

2024年永續報告書

Corporate Sustainability Report

SMART

About the Report

(This report is prepared in accordance with the Chinese version and is for reference only, if there is any inconsistencies or ambiguity between the two versions, the Chinese version shall prevail)

Holy Stone Enterprise Co., Ltd. (hereinafter “the company” or “Holy Stone”) started the publication of its CSR report since 2008; the content of the report covers the performances regarding economic, social and environmental activities. The company adopted guidelines from the GRI (Global Reporting Initiative) sustainability reporting standards, requiring report content and quality principles. Through communication with stakeholders, the company hopes to disclose the efforts made economically, environmentally and socially; carrying forward the spirit of company operation and the implementation of sustainable development.

Report Scope and Cycle

This report covers the period from January 1, 2024 to December 31, 2024, including key issues raised by stakeholders as well as the performance of corporate governance, environmental sustainability and social commitments. The scope of this report is focused on Holy Stone’s operation in Taiwan and does not include overseas operations or subsidiaries. Any content involving operations across different years or regions will be separately specified.

As a result of changes in statistical methodology, the reported training hours, participant counts, and expenses for 2022 and 2023 contained variations. These figures have been rectified in the current year's report.

Report Principle

The structure of this report is based on the Global Reporting Initiative Sustainability Reporting Standards 2021 version (GRI Universal Standard 2021) and the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies issued by the Taiwan Stock Exchange Corporation. It also refers to the indicators of the Sustainability Accounting Standard Boards (SASB) and the framework of the Task Force on Climate-Related Financial Disclosures (TCFD). The appendix of this report provided relevant index for stakeholder’s references.

Report Preparation Guidelines

Questionnaires were arranged for our employees, directors, clients, vendors and stakeholders to investigate into the issues that may be a concern for the company. Through the analysis of the results of the investigation, major issues of concern were discovered; communication with stakeholders and the implementation of improvement strategies are recorded.

Contact Information

Coping with principles of Green Enterprise, this report is being electronically published and is readily available for everyone’s reference. Please do not hesitate to contact us regarding any concerns.

Holy Stone Enterprise Co., Ltd. General Manager Office Corporate Sustainability Promotion Team

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Phone : +886-2-2627-0383

Website : <https://www.holystone.com.tw/>

ESG Section : https://www.holystone.com.tw/page_details.php?&mlevel1=5&mlevel2=30

E-mail : CSR@holystone.com.tw

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Message to Stakeholders

Fulfilling corporate social responsibility and sustainable operations are the goals of Holy Stone as well as the direction that enables the sustainable development of our society. Regardless of the impact of climate change on humanity or stakeholders' emphasis on corporate governance, all demonstrates that ESG has become an issue that companies must prioritize. Holy Stone also firmly believes that, besides pursuing profit and growth, implementing ESG is also essential for becoming a sustainable company. Therefore, we continue to develop greenhouse gas (GHG) inventory and verification plan, establish solar power generation equipment to reduce greenhouse gas emissions; set water resource and waste reduction goals to achieve environmental protection. We also promote social engagement by participating in charitable activities through its foundation. These ESG implementation achievements will be explained to shareholders, employees and stakeholders through the report. In the future, we will fulfill the spirit of sustainable development and corporate social responsibility in practice, moving towards the goal of green enterprise.

Environmental Sustainability, Energy Saving and Waste Reduction

The company strives for sustainable development. Through continuous improvement in technology development and adjustment of the product portfolio, the company has also incorporated environmental protection, energy saving and waste reduction into key management objectives. Greenhouse gas emission in Taiwan for 2024 have been inventoried, with third-party verification completed in 2025, a mid-to-long term decarbonization pathway would be planned in accordance with the verification findings. Additionally, the company is committed to enhance the efficiency of resource utilization, implementing waste classification management, promoting the Turn Waste into Energy program by recycling raw materials and waste solvents from the manufacturing process, in collaboration with suppliers, turning non-plastics to Solid Recovered Fuel (SRF). In 2024, a total of 93.19 mt was recycled, reducing the volume of waste directly incinerated significantly. Furthermore, approximately 197.46 mt of solvents were recycled in 2024, validly reduced the cost of solvents (raw material) procurement and waste disposal, while minimizing environmental impact.

Environmental and Social Friendly

Holy Stone Volunteer Team was formed voluntarily by the employees of the company, with the core concept being Spreading Love and Passion to people in need, the volunteer team was involved in various charity activities that covered both environmental and social aspects. Accumulated volunteering hours was 4,346 hours. In 2024, the company offered scholarship for 32 students, accumulated scholarship donation reached NT\$11.39 million; donation from Holy Stone Foundation was NT\$5.91 million in 2024. It is our goal to bring love and passion to the society.

Talent Cultivation

Holy Stone believes each of our colleagues are irreplaceable. Through continuous learning, everyone can bring up potentials and driven improvements for the company, remain at the leading edge of the market. In addition to encouraging knowledge acquirement; special designed courses and seminars are also provided to our employees in hopes for the development of their creativities and psychological well-being.

Respect Human Rights and Establishment for a Friendly Workspace

Being a people-oriented company, Holy Stone values human rights and opposes discrimination, regardless of gender or background, everyone should be treated the same. In terms of internal communication, employees can effectively contact the management through channels such as suggestion box, regular departmental meetings and emails. In order to ensure all employee work in a comfortable and safe environment, compliance with Occupational Safety and Health Act and Labor Standard Act were monitored; assessment on relevant environment and equipment were made, environmental safety is constantly updated and tracked for improvement on maintaining and minimizing accident. We hope that the company can promote employees' well-being while operating sustainably and create a sustainable and happy workplace.



Sustainable Governance



1.1 Company Profile

1.2 Stakeholder Engagement and Major theme analysis

1.3 Board of Director Governance

1.4 Ethical Management

1.5 Legal Compliance

1.6 Risk Management

1.7 Information Security

1.8 Sustainable Supply Chain

1.1 Company Profile

✧ About Holy Stone

Holy Stone Enterprise Co., Ltd., is a manufacturer of passive components and a distributor of electronic parts, dedicated to developing and produce multilayer ceramic capacitors (MLCC) and ceramic substrate metallization. At the same time, the company act as an agent for international electronic component brands, such as logic/ analog ICs and microcontrollers. It is one of the few diversified enterprises in the electronic component supply chain that encompasses both active and passive distribution channels while owning manufacturing facilities.

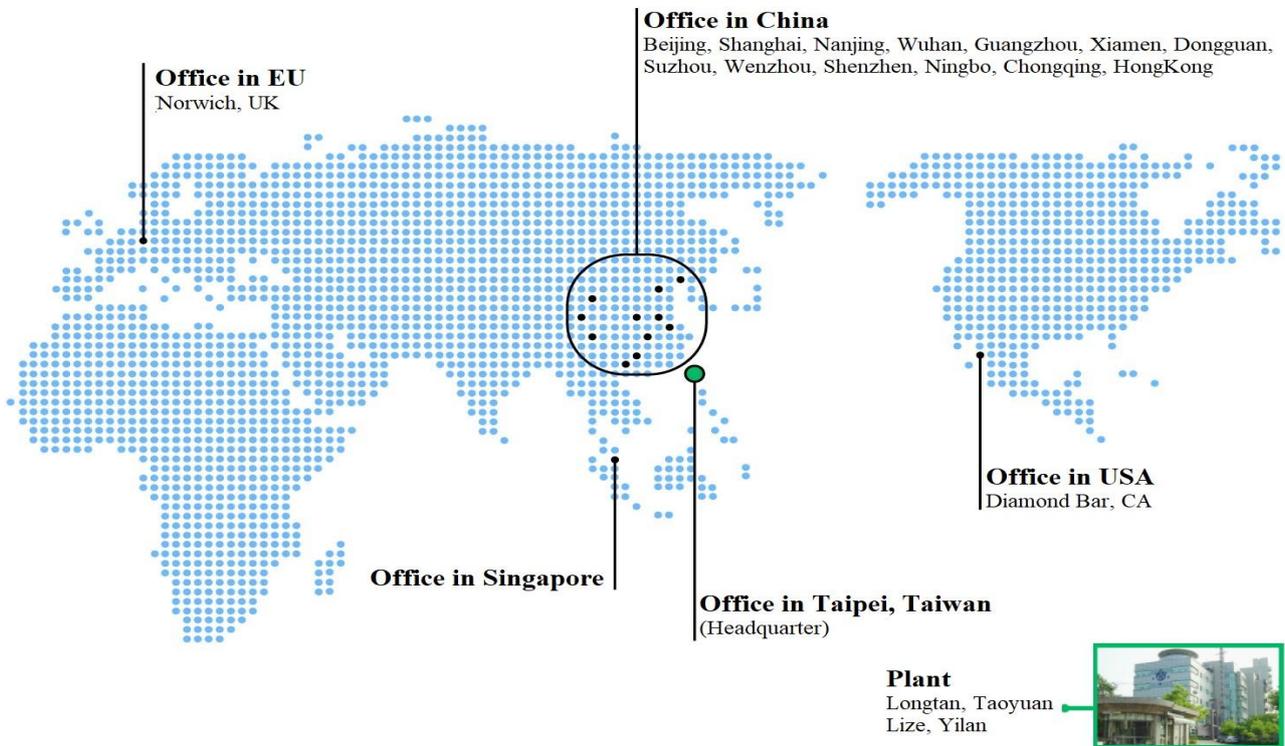
Since 1999, Holy Stone has established a production base in Longtan District, Taoyuan, Taiwan, specializing in the production of multilayer ceramic capacitors (MLCC) under its own brand. The company offers a wide range of customized products marketed globally, meeting diverse customer needs and earning widespread trusts. Additionally, Holy Stone acts as an agent for internationally renowned semiconductor components, providing comprehensive solutions and a variety of components to help clients create new operational value.

Holy Stone adheres to strict quality standards and a spirit of continuous innovation, committed to advancing environmental, social and corporate governance (ESG) standards. We firmly believe that by continuously strengthened technological capabilities and product quality, we can deliver more competitive solutions to global customers while achieving the goal of sustainable corporate development.

Company Information

Company Name	Holy Stone Enterprise Co., Ltd.
Establish Date	June 1981
Company Address	No.62, Section2, Huanshan Rd., Neihu Dist., Taipei, Taiwan (R.O.C.)
Chairman	Jing-Rong Tang
General Manager	Jing-Rong Tang
Capital	NT\$ 1,658,903 thousand
Employees	997 (2024)
Industry Sector	Electronic Components Industry
Business Scope	Passive Components Manufacture Electronic Component Distributor
Operation Location	Taiwan, China, Singapore, U.S., U.K.
Revenue (individual)	NT\$ 9,691Million (2024)

◇ **Operation Location**



Headquarter

Phone : 02-26270383

Address : 114012 No.62, Section2, Huanshan Rd., Neihu Dist., Taipei, Taiwan (R.O.C.)

Longtan Plant

Phone : 03-4995228

Address : 325019 No.56, Lane 90, Gong 5th Rd., Longtan Dist., Taoyuan City, Taiwan (R.O.C.)

Lize Plant

Phone : 03-9906900

Address : 268015 No.15, Section 2, Ligong 1st Rd., Lize Industrial Park, Wujie Township, Yilan County, Taiwan (R.O.C.)

✧ **Vision and Mission**

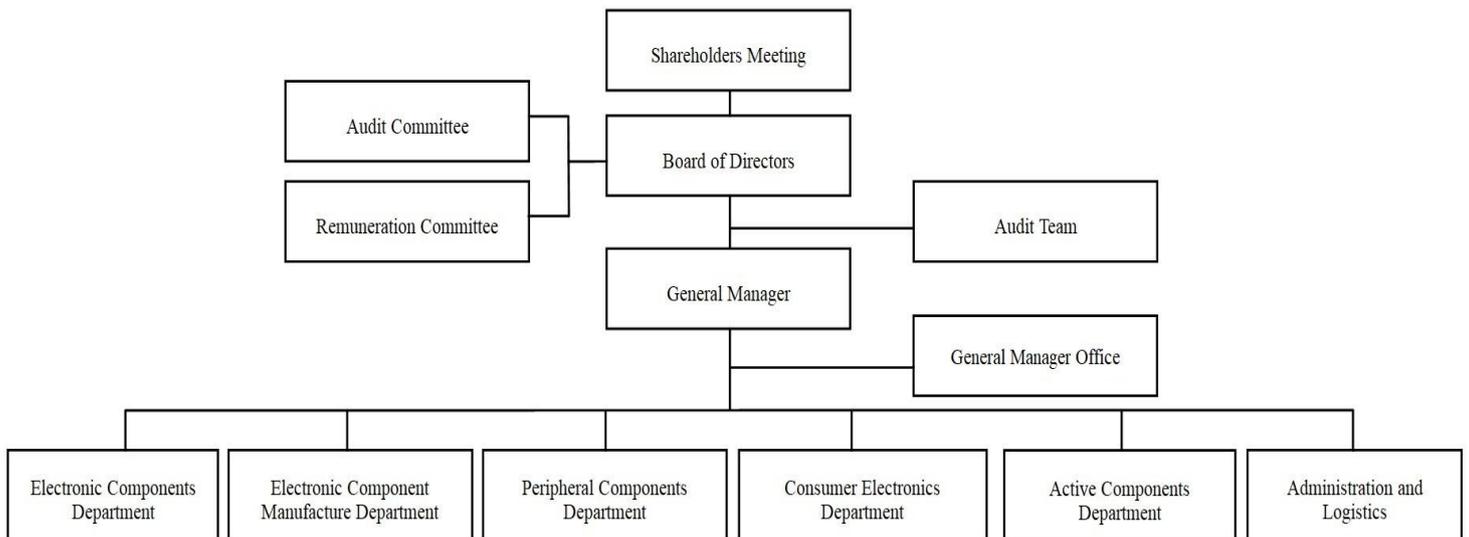
Holy Stone is one of the few diversified companies in the electronic component supply chain that covers both active and passive component channels and owns manufacturing facilities. In addition to selling the company’s own brand, we also provide a wide range of customized products marketed globally to meet comprehensive needs of customers, therefore highly trusted by our clients. The company represents several international renowned semiconductor components manufacturers simultaneously, offering customers complete solutions and a diverse range of components, helping them create new operational value. Moreover, Holy Stone has made concrete efforts in corporate governance, environmental protection and social engagement, fulfilling commitment to corporate social responsibility.

