description	Training Hours	Num. of Participants
Sustainability	Compliance: ESG and Sustainability	Introduction to ESG and sustainability, stakeholders' requirements, and sharing of YAGEO's performance.	1	61
Leadership Academy	Training for New Managers	The role and responsibilities of a manager, team leadership skills, goal setting and task delegation, and performance management and employee development.	12	30
	Enhancing Management Skills for Site Supervisors	The responsibilities and requirements of a site manager, the purpose and core content of job improvement, principles for improving working relationships, and solving working relationship issues.	14	66

Academy Name	Name of Course	Course Description	Training Hours	Num. of Participants
Quality and compliance	VDA 6.3: 2023 German Automotive Supply Chain Quality System Process Audit (Basic/Advanced Training)	Explanation of VDA 6.3 interpretations, analysis tool 2.0 explanation, steps for conducting a process audit, and the potential supplier analysis process and evaluation rules.	12	41
Product Academy	AI Value-Added Smart Manufacturing Training Class	Digital transformation, AI defect detection, and vision technology and applications.	13	214

Training Received by Employees at the End of 2024

Employee categories	Taiwan		China		Portugal		Total		
	Hours of internal training	Hours of external training	Hours of internal training	Hours of external training	Hours of internal training	Hours of external training	Total training hours	Total Employees by category	Average training hours
Female Managers	421	180	619	1,009	6	0	2,235	72	31.0
Male Managers	2,000	148	1,316	1,667	24	40	5,195	171	30.4
Female non-managers	7,140	3,734	118,271	6,410	100	43	135,698	2,961	45.8
Male non-managers	7,979	2,704	224,178	6,740	52	0	241,653	3,384	71.4
Total	17,540	6,766	344,383	15,826	182	83	384,780	6,588	58.4

Education and Training Expenses (NT\$)

Item		Taiwan	China	Portugal	Total
Training (internal)	Total training expenditure	2,596,080	0	0	2,596,080
	Average training expenditure per person	3959.9	0	0	3959.9
Training (external)	Total training expenditure	1,444,520	2,061,946	45,662	3,552,128
	Average training expenditure per person	3,223.6	3,061.2	2,431.3	8,716.1
Training (total)	Total training expenditure	4,040,600	2,061,946	45,662	6,148,208
	Average training expenditure per person	4883.5	3,061.2	2,431.3	10,376

■ Course satisfaction survey

In 2024, the course satisfaction was divided into four main aspects of administrative operation, instructor professional competence, course content and overall evaluation for tracking, and the quarterly result was compared with one in 2023. The items of relatively lower satisfaction score were further analyzed for the cause and improvement was also implemented.

Course satisfaction survey	2022	2023	2024
Average satisfaction score (total score of 5 points)	4.39	4.60	4.64

■ Employee on-job training

2024 Employee on-job training program

To enhance the R&D energy of YAGEO and to improve employees' professionalism, in 2022, the Company has established the employee on-job training system in order to encourage on-job employees to participate in continuing education of Taiwan's industry-academia cooperation master's degree and doctoral degree programs, and also supports the cultivation of professional talents in the field of passive components. For employees qualifying the seniority and performance criteria, they are eligible to submit application. During the continuing education period, the tuition fee is paid by the Company in full. In addition, the Company also provides paid leave to employees such that during the school lecture day or thesis discussion, they may apply for official leave and return to the school for study. A total of four employees applied in 2024: three enrolled in a doctoral program and one enrolled in a master's program. The Company subsidized the tuition and miscellaneous academic fees.

■ Employee Performance Management

The main objective of performance management is to link company strategies with employee work goals, in order to achieve the company strategic operating target. The personal annual target shall be set at the beginning of the year. The departments and employees shall communicate with each other about the targets. Furthermore, projects are implemented from top to bottom. Each department's main business also has various professional evaluation indicators to fully reflect the efforts and achievements of employees during the evaluation period. The output of employees during the employment is examined through a 3-phase process: objective setting, adjustment tracking and result checking.



During the performance appraisal period, the appraised person shall complete the annual self-assessment, and the immediate supervisor shall conduct the performance interview with employees to enable the employees to understand the supervisor's considerations and opinions, and then give the preliminary performance assessment result. Finally, the business group head adjusts the result according to the near-normal distribution as the standard, based on the assessment on the colleagues of the business group, and subject to the final approval of the CEO. YAGEO carries out evaluations based on each employee's work performances while taking into account the year's operating results. Employees are given appropriate incentives and will not be treated differently or unfairly due to their gender or age. YAGEO has established a sound career development system, including a dual-track promotion system for professional and managerial positions. This system allows employees to put their knowledge into full play in terms of personal expertise or technical fields. YAGEO's performance appraisal is carried out in November each year, and is not applicable to employees who have taken unpaid leave or started their job after October 1. Those employees who received performance appraisal accounted for 100% of the employees who should be appraised.

7.3 Human Rights

■ Human Rights Policy

YAGEO supports and respects international norms and regulations related to laborers' human rights, and establishes YAGEO's Employee Code of Conduct in the spirit of the norms and regulations. In order to ensure whole employees' interest and right in work, form a fair working environment on an on-going basis and actively, and comply with employment laws applicable in the territories where YAGEO is operating and international standards, all of the new employees of YAGEO will receive the RBA Code of Conduct, particularly the training courses related to labors' interest and right, including freedom of association, free choice of occupation, the prohibition of child labor employment, humane treatment, and prohibition of any sexual harassment, sexual abuse, corporal punishment, mental or physical threat, or verbal abuse toward employees, et al.. Further, YAGEO issued YAGEO Group's Global Code of Conduct in 2021 to ensure that said circumstances will not exist in its supply chain or business operations. YAGEO provides its employees with fair and competitive remuneration and benefits, and also respects the employees' freedom of association and make any collective bargaining agreement. In order to implement and practice the Gender Employment Equality Act enacted by the government, YAGEO establishes the management regulations governing "gender employment equality" as the basis of management followed by YAGEO and its employees. Meanwhile, according to "YAGEO Regulations Governing Employment", YAGEO strictly complies with various labor laws and regulations, rejects the employment of child laborers less than 15 years old and prohibits minor employees less than 18 years old from performing any dangerous job duties. The Company notifies any changes in the employment terms and conditions in the manner required by laws.

- Promotion: Post public notices for the Company's "Sexual Harassment Prevention Measures, Complaint and Disciplinary Regulations" on the bulletin



To ensure that the basic human rights of employees and other stakeholders are protected, the Company complies with the internationally accepted human rights standards, including the international human rights framework of the United Nation Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labor Organization, and the "YAGEO's Human Rights Policy" has been established. The Company particularly focuses on the training courses of employee related rights and interests. Through the emphasis and management on human rights, the Company expects to achieve beneficial results in the success and sustainable development of the Company. The human rights commitment scope includes all of the workers employed by YAGEO, and the human rights due diligence is also performed for the first time in the current year with "Employees in Taiwan"

as the main survey subjects. In the future, the Company will further plan and expand the survey scope to the factory sites in China and the upstream/downstream supply chain.

YAGEO Group's Human Rights Policy	Global Code of Conduct of YAGEO Group
The code of conduct is applicable to employees of YAGEO and subsidiaries. To ensure the rights and interests of all employees at work, the Company continues to establish proper working environment and actively cares the issues of: anti-discrimination, anti-sexual harassment, forced labor, occupational health and safety, employee physical and mental health, salary and benefits, working hours and assembly freedom, etc.	The Code of Conduct is established according to the Responsible Business Alliance (RBA) Code of Conduct and international human rights standard, and its content includes the elements of employees, health and safety, environment, ethics and management system, etc.
	

Total Human Rights Policy or Procedure-Related Training Hours

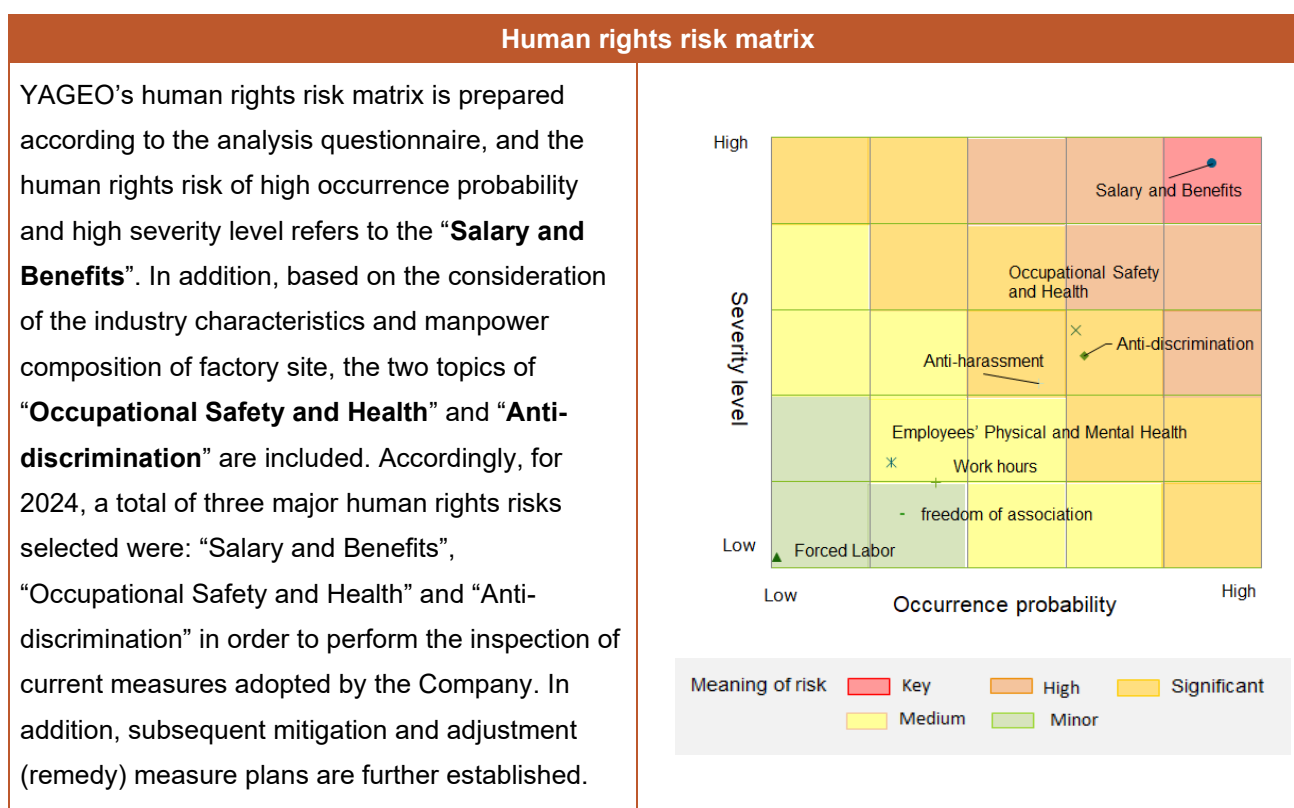
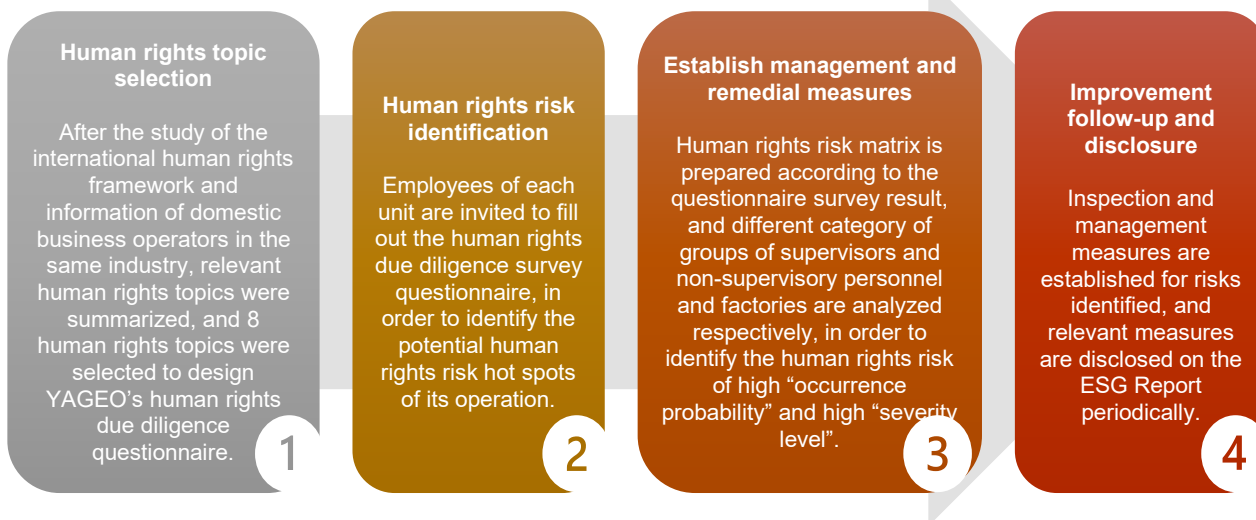
Region	Total number of employees who received education and training for human rights policy or procedures	Total training hours (hours)	Total number of employees at the end of 2024 (persons)	Percentage of employees attending the training
Taiwan	3,534	3,534	3,864	100%
China	12,723	12,723	5,524	100%
Total	16,257	16,257	9,435	-

Note 1: The main human rights courses in 2024 included the "RBA Labor and Ethics Policies" and the "YAGEO Global Code of Conduct".

Note 2: In response to the industry and the population's characteristics in leaving hometown for short-term work in some regions, the turnover rate of employees in China is high and a large number of new employees are hired each year. YAGEO provides each colleague with the training on human right issues periodically. Therefore, the number of employees who receive the human right training exceeds the number of active employees at the end of each year.

■ Human rights due diligence

To understand the human rights risk of the Company's operation, starting in 2023, YAGEO has requested each unit to perform human rights due diligence. The survey result indicated that each human rights topic within its operation scope was at low risk. The Company will further standardize the survey questionnaire result in order to review the corresponding risk level of each topic.



Human rights risk mitigation and adjustment (remedy) measures

Human Rights Risk	Mitigation Measure	Adjustment (Remedy) Measure
Salary and Benefits	- The Company has established the "Salary Management Regulations", and the "Remuneration Committee" convenes one time of labor-management meeting every three months, in order to periodically review the remuneration system, standard and structure. - Through the salary survey conducted annually, the starting basic salary offered by YAGEO to direct employees complies with local laws and regulations. In addition, the Company also considers the status of nearby enterprises in order to provide starting basic salary standard competitive in the market. For the time being, the starting basic salary offered by it to direct labors is about double the statutory minimum wage in the territories of Taiwan, and China, which is identified as a different region, more than the local statutory minimum wage by 1.5%	In case of any occurrence of labor-management related complaint case, employees may file complaint via diverse communication channels of the complaint hotline, Factory Manager's Mailbox set up on the factory bulletin board, and the HR mailbox set up at the employee cafeteria, etc. to seek assistance.
Occupational Safety and Health	- The Company has qualified ISO 45001: 2018 Occupational Health and Safety Management System, such that safety and health performance is improved through continuous improvement methods. - The Company has established the "Occupational Safety and Health Policy" and has also set up the Occupational Safety Committee. Meetings are convened quarterly according to the regulations in order to provide summarization reports on the occupational safety and health status and to review whether there is any need for adjustment of the current measures timely. - Comprehensive hazard risk identification assessment is implemented annually in order to perform hazard risk identification and to set up classification management. In addition, management and improvement are implemented for the high risk areas in priority - Occupational hazard factor identification is performed periodically in order to find possible factors that may cause occupational disease timely. In addition, general employee health examination and special operation health examination are performed once every two years. Furthermore, stationed nurses and health consultation physicals as well as first-aid staff are arranged and provided - In response to the maternal health protection policy, the Company has established the maternal health protection plan and implements maternal health risk assessment and job suitability assessment, in order ensure the physical and mental health of female employees during pregnancy, after giving birth and during breastfeeding stages.	- Each factory has established its own occupational accident reporting system to ensure the real-time response to and reporting of accidents and protect workers' safety - Employees have the ability to remove themselves from work when they believe that there is an imminent and serious danger to their life or health, as well as arrangements to protect employees of YAGEO from the consequences of such actions - Employees' rights to suspend work are explained at new employee orientation and quarterly Occupational Safety Committee meetings by all participating officers. Doing this will ensure that each employee is aware of how to use the rights to suspend work

Human Rights Risk	Mitigation Measure	Adjustment (Remedy) Measure
Anti-discrimination	• Labor obligation requirements complying with the “Act of Gender Equality in Employment” and applicable “Labor Standards Act”; any discrimination due to gender, race, religious belief, age, marriage status, disability and nationality is prohibited • The Company has established the “Anti-discrimination Policy” to explicitly prohibit any discrimination due to various identities during the performance of jobs • Promotion for prevention of discrimination is performed and conveyed during the new employee orientation	• A discrimination complaint filing hotline is provided in the new employee handbook • In case of any occurrence of a discrimination-related complaint case, employees may file their complaint via diverse communication channels of the complaint hotline, Factory Manager’s Mailbox set up on the factory bulletin board, and the HR mailbox set up at the employee cafeteria, etc. to seek assistance

■ Anti-discrimination Policy

At YAGEO, we avoid discrimination in any form as recognized by laws and regulations, including discrimination of race, religion, skin color, gender, age, marital status, physical disability, nationality, or veteran status. YAGEO does not tolerate differential treatment in terms of recruitment, selection, screening, employment, assignment, distribution, allocation, performance evaluation or promotion. We do not tolerate differential treatment in terms of gender when organizing or providing education, training or other similar activities.

In formulating or providing various benefit measures and salary payments, we do not tolerate differential treatment in terms of wages. If an employee’s work or value is the same, equal wages must be provided. However, it does not apply to reasons based on seniority, incentives, performance, or other reasonable causes not attributable to gender. We do not tolerate differential treatment in terms of retirement, redundancy, termination, and dismissal. We promote discrimination prevention and provide a complaint hotline in the handbook for newcomers.

■ Recruitment and Counseling of Employees with Mental and Physical Disabilities

YAGEO has actively worked with the government to participate in the employment policy for disabled persons since 1990. YAGEO affirmatively believes that with appropriate aids, employees with disabilities can overcome congenital causes and realize their personal value, and eventually have a stable employment opportunity. In the future, YAGEO will keep committing itself to create a more friendly workplace and improve the job counseling system to derive more diversified employment opportunities and a friendly and comfortable working environment for employees with disabilities. In 2024, YAGEO employed a total of 39 people with physical or mental disability as employees.

■ Barrier-free Factory Entrance



■ Employment of and Communication with Foreign Employees

Implemented in accordance with the Company's "Foreign Workers Management Regulations." As of 2024, 702 non-Taiwanese employees were working at YAGEO as its important partners. To create a friendly work environment, YAGEO provides multilingual (e.g., English, Vietnamese) announcements and promotional documents in all plants for the convenience of international colleagues; it also covers all necessary expenses for non-local employees traveling from overseas to Taiwan for employment. YAGEO also communicates with colleagues at the foreign employees' dormitory periodically, and collects their opinions to adjust and improve three aspects including work, life and dormitory's environment, so that the non-native workers may choose multi-national employment without worry and be concentrated on practicing their own occupational career. This also further solidifies their sense of belonging to the enterprise.



■ Responsible Business Alliance (RBA)

YAGEO follows the Responsible Business Alliance (RBA) proactively. YAGEO's plants implement the standard Self-Assessment Questionnaire (SAQ) designed by RBA step by step, in order to identify the risk coefficient in society, environment and ethics voluntarily. In addition, a lot of international and Taiwanese customers contract a third party institution or appoint their own audit departments to conduct audits on various factories of YAGEO annually according to the "Validated Assessment Program (VAP)" of RBA. YAGEO has always satisfied the customers' requirements, or meets the requirements beyond the customers' expectation. In addition, each factory site implements RBA re-training courses annually, and the course content includes

employees' human rights, communication channel and ethics, etc. In 2024, a total of 16,257 persons-time participated in the RBA-related training, and the total number of training hours was 16,257 hours.

■ Labor-Management Communications

YAGEO attaches great importance to internal communication channels as it would like to hear the thoughts of its employees. At present, YAGEO has not established any labor union or signed any group agreements. In order to enable all employees to communicate with it uninterruptedly and effectively solve issues, it convenes a labor-management meeting regularly to hear their feedback and provides our employees with a channel to present their opinions. YAGEO's operational status and goals are sent through the IR email regularly and changes in the related internal organization will also be announced by HR irregularly. By taking this approach, employees are aware of related company policies and internal organizational changes. Employee views are respected by YAGEO, and so are their opinions. YAGEO encourages employees to express constructive opinions via various communication channels, to bring positive strength for growth to the enterprise.



Labor-Management Communication Channels	Descriptions about communication method
Labor-management meeting	YAGEO convenes a labor-management meeting internally every three months. Laborers are allowed to participate in the Company's business management via the meeting, so as to achieve the settlement of the labor-management relationship, contribution to the labor-management cooperation, and prevention of various labor problems.
Migrant worker monthly meeting	YAGEO communicates with colleagues at the foreign employees' dormitory periodically, and collects their opinions to adjust and improve three aspects including work, life and dormitory's environment.
Public notice via email	In the case any changes in YAGEO's organization or senior managers, the company policy or information about employees' welfare will be communicated to employees via email.
Plant Manager's Mailbox	Set up a tangible mailbox on the factory's bulletin board. If employees have any comments, they may feed the same back to the factory manager via the mailbox.
HR mailbox	Set up a tangible mailbox at the staff canteen. If employees have any comments, they may feed the same back to the HR via the mailbox.
Employee Complaint Hotline (Ethic Hotline)	The employee complaining hotline is set up on the employees' website. Where any employee finds any misconduct, such as fraud, waste, abuse, misconduct or violation of organizational policies or laws or regulations, he/she may complete an online form to file the complaint anonymously.

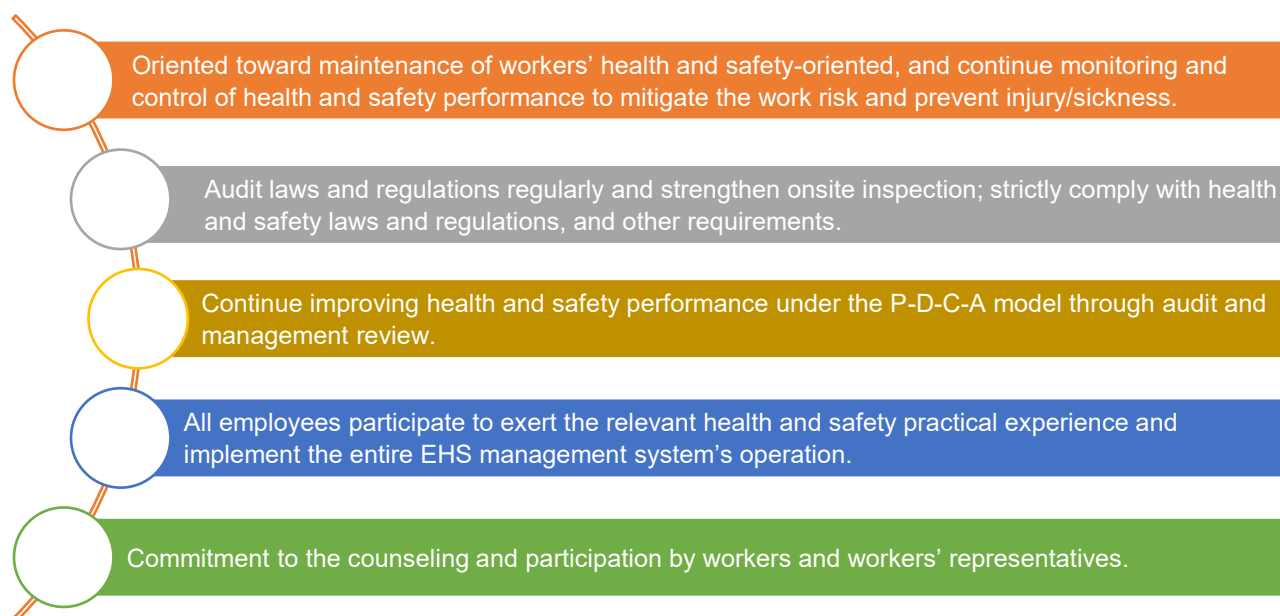
7.4 Occupational Health and Safety

■ Occupational Health and Safety Management System

According to Article 12-2 of the Occupational Safety and Health Management Rules, all factories have passed the ISO 45001: 2018 occupational safety and health management system certification, covering all factory employees as well as relevant vendors. Through continuous improvement approaches, we continue to enhance our performance on health and safety, achieving the protection of workers and company assets.

■ Occupational Health and Safety Policy

YAGEO has established a Group-wide ESG (environmental, social, and governance) Policy. The occupational safety and health goal is "high-quality occupational safety for workers' peace of mind," providing a safe and healthy work environment, to ensure that employees are free from occupational hazards. We regularly conduct emergency response drills to enhance disaster response capability. YAGEO maintains good workplace hygiene, and provides clean drinking water, accommodation and catering facilities, and health monitoring measures to secure employees' basic needs and welfare. Furthermore, YAGEO emphasizes respecting human rights, prohibiting child labor, forced labor, and discrimination, securing reasonable working hours, minimum wages, and the right to freedom of association, and provides a fair workplace free from harassment and retaliation. This policy is communicated to workers for their awareness and compliance via the Company's website, bulletin board at the plant entrance, electronic announcements, and personal cards. The following is the content of the occupational safety and health policy:



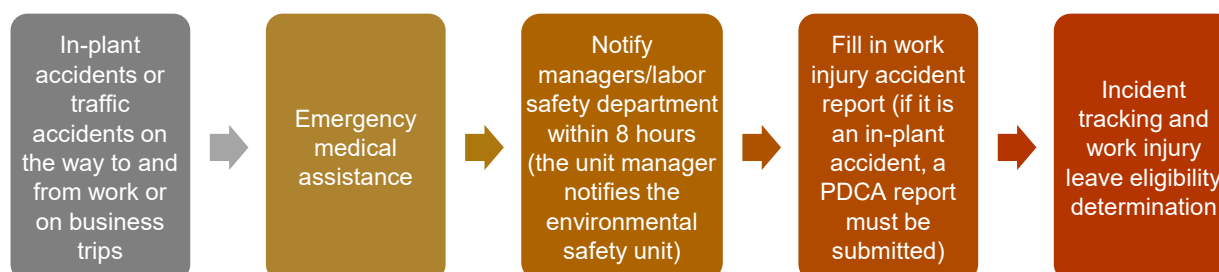
All plants have established an Occupational Safety and Health Committee that meets on a quarterly basis through a meeting. Discussion topics include safety and environmental projects, accident analysis, hidden hazard analysis, and the implementation of safety responsibilities. The Committee is responsible for formulating, coordinating and reviewing the implementation of matters related to the promotion of occupational safety and health of all factories. The head of Kaohsiung Dashe Plant, the vice president of Nantze Plant, the

assistant vice president of Dafa Plant, as well as the president of the Suzhou Plant, and the team leader of Dongguan Plant serve as chairpersons of the Committee for each plant's Occupational Safety and Health Committee. Members include each department's occupational safety and health support units, labor representatives, and occupational safety and health management units. The labor representatives are elected by voting, and the percentage of labor representatives in each factory's Occupational Safety and Health Committee is as the following table:

Plant	Nantze Plant YP	Dafa Plant YF	Dafa Plant III YF3	Dashe Plant YR	Suzhou Plant SZ-R	Suzhou Plant SZ-C	Suzhou Plant TH MD	Dongguan Plant CPC	Two Dongguan Plants Backend + TH
Percentage of labor representatives	49%	45%	42%	39.5%	4%	4%	3%	3%	3%

Based on related provisions of the Occupational Safety and Health Act, YAGEO's safety and health management procedures classify and define the degrees of work injuries. Work accidents are mainly divided into fatal accidents, serious accidents, minor accidents, first aid kit accidents and near misses. There is also a notification process to ensure immediate response and notification in the event of an accident to protect labor safety. In the event of an accident, an analysis must be conducted and the filling in of the "Accidents Investigation Report Form". The responsible department and personnel must thoroughly implement corrective and preventive measures in the prescribed time. The environmental safety unit assists in guiding the filling of the accident investigation report and improvement tracking, while human resources are responsible for the social protection application for work accidents. The report will be kept by the department where the accident occurred, and human resources and the environmental unit will retain copies. A major occupational disaster must be reported to the labor inspection agency in accordance with the law. The site must not be moved or damaged without permission.