Business Philosophy: Modesty, Innovation, Shared Prosperity

Corporate Vision: Be a world-class enterprise that brings sustainable development and product differentiation

Corporate Mission: The most valuable electronic components supplier

✧ **Organizational Structure**



✧ **Department Profile**

Name	Functions
Audit Team	Internal audit regulations establishment, revision and examination Internal control regulation discussion, audit and revision. Overseas subsidiary regulations evaluation, formulation and examination.
General Manager Office	Business development, decision making, management orientation, legal and intellectual property matters and PR affairs.
Electronic Components Department	Market information collection and analysis, product marketing planning and execution; selling channels expansion and management to achieve operating goals.
Electronic Component Manufacture Department	Products development, production and manufacture.
Peripheral Components Department	Market information collection and analysis, product marketing planning and execution; selling channels expansion and management to achieve operating goals.
Consumer Components Department	Market information collection and analysis, product marketing planning and execution; selling channels expansion and management to achieve operating goals.
Active Components Department	Market information collection and analysis, product marketing planning and execution; selling channels expansion and management to achieve operating goals.
Administration Office	<ul style="list-style-type: none"> ➤ Administrative Management Department: HR planning, personnel management, welfare and general affairs management, security protection, etc. ➤ Finance & Accounting Management Department: financing formulation, funds management and deployment, credit management, accounts settlement and accounting operations. ➤ Information Technology Department: system development, configuration and maintenance of computer software and hardware, and setting and implementation of information security. ➤ Logistic Department: import and export declaration, storage and delivery management.

✧ Milestone

Year	Milestone
1981	Holy Stone was founded in Taipei, Taiwan
1984	Holy Stone pioneered pension management regulation, annual health examination, annual overseas trip and so on for employees in the trade industry
1988	Holy Stone acquired dealership of many well-known electronic component manufactures in West Germany, United States, United Kingdom, Singapore and Japan
1993	Holy Stone established the Semiconductor Business Department, contributing to the research, development and sales of multimedia-related products
1995	Holy Stone founded GSI Technology Inc. in the United States
1997	Holy Stone established a material's R&D department and invested in manufacturing
1999	Holy Stone's MLCC plant was established in Longtan (Taiwan)
2000	Holy Stone's stock was officially listed in the OTC market
2001	Holy Stone's second MLCC plant was established in Longtan (Taiwan)
2002	Holy Stone changed to list in TWSE
2004	Annual sales revenue surpassed NT\$10 billion
2005	Holy Stone bought new office in Wenhua, Taipei Holy Stone's third MLCC factory was established in Longtan (Taiwan)
2006	Holy Stone bought a new office in Shanghai, China
2007	GSI Technology Inc., the affiliate of Holy Stone, launched IPO in NASDAQ Holy Stone's Chinese operating department was headquartered in Shanghai
2009	Holy Stone's Lize plant was established
2019	Obtained the 5 th Taiwan Middlestand Award from the Industrial Development Bureau
2021	Holy Stone's fifth MLCC plant was established in Longtan (Taiwan)

❖ Business Profile

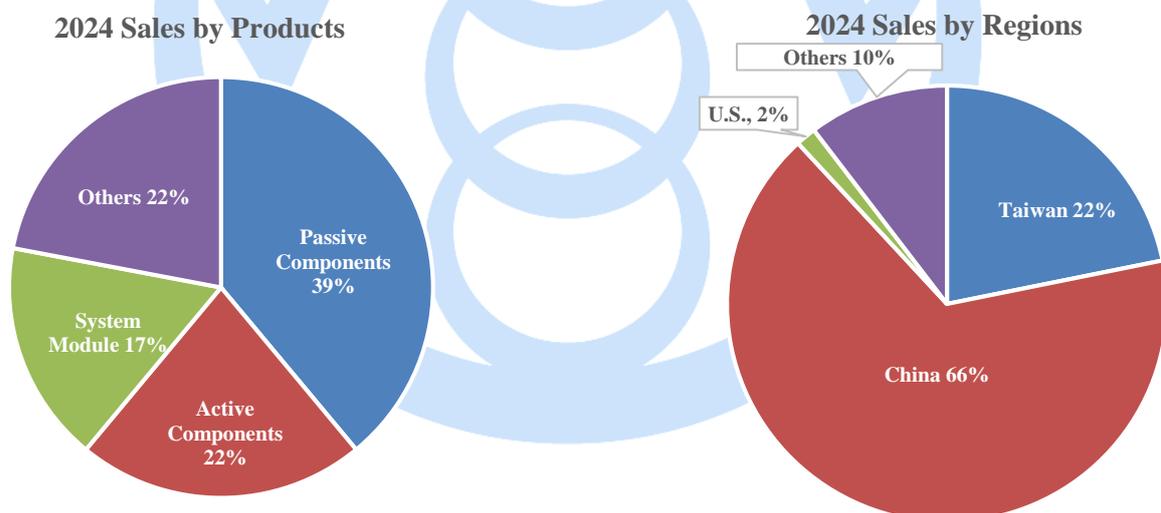
Holy Stone is both an electronic components distributor and a passive components manufacturer, we focus on producing:

Multilayer Ceramic Capacitor (MLCC): MLCC has the function of storing and stabilizing electric flow as well as coupling and decoupling. MLCC is broadly used in information system, communication, industrial control, consumer electronics, automotive and 4C electronic components. The company devotes into the exploration on new application fields based on industry trend and outlook; continuously focusing on niche products to expand into emerging markets such as 5G networks, automotive, and industrial control niche products.

Ceramic Substrates Metallization: The company has been putting efforts in the development of ceramic heat-dissipation substrates metallization since the coefficient of thermal expansion of both ceramic and metal sheet has higher stability. The primary application markets for these products are in heat dissipation for both visible and non-visible LED light sources.

❖ Sales Revenue Analysis

Operations of Holy Stone mainly locates in the Greater China region therefore, products are mostly exported to Asia. Due to product diversification and quality management, sales in the U.S. and Europe countries increased annually. (The following analysis of revenue proportion by business segment and revenue by region is calculated based on consolidated revenue.)



❖ Industrial Value Chain

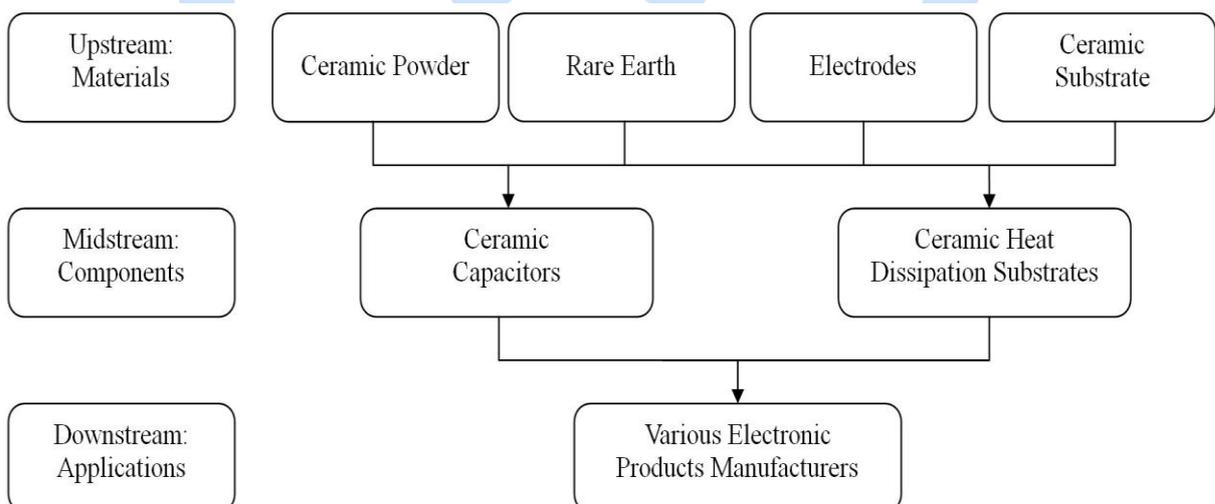
The passive components industry encompasses three major segments: upstream, midstream and downstream. Upstream segment primarily consists of material suppliers for resistors, capacitors, inductors, filters and oscillators. The midstream segment includes manufacturers of these passive components, while the downstream segment comprises suppliers of various electronic products.

Upstream: The upstream segment of the passive components industry involves supplying materials for resistors, capacitors, inductors, filters, and oscillators. Taiwan's passive components industry primarily focuses on manufacturing, with relatively limited upstream material development.

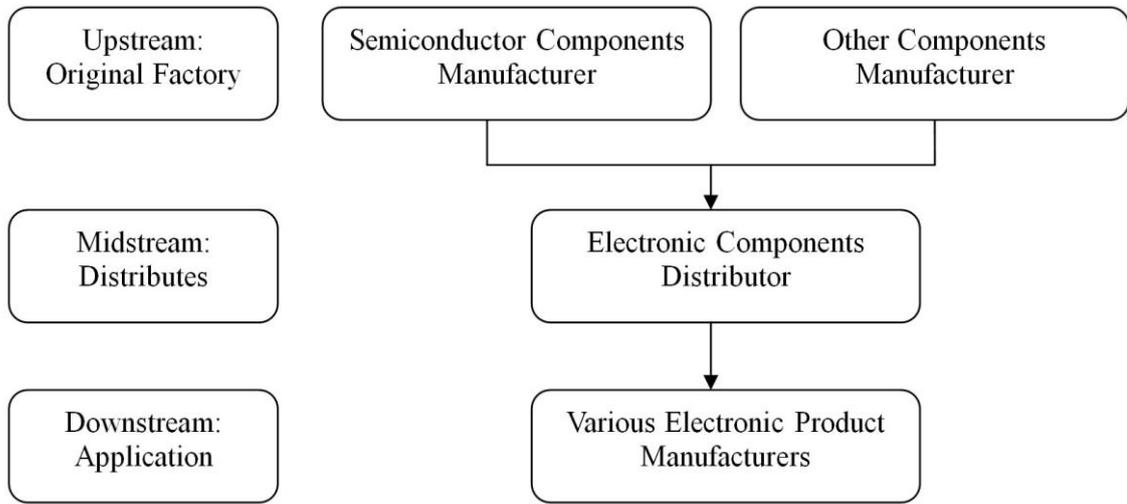
Midstream: Includes the manufacturing of resistors, capacitors, inductors, filters, and oscillators. Passive components are fundamental elements in electronic products and are widely used in PCs, mobile phones, tablets, servers, audio-visual equipment, and automobiles. Ceramic capacitors are particularly favored for their high voltage resistance, heat tolerance, wide temperature range, and low high-frequency loss, making them ideal for mass production.

Market Trends: In response to the global trend towards net-zero carbon emissions, the issue of green sustainable supply chain is receiving increasing attention. Electronic component suppliers are affected by this trend and must rethink and incorporate ESG sustainability concepts throughout the entire process—from product development and manufacturing to sales. To implement effective carbon reduction controls internally, they must also strengthen carbon management among supply chain partners to enable a collective transition toward a low-carbon model. Only by prioritizing ESG can businesses seize operational opportunities in the low-carbon era.

Passive Component (House Brand Product)



Active Component 、 System Module and Others (Agency Products)



✧ **Associations Participation**

Holy Stone actively joins various industry associations to understand domestic and international market trends. Through participation in these associations, the company is able to stay informed about the latest industry developments and future trends.

Associations	Character
Taiwan Electrical and Electronic Manufacturers' Association	Member
TECA Taipei Electrical Commercial Association	Member
IEAT Importers and Exporters Association of Taipei	Member
TECSA Taipei Electronic Components Suppliers' Association	Member
Taiwan Climate Partnership	Member

✧ Operating Result

2024 is a year progressed with hope and challenges; affected by wars, inflation, and geopolitical conflicts, overall market demand recovery is less than expected. Yet benefited from the growth of AI-driven business opportunities, its new applications have brought new hopes. Holy Stone has been actively developing related products and applications, whether in the production of passive components or the sales of agency products. Not only to grasp business opportunities, but also meet customers' needs and expectations. For further information, please refer to Market Observation Post System / Financial Report Announcement. Index Path: MOPS>Company Profile>E-Document Download>Financial Reports.

Economic value distributed to stakeholders

Unit: thousand NTD

Item		2022	2023	2024
Direct Economic Value Generated	Operating Revenue	12,360,032	9,994,043	9,691,393
Economic Value Distributed	Operating Costs	9,606,939	8,087,939	7,860,574
	Employee Salaries and Benefits	1,042,476	1,010,701	1,046,558
	Payments to Investors	868,949	829,452	912,397
	Payments to Governments	313,005	142,784	157,955
	Community Investments	0	0	0
Economic Value Retained		445,367	-76,833	-286,091

✧ Investor Relationship

Holy Stone consistently provides comprehensive, professional, and accurate corporate information to domestic and international investors. To enhance corporate transparency and foster two-way communication, we not only report the company's operational status to shareholders during the annual general meeting but also maintain an "Investor Relations" section on our website. This section is regularly updated with financial information, such as monthly revenue and financial statements, as well as public disclosures of significant announcements.

In addition, we have dedicated personnel to host institutional investor visits and participate in investors forums organized by domestic and international brokerage firms. Recognizing that shareholder investments are a vital source of company support, we place great emphasis on shareholder engagement, striving to provide transparent and timely information to ensure shareholder trust and support. We warmly welcome investors to reach out via phone or email for communication.

IR Email : IR@holystone.com.tw

1.2 Stakeholder Engagement and Major Theme Analysis

✧ Stakeholder Engagement and Communication Channel

Under the circumstance such as market change, expectation change and risk change, the concerns of our stakeholders changes accordingly. Concerns of our internal and external stakeholders are collected by the company via communications, thus, communication is one of the most direct and important way for the company to better understand our stakeholders. Concerns brought to the company are motivations and inspirations for the company to create short, mid and long-term development for our stakeholders. To identify the stakeholders of Holy Stone comprehensively, we invited representatives from various departments to propose groups that have interactions, mutually influence, and interdependent on or hold responsibility towards the company, we also drew on industrial benchmarking to ensure a thorough evaluation.

The company follows the AA1000SES Stakeholder Engagement Standard and conducts discussions based on five evaluation factors: Dependency, Responsibility, Influence, Diverse Perspectives and Tension. Ultimately, this process led to the identification of the ten main stakeholder groups. To continually strengthen communication with stakeholders, understand their expectations of the company, and meet their reasonable needs as part of our sustainable business approach, the company has established a contact email for stakeholders to share their feedback and suggestions. Please contact us via phone calls or emails.

Stakeholder	Concerned Issues	Communication Channels
Employee	Company Performance Employee Benefits Labor Relations	Holy Stone Internal Website (irregularly) Complaints Hotline and Emails (permanent) Departmental Meetings (labors/managers) (monthly/ quarterly) Email Contacts on Company's Website (permanent)
Customer	Green Products Environment Issues and Responsibility Labor Relations	Customer Satisfaction Survey (yearly) Customer Visits and Audits (irregularly) Websites, Phone Calls or Email (irregularly) Email Contacts on Company's Website (permanent)
Supplier	Conflict Mineral Disclosure Environmental Management Hazardous Substance Management	Supplier Visits and Audits (irregularly) Email Contacts on Company's Website (permanent) Websites, Phone Calls or Email (irregularly)
Shareholder	Company Performance Corporate Governance Investment Plan	Email Contacts on Company's Website (permanent) TWSE MOPS (irregularly) Annual Reports and Shareholders' Meeting (yearly) Investors' Forum and Conferences (irregularly)
Government	Corporate Governance Environment Issues and Responsibilities Labor Relations	Email Contacts on Company's Website (permanent) Seminars, Workshop and Forum Participation (irregularly) Government Documents, Phone-Calls and Emails (irregularly)
Community	Social Involvement Corporate Social Responsibility	Email Contacts on Company's Website (permanent) Community Event Engagement (irregularly)
Customer	Green Product Environment Issues and Responsibilities	Email Contacts on Company's Website (permanent) Websites, Phone Calls or Email (irregularly)
Media	Company Performance Corporate Social Responsibility	Email Contacts on Company's Website (permanent) Publish Press Release (irregularly) Email Contacts on Company's Website (permanent)
Directors	Company Performance Corporate Governance	Periodical Board Meetings (regularly/ irregularly) Email Contacts on Company's Website (permanent)
NGO	Environment Issues and Responsibilities Social Involvement	Email Contacts on Company's Website (permanent) External Seminars and Workshops Participation (irregularly) Company Email (irregularly) Holy Stone Foundation (irregularly)

✧ Major Theme Analysis

Corporate sustainability is one of the key objectives pursued by Holy Stone and a driving force for the company's growth. We firmly believe that in-depth communication and engagement with stakeholders contribute to sustainable development. Therefore, we actively listen to the opinions of stakeholders; including employees, clients, suppliers, and shareholders, while closely monitoring current social and environmental issues. To identify critical sustainability topics, we follow the Global Reporting Initiative (GRI) materiality assessment process and integrate the AA1000SES Stakeholder Engagement Standard to establish a systematic approach. This process includes stakeholder surveys and evaluations by internal department heads. Through this approach, we identify topics that significantly impact both the company and its stakeholders.

Evaluation Process

Step 1: Material Issues Collections

Based on the GRI standards, the United Nations Sustainable Development Goals (SDGs), internal development objectives, and industry-specific issues, we identify potential internal and external factors that may impact the company's sustainable operations. We then consider the topics of concern to stakeholders and the impact and benefits to the company. Finally, we selected 21 sustainability issues.

Step 2: Stakeholder Concern Analysis

The corporate sustainability promotion team (CSR promotion team) of the company developed a survey based on the 21 sustainability issues, transforming them into major topic areas of concern. We then distributed the survey to the identified stakeholders, asking them to rate the level of concern for each of the 21 sustainability topics. This process helps identify the most important sustainability issues for each stakeholder group.

Step 3: Sustainability Issue Impact Analysis

Corporate Sustainability Committee analyzed the potential positive, negative, actual, and potential impacts of each issue on the environment, economy, and people (including human rights). Internal senior managers first reviewed and understood the impact analyses, then assessed the "degree of impact" and "probability of occurrence" for each issue's positive and negative impacts and assigned ratings. Each major issue's score is the sum of the positive and negative impact scores, which are calculated by multiplying the "degree of impact" by the "probability of occurrence."

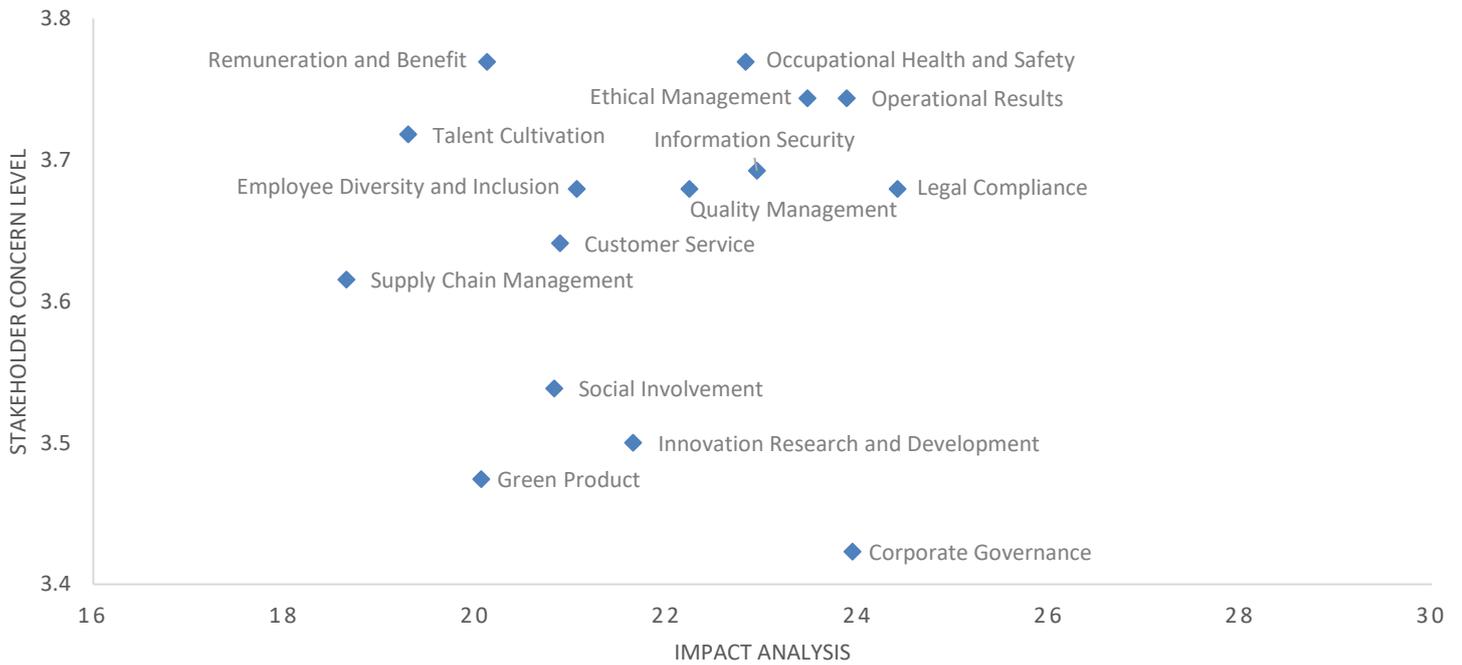
Step 4: Confirming Material Issues

By combining the results of external stakeholder concern levels and internal management impact analysis, we created a positive and negative impact matrix. The X-axis represents the internal operational impact (the product of the scale, scope, impact degree, and probability of occurrence of each issue), while the Y-axis represents the external stakeholder concern level (using weighted stakeholder survey results and stakeholder concern level for the topic), then categorized the issues by score size and created a materiality matrix. After discussion with expert consultants, we identified the top 20% of topics based on their PR value as the major topics for the year.

Step 5: Disclosure and Response

Based on the above identification and analysis, the top 3 positive and top 3 negative sustainability topics are selected as the major issues for the year. Holy Stone will disclose management policies, annual results, and other specific actions for each issue to address the needs and expectations of all stakeholders.