■ Occupational Disaster Notification Main Process



At YAGEO, we abide by Article 18 of the Occupational Safety and Health Act that states that employees have the ability to remove themselves from work when they believe there is an imminent and serious danger to their life or health, as well as arrangements to protect them from the consequences of such actions. Employees'

rights to suspend work rights are explained at new employee training and quarterly occupational safety committee meetings by all participating officers. Doing this will ensure that each employee is aware of how to use the rights to suspend work.

In 2024, occupational accidents (exclusive of traffic accidents) in YAGEO included: the improper moving of objects, improper operation of machinery, falling, and cutting. YAGEO will continue to strengthen the promotion and management of operating safety at factory premises to reduce the occurrence of work-related accidents.

Occupational injury statistics	Taiwan	China	Portugal	Total
Total working hours	7,280,852	14,944,307.5	103,518	22,328,677.5
Number of recordable occupational injuries	12	12	0	24
Ratio of recordable occupational injuries	0.33	0.16	0.00	0.21
Number of severe occupational injuries	0	1	0	1
Rate of severe occupational injuries	0	0.01	0.00	0.01
Number of near misses	9	0	0	9
Near miss incident rate	0.25	0.00	0.00	0.08

Note 1: Recordable occupational injury rate = (Number of recordable occupational injuries / Total working hours) x 200,000; severe occupational injury rate = (Number of severe occupational injuries / Total working hours) x 200,000.

Note 2: This year, there were zero fatalities caused by occupational injury. There was one severe occupational injury incident, which involved an employee slipping on the stairs resulting in an ankle fracture. Relevant units have implemented improvement projects and continue to raise awareness of the importance of health and environmental safety. The serious occupational injury incidents, in the case of Kaohsiung Factory, include fire, explosion, leakage of hazardous substance, public hazard, fatal disaster, disaster causing 3 or more victims, disaster causing 1 or more victims who need hospitalization for treatment, and any other disaster announced by the central competent authority. The term for the facilities in China refers to work-related injuries that result in employee disability or hospitalization.

Note 3: No occupational injury incidents involving non-employees occurred this year.

Note 4: A near miss event is an event that does not cause any casualty and loss of property, but is likely to do so.

Note 5: Near miss incident rate = (Number of near miss incidents / Total working hours) * 200,000.

■ Occupational Hazard Identification and Risk Assessment

To ensure the effectiveness and applicability of the risk assessment, each factory, implements comprehensive hazard risk identification assessment regularly each year. The assessment is led by the safety and health management department, while a qualified personnel from each unit carries out hazard risk identification. A hierarchy of management will be established and management and improvement of high-risk areas prioritized. YAGEO also promotes the importance of EHS to managers and colleagues through the monthly EHS audit, making an effort to improve factory safety while at the same time reducing operational risks.

Risk Level Identification Criteria and Cases

Risk Level	Risk Control	Number of Cases in 2024
Minor risk	Acceptable, no improvement needed	5,127
Low risk	Acceptable, monitored via current approaches	3,718
Moderate risk	There should be control approaches to ensure implementation, but attention must be paid to whether more effective control approaches are available.	320
Medium and high risk	Control methods shall be available for implementation properly, and further assessment needs to be performed in order to determine whether improvement is to be made	0
High risk	For uncontrollable risks, the integrity of existing protection measures must be reviewed	0

Note 1: Risk assessment factors: frequency of operation, occurrence rate, severity, and effectiveness of existing controls.

Note 2: There were no high-risk or severe-risk events identified during the 2024 assessment.

Improvement Projects for Health and Environmental Safety Risks

Plant	Policy	Goals	Project	Progress Completed for the Year
Nantze Plant YP	Reduce work risks to achieve injury and illness prevention	Manual elevator door safety improvement	- Reduce hand injuries from getting caught in the door when idle. - Add internal and external handles. - Enhance promotion and post reminder signs or slogans.	Completed improvement
		Material handling safety improvement	- Add warning signs to reduce pinching injuries caused by incorrect hand placement during handling operations. - Add a grip design to the mixing barrel to ensure the correct hand placement.	Added signs; grip design is still in progress
Dafa Plant YF	Reduce work risks to achieve injury and illness prevention	Improvement of material feeding environment to reduce inhalation hazards	Increased the use of dust collection protective covers to mitigate dust hazards.	Completed improvement
		Improvement of dust collection and ventilation system in the cutting and foaming operation area	Improved dust collection equipment and increased management measures in the cutting and foaming area to reduce environmental hazards.	
		Improved the efficiency of waste gas collection and installed continuous negative pressure monitoring facilities on the production line to ensure negative pressure collection.	Waste gas emissions comply with discharge standards; inorganic acid removal rate is above 90%.	

Plant	Policy	Goals	Project	Progress Completed for the Year
Dafa Plant III YF3	Reduce work risks to achieve injury and illness prevention	Ball milling station improvement to reduce pipe rupture and splashing injuries	- Conduct comprehensive examination of piping status and replace them on a quarterly basis (every three months). - Ensure that the cut surfaces are level and reinforce the joints. - Ensure that personnel wear protective eyewear.	Completed improvement
Dashe Plant YR	Reduce work risks	Incorporate regular inspections into the SOP.	Formulate repair and maintenance standards for heating and drying equipment, and incorporate them into the SOP.	Completed improvement
Suzhou Plant SZ-R	Reduce occupational injuries caused by manual material addition.	Lower the incidence rate of occupational injury accidents and occupational diseases.	Introduce fully automatic chemical liquid dosing equipment for the electroplating process.	Completed improvement
Suzhou Plant SZ-C	Reduce hand cuts among employees.	Lower the incidence rate of workplace injury accidents.	Introduce an automatic PET film cutting machine to transition from manual film cutting to automated equipment cutting.	Completed improvement
Suzhou Plant TH MD	Reduce mechanical hazards.	Lower the incidence rate of occupational injury accidents.	Install protective guards on the flattening roller of the coating machine.	Completed improvement
Two Dongguan Plants Backend + TH	Reduce mechanical hazards.	Improve the correct wearing rate of PPE	Regularly audit the correct usage of PPE at various high-risk positions and include findings in improvement plans.	Completed improvement
Dongguan Plant CPC	Reduce the occurrence of hand injury incidents among operators.	Eliminate personnel injury accidents caused by improper operations.	Adopt intrinsically safe design for equipment and add appropriate auxiliary tools and fixtures.	Continuous improvement.

Health Checkup and Influenza Vaccination

YAGEO Headquarters regularly provides on-site consultation services with professional nurses and doctors. The Nantze, Dafa, Dafa III, and Dashe Plants are equipped with medical rooms where professional nurses and medical specialists provide medical services and professional real-time on-site health counseling services to care for workers' health in the workplace. Each of YAGEO's factories conducts health checkup for employees engaged in both special and general operations. Occupational hazard physical examinations are tailored to assess occupational hazardous factors in the workplace, provide health checkups of superior quality than those provided under laws and regulations, as well as various cancer screening tests, and establish the reporting procedure for high-risk physical and mental health conditions. For employees who are

found high-risk based on the check results, the HR Committee will arrange the post transfer per the doctor's recommendation and help the employees seek follow-up consultation in the infirmary, or partner hospitals nearby, so that colleagues can better understand their own health status. It will also continue to follow up various abnormal health conditions, in order to achieve "early detection and early treatment." In addition, the Dashe Plant, Dafa Plant, and Dafa Plant III in Kaohsiung also partnered with the Dashe District Public Health Center and the Daliao District Public Health Center to provide flu vaccinations.

▼ Annual Health Examination



▼ Influenza Vaccination (Dashe Plant)



▼ Influenza Vaccination (Dafa Plant)



2024 statistics about the number of employees accepting the health checkup

Plant	HQ	MLCC				R-chip		Circuit protection components				Trial packaging
		Nantze Plant YP	Dafa Plant YF	Dafa Plant III YF3	Suzhou Plant SZ-C	Dashe Plant YR	Suzhou Plant SZ-R	Dongguan Plant CPC	Dongguan Plant TH DG	Suzhou Plant TH MD	Portugal Plant Vitrohm	Dongguan Plant Backend
Number of employees receiving the general health checkup	283	1,065	621	236	536	1,212	583	143	32	64	47	222
Number of employees subject to occupational hazard health examinations	0	498	234	76	959	259	1,304	154	388	39	0	1,307

Note 1: The occupational hazard health examinations is an additional health check conducted specifically for employees working in environments with existing high-risk factors or within high-risk work processes, targeting occupational disease hazards. YAGEO Headquarters is a general office-type workplace; therefore, it has no occupational hazard health examination items.

Note 2: General employee health checkups at the Dongguan Plant CPC are conducted once every two years.

Contracted labor health service physician and nurse services

Plant	Contracted Service Frequency	Number Of People/Times of Service Use in 2024
Headquarters	- Physician once / 2 months - Physician 3 times / month	- Physician service: 15 persons-time - Nurse service: A cumulative 30 persons
Nantze Factory (YP)	- Physician 3 times/month 2 on-site nurses assigne	- Physician service: 257 persons-time - Nurse service: Stationed at factory
Dafa Factory (YF)	- Physician 1 times/month - Already arranged 1 stationed nurse	- Physician service: 12 persons, with health care and counseling for a cumulative 91 individuals in 2024 - Nurse service: A cumulative 272 persons
Dafa Plant III (YF3)	- Physician 1 times/month - Already arranged 1 stationed nurse	- Physician service: 12 persons, with consultation and counseling for a cumulative 52 individuals in 2024 - Nurse service: Full-time on-site, with consultation and counseling for a cumulative 256 individuals in 2024
Dashe Plant (YR)	- Physician 2 times/month - Already arranged 2 stationed nurse	- Physician service: 477 persons-time - Nurse service: Stationed at factory

Note 1: In 2024, the Headquarters' physician and nurse services included individual health consultations, regular health lectures, and on-site work environment inspections. The nurses also assisted in completing the on-site consultation work reports and health promotion materials.

Note 2: In 2024, the physician and on-site nurse services at Taiwan facilities included tracking and tiered health management for abnormal health checkup results, on-site occupational physician health guidance interviews, and the hosting of health promotion activities and lectures.

Assessment Form for Workplace Occupational Hazardous Factors and Possible Occupational Diseases

Dept./Post	Occupational Hazardous Factors	Possible Occupational Disease	Engineering Protection	Personal Protection Appliances
Ball milling, roll milling, sintering, powder factory	Dust	Pneumoconiosis	Dust collection device	Anti-dust masks
Sandblasting, laser cutting		Cardiovascular diseases, chronic obstructive pulmonary disease (COPD), chronic bronchitis, Asthma, etc.		
Activation of packing machine, welding workshop, electroplating, lithography, mid-section and material screening, cleaning and testing, etc.	Noise	Occupational hearing loss	-	Earplugs
Welding, winding, cutting	Noise, dust	Occupational hearing loss, pneumoconiosis	Mechanical ventilation, organic gas collection devices	Anti-dust masks, earplugs
Cutting workshop, granulation, splice, vacuum plating			Dust collection device	

Dept./Post	Occupational Hazardous Factors	Possible Occupational Disease	Engineering Protection	Personal Protection Appliances
Printing	Soluble nickel compounds	Occupational positioning, occupational contact dermatitis, occupational asthma	Radiation warning signs posted at entrances and appropriate locations within the area with area demarcations , organic gas collection devices	Acid and alkali protective clothes, protective gloves, protective goggles, dome-shape gas mask, canister, activated carbon mask
Electroplating	Soluble nickel compounds, nitric acid	Occupational positioning, occupational contact dermatitis, occupational asthma, occupational skin burn, chemical eye burn, blood diseases, endocrine diseases, mental and neurological disorders, eye-related diseases, malignant tumors		
Ink mixing, coating workshop	Chemicals and Chemical organic gases (benzene series)	Occupational chronic benzene poisoning, occupational benzene-induced leukemia	Mechanical ventilation, organic gas collection devices	Anti-microvirus mask, protective gloves, gas masks
Test tray cleaning, power resistor workshop	Chemicals and Chemical organic gases (benzene series, dust and methanol)	Occupational chronic benzene poisoning, occupational benzene-induced leukemia, and pneumoconiosis caused by occupational dust		Anti-microvirus and dust masks, and protective goggles

In 2024, there were no incidents of occupational disease at YAGEO's facilities, nor were there any fatalities resulting from occupational diseases among employees or any occupational disease incidents involving non-employee workers.

■ Health Promotion Measures

AED & CPR Education and Badge of Accredited Healthy Workplace

To provide employees with a safe workplace, the Headquarters, Nantze Plant, Dafa Plant, and Dafa Plant III conduct relevant training courses on Workplace AED and CPR. This practical training enhances the initial response and handling capabilities for emergency casualties and improves employees' health protection. In 2024, a total of 89 people from the Nantze Plant, 60 people from the Dafa Plant, and 124 people from the Dafa Plant III participated and achieved AED Safe Workplace Certification.

Furthermore, YAGEO uses its best effort to facilitate tobacco prevention and health promotion to establish a quality working place. After an assessment, the Nantze Plant and Dafa Plant III obtained the Badge of Accredited Healthy Workplace of Healthy Workplace Certificate.

AED & CPR training course



Badge of Accredited Healthy Workplace



Physical and Mental Health Promotion Activities

YAGEO is committed to implementing holistic health management and improving the quality of employees' physical and mental care. In addition to promoting annual health checkups to safeguard physical health and holding diverse inclusion series



activities to enhance employees' sense of psychological safety, the Company provides support resources to employees with different psychological states and needs using a "three-tier prevention and care model". This model helps employees cope with challenges in life and work, improve their physical and mental well-being, and create a friendly workplace. In 2024, the Company established in-house psychologists and partnered with external professional psychological counseling agencies to provide tier 2 and tier 3 prevention and care, thus promoting employees' mental health. They also organized psychological health promotion activities with diverse themes. A total of 132 employees from the Nantze Plant and 87 employees from the Dafa Plant participated in counseling and health promotion activities.

Health Information Promotion

YAGEO has TV panels and bulletin boards in place at main entrances, restaurants, and other locations across all plant sites to regularly disseminate health information, thereby improving employees' health knowledge and promoting the establishment of a healthy lifestyle, thus preventing disease and enhancing the quality of healthy living.



Blood Donation Event

YAGEO organizes annual charitable blood drives at various plant sites and actively mobilizes all employees and their relatives to respond enthusiastically. In 2024, the Dafa Plant and Dafa Plant III collectively collected 301 units of blood, totaling approximately 67,750 c.c.



Tunnel sphygmomanometer installed at the factory premises

Considering that cardiovascular disease and diabetes increasingly kill more people each year, especially those who seldom exercise, measuring blood pressure every day helps prevent employees from becoming victims of high blood pressure, stroke and heart diseases. In order to care the employees' health, YAGEO's Dafa Plant and Nantze Plant installed the automatic measuring tunnel sphygmomanometers at restaurants, and urges employees to make use of them frequently. The blood pressure measurement office has made available the health education leaflets and measurement record available to the employees.



Health Promotion Activities

In addition to promoting annual health checkup activities, YAGEO organizes various events to encourage employee participation in physical and mental health promotion. The Nantze Plant, Dafa Plant, and Dafa Plant III conducted home health care aromatherapy massage and fascia relaxation courses, with essential oils as a medium through massage and fascia release techniques to achieve the preventative and healthcare benefits for body and mind, offering self-stress relief and healing. The Dafa Plant organized a nutrition and weight loss program, combining aerobic exercise, strength training, and flexibility improvement, to enhance employees' cardiopulmonary function, muscle strength, and body agility. The Dafa Plant III organized activities, such as LOHAS ball games and LOHAS Yoga, to utilize training to improve cardiorespiratory fitness, muscular fitness, and flexibility to achieve the goal of healing the body and mind. Furthermore, all plants offered activities, such as free psychological counseling, muscle-skeletal stretching courses, tobacco and betel nut prevention seminars, smoking cessation classes, visual function testing, physical fitness testing, flu vaccine injections, and a New Immigrants LTBI Program. These efforts demonstrate a commitment to implementing comprehensive health management, addressing diverse issues, and refining the quality of employees' physical and mental care.

Aromatherapy relaxation courses



Nutrition and weight loss activities



■ Contractor Health and Safety Management

YAGEO has established the operating safety regulations governing contractors' entry to the factory. They provide that contractors must apply for a work permit for the entry review, complete construction personnel's written undertaking, and provide the notice of hazardous factors in the duration of the contract to confirm there are related insurance and education and training certificates or licenses, to ensure contractors' operating safety and protect health and safety of contractors' and YAGEO's employees.



Application Process for Contractors to Enter the Factory



2024 Contractor Management and Audit

Each plant of YAGEO performs construction site audit on contractors entering the factory site for operation. In 2024, there were a total of 3,557 contractor personnel who applied for long-term work permits (not referring to the actual number of contractor personnel entering the factory site in 2024). There were a total 1,176 construction site audits implemented, and all deficiencies have been improved completely.

Number of On-site Construction Inspections and Improvement Status in 2024

Plant	Number of construction site audits	Deficiency improvement status	Safety and health performance evaluation
Nantze Factory (YP)	45	All completed	In 2024, safety and health performance evaluation was conducted on a total of 480
Dafa Factory (YF)	41	All completed	

Plant	Number of construction site audits	Deficiency improvement status	Safety and health performance evaluation
Dafa Plant III (YF3)	50	All completed	contractors, and the evaluation result indicated qualification for all contractors.
Dashe Plant (YR)	240	All completed	
Suzhou Plant (SZ-R)	320	All completed	
Suzhou Plant (SZ-C)	260	All completed	
Two Dongguan Plants (Backend + TH DG)	169	All completed	
Dongguan Plant (CPC)	51	All completed	

Note: The Suzhou Plant TH MD had no contractors entering the plant for construction work in 2024.

2024 Overall Profile of Non-Employee Workers

Non-employee worker category	Taiwan	China	Portugal	Total
Number of security/guard personnel employed at the end of 2024	36	50	2	88
Total annual working hours for security/guard personnel employed at the end of 2024	104,488	203,010	2,916	310,414
Number of cleaning personnel employed at the end of 2024	41	22	3	66
Total annual working hours for cleaning personnel employed at the end of 2024	89,808	56,720	2,916	149,444
Number of interns/part-time workers employed at the end of 2024	0	0	0	0
Total annual working hours for interns/part-time workers employed at the end of 2024	0	0	0	0
Number of contractors / Total contractor entries during the year	19,136	1,165	3	20,304
Total contractor working hours (hours)	151,086	18,056	4,368	173,510

Fire Protection Equipment Management and Emergency Exercises

In order to improve the response to emergencies and fire protection ability at factory premises, YAGEO maintains the fire-fighting equipment regularly on a monthly basis. Regular inspection reports and reviews are also performed as required by the laws and regulations. A fire-fighting and emergency response drill is performed every 6 months to improve workers' knowledge about response procedures and operation of response facilities and ensure that workers may be evacuated effectively in the case of any major disaster. Moreover, new employees must undergo six-hour safety and health-related training prior to entering the workplace. Where workers perform operations on machinery, related training must be provided by the Works Department. If special machines are operated, the worker must obtain related licenses as required by law.

In addition to regular fire and emergency response drills, each plant site conducts emergency response drills for different scenario themes, including earthquake evacuation drills, chemical leak drills, and specialized equipment emergency drills. Continuous emergency-related training enhances YAGEO employees' ability to handle emergency situations, to reduce personnel injury when hazards occur.



■ Occupational Health and Safety Training

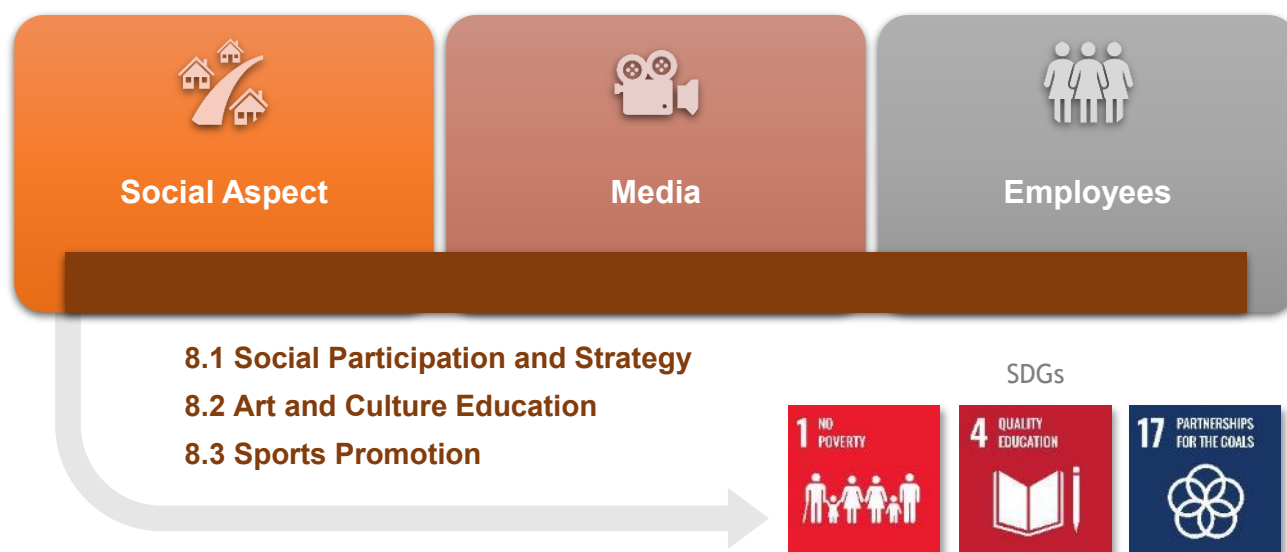
In order to improve the employees' awareness toward occupational health and safety and reduce the possibility of risks arising from routine operations, YAGEO's factories have the EHS department report the occupational health and safety training needs to the human resource department each year, and has the human resource department assist in planning and publishing the annual training plan, in order to perform occupational safety-related education and training. The courses cover operation of equipment and machine, awareness toward occupational health and safety, first aid for occupational disasters and special operating safety training, etc.

Further, before any contractor enters the site for work, contractor training shall be carried out in accordance with the contractor's operating management regulations, including the environment, occupational health and safety policies, factory discipline and overview of the factory, regional source of hazards, hazardous operating safety regulations, waste disposal, emergency contact person, fire escape and emergency response measures, etc., and can only enter the operation area after examination and approval.

Occupational Health and Safety Training Status

Plant	Nantze Plant YP	Dafa Plant YF	Dafa Plant III YF3	Dashe Plant YR	Suzhou Plant SZ-R	Suzhou Plant SZ-C	Suzhou Plant TH MD	Dong-guan Plant CPC	Dong-guan Plant II Backend + TH DG	Portugal Plant Vitrohm	Total
Total training hours for employees	3,077	7,223	1,759	7,280	24,720	7,280	880	300	22,848	184	75,551
Total training hours for contractors	192	150	46	49	4,000	2,664	24	140	169	0	7,934

Chapter 8 Social Participation



8.1 Social Participation and Strategy

YAGEO's social engagement in 2024 was primarily driven by two organizations: the YAGEO Foundation and the YAGEO Sports Games Development Association. To continuously create social value and development, we use the Business for Societal Impact (B4SI) as the methodology for analyzing social contribution. This systematically evaluates the effectiveness of long-term projects from three major perspectives: input, output, and impact. In 2024, YAGEO's total investment in social engagement was approximately NT\$65.41 million. All activities were categorized as business initiatives, with the input mainly in the form of management expenses.

Arts Education and Sports Promotion

Input: Our Investment

- The YAGEO Foundation convened a team of six people to promote "The Art of Living" concept. They continuously plan exhibition events, as well as produce video and book content domestically and internationally, to share various facets of aesthetic living with the public.
- YAGEO's surfing team continues to hold seed camps based on the philosophy of cultivating surfers in Taiwan, and has also established a professional surfing team in order to train surfing talents in Taiwan. Through the organization of sports for the general public, the Association aims to stimulate the general public's passion for surfing and to improve the surfing level in Taiwan, thereby allowing Taiwan to excel further at Olympic Games in the future.

The total investment amounted to NT\$65,409,774.

Output: Our Results

Beneficiary Groups	Method of Assistance	Societal Output
Local community members, educational institutions, students, artists, art enthusiasts.	Production and publication of "The Art of Living" series of books and audio/video materials.	Will publish series of books and documentary videos for the public to read and view, to enhance the public's quality of life and cultural literacy.