POSITIVE IMPACT MATRIX ANALYSIS CHART



NEGATIVE IMPACT MATRIX ANALYSIS CHART



Response to Major Issues

Major Issue	Meanings to Holy Stone	Impact Boundaries			Impact Influence (P)Positive (N)Negative	Corresponding GRI Standard
		Upstream	Holy Stone	Downstream		
Legal Compliance	Strict compliance with laws and regulation is not only a basic requirement to avoid penalties but also a vital foundation for maintaining corporate reputation and social trust. Operating in adherence to regulations helps business establish a positive image in the international market.		●		(P) By adhering to regulations, companies can reduce legal risks and compliance costs, protecting itself from fines and litigation, enhance market and social reputation and build trust with customers and partners, thereby supporting sustainable operations.	Customize Major Issue
Operational Result	Operational performance is a core indicator for measuring a company's financial health and competitiveness. Stable and outstanding operational performance not only ensure the company's market competitiveness and sustainable development capabilities but also enables greater commitment to its social and environmental responsibilities.		●		(P) Sound operational performance enable the business to navigate economic fluctuations, strengthen resilience for long-term development and effectively meet stakeholders' expectations regarding economic performance.	201 Operational Result
Ethical Management	By establishing and adhering to codes of professional ethics and internal control systems, while strictly prohibiting bribery, corruption, and unfair competition, the company can enhance stakeholder trust and maintain positive interactions and cooperative relationships.	○	●	○	Through rigorous internal regulations and control systems, the company earns trust and support from stakeholders while reducing legal risks. A culture of integrity enables the company to develop steadily and achieve the goal of sustainable operation.	205 Anti-Corruption
Talent Cultivation	Talent is foundation of innovation and sustainable development for a company. Providing continuous education and career development opportunities ensures that employees' professional skills and innovative abilities stay up-to-date. The ongoing development of talent helps companies maintain a competitiveness edge and drive the achievement of long-term goals.		●		(N) Failing to nurture talent effectively can lead to insufficient employee skills, diminished innovation capacity and high turnover rates, reducing the company's competitiveness and long-term development potential ultimately, struggling to adapt to market changes.	404 Training and Education
Quality Management	Quality management is the cornerstone of a company's products and services. Rigorous quality management not only ensures that products meet market demands and regulatory standards but also enhances customer trust and loyalty.		●	○	(N) Poor quality management can result in product defects and customer loss, damaging the company's reputation, increasing return and repair costs and significantly impacting profitability and operations.	Customize Major Issue
Information Security	The information security management covers internal information usage policies, management systems, and procedural safeguards. As digital technologies continue to evolve rapidly, information security has become an increasingly important issue. Inadequate management may not only result in fines but could also jeopardize the rights and interests of the stakeholders.	○	●		(N) If a company fails to manage information security, it may lead to the leakage of sensitive data or cyberattacks. Such incidents can result in financial losses, operational disruptions, and legal liabilities, ultimately compromising stakeholder interests and causing harm to the company's operations and long-term development.	418 Customer Privacy

Major Issue Management

Major Issue	Policy and Commitment	Objectives	2024 Performance	Action Plans
Legal Compliance	Holy Stone is committed to strictly complying with relevant domestic and international laws and regulations, ensuring that all business operations comply with legal requirements. The company also strengthens compliance management to mitigate legal risks continuously.	Avoid any regulatory violations, reduce legal risks and maintain a good market reputation.	In 2024, there were no major violations in the areas of economy, environment, or society (including human rights) that resulted in penalties from the competent authorities. Additionally, no significant incidents of corruption or unethical conduct occurred. There are two environmental violations occurred, both of which were not considered major. Corrective actions are being implemented accordingly.	<ul style="list-style-type: none"> ● Regulation Collection and Updates: employees gather regulatory changes through various channels, such as competent authorities, official websites, external consultants and media information. Based on this data, they promptly revise internal procedures to ensure compliance with the latest regulatory requirements. ● Impact Assessment and Revision: when regulations change, the company evaluates their impact on business operations and revises internal control system, corporate by laws and related policies as needed. ● Education and Training Campaigns: the company regularly conducts internal and external training session for employees, covering topics such as labor laws, occupational safety and health, tax regulations, corporate governance and ethical business practices to ensure all employees are familiar with and comply with relevant regulations. Additionally, the company conducts targeted regulatory awareness campaigns to strengthen employees' compliance mindset. ● Internal and External Audits: to ensure regulatory compliance, the company regularly conducts internal and external audit activities to verify whether operational processes meet regulatory requirements. Necessary adjustments and improvements are made based on audit findings.
Operational Result	Holy Stone adheres to the business philosophy of Modesty, Innovation and Shared Prosperity, continually advance its strategy of Deepening Manufacturing and Strengthening Agency. For self-manufactured products, the company focuses on developing niche products for emerging markets such as automotive, AI and network communication. On the agency side, the company targets the communication, automotive and consumer electronics markets, enhancing product competitiveness and ensuring stable supply.	Through innovation and sound management, we continuously enhance market competitiveness, ensuring the company's long-term stable growth in emerging application fields and agency markets.	In 2024, Holy Stone's revenue was approximately NT\$9.691 billion, with a gross profit of NT\$1.677 billion (17% of revenue), operating net profit of NT\$784 million (8% of revenue), and net profit after tax of NT\$973 million (10% of revenue). The earnings per share for the entire year were NT\$5.87.	<ul style="list-style-type: none"> ● In response to the evolving demands of emerging markets and product applications, continue investing in the development of MLCC materials, enhance high-end power production capabilities, establish proprietary material systems and focus on developing niche products such as those resistant to high temperature and pressure, in conjunction with improvements in process capabilities. ● Expanding the production and sales of niche products is the most important development strategy of Holy Stone. To capture opportunities in emerging markets such as AI and automotive applications, the company will continue to invest in material and technology R&D, enhance manufacturing equipment capabilities, and fully develop tailored products to expand sales in niche markets.
Ethical Management	Holy Stone has established an ethical management policy rooted in the principles of ethical conduct, ensuring that all business activities are conducted fairly and transparently. Beyond legal compliance, the	Ensure the highest standards of integrity are upheld in all business interactions.	In 2024, ethical management training was conducted for a total of 752 participants, resulting in a cumulative 376 training hours.	<ul style="list-style-type: none"> ● Ethical-related training and awareness campaigns are held regularly each year for both new hires and existing employees (training courses including Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Procedures for Handling Material Inside Information, Code of Ethical Conduct, Internal Control System, and Case Studies

Major Issue	Policy and Commitment	Objectives	2024 Performance	Action Plans
	company also strengthens preventive measures against unethical behavior.			<p>on Violations of Integrity Management and Relevant Regulations, etc.)</p> <ul style="list-style-type: none"> ● The implementation of ethical management is reviewed regularly and reported to senior management and the Board of Directors.
Talent Cultivation	Holy Stone is dedicated to establishing a comprehensive talent development system, providing employees with continuous learning and growth opportunities to ensure their skills evolve in alignment with the company's needs.	Create a continuously growing learning environment. Through a series of course plans and goal setting, enhance the competitiveness of all employees.	In 2024, the average training hours per employee reached 35 hours.	<ul style="list-style-type: none"> ● New Employees: all new hires undergo comprehensive pre-employment training, covering company culture, systems, certification processes and occupational safety education. Additionally, one-on-one guidance is provided during the critical first 90 days. ● Current Employees: Management and professional training are conducted based on company needs and regulatory requirements, covering topics such as economic outlooks, integrity management, internal auditing and environmental protection. Employee professional achievements and learning outcomes are showcased as appropriate to ensure continuous talent development.
Quality Management	Holy Stone is committed to deliver high-quality products and services by implementing a rigorous quality management system and continuous improvement to ensure products meet customer needs and maintain market competitiveness.	Ensure stable product quality, meet customer needs and continuously enhance market competitiveness.	2024 Quality Goal: MLCC customer complaint cases ≤ 3 per quarter, with a 100% achievement rate.	Through the PDCA cycle, we continue the program of Plan, Do, Check and Act to achieve quality improvement. In the planning phase, we set quality objectives and standards. In the implementing phase, we strictly follow the plan in operations. In the checking phase, we inspect and address any issues. In the acting phase, we implement improvement measures. The cycle repeats to ensure ongoing quality enhancement.
Information Security	Holy Stone is committed to safeguarding sensitive information related to both the organization and its clients. By enhancing information system security management, we proactively prevent unauthorized access and potential cyber threats, thereby ensuring data integrity and security.	Ensure the stability and security of information systems by preventing unauthorized access and cyberattacks, thereby protecting customer data privacy.	The company obtained ISO 27001 certification in 2023, and successfully passed the renewal validation check in 2024. Throughout the year, no major information security incidents occurred, nor were there any breaches of customer privacy.	<ul style="list-style-type: none"> ● Conduct regular information security audits and risk assessments. ● Information Security Committee: Responsible for formulating and overseeing the information security management system, and report its effectiveness to the Board of Directors annually. ● Information Security Policy: All employees must adhere to the company's information security policy to ensure the confidentiality, integrity, and availability of information assets. ● Specific Management Measures: Established Next-Generation Firewall, Smart Antivirus Software, Backup and Offsite Disaster Recovery, Factory Production Line Cybersecurity and VPN Two-Factor Authentication, etc. ● Information Security Training: Conduct comprehensive cybersecurity training to strengthen employees' ability responding to phishing attacks and ensuring overall security awareness and protection capabilities.

1.3 Board of Director Governance

Board of Directors of Holy Stone, as the highest governing body of the company, holds regular meetings to determine the company's operational strategies and ensure financial stability. It oversees business performance and ensures the company operates in accordance with its Articles of Association, complying with relevant laws and regulations.

Directors shall act in accordance with the resolutions adopted by the board of directors and shareholders. The power of the board of directors is as follows:

1. Develop deliberate business strategies and mid-to-long term development plan
2. Approve budget and financial execution
3. Distribute earnings
4. Execution of resolutions passed by the shareholders' meeting
5. Review of matters submitted by the general manager for approval
6. Convening of the shareholders' meeting and business reports
7. Other business that must be handled in accordance with laws and regulations

The current board of directors of Holy Stone consists of 9 seats (including independent directors), with 4 independent directors, taking up 44.44% of the members of the board and 3 employee directors, taking up 33.33% of the members of the board, one female director accounted as 11.11% of the board, with an average age of 64. Directors all owned Taiwan nationality; two of them live in the United States from time to time, providing multicultural background to the board of directors. Directors have academic backgrounds including domestic and international bachelor's, master's, and doctoral degrees; majoring in electrical machinery, physics, management, business management and accounting. Also professional working experiences in marketing, finance, accounting, technology industry and other relevant fields.

The board of directors serves as the decision-making body for the company's major operational decisions. To ensure efficient meeting operations, Holy Stone has established the Rules of Procedures for Board Meeting, clearly defining meeting procedures, frequency and the responsibilities of the board of directors.

Committed to fulfill corporate social responsibility and advancing economic, environmental and social progress to achieve sustainable development, Holy Stone has formulated Sustainable Development Best Practice Principle. These guidelines direct the company in implementing corporate governance, developing a sustainable environment, safeguarding social welfare and enhancing the disclosure of information on corporate sustainability.

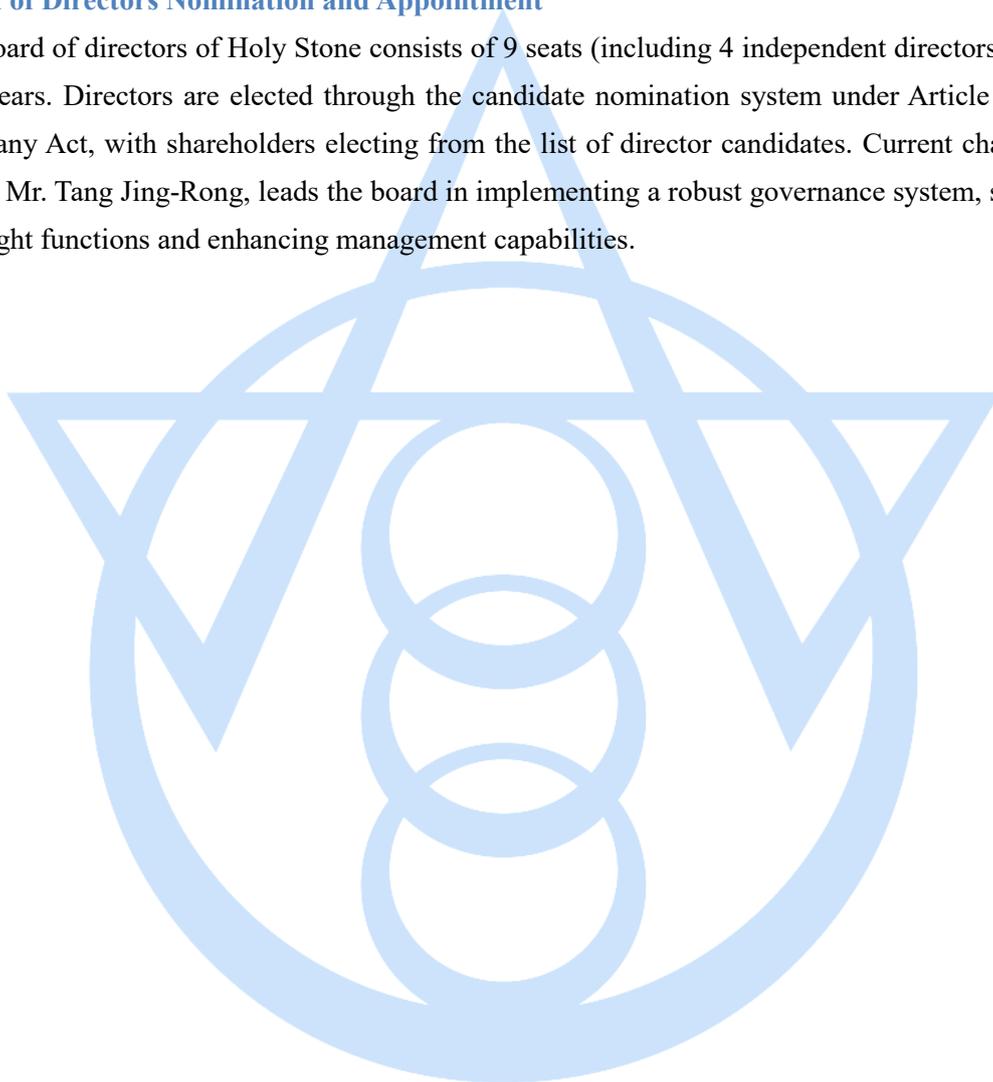
Additionally, to establish an effective corporate governance framework, the board of directors has adopted the Corporate Governance Best Practice Principle, providing guidance on protecting shareholder rights, strengthening board functioning, respecting stakeholder rights and improving information transparency.

To foster a culture of integrity and ensure sound development, the board has also implemented the Ethical Corporate Management Best Practice Principle and Procedures for Ethical and Guidelines for Conduct. Furthermore, the General Manager Office has been designated as the dedicated unit for promoting ethical corporate management.

The board of directors of Holy Stone will continue to uphold high standards of governance principles, striving to enhance the quality of corporate governance and fulfill its commitment to sustainable development.

✧ **Board of Directors Nomination and Appointment**

The board of directors of Holy Stone consists of 9 seats (including 4 independent directors) with a term of 3 years. Directors are elected through the candidate nomination system under Article 192-1 of the Company Act, with shareholders electing from the list of director candidates. Current chairman of the board, Mr. Tang Jing-Rong, leads the board in implementing a robust governance system, strengthening oversight functions and enhancing management capabilities.



◇ Diversification of Board of Directors

Title	Name	Sex	Age	Experience	Terms (year)	Diversity in Board Backgrounds and Core Competencies							
						Operational Judgement	Financial and Accounting Academics	Operational Management	Risk Management	Industry Knowledge	Global Market View	Leadership	Decision Making
Chairman	Jing-Rong Tang	M	61 ~ 70	1. Chairman & General Manager, Holy Stone Enterprise Co., Ltd. 2. Legal Representative Chairman and General Manager, eGalax_eMPIA Technology Inc. 3. Chairman, Holy Stone Healthcare Co., Ltd.	3	V		V	V	V	V	V	V
Director	Fang- Ming Lo	M	61 ~ 70	1. Director, Corporate Representative Director, and Executive Vice President, Holy Stone Enterprise Co., Ltd.	3	V		V	V	V	V	V	V
Director	Shi-Yun Shen	M	71 ~ 80	1. Director & Executive Vice General Manager, Holy Stone Enterprise Co., Ltd. 2. Representative of institutional shareholder, Chairman & President, Infortech (China) Co., Ltd. 3. Representative of institutional shareholder, Chairman & President, Holy Stone International Trading (Shanghai)	3	V		V	V	V	V	V	V
Director	Shao-Kuo Huang	M	61 ~ 70	1. Director, Vice General Manager, Holy Stone Enterprise Co., Ltd. 2. Representative of institutional shareholder, Infortech (China) Co., Ltd. 3. Independent Director, Highpoint Service Network Co.	3	V		V	V	V	V	V	V
Director	Tang- Ming Wu	M	61 ~ 70	1. Supervisor, Director, Holy Stone Enterprise Co., Ltd. 2. Director, Honesty CPA Firm	3	V	V	V	V			V	V
Independent Director	Ken-Yi Cheng	M	61 ~ 70	1. Assistant Manager, Taiwan International Securities Corporation. 2. Vice General Manager, Hyield Venture Capital Co., Ltd 3. Independent Director, Holy Stone Enterprise Co., Ltd. 4. Director, Grand Fortune Securities Co., Ltd.	3	V	V	V	V	V		V	V

				<p>5. Director, Solytech Enterprise Co., Ltd.</p> <p>6. Director, Leader Electronics Inc.</p> <p>7. Independent Director, Prolific Technology Inc.</p> <p>8. Director Representative, Grand Fortune Venture Capital Corporation.</p> <p>9. Director Representative, GFS Venture Capital Consultant Co., Ltd.</p>										
Independent Director	Chu-Yang Chien	M	71 ~ 80	<p>1. Associate Professor, Head of Accounting Department, Chung Yuan Christian University</p> <p>2. Associate Professor, Department Chair and Adjunct Associate Professor of the Accounting Department, National Yunlin University of Science and Technology</p> <p>3. Director, Independent Director, Remuneration Committee Member, Holy Stone Enterprise Co., Ltd.</p> <p>4. Remuneration Committee Member, eGalax_eMPIA Technology Inc.</p>	3	V	V	V	V					
Independent Director	Jen-Wei Ko	M	41 ~ 50	<p>1. Independent Director, Holy Stone Enterprise Co., Ltd.</p> <p>2. Chairman, Co-Founder and Financial Manager, Cheetahasia Inc.</p> <p>3. CPA, Weyoung International CPAs & Co.</p> <p>4. Independent Director, Wiltrom Co., Ltd.</p>	3	V	V	V	V	V	V	V	V	V
Independent Director	Jui-Chu Li	F	51 ~ 60	<p>1. Independent Director, Holy Stone Enterprise Co., Ltd.</p> <p>2. Senior Vice General Manager, Industrial Technology Investment Corporation</p> <p>3. Director, Hua Hsu Silicon Materials Co., Ltd.</p> <p>4. Independent Director, iSentek Inc.</p> <p>5. Independent Director, Kemflo International, Co., Ltd.</p>	3	V		V	V	V	V	V	V	V

✧ Board Attendance

In 2024, the board of directors held a total of 6 meetings, with an average attendance rate of 92.59%.

✧ Training Hours for Board Members

The board of directors of Holy Stone arranges annual training programs to ensure continuous professional development for its members, enhancing their ability to assess industry changes and acquire the latest industrial knowledge. Through ongoing education and training, the company not only strengthens corporate governance but also continuously optimizes the board's functions, supporting the goal of sustainable corporate operations.

Title	Name	Name of the Training Courses	Hours
Chairman	Jing-Rong Tang	Security Regulations and Corporate Governance	3
Director	Fang-Ming Lo	Security Regulations and Corporate Governance	3
Director	Shih-Yun Shen	Security Regulations and Corporate Governance	3
Director	Shao-Kuo Huang	Security Regulations and Corporate Governance	3
Director	Tang-Ming Wu	Security Regulations and Corporate Governance	3
Independent Director	Ken-Yi Cheng	The Competitive Edge: Challenges and Business Perspectives for Taiwanese Enterprises	3
		Operating practice of Corporate Governance and Independent Director	3
Independent Director	Chu-Yang Chien	Security Regulations and Corporate Governance	3
		Promoting Sustainable Development through Risk Management	3
Independent Director	Jen-Wei Ko	Auditing Operational Systems: Focus Areas and Cross-Cycle and Process Integration	6
Independent Director	Jui-Chu Li	2024 Briefing Session on Legal Compliance for Insider Equity Transactions	3
		Innovative Thinking for Business Growth in the Age of AI	3
Total			39

✧ Board of Directors Performance Evaluation

To enhance the functionality of Holy Stone's board of directors, the board regularly reviews performance indicator criteria in accordance with the Board of Directors Performance Evaluation Method and conducts annual evaluations of the performance of the board and functional committees based on these indicators, aims to improve the operational efficiency of the board.

The evaluation results of various performance indicators for the board of directors in 2024 were mostly strongly agree. The overall operations of the board, board members, remuneration committee and audit committee were effective, meeting corporate governance requirements and enhance the board's function while safeguarding shareholder rights effectively.

✧ Board of Directors Remuneration Policy

The remuneration for directors of Holy Stone includes transportation allowance and director compensation from profit distribution. Director compensation is allocated in accordance with Article 19

of Holy Stone's Articles of Association, stipulating that when the company has distributable surplus in its financial accounts, no more than 3% of the distributable surplus may be set aside as director compensation.

Director compensation is determined based on the level of directors' participation in operations, their contributions and the alignment of performance-related risks with fairness and remuneration. It also takes into account the results of board performance evaluations, the company's operating performance and appropriate industry standards. The proposed compensation is reviewed by the company's Remuneration Committee and submitted to the board of directors for resolution and approval.



✧ **Conflict of Interest**

To avoid conflicts of interests, the company has clearly stipulated in the Corporate Governance Best Practice Principle and Rules of Procedures for Board Meeting that directors should uphold a high standard of self-discipline. For any agenda item in which a director or their represented entity has a vested interest, the director must disclose the key details of the interest at the board meeting. If such an interest may harm the company's interest, the director shall refrain from participating in the discussion and voting on the matter, and must avoid involvement in the decision-making process. Additionally, directors may not proxy their voting rights to other directors. All directors of Holy Stone strictly adhere to these self-discipline principles and implement the conflict of interest avoidance regulations.

✧ **Communication and Responses to Major Issues**

Holy Stone understands that information transparency is the foundation of effective corporate governance. Therefore, in addition to disclose financial information and business status on MOPS (Market Observation Post System) legally, we also have an external website that provides real-time updates on financial, business and corporate sustainability-related information.

To facilitate access to information for both domestic and international shareholders and stakeholders, the company proactively provides bilingual information in the annual report, meeting agenda, on MOPS and the company's external website. In addition, we have dedicated spokespersons and personnel who communicate effectively with shareholders and other stakeholders in a timely manner, gathering their suggestion and feedback to present to the board of directors and management as business references. When handling and disclosing significant internal information, the company follows relevant laws, regulations and the rules of Taiwan Stock Exchange, adhering to internal procedures for handling material information.

In 2024, Holy Stone published significant information 23 times on the MOPS website as required.

Through the above measures, Holy Stone ensures that shareholders and stakeholders can access the latest company information in a timely manner, strengthening trust and collaboration among stakeholders and achieving transparency and effectiveness in corporate governance.

✧ **Audit Committee**

The company established Audit Committee on 2021.07.21, with 4 members. In accordance with regulatory requirements, the committee is composed entirely of independent directors and meets at least once each quarter, with additional meetings convened as needed.

The key annual tasks of the Holy Stone Audit Committee include overseeing consolidated and individual/parent company financial statements of the company, the selection (or dismissal) of auditors, ensuring the independence and performance of auditors, the effective implementation of internal controls, ensuring compliance with relevant laws and regulations and managing the company's existing and

potential risks. In addition to submitting audit reports to the independent directors for review each month, the internal audit department also reports significant findings regarding internal control management to the Audit Committee and the board of directors during their meetings. Independent directors meet at least once per quarter with the head of internal audit department to discuss important findings related to the company's internal control management and hold at least two meetings annually with CPA to discuss governance matters related to the company's consolidated financial reports (including individual financial reports for the year).

In 2024, the Audit Committee held 5 meetings, with 95% attendance from all members.



✧ **Remuneration Committee**

The company established the Remuneration Committee on 2011.12.14, consisting of 3 members, all of whom are independent directors. The Remuneration committee operates with a professional and objective stance to evaluate the company's remuneration policies and systems for directors and managers. It provides recommendations to the board of directors as a reference for decision-making.

Main Responsibilities for Remuneration Committee are:

1. Regularly review and propose amendments to the Charter of Remuneration Committee. For details regarding the Charter of Remuneration Committee please refer to the company's website.
2. Establish and periodically review the performance evaluation criteria, annual and long-term performance objectives, and policies, systems, standards, and structures for the remuneration of the company's directors and managers. These should align with the performance evaluation criteria disclosed in the annual report.
3. Regularly assess the achievement of performance objectives by the company's directors and managers. Based on the results of the performance evaluations, determine the content and amounts of their individual remuneration.

In 2024, the Remuneration Committee held 2 meetings, with a 100% attendance rate from all members.