Output: Our Results

Beneficiary Groups	Method of Assistance	Societal Output
	The “National Kenda Art Cluster” project, planned starting in 2024. Planned since 2024: The “YAGEO Art Village”	Through the establishment of a physical space, the goal is to further implement the concept of art promotion by hosting diverse cultural and art activities, opening it up for participation and use by neighboring residents and the public across Taiwan. This effort aims to expand the reach of art education and allow art to become an accessible, actionable cultural force in daily life.
	Hosted the exhibition “Capturing the Moment”	The exhibition, in partnership with Tate Modern, London, was toured and displayed at the Kaohsiung Museum of Fine Arts. The exhibition ran from June 29, 2024 to November 17, 2024, and drew over 160,000 visitors.
	Assisted Louis Vuitton Foundation in hosting the Mark Rothko retrospective.	Loan of collection item (free of charge). Exhibition period: October 18, 2023 – April 2, 2024
	Assisted Fondation Beyeler, Switzerland, in hosting the Jeff Wall solo exhibition.	Loan of collection item (free of charge). Exhibition period: January 28, 2024 – April 21, 2024)
	Assisted the Tainan Art Museum in hosting the “VOC, Sea Monsters, Artillery Fire, and Them: 400 Years of Fort Zeelandia” exhibition.	Loan of collection item (free of charge). Exhibition period: March 28, 2024 – June 16, 2024
	Assisted Cartier in hosting the jewelry craftsmanship retrospective at the Tokyo National Museum.	Loan of collection item (free of charge). Exhibition period: June 12, 2024 – July 28, 2024
	Assisted Museo Guggenheim Bilbao, Spain, in hosting the Yoshitomo Nara retrospective.	Loan of collection item (free of charge). Exhibition period: June 28, 2024 – November 3, 2024)
	Assisted the National Portrait Gallery, UK, in hosting the Francis Bacon retrospective.	Loan of collection item (free of charge). Exhibition period: October 17, 2024 – January 13, 2025
	Assisted the Neue Galerie, New York, in hosting the “Egon Schiele: Living Landscape” exhibition.	Loan of collection item (free of charge). Exhibition period: October 17, 2024 – January 13, 2025
	Assisted the Museum Frieder Burda, Germany, in hosting the Yoshitomo Nara retrospective.	Loan of collection item (free of charge). Exhibition period: November 23, 2024 – April 21, 2025
Suppliers, social welfare organizations, surfing enthusiasts, etc.	Held 1 surfing seed camp.	A total of 12 trainees participated.
Creating Distinctive Influence Through Diverse Collaborations		

Impact: Our Influence

YAGEO Foundation: Practicing the Sustainable Values of SDG 4 and SDG 10 through Art

SDG 4: Quality Education: Promoting Universal Art Literacy and Lifelong Learning



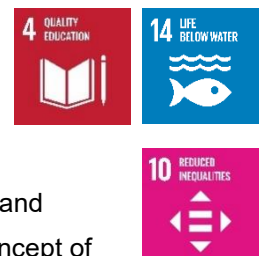
The YAGEO Foundation has long served as a platform for promoting art literacy and lifelong learning by planning and supporting domestic and international art exhibitions, international exhibition loan programs, and professional curatorial collaborations. This substantively expands the important role of art as "non-formal education" for all levels of society. Public's exhibition viewing experiences, guided tours for students, special publication launches, and curator talks create cross-age, cross-boundary, and cross-disciplinary learning opportunities for all, resonating with the core values of SDG 4: fostering lifelong learning, improving education quality, and cultivating creativity and cultural understanding.

SDG 10: Reduced Inequalities: Promoting Universal Art Participation and Cultural Access

The Foundation is dedicated to bringing highly-acclaimed contemporary art content into the public sphere. It not only facilitates the touring of world-class exhibitions to Taiwan but also lowers the barrier for public access to art through publications, guided tours, and discounted ticket prices for employees. This ensures that art and cultural resources are no longer limited to specific cities or demographics. This action directly addresses SDG 10's emphasis on promoting social inclusion and reducing inequality in the distribution of cultural resources, to grant more citizens equal opportunities for cultural participation.

YAGEO Surfing Team: Showcasing the Sustainable Values of SDG 4, SDG 10, and SDG 14 through Surfing

SDG 4: Quality Education & SDG 14: Life Below Water



Educational development and cultural promotion is one of the core concepts of YAGEO Sports Games Development Association. Through the organization of surfing events, the Association looks forward to improve the passion in surfing of people in Taiwan. In addition, through the annual organization of seed camp, the value of ocean and environmental protection can be promoted, in order to allow trainees to cultivate the concept of ocean protection at young ages. Furthermore, we aim to enhance Taiwan's surfing competition level through professional coaching, simultaneously improving the quality of the surfing environment, and increasing the visibility of Taiwanese surfing talent by participating in domestic and international competitions and events.

SDG 10: Reduced Inequalities

To promote social inclusion and the spirit of equality, the YAGEO surfing team and its partners co-organized the "Wheelchair Surfing Experience Event". This activity invited wheelchair users to participate in water sports, breaking stereotypes of physical limitations and realizing the sustainable concept of "leaving no one behind". Through the provision of accessible facilities, professional coaches, and volunteer assistance, participants safely experienced the joy of surfing, further enhancing the self-confidence and social participation of individuals with disabilities. This action not only responds to SDG 10 but also demonstrates the Company's proactive commitment to promoting a diverse and inclusive society.

8.2 Art and Culture Education

YAGEO Foundation (hereinafter referred to as the “Foundation”) is a non-profit seeking organization founded by the Chairman, Mr. Pierre Chen, in 1999. The Foundation is dedicated to promoting art and culture through the sponsorship of exhibitions, research, and educational programs. YAGEO Foundation is dedicated to promoting the dialogue between Chinese and Western culture. In addition to the regular loaning of its collections to well-known museums and cultural institutions around the world for exhibitions, the Foundation has also been proactively involved in joint exhibitions with international museums to establish partnerships. By doing this, the Foundation is at the same time promoting Taiwan's culture internationally, hoping to cultivate professional talent, gain international experience for Taiwan, and share valuable cultural resources with society free of charge, thus fulfilling the corporate responsibility for sustainable development.

■ Cultural and Arts Promotion

Co-hosted the annual major exhibition "Capturing the Moment" with Tate Modern, UK

The YAGEO Foundation collaborated with Tate Modern, UK, to jointly curate and launch the annual major exhibition, “Capturing the Moment”. It was successfully showcased at the Tate Modern in London from June 6, 2023 to April 28, 2024. The exhibition brought together classic masterpieces of modern and contemporary art from both collections, delving into the mutual inspiration and fusion between painting and photography throughout art history, and how these two major mediums intertwine to shape the vocabulary of contemporary creation. As a significant exhibition at Tate Modern that ran for an unusually long period of ten months in recent years, it attracted over 210,000 visitors, fully demonstrating its international influence and artistic value.

This project involved an investment of approximately NT\$63.55 million in 2024. This not only represents the concrete achievement of the YAGEO Foundation's long-term promotion of arts and cultural development but also successfully elevated Taiwan's cultural energy onto the international art scene, further deepening cultural exchange and dialogue between East and West. Through this collaboration, the Foundation also actively learned from international curatorial experience, hoping to transform it into new energy for exhibition practice and art education in Taiwan, thus laying the foundation for future sustainable development.

To expand the social impact of art education and implement the concept of cultural contribution, the Foundation specifically coordinated the exhibition's tour to the Kaohsiung Museum of Fine Arts. The exhibition period is from June 29m 2024 to November 17, 2024. The exhibition not only gives the Taiwanese public the opportunity to appreciate representative works by international contemporary masters up close but also introduces international-level curatorial quality and artistic concepts locally, thus further enhancing the overall standard of domestic art exhibitions and education. The Kaohsiung exhibition is expected to attract over 160,000 visitors, once again confirming the public's high anticipation and enthusiastic response to high-quality artistic content.

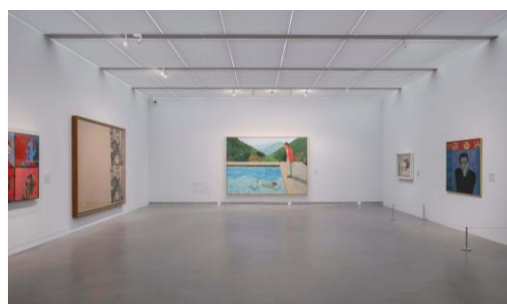
In addition, to enhance the viewing experience and knowledge extension, the YAGEO Foundation specifically compiled and printed a special bilingual (Chinese/English) publication, to enable the audience to deeply understand the artworks and curatorial context. Simultaneously, the Foundation offers benefits to all employees; they enjoy a discounted ticket price upon presenting their employee ID badge, encouraging internal members to personally engage in arts and cultural activities and embody the concept of integrating art into daily life.

2023–2024 YAGEO Foundation's International Collaboration and Exhibition Loan Highlights

Upholding its mission to promote art and serve the public, the YAGEO Foundation has long been actively involved in domestic and international arts and cultural exchange, dedicated to promoting the popularization and deepening of art appreciation. From 2023 to 2024, the Foundation took proactive steps to expand its participation in the international art platform, and continuously supported major global art exhibitions via exhibition loans, to showcase Taiwan's cultural strength.

1/28/2023 - 4/21/2024

The Foundation loaned a work by Jeff Wall to the Fondation Beyeler in Switzerland for its exhibition, "Jeff Wall". The exhibition was considered Wall's first major solo exhibition in Switzerland in nearly two decades. It comprehensively displayed his pioneering contributions to the field of "staged photography," and received widespread international acclaim.



"Capturing the Moment" exhibition photo

10/18/2023 - 04/02/2024

The Foundation loaned two cherished Mark Rothko works from its collection to the Fondation Louis Vuitton for its large retrospective exhibition held in Paris. This was the first major Rothko solo exhibition in France since 1999 and received immediate, high-profile attention. The New York Times hailed it as a "spectacular spiritual spread," The Washington Post called it the "best Rothko show ever seen in lifetime," and Frieze described the works' tension and emotional depth as a "miniature battlefield of color," demonstrating the exhibition's extraordinary achievement in artistic expression and immersive experience.

3/28/2024 - 6/16/2024

The Foundation participated in the Tainan Art Museum exhibition, "VOC, Sea Monsters, Artillery Fire, and Them: 400 Years of Fort Zeelandia," which grandly opened as one of the largest exhibitions since the museum's inauguration. The exhibition approaches the 400-year history of Fort Zeelandia from an artistic perspective, and deeply explores the Vereenigde Oost-Indische Compagnie's (VOC's) colonial influence on Taiwan and the resulting exchange of cultures, species, and resources. Through the critical lens of contemporary art, the exhibition not only reconstructs the historical context of colonialism and post-

colonialism but also prompts visitors to profoundly reflect on issues, such as contemporary Taiwanese society, geopolitics, and resource allocation. This has successfully created a humanistic achievement of both depth and value for historical research and contemporary art.

6/12/2024 -7/28/2024

In addition, the Foundation participated in the major art exhibition organized by Cartier in Japan, titled "MUSUBI – Half-Century of Cartier in Japan and Beyond: an Everlasting Dialogue of Beauty and Art". By supporting this iconic international collaboration through the loan of works, the exhibition not only reviews Cartier's journey of inspiration from Japanese culture since the late 19th century but also presents the fruitful results of the Fondation Cartier pour l'art contemporain's long-term collaboration



"MUSUBI – Half-Century of Cartier in Japan and Beyond: an Everlasting Dialogue of Beauty and Art" Exhibition View

with Japanese contemporary artists. The YAGEO Foundation's participation not only embodies its deep connection with international art institutions but also underscores its mission to promote dialogue and exchange between Eastern and Western cultures.

6/28/2024 - 11/3/2024 & 11/23/2024 - 4/21/2025

In June and November 2024, the Foundation also participated by loaning works to the "Yoshitomo Nara" exhibition held at the Museo Guggenheim Bilbao in Spain. It will then travel to the Museum Frieder Burda in Germany, where it will be on view from November 23, 2024, to April 21, 2025, as part of a ten-month European tour. As the first large solo exhibition of Japanese artist Yoshitomo Nara in Europe, the show comprehensively presents the stylistic and emotional shifts in his work since the 1990s. Curator Lucía Agirre noted that the exhibition testifies to the artistic deepening and emotional evolution in Nara's creative journey, garnering high praise from both audiences and critics.

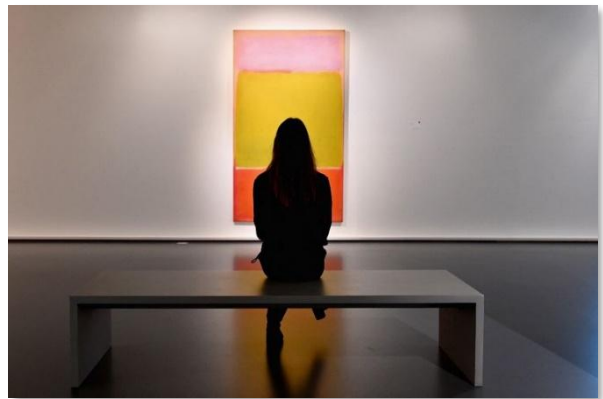


"Egon Schiele: Living Landscapes" Exhibition View

10/10/2024 -1/19/2025

The Foundation also participated in two other important, critically acclaimed exhibitions: "Francis Bacon: Human Presence" at the National Portrait Gallery in London, and "Egon Schiele: Living Landscapes" at the Neue Galerie New York. Among them, "Francis Bacon: Human Presence" is the first major Bacon

retrospective in nearly two decades to focus specifically on portraiture, featuring over fifty works that span his creative career from the 1940s until his death. The exhibition was hailed by The Guardian upon opening as "a soul-shaking baptism of portrait art," while the Financial Times called it "the most significant Bacon show in twenty years". Frieze further pointed out that the exhibition profoundly reveals Bacon's psychological dissection and formal reconstruction of human portraiture, demonstrating his deep inquiry into human existence.



"Mark Rothko" Exhibition View

10/17/2024 - 1/13/2025

At the end of 2024, the "Egon Schiele: Living Landscapes" exhibition at the Neue Galerie New York also received high international critical attention. The New York Times suggested the exhibition allows audiences to reacquaint themselves with the long-overlooked natural landscape aspect of Schiele's work, presenting his spiritual understanding and symbolic representation of nature. The Financial Times noted that nature, as rendered by Schiele, is not merely scenery but a space possessing religious and spiritual significance, showcasing his deep concern for life and the environment.

The loaning of these artworks not only demonstrate the YAGEO Foundation's high level of connectivity and professional reputation within the international art community but also symbolize the successful entry of Taiwan's cultural power into collaborations with major global artistic and cultural institutions. Through cooperation with world-class organizations, the Foundation not only promotes the treasured collections of Taiwanese collectors onto the international stage but also facilitates the global sharing of art resources, benefiting a broader public.