✧ **Corporate Sustainability Committee**

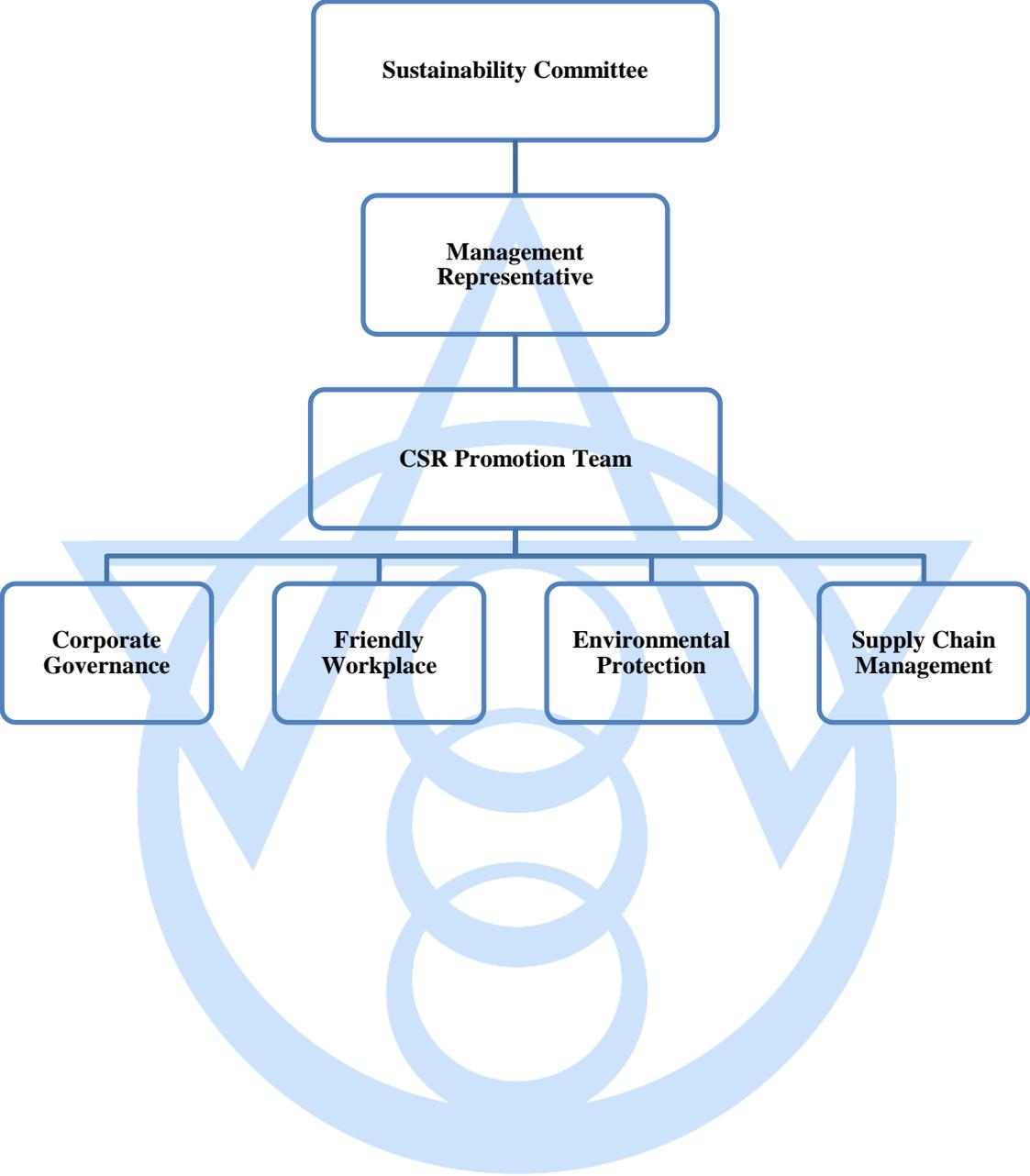
Holy Stone has established a Corporate Sustainability Committee to promote sustainability-related affairs. This committee operates outside the board of director's structure, with mid-to senior-level executives designated by management to serve as management representatives responsible for driving related initiatives. Since 2020, the General Manager has chaired the Corporate Sustainability Committee, with the General Manager Office head serving as the management representative to oversee committee affairs.

The committee includes a Corporate Sustainability Task Force, divided into four groups: Corporate Governance, Friendly Workplace, Environmental Protection, and Supply Chain Management. Each group sets annual goals based on the company's corporate sustainability policy and implements them accordingly, with progress regularly reported to the management representative.

The management representative is responsible for setting sustainability goals, monitoring annual implementation outcomes, and reporting to the committee chair and the board of directors. This ensures the board can guide sustainability policies and strategies and periodically review their implementation.

The 2024 sustainability implementation outcomes, reviews, and objectives for the following year were reported to the board of directors by the management representative on 2025.02.27.

Corporate Sustainability Committee Chart



1.4 Ethical Management

Holy Stone firmly believes that, the importance of ethical management and actively promotes or implements the highest principles of corporate governance. The company is committed to ensuring the transparency of corporate governance, serving as a key foundation for the long-term development of Holy Stone.

✧ **Foundation and Principles of Ethical Business Practices**

Holy Stone upholds the principle of ethical business practices by formulating and implementing the Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct. These policies provide clear behavioral standards and ethical guidelines for all employees, board members, and management level, encompassing the prohibition of bribery, acceptance of bribes, unlawful political contributions, inappropriate charitable donations or sponsorships, and the elimination of unreasonable gifts, hospitality, or other improper benefits. These measures aim to prevent conflicts of interest, safeguard trade secrets, ensure fair trade, and comply with laws and regulations.

To ensure the comprehensive implementation of these guidelines, Holy Stone uses various channels for transparent information disclosure, including publishing relevant information on the official website, company annual reports, prospectuses, and the Market Observation Post Service (MOPS) platform. Allows all stakeholders to clearly understand the company's ethical business policies and their implementation status.

✧ **Unethical Behavior Prevention Measures**

Holy Stone has implemented a series of concrete measures to prevent unethical behaviors including:

➤ **Establishment of Work Rules:**

The company's Work Rules establish relevant regulations and responsibilities for violations, clearly defines the behavioral standards for employees in their duties and prohibited the use of their position for personal or others' gain.

➤ **Performance Evaluation and Human Resources Policies:**

Incorporating ethical business practices into employee performance evaluations and human resources policies to ensure that every employee understands and adheres to the relevant regulations.

➤ **Integrity Commitment:**

Annual anti-corruption awareness campaigns are conducted, and during the onboarding process for all new employees, the HR department explains the company's sustainability policies and the relevant content of the Work Rules.

➤ **Contract Terms:**

When signing contracts with suppliers or customers, integrity commitment clauses are included to ensure that all business transactions adhere to ethical business standards.

✧ Educational Training and Internal Control System

To enhance employees' awareness of integrity, Holy Stone regularly organizes educational training to promote the relevant policies and regulations of ethical business practices. These training sessions are not only for new employees but also cover all board members, managers, and other staff to ensure that everyone understands and adheres to the company's Ethical Corporate Management Best Practice Principles.

In addition, Holy Stone has established a comprehensive and effective internal control system, including the Accounting System, Internal Control System and internal management procedures, to strictly control business activities with higher potential risks of unethical behavior. The company ensures the effective operation of these systems through regular internal and external audits, accountant reviews, risk assessments, and revises relevant procedures as needed.

Anti-Corruption Related Training:

Item / Year	2023	2024
Number of employees trained on anti-corruption (ethical business practices) policies.	565	752
Hours	283	376

✧ Whistleblowing Mechanism and Confidentiality Measures

To ensure that employees and external stakeholders can report dishonest behavior in a timely manner, the company has established multiple channels for reporting, including department meetings, email, and internal platforms. Employees can report issues to independent directors, managers, internal audit supervisors, or other appropriate authorities. The company is committed to maintain strict confidentiality regarding the identity of whistleblowers and the content of the reports, ensuring that whistleblowers will not face retaliation. Additionally, external stakeholders can also report issues through the company's website's whistleblower mailbox.

The Operation of Company's Whistleblowing System

- Employee Suggestion Box
- Electronic Complaint Mailbox, Telephone:

	Contact Window	Contact Hotline	Email Address
Headquarters	HR Angela Lin	8222#223	angelalin@holystone.com.tw
Production Business Unit	HR Betty Hsin	8301#162	bettyhsin@holystone.com.tw

- External Stakeholders' Whistleblowing mail: CSR@holystone.com.tw

✧ Ethical Corporate Governance Promotion and Management

The board of directors of Holy Stone has authorized General Manager Office as the dedicated unit responsible for promoting ethical business practices. General Manager Office regularly reviews the implementation of ethical business practices and reports to senior management and the board of directors. The status of ethical business promotion in 2024 was presented to the board of directors on 2025.02.27.

1.5 Legal Compliance

Holy Stone closely monitors, tracks and evaluated any legal changes that may affect the company's operations. The company has established a comprehensive regulatory compliance mechanism and internal control system to ensure that all business activities comply with relevant legal requirements, thereby fostering strong sustainability and operational capability.

✦ Regulatory Identification

Regulation Name	Mechanism for Reviewing and Revising Regulations	Implementation Results
Labor, Occupational Safety and Health, Labor Rights, Environmental Protection, etc.	Special personnel collect regulatory changes information through various channels (authorities, official websites, external consultants, media) and revise accordingly after assessing impact and execution plans based on regulations from authorities, ISO standards and relevant regulations are promptly revised following impact assessments and implementation planning. Training or awareness sessions are conducted when necessary.	<ol style="list-style-type: none"> 1. Maintain the effectiveness of existing ISO certification systems and RBA systems. 2. Conduct internal and external audits of various certification systems. 3. Adjust relevant operational processes and procedures based on practical operations and audit recommendations. 4. Carry out promotional activities. 5. Holy Stone parent company has followed ISO 14064-1:2018 GHG Quantification and Verification Standard certification, obtained 2024 Greenhouse Gas Verification Report Opinion, ahead of the regulatory deadline (2027) set by the authorities. 6. Planning for ISO 14067:2018 Product Carbon Footprint Standard Certification, expected to be obtained the verification statement in 2025.
Commercial Accounting Law, International Financial Reporting Standards, Income Tax Law and related tax laws, Guidelines for the Establishment of Internal Control Systems for Public Companies, Procedures for the Acquisition or Disposal of Assets by Public Companies, Guidelines for the Handling of Fund Loans and Endorsements or Guarantees by Public Companies, etc.	Dedicated personnel collect information on regulatory changes through various channels (regulatory authorities, official websites, external consultants, media sources) and revise relevant internal procedures as needed. In addition, regular internal and external training sessions are conducted.	<ol style="list-style-type: none"> 1. Revise the Internal Control System in response to regulations and practical operations. 2. Finance and accounting department conducts internal and external professional training sessions.
Company Act, Fair Trade Act, Business Secrets Act and related intellectual property laws.	Dedicated personnel collect regulatory changes through various channels (supervisory authorities,	<ol style="list-style-type: none"> 1. Revise various management procedures in response to laws and practical operations. 2. Conduct internal training on fair

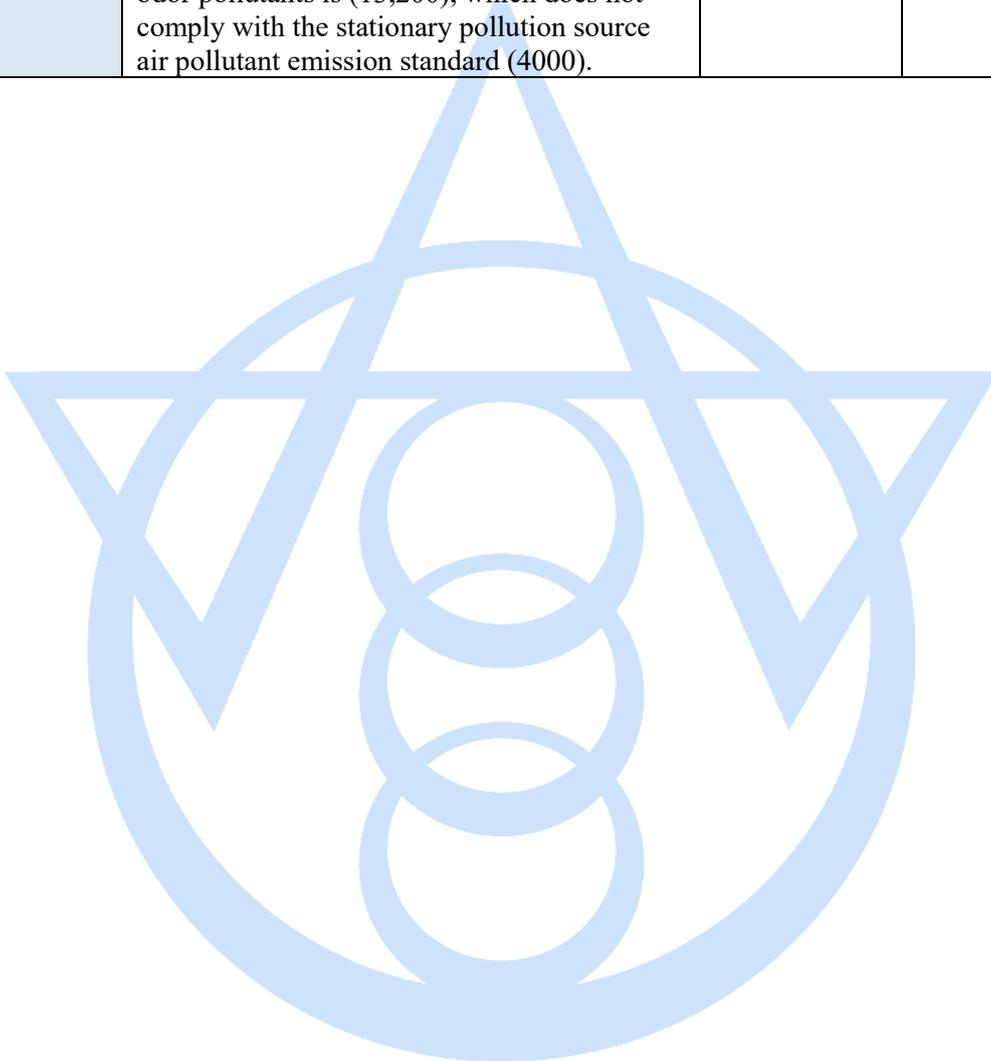
	official websites, external consultants, media information) and promptly revise the Articles of Association and related internal procedures when necessary, while also conducting regular internal and external training.	trade, trade secrets and intellectual property.
Sustainable Development Best Practices Principle, Corporate Governance Best Practice Principles, Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct and other corporate sustainability and corporate governance related regulations.	Dedicated personnel collect regulatory change information through various channels (regulatory authorities, official websites, external consultants, media sources) and revise relevant internal procedures in a timely manner when necessary.	<ol style="list-style-type: none"> 1. Revise various management procedures in response to legal requirements and practical operations. 2. Implement internal training on integrity management. 3. Conduct external training related to corporate sustainability and corporate governance.