All of these efforts embody the YAGEO Foundation's philosophy of "taking from society and giving back to society"—with culture as a bridge to connect the local with the global, to elevate the artistic and cultural horizons of the public, and simultaneously allow the world to see the cultural strength and artistic responsibility of Taiwanese collectors. By taking action to give back to society, the YAGEO Foundation is moving toward achieving its core goal of public cultural welfare.

2024 Summary and Results of Arts Promotion and Exhibition Loans

Exhibition Details and Result Photos

Exhibition: Capturing the Moment

The exhibition, “Capturing the Moment”, curated by Gregor Muir, Director of Collection, International Art, and Beatriz Garcia-Velasco, Assistant Curator, International Art, at the Tate Modern, was held at the Kaohsiung Museum of Fine Arts from June 29 to November 17, 2024.

This exhibition selected 34 masterpieces of modern and contemporary art from the Tate Collection. These works are presented in dialogue with 21 pieces from the YAGEO Foundation’s collection, illustrating the historical context where painting and photography intertwine. Featured artists include iconic figures, such as Pablo Picasso, Andy Warhol, David Hockney, Francis Bacon, Jeff Wall, and Hiroshi Sugimoto.

External coverage: [CommonWealth Magazine](#); [Artouch](#); [VOGUE Taiwan](#); [ARTOUCH](#); [Marie Claire Taiwan](#); [VERSE](#); [GQ Taiwan](#).

Exhibition: Mark Rothko

The Fondation Louis Vuitton presented the first Mark Rothko (1903–1970) retrospective in France since the exhibition held at the Musée d’Art Moderne de Paris in 1999. This retrospective brought together approximately 115 works from the largest public collections worldwide, including the National Gallery of Art in Washington, the Tate in London, and the Phillips Collection in Washington, as well as international private collections, including those held by the artist’s family.



The exhibition is chronologically displayed across the Foundation's entire space, offering a comprehensive review of Rothko's creative career: from his early figurative works to his most widely recognized abstract paintings, fully presenting the transformation and development of his artistic style.

External coverage: [ARTNET](#); [LVMH NEWS](#); [The New York Times](#); [ARTSY](#); [LeMonde](#); [ARTNEWS](#)

Exhibition Details and Result Photos

Exhibition: Jeff Wall

The Fondation Beyeler in Switzerland hosted a retrospective of Canadian photographer Jeff Wall from January 28 to April 21, 2024. The exhibition displayed 55 works, including large-format light boxes, black-and-white photographs, and color prints, covering his creative journey since the 1970s. The exhibition placed a special emphasis on new works from the past two decades and debuted several previously unseen pieces, deeply exploring Wall's innovative practice in the field of "cinematographic photography".



Exhibition: VOC, Sea Monsters, Artillery Fire, and Them: 400 Years of Fort Zeelandia

The Tainan Art Museum grandly launched the major curatorial project, VOC, Sea Monsters, Artillery Fire, and Them: 400 Years of Fort Zeelandia, from March 28 to June 16, 2024. Taking the establishment of Fort Zeelandia by VOC in 1624 as its historical starting point, the exhibition connects the complex context of maritime navigation, colonialism, trade, and cultural convergence. The exhibition spanned ten galleries across two museum buildings, featuring thirty groups of domestic and international artists. Through contemporary expression that transcends time and utilizes multiple media, the exhibition profoundly responds to Taiwan's four hundred years of historical transformation and cultural development.



This exhibition not only repositions Taiwan as a significant cultural force in the Asian and global historical arena but also initiates a deep dialogue, in the name of art, concerning the colonial experience and future visions.

Exhibition: MUSUBI – Half-Century of Cartier in Japan and Beyond: an Everlasting Dialogue of Beauty and Art

Exhibited at the Tokyo National Museum, this major art show reviews fifty years of cultural exchange between Cartier and Japan. The exhibition is divided into two main themes: "Cartier and Japan: A Cultural Celebration of Art and Beauty" showcased how Cartier has been deeply inspired by Japanese culture since the late 19th century and has established long-term collaborations with Japanese artists. This section displayed 120 selected works from the Cartier Collection, alongside



important treasures from private collections. "The Eternal Dialogue Between the Fondation Cartier pour l'art contemporain and Japanese Artists" introduced how the foundation has long supported and promoted Japanese contemporary artists, featuring works by creators including Chitose Abe, Rinko Kawauchi, and Issey Miyake. A major highlight of the exhibition was Sho Shibuya's "Fifty Sky Views of Japan", created in which he traveled through 47 prefectures in Japan over 36 days, depicting the local sky on the front page of the regional newspaper, symbolizing the evolving historical connection and cultural dialogue between Cartier and Japan.

External coverage: [Studio Adrien Gardère](#); [SHIFT](#); [Shopping Design](#); [Wall Paper](#); [The Straits Times](#); [THE PEAK](#)

Exhibition: Yoshitomo Nara

The Museo Guggenheim Bilbao in Spain hosted the Yoshitomo Nara retrospective from June 28 to November 3, 2024, marking the artist's first large solo exhibition in Europe. Curated by Lucía Agirre and sponsored by the BBVA Foundation, the exhibition was co-organized with the Museum Frieder Burda in Germany and the Hayward Gallery in London.

The displayed works span from 1984 to 2024, including paintings, drawings, sculptures, and installations, profoundly presenting Yoshitomo Nara's creative journey and stylistic evolution over four decades. The exhibition is arranged thematically rather than chronologically, highlighting the artist's sustained attention to childhood memories, music, literature, and social issues. Yoshitomo Nara's style, with its signature lonely gaze and emotional tension, is deeply beloved by Taiwanese audiences and has profoundly influenced Taiwanese contemporary art and popular culture.

Exhibition: Francis Bacon: Human Presence

The National Portrait Gallery in London hosted the “Francis Bacon: Human Presence” exhibition from October 10, 2024, to January 19, 2025. The exhibition featured over 50 works created since the 1940s, deeply exploring Bacon's interpretation of human portraiture. The exhibition included his self-portraits and portraits of close friends and lovers, such as Lucian Freud, Isabel Rawsthorne, and George Dyer.

Through a curatorial approach that interwove themes and a chronological timeline, the exhibition presents how Bacon used distortion and deconstruction to reveal the deep-seated fragility and passion of human nature.



Exhibition: Egon Schiele: Living Landscapes

The exhibition Egon Schiele: Living Landscapes was held at the Neue Galerie in New York from October 17, 2024, to January 13, 2025, focusing on Austrian Expressionist artist Egon Schiele's profound depiction of and emotional connection to natural landscapes.

The exhibition shows how he transformed plants, trees, and city views into emotionally charged subjects, endowed them with anthropomorphic qualities that symbolize the cycle of life and the essence of existence. A representative work, Old City III, presents a bird's-eye view of his hometown, Krumau (currently known as Český Krumlov), demonstrating his deep insight into the tight connection between nature and human life. The curator was Christian Bauer, and a comprehensive catalogue was published as an academic supplement to the exhibition.



External coverage: [The New York Times](#); [LINEA](#); [The Washington Post](#); [The New Criterion](#); [Apollo Magazine](#); [Hyperallergic](#); [National Review](#).

Exhibition: Yoshitomo Nara

The Museum Frieder Burda in Baden-Baden, Germany, will host the first large German retrospective of Yoshitomo Nara from November 23, 2024, to April 27, 2025. This exhibition is an important stop on Nara's European tour; following its display at the Guggenheim Museum Bilbao in Spain, it will travel to the Hayward Gallery in London, UK, where it will be on view from June 10 to August 31,

2025. The exhibition spans four decades of the artist's paintings, drawings, sculptures, and installation works, showcasing his unique visual language and emotional depth. Nara is famous for his "angry girls" series depicting large-eyed children. His works fuse childhood memories, music, and social observation, making them widely beloved by global audiences. This exhibition, as part of Nara's European tour, also provides a valuable opportunity for Taiwanese art lovers to engage in international artistic dialogue.



■ Art Integration into Life

"The Art of Living" has always been the core value of YAGEO Foundation, and the Foundation promotes the integration of artful thinking and feeling in daily lives, in order to improve cultural quality in the living aspect. As a soft power, it has been always difficult to quantify the arts and cultures. However, the Foundation insists that arts and culture can bring individuals to respect natural environment and humanity society, and an enterprise needs this kind of thinking to face the transformation of environment and society, in order to achieve the goal of sustainability.

1. Aesthetic Lifestyle Specialized Books and Documentaries

To further articulate and promote the Foundation's core philosophy on aesthetic living, starting in 2021, we have used our collection items as a springboard to gradually expand into multi-dimensional lifestyle practices and aesthetic observations, which encompass art, jewelry, culinary culture, interior design, and architecture. This long-term project will establish a system of discourse on "aesthetic lifestyle" with both depth and breadth through a series of specialized books and documentaries.

Since 2023, the team has continuously conducted material collection and field documentation and has worked closely with domestic and international professionals to develop the book outlines and video structure. As the production scale and content depth gradually expand, the original project will be postponed until 2026 for publication and distribution, for a high degree of integration and excellence in content, form, and quality.

The book series is currently slated for five volumes: The Sixth, The Gathering, Artefacts, Les Fées de la Vigne, and Roots of Revelation. They will span forms, including long-form fiction, short stories, illustrated essays, fairy tales, and poetry collections, aiming to reach audiences in different age groups and with different

reading interests. The content will use the memories and interactions between Mr. Pierre Chen, his family, and friends as a thread, to connect his personal experiences with cultural codes, and interpret his unique perspectives on aesthetics, emotion, and value through his collections, daily objects, and life details.

This series is not a biography in the traditional sense but a cross-field text that fuses art, design, history, and culture, to build a journey of thought exclusive to contemporary aesthetic lifestyles.

Concurrently, the documentary part will use the building process of Mr. Chen's residence in Paris as its main narrative, traveling through Taiwan, Japan, and various European locations, to reflect the deep interweaving of his cultural creation, family sentiment, and interpersonal interactions. Through a non-linear narrative approach, the film presents his pursuit of excellence with various partners and how each living space is transformed into a cultural site for heritage and innovation. Ultimately, this is not merely a record of a residence's birth but a journey of legacy that spans geography and generations, interwoven with humanity and art.

2. YAGEO Offices

YAGEO's company office and public area display a lot of art works, and the display of each art work has been carefully planned and arranged, in order to achieve harmonic integration with the surrounding environment. We deeply believe that the interaction between space and art is part of aesthetic cultivation and is also the driving force behind the continuous accumulation and growth of the YAGEO Foundation's collection. In 2024, the Foundation continued to bring a friendly aesthetic learning environment for YAGEO employees, including integration of the Foundation's artwork collection into the office space, provision of art books to domestic and foreign employees to promote cultural exchange.



▲ A corner of YAGEO's office



▲ Integration of art works with employee dining area at YAGEO

We welcome people to obtain further information for understanding the philosophy of YAGEO Foundation and U.K. Tate Modern Partnership Program!



◀ YAGEO Foundation's IG



◀ YAGEO Foundation's Website

8.3 Sports Promotion

■ Nurturing the Young Generation for the Future

YAGEO Sports Games Development Association was founded in 2018, a non-profit seeking organization dedicated to promoting surfing. In 2018, the International Olympic Committee announced that it would be including surfing as one of its competing sports for the first time at the 2020 Tokyo Olympics. Surrounded by the sea, Taiwan has many excellent spots for surfing, making it ideal for promoting the sport. However, as the sport is relatively new in Taiwan, YAGEO established the YAGEO Sports Games Development Association to nurture young surfing talent thanks to Taiwan's surfing advantages. By discovering more young talent, we make every effort to train Taiwan's future talented surfers, hoping to catch up with international surfers as well as the waves at the Olympics. While surfing is an emerging sport worldwide, we hope to elevate the competitiveness of Taiwan's surfers.

■ Development Orientation

The Association identifies educational development and cultural promotion as two major cores for its development. For educational development the Association hopes to upgrade the surfing competition level and improve the surfing environmental quality in Taiwan through professional instruction. For cultural promotion the Association hopes to upgrade the presence of Taiwan's surfing by participating in the relevant games and activities. The Association hopes to see that Taiwan's surfing players can make their mark on the international stage someday. The goal of the Association is to organize one advanced competition, as well as organize one general seed training and surfing experience camp, and sponsor surfing experience activities as a way to give back to contributing partners. In the process of development, the Association also hopes to visit various coastal communities throughout Taiwan and introduce the sport to the new generation.



The YAGEO Sports Games Development Association operates on a non-profit basis. Solely for the purpose of promoting the development of surfing in Taiwan, the YAGEO Group not only sponsors athletes to travel abroad for Olympic qualifiers but also hires Taiwan's most outstanding national athletes as coaches to conduct training activities.

■ Athlete Development

Fourth Term of YAGEO Surfing Seed Camp Training Program

Starting in 2020, YAGEO began planning the fully sponsored Surfing Seed Camp to cultivate seed surfing talent and future surfing talent among Taiwan's youth. The first term of the Southern District of Surf Seed Camp was convened in 2021. The top coaches in Taiwan provided the professional surfing guidance and enabled the trainees to learn surfing since childhood and feel interested in surfing and love the ocean. YAGEO aims to cultivate Olympic athletes for Taiwan and make these athletes shine in the international surfing competitions. The Seed Camp training is free of charge for registration. After a skills selection process, outstanding trainees are chosen for further training.

2024
YAGEO SURF

/// 第四屆種子培訓營暨培訓隊徵選賽 ///

/ 活動日期 /

6.15 → 6.16 6.22 → 6.23 6.29 → 6.30

課程內容

- ✓ 自我介紹
- ✓ 衝浪基礎室內課程
- ✓ 海域衝浪實作
- ✓ 基礎自救與協助他人
- ✓ 海洋環境維護



The training content is divided into the land and sea courses. The course content includes not only surfing basic skills and technique training but also surfing etiquette and culture, ocean environmental protection, surfing hazard evaluation (such as wave and tide determination) and self-rescue skills, etc. Students must ensure the safety during surfing. In addition, through the methods of beach cleaning, use of eco-friendly rash guard and eco-friendly tableware, etc., trainees are able to develop the concept of environmental protection and treasuring resources starting at their early stage.

Qualifications	Training
• Participate in selection • No more than 12 trainees per term • The trainees' age ranges from 6 years old to 13 years old.	• Land course (physical training, ocean environmental protection, surfing etiquette and culture, and surfing hazard evaluation and handling) • Sea course (basic surfing skills and cultivation of techniques)

Important course of training camp - “Beach cleanup”

After the end of training course at any sea area, YAGEO Surfing Seed Camp always performs a beach cleanup activity. During the promotion of surfing, the camp leads trainees to participate in protection and care of our environment, and to develop respect for the environment starting at early stage. In 2024, all athletes of the YAGEO Surfing Team and the Seed Camp participants worked together to complete a beach cleanup, contributing to environmental cleanliness.



The fourth term of YAGEO Surfing Seed Camp training team selection contest completed successfully in 2024

In 2024, 12 trainees completed a series of courses and training events. Each trainee was able to learn basic skills and competition etiquette. The trainees completed the training with contentment and satisfaction.



YAGEO Professional Surfing Team

In 2024, surfers demonstrated outstanding result in all competitions. In addition, through the accumulation of experience from each round, surfers are able to improve their own competitiveness and to be ready for international games in the future. YAGEO Sports Games Development Association will continue to support and sponsor young athletes in Taiwan to receive greater surfing training and resources, and will also support athletes to develop their interest in surfing, thereby allowing Taiwan surfers to excel further in domestic and overseas games.

2024 YAGEO's professional surfers

YAGEO SURF	Professional Team	Ming-Jang Liu, Chia-Chi You
	Juvenile Professional Team	Wan-Yu Chen, Chia-Chi Yu, Zhe-Yao Hou, Sheng-Yang Chen

Auxiliary training and care for YAGEO surfing athletes

YAGEO Surfing Team believes that surfers, like other athletes, need a lot of auxiliary training to improve their special performance; therefore, YAGEO allows the athletes to accept different training programs to improve their ability.

Nutritionist Consultation

- Hire a nutritionist to customize personal diet for athletes, and precisely calculate the nutrients and calories to be taken by the athletes.
- Per the needs by body type, adjust the menu to increase the players' muscles and maintain the optimal body shape of a sport player.

Sports Psychology Teacher Consultation

- The player's mental state is critical to their performance. A professional team is used to retaining a sports psychologist to chat with the athlete and communicate with the team coaches about their condition, in order to help the coaches provide better training quality.

Yoga class

- Flexibility is very important for a surfer. Classes like yoga and sports massage help surfers achieve better body extension and improve their skill performance.

Physical training

- Durable physical strength is considered a basic ability for surfing. The professional team arranges the team players to accept physical training at least once a week, in order to exercise the players' cardiorespiratory ability, muscle strength and explosive power.

Benefits vested in players

- In addition to training resources, athletes with great performance and results in games will also receive monetary prizes as encouragement for their effort.
- Athlete's birthday party event and quarterly dinner party for athletes busy for training on a daily basis

YAGEO Surfers' Overseas Training and Competitions (Indonesia and Australia)

In 2024, athletes were sent to two countries, Indonesia and Australia, for external training and participation in international competitions. A new training focus, "barrel riding", was added. Because the wave condition is rare in Taiwan, typically only occurring around the time of typhoons, and athletes must be sent to countries with consistent barrel wave conditions for training due to Taiwan's legal constraints. In 2024, athlete Chia-Chi You won the Junior Division championship in the Bingin region of Indonesia.



Wheelchair Partners Surfing Experience Event

This wheelchair event was the first large event of its kind in Taiwan to provide surfing experience for wheelchair partners. Initiated by Vast Life Taiwan, a partner of the YAGEO Surfing Team, it widely recruited surfing partners as volunteers, and the YAGEO Surfing Team participated enthusiastically. Wheelchair participants who experienced surfing expressed profound gratitude, stating that the once unattainable dream of embracing the sea became possible with the help of every enthusiastic volunteer.



→ See the fan page
for details.

Gratitude Event: YAGEO Surfing – Sponsor Surfing Experience

The long-term sponsorship from various entities has always been the crucial backing for the continued development of the surfing team. Since 2019, sponsor partners, including YAGEO, Taiming, AVNET, Chen-Yung Foundation, Vast, Mitcorp, and FromFarm, have continuously provided resources and support, allowing the team to develop and actively promote surfing culture to this day. The 2024 gratitude event specifically organized a "Sponsor Surfing Experience" and invited sponsoring partners and surfing trainees to participate in the water activity together. This hands-on experience of the surfing challenge and fun helped to enhance mutual communication and understanding. Surfing, as an outdoor activity, combining sport, nature, and team spirit, not only demonstrates physical coordination and courage but also symbolizes the spirit of self-breakthrough and the pursuit of excellence. The trainees also used this opportunity to personally express their sincere gratitude to the sponsors who have supported them all along.



→ See the fan
page for details.

■ Photos from the 2024 YAGEO Surfing Team's Competitions and Activities

Item	Competition and Activity Records	QRcode
2024 ISA World Surfing Games (WSG) February 23 to March 3		
CTSA Surfing Championship and National Team Selection March 25		
2024 ISA World Surfing Games () 2024 ISA World Junior Surfing Championship May 3 to May 12		

Item	Competition and Activity Records	QRcode
2024 World Surfing Games May 5 to May 10		
2024 Asian Surfing Championships August 17 to August 24		
2024 Pingtung Manzhou Jialeshuei ASC Asia Surfing Competition October 4 to October 6		

Item	Competition and Activity Records	QRcode
2024 Taiwan Open of Surfing WSL QS5000 November 8		

■ Passing on the sustainable surfing spirit ♻️

While we recruit partners to work with us in surfer cultivation, we are not thinking of any economic benefits. For anyone wishing to join in the training of talented surfers, our primary requirement is that they must have a genuine passion for the ocean, the environment, and surfing.

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"VAST" Brand Sponsor - Rash guard made of eco-friendly materials

VAST is a surfing product brand in California. It has developed eco-friendly rash guard made of recycled cotton and PET bottles, and decomposes and spins textile waste and unused cotton fibers and plastics, and re-weaves them into textile products. VAST sponsored the eco-friendly rash guard to the YAGEO surfing team to contribute efforts to the environmental sustainability when promoting the sport.

"Rising Sun Seedlings" Brand Sponsorship - Eco-friendly Tableware Gift Box for Seed Training Camp Activities

Rising Sun Seedlings makes eco-friendly tableware with rice husks, and promotes such tableware to reduce the consumption of disposable tableware. In response to the concept of environmental protection and caring for the environment, it sponsors the YAGEO Surfing Seed Training Camp the eco-friendly tableware as gifts to assist in organizing low-waste camping activities.

"QWQ" Flip-Flops (Sponsor Gift for O3 Surfing Festival Athletes) — Let's Wear Courage and Go on an Adventure

We carefully select renewable, earth-compatible natural rubber. After traveling across all rubber factories in Taiwan and undergoing tens of thousands of kilometers of round-trip testing, we developed a natural outsole with optimal proportions. They are wear-resistant, durable, have a high anti-slip coefficient to prevent falls, and offer moderate softness and bounce, providing tender care for one's feet.

Appendix

GRI Standards Content Index Table

YAGEO Corporation has complied with the GRI Standards to report the content of period from January 1, 2024, to December 31a, 2024, and during the reporting period of this Report, there was no announcement of GRI industry standards applicable to the Company. In addition, the ESG Report has been prepared in accordance with GRI 1: Foundation 2021.

No.	Scope of Disclosure	Correspondent Chapters	Page No.
GRI 2: General Disclosures 2021			
2-1	Organizational details	About this Report 1.1 Company Profile	4 11
2-2	Entities included in the organization's sustainability reporting	About this Report 1.1 Company Profile	4 11
2-3	Reporting period, frequency and contact point	About this Report	4
2-4	Restatements of information	No restatements in the current year	-
2-5	External assurance	About this Report Appendix CPA's Limited Assurance Report	4 178
2-6	Activities, value chain and other business relationships	1.1 Company Profile 4.1 Supply Chain Composition	4 49
2-7	Employees	7.1 Talent Attraction and Retention	116
2-8	Workers who are not employees	7.1 Talent Attraction and Retention 7.4 Occupational Health and Safety	116 143
2-9	Governance structure and composition	2.1 Sustainable Governance and Strategy 3.1 Corporate Governance (For detailed information on the composition of the Board of Directors and various committees, please refer to the YAGEO 2024 Annual Report .)	15 32
2-10	Nomination and selection of the highest governance body	3.1 Corporate Governance	32
2-11	Chair of the highest governance body	3.1 Corporate Governance	32
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Sustainable Governance and Strategy	15
2-13	Delegation of responsibility for managing impacts	2.1 Sustainable Governance and Strategy	15
2-14	Role of the highest governance body in sustainability reporting	About this Report 2.1 Sustainable Governance and Strategy	4 15
2-15	Conflicts of interest	3.1 Corporate Governance (Please refer to the YAGEO 2024 Annual Report for details.)	32

No.	Scope of Disclosure	Correspondent Chapters	Page No.
2-16	Communication of critical concerns	2.1 Sustainable Governance and Strategy 3.1 Corporate Governance	15 32
2-17	Collective knowledge of the highest governance body	3.1 Corporate Governance	32
2-18	Evaluation of the performance of the highest governance body	3.1 Corporate Governance	32
2-19	Remuneration policies	3.1 Corporate Governance (YAGEO's board of directors' performance evaluation focuses on the economic and governance aspects of sustainable development goals. For detailed information, please refer to the YAGEO 2024 Annual Report and the section on the Implementation of Performance Evaluation for the Board of Directors and Functional Committees.)	32
2-20	Process to determine remuneration	3.1 Corporate Governance (For detailed information, please refer to the section on the Operation of the Remuneration Committee.)	32
2-21	Annual total compensation ratio	3.1 Corporate Governance	32
2-22	Statement on sustainable development strategy	Message from the CEO	7
2-23	Policy commitments	2.1 Sustainable Governance and Strategy 3.2 Ethical Management 3.4 Tax Management 3.5 Risk Management 7.3 Human Rights	15 37 42 43 136
2-24	Embedding policy commitments	2.1 Sustainable Governance and Strategy 3.2 Ethical Management 3.4 Tax Management 3.5 Risk Management 7.3 Human Rights	15 37 42 43 136
2-25	Processes to remediate negative impacts	2.2 Materiality Analysis 2.3 Stakeholder Engagement 7.3 Human Rights	19 29 136
2-26	Mechanisms for seeking advice and raising concerns	3.3 Compliance 7.3 Human Rights	40 136
2-27	Compliance with laws and regulations	3.3 Compliance 6.1 Environmental Management	40 80
2-28	Membership associations	1.2 Operating Performance	13
2-29	Approach to stakeholder engagement	2.3 Stakeholder Engagement	29
2-30	Collective bargaining agreements	YAGEO has not established union and has not signed collective bargaining agreements	-

GRI 3: Material Topics 2021			
3-1	Process to determine material topics	2.2 Materiality Analysis 2.3 Stakeholder Engagement	19 29
3-2	List of material topics	2.2 Materiality Analysis	19
3-3	Management of material topics	2.2 Materiality Analysis 2.3 Stakeholder Engagement	19 29
Material Topic: Risk Management			
3-3	Management of material topics	2.2 Materiality Analysis 3.5 Risk Management	19 43
Material Topic: Product Quality Management			
3-3	Management of material topics	2.2 Materiality Analysis 5.2 Product Quality Management	19 69
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	5.2 Product Quality Management	69
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No such incident this year	-
GRI 417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incident this year	-
417-3	Incidents of non-compliance concerning marketing communications	No such incident this year	-
Material Topic: Ethical Management			
3-3	Management of material topics	2.2 Materiality Analysis 3.2 Ethical Management	19 37
GRI 205: Anti-corruption 2016			
205-2	Communication and training about anti-corruption policy and procedure	3.2 Ethical Management 4.2 Sustainable Supply Chain Management	37 53
Material Topic: Corporate Governance			
3-3	Management of material topics	2.2 Materiality Analysis 3.1 Corporate Governance	19 32
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	3.1 Corporate Governance 7.1 Talent Attraction and Retention	32 116
Material Topic: Information Security			
3-3	Management of material topics	2.2 Materiality Analysis 3.6 Information Security	19 46

GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.6 Information Security N/A this year.	46 -
Material Topic: Compliance			
3-3	Management of material topics	2.2 Materiality Analysis 3.3 Compliance	19 40
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	5.2 Product Quality Management	69
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A this year.	-
GRI 417: Marketing and Labeling 2016			
417-2	Incidents of non-compliance concerning product and service information and labeling	No such incident this year	-
417-3	Incidents of non-compliance concerning marketing communications	No such incident this year	-
Material Topic: Customer Relationship Management			
3-3	Management of material topics	2.2 Materiality Analysis 5.3 Customer Relationship Management	19 77
Material Topic: Innovative Research and Development and Green Products			
3-3	Management of material topics	2.2 Materiality Analysis 5.1 Innovative Research and Development and Green Products	19 57
Material Topic: Sustainable Supply Chain			
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	4.1 Supply Chain Composition	49
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	4.2 Sustainable Supply Chain Management	53
308-2	Negative environmental impacts in the supply chain and actions taken	4.2 Sustainable Supply Chain Management	53
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	4.2 Sustainable Supply Chain Management	53
414-2	Negative social impacts in the Supply Chain and actions taken	4.2 Sustainable Supply Chain Management	53
Material Topic: Operational Performance			
3-3	Management of material topics	1.2 Operating Performance 2.2 Materiality Analysis	13 19