✧ **Regulatory Compliance Implementation Status**

In 2024, Holy Stone did not face any significant violations or penalties from competent authorities in the areas of economy, environment, and society (including human rights). There were also no major incidents of corruption or unethical behavior. Both environmental-related violations were not considered major (amount of a single fine reaches at least NT\$1,000,000) and have been rectified with corrective actions.

Date of Disposition/ Number of Disposition	Content	Penalty Amount	Improvement Plan
2024/10/15 20-113- 100012	Violation: Air Pollution Control Act- Article 20-1 Matter: The plant has been approved by the government on Capacitor Manufacturing Program(M01), and Stationary Pollution Source Operating Permit (No.H7090-00). This case has been processed by municipality's Environmental Protection dispatch personnel to conduct an inspection Bureau on 2024.07.15. Through the inspection, municipality's Environmental Protection Bureau conducted sampling of P107 flue gas air pollutants (pipeline odor), the results indicate that the concentration of odor pollutants is (5500), which does not comply with the stationary pollution source air pollutant emission standard (4000).	A fine of NT\$100,000 and a 2-hour lecture on the environment.	Improvement completed.
2025/02/19 20-114-	Violation: Air Pollution Control Act- Article 20-1	A fine of NT\$810,000	Expected to complete

020011	<p>Matter: The plant has approved by the government on Capacitor Manufacturing Program(M01), and Stationary Pollution Source Operating Permit (No.H7090-00). This case has been processed by municipality's Environmental Protection dispatch personnel to conduct an inspection Bureau on 2024.12.19. Through the inspection, municipality's Environmental Protection Bureau conducted sampling of P107 flue gas air pollutants (pipeline odor), the results indicate that the concentration of odor pollutants is (13,200), which does not comply with the stationary pollution source air pollutant emission standard (4000).</p>	and a 2-hour lecture on the environment.	improvements by October 31, 2025.
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1.6 Risk Management

The company's operations are carried out based on short, medium, and long-term development strategies. The risks faced during the operational process are inevitable in business management. The company's management team conducts careful prior assessments, and the board of directors fully exercises its supervisory functions, while the relevant management units execute actions to mitigate these risks.

✧ Risk Management Department and Responsibilities

The company assigns relevant management units to be responsible for the risk management of various operations according to the nature of the business, covering: market risk, financial risk, liquidity risk, credit risk, legal risk, strategic and operational risks, as shown:

Department	Responsibilities
General Manager Office	Responsible for planning business strategies and monitoring the operational results and efficiencies to lower strategic risks. Responsible for legal risks management through compliances on governmental laws, supervisory measures and handling underlying contracts and litigations to lower legal risks.
CSR Promotion Team	Ensure that all units comply with applicable regulations related to RBA. Identify risks and continuously improve to achieve the company's sustainability goals.
Administrative Management Department	Sets up risk management policies for HR department in accordance with relevant laws and regulations.
Finance & Accounting Department	Responsible for asset risk management, complying with relevant laws and regulations to ensure the sustainability of the company and safeguarding of assets. The department is also responsible for the mid-to-long-term investment gains, conducting and controlling financial operations and establishing hedging mechanisms. We aim at lowering financial risks through compliance with laws and regulations as well as ensuring reliable financial reporting.
Information Technology Department	Responsible for building and maintaining ERP system and network, ensuring cyber security through taking precaution measurements to lower information and technology risks.
Production Department	Ensuring the production process in accordance to relevant SOPs and procedures. Responsible for avoiding delays in production and delivery schedule. Complies with ISO (International Organization for Standardization) standards to execute daily management.
Logistic Management Department	Sets up the overall and complete logistic operation to decrease risks exposed during transportation of products and process of storages.
Occupational Health and Safety Department	Responsible for the planning and execution of environment/occupational safety and health measurements to comply with relevant laws and regulations to lower risks associated with environment/occupational safety and health.
Quality Assurance and Control Department	Ensure products' quality is maintained and manufactured in accordance with standards of EIA (Electronics Industry Alliance) to lower risks related to quality and customer complaints.
Audit Team	Evaluating significant risks and use as a reference for selecting operations in the audit plan. Mitigate potential risks within the company, make reports addressing potential risks.

✧ Internal Audit

Audit Department is the core of Holy Stone's internal control, covering subsidiaries as well. The head of Audit Department is appointed by the board of directors, and the qualifications and number of internal auditors strictly follow the regulations set by the competent authorities.

Responsibilities of Audit Department:

- Establish, revise and review the internal audit system
- Discuss, review and revise the internal control system
- Evaluate, plan and review the systems of overseas subsidiaries

Audit Department executes audit work according to the annual internal audit plan, identifying deficiencies in the internal control system and assessing operational effectiveness and efficiency. The department reports to the board of directors and the Audit Committee. If deficiencies are found, the cause is immediately investigated, and corrective measures are proposed. Additionally, the department requires each unit to review whether employees' daily operations comply with laws, regulations, and company rules, making necessary corrections and improvements as needed. Furthermore, Audit Department reviews the internal control self-assessment reports of various company units annually and combines its findings of internal control deficiencies with the CPA's recommendations to provide the board of directors and the General Manager with the basis for evaluating the effectiveness of the internal control system and issuing the internal control statement.

In 2024, Holy Stone did not identify any significant internal control deficiencies.

1.7 Information Security

✧ Information Security Committee

Holy Stone established an Information Security Committee on 2023.06.01, responsible for formulating and overseeing the implementation of the company's information security management system, technical standards, and operational procedures. The Information Security Committee, as a commitment to promote information security, coordinates all information security matters. It established the Information Security Policy as the management basis to protect the security of information assets related to employees, customers, suppliers, and business operations, ensuring the company's sustainable development. The information security officer reports to the board of directors at least once a year on the effectiveness, related issues, and future directions of information security management. The information security management status for 2024 was reported to the board of directors on 2024.5.7 and 2024.12.18.

In 2024, Holy Stone did not experience any information security incidents or any leakage of customer privacy.

✧ Information Security Policy

All employees must adhere to the company's information security policy to ensure the confidentiality, integrity, and availability of information assets, thereby achieving the goal of sustainable business operations. The information security management measures cover regulations related to device usage, media storage, access control, software usage, wireless networks, physical security, account passwords, system operations and maintenance, email security, supplier management, incident management, and disciplinary actions.

✧ Passed ISO27001 Certification

In 2023, Holy Stone obtained Certification for the information security management system under the international standard ISO 27001. The company successfully passed the 2024 surveillance audit without any non-conformities, and the certification remains valid until October 31, 2025. There were no critical issues identified in the information security audits.

✧ Specific Management Plan

- **Regulatory Compliance and International Standard Certification:** Implementing information security management regulations, strengthening the ability to handle cybersecurity incidents, and protecting the company's and customers' assets.
- **Cybersecurity Collaboration:** Joining information security collaboration organizations to share cybersecurity intelligence.
- **Next-Generation Firewall:** Implementing high-threat protection firewalls to block hacker intrusions effectively.
- **Smart Antivirus Software:** Installing intelligent antivirus software on servers and endpoint computers, with automatic virus signature updates.
- **Email Filtering:** Setting up antivirus and spam filtering mechanisms on email servers.

- **Backup and Offsite Disaster Recovery:** Establishing comprehensive backup and offsite disaster recovery mechanisms in data centers.
- **Factory Production Line Cybersecurity:** Implementing cybersecurity protection systems for factory equipment.
- **VPN Two-Factor Authentication:** Using two-factor authentication for VPN systems to ensure secure remote login.
- **Vulnerability Scanning and Patching:** Conducting regular vulnerability scans and applying patches.
- **Disaster Recovery Drills:** Performing annual disaster recovery drills on core systems to ensure business continuity.
- **Cybersecurity Awareness Training:** Employees receive regular cybersecurity education and social engineering drills.

❖ **Cybersecurity Awareness Training**

To ensure information security, Holy Stone has established a dedicated cybersecurity team. The cybersecurity manager and staff have undergone 20 hours of professional cybersecurity training in 2024 and obtained mid-level cybersecurity professional certification, ensuring they possess the necessary expertise and skills to safeguard the company's information security.

In terms of cybersecurity education and training, Holy Stone organized 15 in-person courses in 2024, with a total of 493 participants, ranging from freshman employees to senior managers, providing comprehensive cybersecurity education to enhance overall awareness and response capabilities. Additionally, the company conducts quarterly information security drills. Four information security drills were carried out in 2024, sending 2,493 phishing emails to simulate real attack scenarios and test and strengthen employees' ability to identify and respond to phishing attacks.

1.8 Sustainable Supply Chain

In the globalized market environment, the behavior of suppliers directly impacts a company's corporate social responsibility and reputation. Through supplier management, companies can ensure that all partners in the supply chain adhere to standards such as environmental protection, labor rights, and ethical norms. This not only enhances the quality and safety of products but also contributes to improve company's image, reducing risks, and promoting the sustainable development of the entire supply chain. For Holy Stone, actively promoting supplier social responsibility management is key to achieve long-term business success and social value creation.

❖ **Supplier Management Mechanism**

Based on the RBA Responsible Business Alliance Code of Conduct, the company has established a Social Responsibility Supplier Management Procedure. Through a series of assessments, annual evaluations, training and advocacy measures, we ensured the sustainable development of the supply chain and the implementation of social responsibility.

Supplier Evaluation

1. **Quality Management System Certification:** Over 90% of our process raw material suppliers have passed ISO 9001 Quality Management System certification, ensuring that they possess strong quality management capabilities.
2. **Restricted Substance Management:** All suppliers must commit to ensure their raw materials comply with the Restriction of the use of Hazardous Substances to ensure products meet environmental protection requirements.
3. **Social Responsibility Commitment Letter:** In 2024, 100 suppliers signed and committed to following the Responsible Business Alliance (RBA) standards, ensuring labor rights, environmental ethics, and compliance with applicable regulations.
- 4.

2024 Social Responsibility Commitment Letter Signing Statistics			
Supplier Category	Total Number of Suppliers	Signed Suppliers	Signing Completion Percentage
Main Suppliers	107	100	93%

Supplier Training and Advocacy

Holy Stone regularly conducts advocacy and communication with suppliers to ensure they understand and implement the company's sustainability policies. In 2024, 107 suppliers were briefed on Holy Stone's Corporate Sustainability Policy and commitments, promoting the integration of sustainability principles into their operations.

Supplier Auditing and Guidance

Holy Stone conducts tiered guidance for suppliers based on their characteristics and risks to ensure their operations meet social responsibility standards. According to the 2024 supplier risk assessment results, 99 suppliers (97%) were classified as low-risk, 3 suppliers (3%) as medium-risk. We continue to require suppliers to address concerns and implement corrective measures.

	Number of Suppliers
Low-Risk	99
Medium-Risk	3
High-Risk	0

✧ Conflict Mineral

To ensure that our company does not use conflict minerals in raw materials, reduce indirect funding of armed criminal groups and collective persecution, and support the supply chain in fulfilling social responsibility, we have established the Conflict Minerals Management Program to manage procurement of metal raw materials effectively. The related management measures are as follows:

System Construction and Risk Identification

1. System Construction

- Our company has established a social responsibility management system in accordance with the RBA (Responsible Business Alliance) and international social responsibility standards, incorporating conflict minerals into the system management.

2. Risk Identification

- In compliance with the OECD Due Diligence Guidance, we do not purchase conflict minerals from high-risk regions.
- We monitor the supply chain to ensure the safety and reliability of material sources.
- Combining our current procurement methods and the social responsibility supplier management procedure, we conduct due diligence on the supply chain, assess risks, and screen suppliers.

Implementation Measures

1. Policy Communication:

- The procurement unit is required to communicate the policy of not using conflict minerals to all suppliers of metal raw materials (especially those containing tantalum, tin, tungsten, gold, and cobalt).
- Suppliers are required to respond with a commitment letter confirming they do not use conflict minerals and ensure that metal materials do not come from smelters directly or indirectly benefiting high-risk regions.

2. Commitment Letter Signing:

- Suppliers must sign the commitment letter to not use conflict minerals.
- Suppliers of materials containing tantalum, tin, tungsten, gold, and cobalt must fill out and return the CMRT (Conflict Minerals Reporting Template) and EMRT (Expanded Minerals Reporting Template) when international versions are updated.