GRI 201: Economic Performance 2016			
201-3	Defined benefit plan obligations and other retirement plans	3.1 Corporate Governance 7.1 Talent Attraction and Retention	32 116
Material Topic: Energy and GHG management			
3-3	Management of material topics	2.2 Materiality Analysis 6.3 Energy and GHG management	19 101
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	6.3 Energy and GHG management	101
302-3	Energy intensity		
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	6.3 Energy and GHG management	101
305-2	Indirect (Scope 2) GHG emissions	6.3 Energy and GHG management	101
305-3	Other indirect (Scope 3) GHG emissions	6.3 Energy and GHG management	101
305-4	GHG emission intensity	6.3 Energy and GHG management	101
305-7	Nitric oxide (NOx), Sulfur oxide (SOx), and other significant gas emissions	6.5 Waste and air pollution management	111
Material Topic: Climate Action			
3-3	Management of material topics	2.2 Materiality Analysis 6.2 Climate Initiatives	19 84
Material Topic: Occupational Safety and Health			
3-3	Management of material topics	2.2 Materiality Analysis 7.4 Occupational Health and Safety	19 143
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational Health and Safety Management System	7.4 Occupational Health and Safety	143
403-2	Hazard identification, risk assessment, and accident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-9	Work-related injuries		
403-10	Work-related ill health		

Material Topic: Human Rights			
3-3	Management of material topics	2.2 Materiality Analysis 7.3 Human Rights	19 136
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	N/A this year. No such incident this year	-
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	7.3 Human Rights No business location or supplier involving significant risk over employment of child labors existed this year	136 -
Other Topic-Specific Metrics			
GRI 206: Anti-Competitive Behavior 2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A this year.	-
GRI 207: Tax 2019			
207-1	Tax policy	3.4 Tax Management	42
207-2	Tax governance, control, and risk management		
207-3	Stakeholder engagement and management of concerns related to tax		
GRI 303: Water and Effluents 2018			
303-2	Management of water discharge-related impacts	6.4 Water resource management	107
303-3	Water withdrawal		
303-4	Discharge volume		
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	6.5 Waste and air pollution management	111
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	7.1 Talent Attraction and Retention	116
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		
401-3	Parental Leave		
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	7.2 Employee Cultivation and Development	132
404-3	Percentage of employees receiving regular performance and career development reviews		

Taiwan Stock Exchange Corporation “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”

Table 1-12 Sustainability Disclosure Indicator - Electronic Component Industry

No.	Indicator	Metric Type	Unit	Chapter	Page No.
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	Gigajoules (GJ), percentage (%)	6.3 Energy and GHG management	101
2	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters (m ³)	6.4 Water resource management	107
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), percentage (%)	6.5 Waste and air pollution management	111
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), quantity	7.4 Occupational Health and Safety	143
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	Metric tons (t), percentage (%)	YAGEO's main products are not terminal products, so this is not applicable.	-
6	Description of the management of risks associated with the use of critical materials	Qualitative description	Not applicable	4.2 Sustainable Supply Chain Management	53
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	3.2 Ethical Management 3.3 Compliance N/A this year.	32 37 -
8	Production by product category	Quantitative	Varies by product category	Unit: Millions of pieces • MLCC: 338,680 • Tantalum capacitor: 3,378 • Chip resistors: 778,214 • Magnetic components: 26,545 • Sensors: 69	-

Note: When it includes the sale of scrap or other recycle treatment, relevant explanation shall be provided.

Article 4-1 Table 2 Climate Related Information of Publicly Listed Companies

No.	Item	Implementation Status	Page No.
1	Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	6.2 Climate Initiatives	84
2	Describe how the climate risks and opportunities identified affect the business, strategy and finance of the Company (short-term, medium-term, long-term).		
3	Describe the impact of extreme climate event and transformation action on the finance.		
4	Explain how to integrate the climate risk identification, assessment and management process in the overall risk management system.		
5	If scenario analysis is used to assess the resilience against the climate change risk, it is necessary to describe the scenario, parameters, assumptions, analysis factors used and key financial impacts.		
6	If there is transformation plan for managing climate-related risks, describe the plan content, and the indicators and goals for identifying and managing physical risks and transformation risks.		
7	If the internal carbon pricing is used as the planning tool, it is necessary to describe the price establishment basis.		
8	If climate-related goals are established, it is necessary to describe the information of activities covered, greenhouse gas emission scope, plan schedule, annual achievement progress, etc. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goal, it is necessary to describe the source or quantity for offsetting carbon reduction or the quantity of renewable energy certificates (RECs).	6.2 Climate Initiatives 6.3 Energy and GHG management	84 101
9	Greenhouse gas inventory, assurance status, and reduction targets, strategies, and action plans.		

Article 4-2

Item	Disclosure	Page No.
TWSE-listed companies in Taiwan must disclose the average salary and median salary of their non-management full-time employees, as well as the change in these two figures compared to the previous year. The aforementioned information may be disclosed by providing an index for searching the Company's designated information declaration website.	For detailed information, please see the Market Observation Post System. The path is : Home > Corporate Governance > Information relating to corporate social responsibility > Information relating to ESG > Information about salary of full-time employees who are not in a managerial position	-

SASB Sustainability Accounting Standards Indicator Comparison Chart

Electronic Manufacturing Services & Original Design Manufacturing

No.	Indicator	Type	Unit of Measurement	Chapter	Page No.
Water Resource Management					
TC-ES-140a.1	(1) Total water withdrawal (2) Total water consumption, and percentage of high or extremely high baseline water stress regions	Quantification	Cubic meters (m ³), percentage (%)	6.4 Water resource management	107
Effluents and Waste					
TC-ES-150a.1	Weight and recycle percentage of hazardous industrial wastes generated from manufacturing process	Quantification	tons (t), percentage (%)	6.5 Waste and air pollution management	111
Labor Practices					
TC-ES-310a.1	(1) Number of times of operation suspension (2) Total number of days idle	Quantification	Quantity, days of idleness	N/A this year.	-
Labor conditions, health and safety					
TC-ES-320a.1	(1) Total recordable incident rate (TRIR) (2) Near Miss Frequency Rate (NMFR), and classified into (a) direct employees and (b) contract employees	Quantification	Ratio	7.4 Occupational Health and Safety	143
Product lifecycle management					
TC-ES-410a.1	Recycle weight and percentage of scrapped products and electronic wastes	Quantification	tons (t), percentage (%)	YAGEO's main products are not terminal products, so this is not applicable.	-
Raw material purchase					
TC-ES-440a.1	Describe risk management related to use of key materials	Discussion and analysis	N/A	4.2 Sustainable Supply Chain Management	53
Activity indicator					
TC-ES-000.A	Production facility site quantity	Quantification	Quantity	In 2024, YAGEO Group had a total of 59 production sites and 20 R&D centers.	-
TC-ES-000.C	Total number of on-job employees	Quantification	Quantity	7.1 Talent Attraction and Retention	116

CPA's Limited Assurance Report



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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

YAGEO Corporation

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of YAGEO Corporation, ("the Company") for the year ended December 31, 2024.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, observation, and analytical procedures to obtain evidence supporting limited assurance.

CPA's Limited Assurance Report

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 “Quality Management for Public Accounting Firms” issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Ming-Hsien Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 18, 2025

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

CPA's Limited Assurance Report

APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information			Corresponding Section	Applicable Criteria	Industry-specific Disclosures of the Sustainability Metrics Describe in the Rules Governing the Preparation and Filing of Sustainability Reports
1.	Energy Type	Unit	2024	6.3 Energy and GHG management	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Appendix 1-12 No. 1
	Total energy consumption	GJ	2,293,013			
	- The energy data scope includes YAGEO's plant sites in Taiwan and the headquarters building, as well as plant sites in China and Portugal. - Energy calorific factor: The calorific value of power procured from external sources: 3,600 GJ/million kWh. For the factory premises in Taiwan, based on the “Greenhouse Gas Emission Factors” by the Ministry of Environment, Executive Yuan, the imported natural gas, automotive gasoline, diesel and liquefied petroleum gas adopt the factors 8,710 kcal/m3, 7,609 kcal/L, 8,642 kcal/L, and 5,959 kcal/L, respectively. The China plants use the 2023 China Regional Grid CO2 Baseline Emission Factor announced by the Ministry of Ecology and Environment of China. The heat values for various fuels are set as follows: natural gas at 38,931 MJ/km3, diesel at 42,652 MJ/t, gasoline at 43,070 MJ/t, and liquefied petroleum gas at 50,179 MJ/t. For steam, an enthalpy value of 2,801.9 kJ/kg is derived from the Saturated Steam Pressure-Enthalpy Table of the “Energy and Water Statistics Reporting System” announced by the National Bureau of Statistics of China in January 2025. The Renewable Energy Heat Value Coefficient for the China plants is calculated using the Solar Photovoltaic Heat Value Coefficient of 860 kcal/kWh as published in the “Greenhouse Gas Emission Factors” by the Ministry of Environment, Executive Yuan, Taiwan. - Each kcal is calculated as 4.1868 kJ. - For the power procured from external sources, the electricity bill shall govern. For the NG and LNG, the payment receipt or procurement details shall apply. For gasoline and diesel, the meter reading or invoice shall serve as the basis for statistics. - Renewable energy usage in 2024 includes green power purchased by the two Suzhou plants (SZ-R and SZ-C) totaling 24,539,000 kWh (88,356 GJ), with unbundled electricity and certificates, accounting for 4.08% of total electricity consumption; the Dafa Plant III and the Dongguan Plant have self-generated photovoltaic power totaling 2,309,271 kWh (8,314 GJ) which was not sold, accounting for 0.38% of total electricity consumption. The total is 26,848,271 kWh (96,671 GJ), which accounts for 4.22% of the total energy consumed in 2024. - Total energy consumption in 2024 is calculated on a location-based approach, with the total consumption for each site as follows: Headquarters Building 7,015 GJ, Nantze Plant (YP) 313,910 GJ, Dafa Plant (YF) 269,993 GJ, Dafa Plant III (YF3) 186,113 GJ, Dashe Plant (YR) 179,238 GJ, Suzhou Plants (SZ-R and SZ-C) 1,206,517 GJ, Suzhou Plant (TH MD) 7,855 GJ, the two Dongguan Plants (Backend + TH DG) 63,974 GJ, Dongguan Plant (CPC) 56,606 GJ, and Portugal Plant (Vitrohm) 1,793 GJ. - The overall percentage of purchased electricity in 2024 was 90.18%.					

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2.	Unit: Million liters (Thousand Cubic Meters)			6.4 Water resource management	GRI 303-4: 2018 Water discharge	NA
3.	Water withdrawal	Item	2024		Total water withdrawn, total water consumption	Appendix 1-12 No. 2
		Withdrawn from a third party (tap water)	3,530.03			
		Withdrawn from groundwater	0.79			
		Withdrawn from a third party (water tanker)	2.54			
		Total water withdrawal	3,533.35			
	Water discharge	Discharged to the surface	282.06			
		Discharged to the sea	-			
		Discharged to the third party	2,074.77			
		Total discharge volume	2,356.83			
Water consumption	Total water consumption	1,176.52				
- For tap water withdrawal, the water bill shall apply. The water emission is mainly based on the documents submitted to the government. - The tap water of the headquarters building and plant sites in Taiwan comes from Taiwan Water and Fengshan Reservoir, and the tap water of the two Suzhou plants (SZ-R and SZ-C) comes from Suzhou Gaoxin District Water (Taihu Lake). In contrast, the tap water of the Dongguan Plant comes from Dongguan Water Group Water Supply Co., Ltd.; the Portugal Plant (Vitrohm) is sourced from groundwater and the local water company. Water tankers are sourced from mountain spring water in Dashu District (Dashe Plant YR), the Nantze CPC Water Treatment Plant (Nantze Plant YP), and the Pingtung Water Treatment Plant (Dafa Plant YF). All water is freshwater ($\leq 1,000$ mg/L total dissolved solids). - According to the World Resources Institute (WRI) Aqueduct Water Risk Atlas assessment, the Portugal Plant (Vitrohm) and the Dongguan plant site are located in medium-high water risk areas, the Suzhou plant site is in a high water risk area, and the remaining plant sites are in medium-low water risk areas. All discharge water bodies are freshwater ($\leq 1,000$ mg/L total dissolved solids). The Portugal, Suzhou, and Dongguan plant sites have not experienced any water scarcity. The water source is sufficient and there are water tankers in place as a backup source. The 2024 total freshwater ($\leq 1,000$ mg/L total dissolved solids) discharge volume in water-stressed regions: 1,372.91 million liters. - Water consumption=Water withdrawal-Water discharge						
4.	Unit: metric tons			6.5 Waste and air pollution management	GRI 306-3: 2020 Waste generated	NA
5.	Output	Category	2024		Total hazardous waste generated and percentage recycled	Appendix 1-12 No. 3
		Non-hazardous waste	6,384.52			
		Hazardous waste	6,230.34			
		Total output	12,614.86			
- The waste data scope includes YAGEO's plant sites in Taiwan and the headquarters building, as well as plant sites in China and Portugal. - Waste is disposed of by a qualified third-party waste disposal entity. - The recycling percentage of hazardous waste generated in 2024 was 76.16%						

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