Investigation and Follow-Up Actions:

- If the investigation shows that conflict minerals were used in the raw materials, suppliers are required to provide written explanations, and procurement will be immediately suspended.
- Further actions will only be proceeded after confirming whether the mineral source is from a high-risk area.

✧ **Management of Restricted and Prohibited Substance**

Holy Stone follows international environmental regulations and the requirements of key customers to establish a list of hazardous substances, ensuring that products meet customer and RoHS directive requirements. To manage hazardous substances, the company have implemented a series of measures and ensure full employee participation by promoting internal training. The following are the detailed control measures:

Hazardous Substance Control List

1. Restricted Substances:

- Heavy Metals: cadmium, lead, mercury, hexavalent chromium, beryllium, antimony and all their compounds
- Organic Bromine Compounds: polybrominated biphenyls and polybrominated diphenyl ethers
- Phthalates (9P)
- Hexabromocyclododecane (HBCDD)
- Halogen (F, Cl, Br, I)
- Perfluorooctane sulfonates (PFOS)
- Perfluorooctanoic Acid and its Salts and Esters (PFOA)
- Substances of Very High Concern (SVHC)
- Chemical Regulations: conduct Toxic Substances Control Act (TSCA) on finished products and powders

2. Testing

- XRF, ICP for self-testing
- Third-Party Inspection Report

Raw Material Recognition and Green Design

1. Raw Material Recognition:

- Material Safety Data Sheets (SDS) and third-party inspection report must be attached.
- Only approved materials can be included in the development and production plan.
- Annual inspection by a third party for hazardous substances, and the renewal of Letter of Guaranty and or Certification of Hazardous-Free Substance.

2. Sampling Phase

- Green design must be submitted for third-party inspection, and only upon passing the inspection can it proceed to the trial production and mass production stages.

Records of Production

- Production data, material usage records, and quality inspections are all digitized and integrated into the MES system.
- For products with potential contamination concerns, the source and scope of contamination can be quickly traced, and the products are secured within the factory to prevent them from reaching customers.

Supplier Management

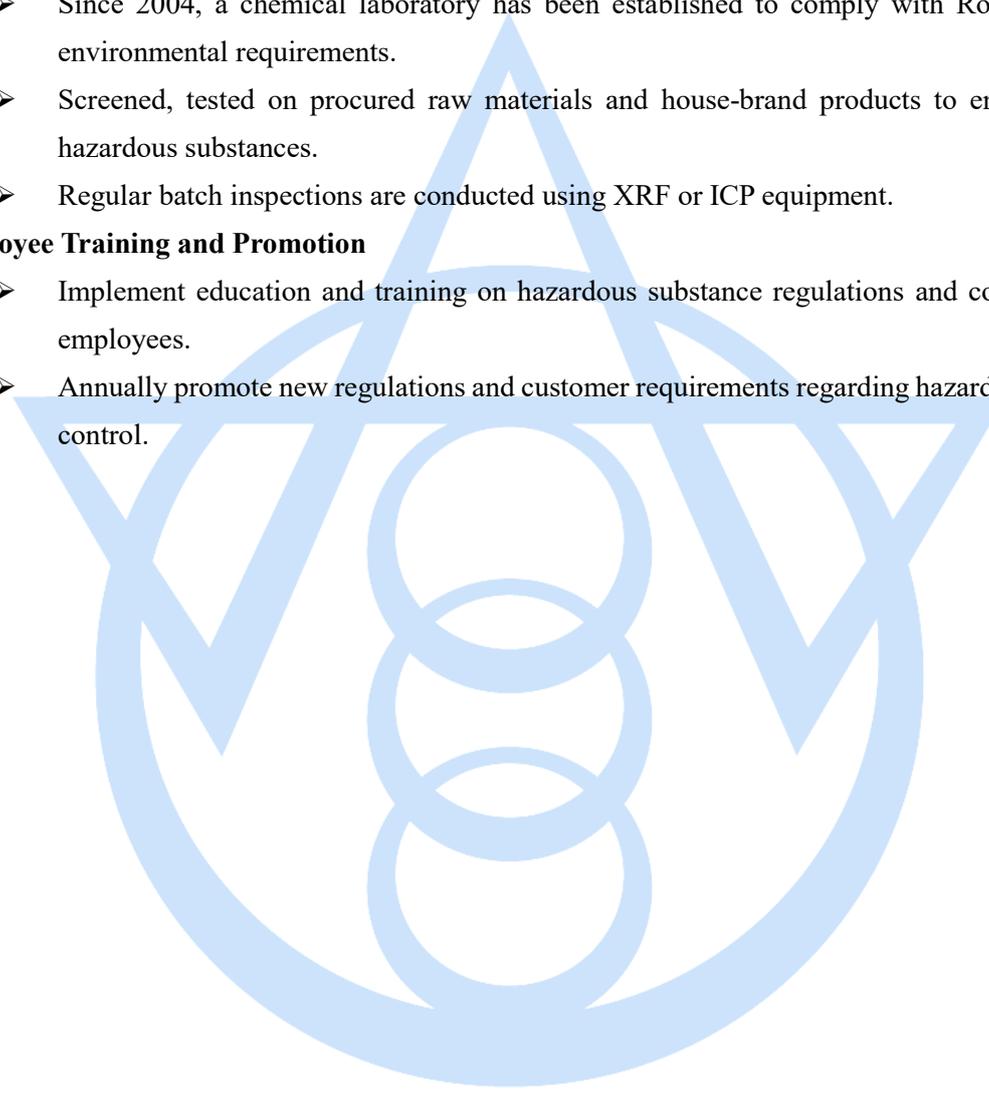
- Suppliers must verify inspection results to ensure compliance with environmental substance control requirements.
- On the supply chain platform, suppliers must commit to ensure that their raw materials meet the standards for restricted and prohibited hazardous substances.
- Provide third-party inspection reports, Material Safety Data Sheets SDS, and declarations of environmental material compliance.

Establishment of Chemical Laboratory

- Since 2004, a chemical laboratory has been established to comply with RoHS and other environmental requirements.
- Screened, tested on procured raw materials and house-brand products to ensure free of hazardous substances.
- Regular batch inspections are conducted using XRF or ICP equipment.

Employee Training and Promotion

- Implement education and training on hazardous substance regulations and control for new employees.
- Annually promote new regulations and customer requirements regarding hazardous substance control.



✧ **Restricted Hazardous Substance Management Process**

Management Process	Control Points
New Material Evaluation	<ul style="list-style-type: none"> ● Third Party Inspection report ● Material Safety Data Sheet (SDS) on related chemicals
Supplier Establishment	<ul style="list-style-type: none"> ● Third Party Inspection report ● Material Safety Data Sheet (SDS) on related chemicals ● Guarantee declaration on environmental protection related substances ● Educate suppliers on IHHEC's substance restriction
Procurement	<ul style="list-style-type: none"> ● Annual updated environmental regulations ● Provide suppliers with latest environmental regulations
Chemical Laboratory	<ul style="list-style-type: none"> ● ICP and XRF inspections on raw materials by batch ● Outsource inspection issued by third-party agency
Supplier Management	<ul style="list-style-type: none"> ● Third party inspection report ● Material Safety Data Sheet (SDS) on related chemicals ● Guarantee declaration on environmental protection related substances ● Educate suppliers on IHHEC's substance restriction
Process / Finished Product	<ul style="list-style-type: none"> ● ICP and XRF inspections on finished goods ● Outsource inspection issued by third-party agency
Customer	<ul style="list-style-type: none"> ● Labelling ● Provides RoHS Reports

Holy Stone is committed to strict management of hazardous substances, implementing comprehensive measures to ensure that products are free from harmful substances. We promote green design and actively participate in customer quality and environmental briefings to understand and meet customer requirements for hazardous substance control, fulfilling our commitment to environmental protection.



Product and Services

2.1 Technical Innovation

2.2 Quality Management

2.3 Customer Value

2.4 Green Product

2.1 Technical Innovation

Holy Stone house-brand primarily includes multilayer ceramic capacitors (MLCC) and ceramic substrate metallization processing, which are part of the mid-to-upper-stream material supply in the industry chain. MLCCs have a wide range of applications such as mobile phones, networking communication devices, industrial electronics, and automotive electronics. Holy Stone is committed to produce high-end, niche products, also continuously improving on materials, equipment, and process capabilities. The company actively works to expand its market penetration in advanced applications such as power, automotive, industrial control, and networking. In response to the development of third-generation semiconductor applications, Holy Stone collaborates closely with customers using SiC and GaN MOSFETs fast-charging power supplies.

In 2024, to meet the large demand of AI SERVER POWER SUPPLY, Holy Stone has increased the wattage of a single unit from 1KW to more than 5.5KW, as clients have higher demand for low temperature rise of resonant LLC Circuit NP0 MLCC resonant capacitor. Holy Stone has corresponding products, which all of them have been successfully certified and adopted by domestic and foreign power supply manufacturers. Types of High Voltage Resonant MLCC Capacitors NP0 Series, except helping to provide customers to improve power efficiency, low temperature rise could reduce wear and tear, one of the choices of new generation of parts options. In the future, Holy Stone will continue to develop products that meet the specifications of energy-saving circuit design applications, implement the mindset of ESG actively, advancing towards sustainable development.

❖ Research and Development Investment

In 2024, R&D expenditure reached NT\$195,597 thousand, accounting for 2.02% of the revenue. To strengthen the company's competitiveness in the market and promote development of new technologies and products, the company will steadily and progressively increase its R&D investment year by year.

Unit : thousand NTD

Year	R&D Expenditure	Revenue	R&D Expenditure Ratio
2022	186,381	12,360,032	1.51%
2023	188,282	9,994,043	1.88%
2024	195,597	9,691,393	2.02%

❖ Patent

Holy Stone actively develops its patent portfolio to solidify its leading position in the market. As of now, the company holds a total of 80 patents worldwide, with many more still in the application process. The company has established dedicated intellectual property personnel responsible for patent management and risk control. Intellectual property specialists regularly communicate with business and R&D units, providing education and training to enhance each department's understanding of intellectual property and benefit assessment. This ensures that every innovation is effectively transformed into a patent asset, boosting the company's competitiveness and market value.

2.2 Quality Management

Since establishment, Holy Stone has always adhered to a customer-centric approach, backed by professionalism, and continuously strives for improvement through the PDCA (Plan, Do, Check, Act) cycle. The company thinks from the customer's perspective and provide comprehensive services, aiming not only to meet customers' needs but also to achieve the goal of zero defects by consistently enhancing quality.

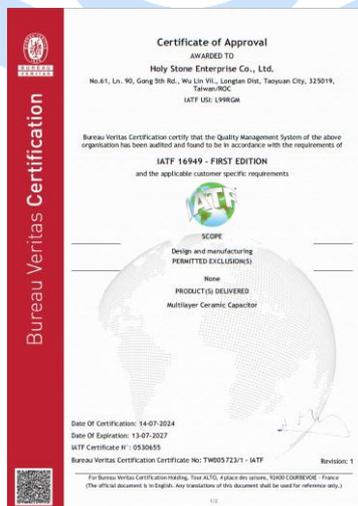
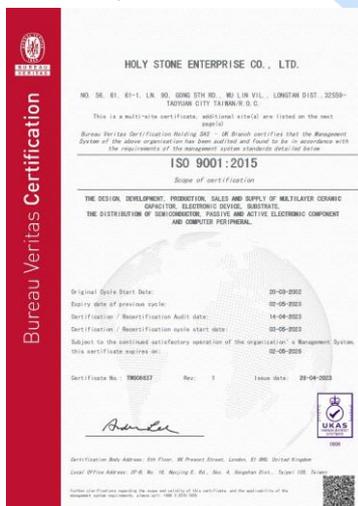
❖ PDCA Aiming Continuous Improvement

Through PDCA cycle, we continue to plan, execute, check and take corrective actions in each stage to achieve continuous improvement. In the planning phase, we meticulously outline quality objectives and establish clear quality standards. During the execution phase, we follow the established plan for production operations, ensuring that every step meets the required standards. In the checking phase, we inspect and evaluate the production results, promptly correcting any issues found. Finally, in the action phase, we formulate improvement measures based on the check results and re-enter the cycle, enhance quality constantly.

❖ Increase Quality/Value and Reduce Carbon

While pursuing quality, Holy Stone also focuses on improving production efficiency. Through the development of new products, materials, and process improvements, we achieve a synergistic effect between product quality and production efficiency. Holy Stone independently developed the "Manufacturing Execution System (MES)," which allows detailed recordings of the quality status of each batch from input to output in the production process. This not only helps track product quality but also enables timely problem diagnosis and improvements, ensuring that every batch of products meets high-quality standards. In addition, we actively promote energy saving and waste reduction. Through innovative research and development, new materials, and process improvements, we not only enhance product quality and production efficiency, but also reduce energy and resource consumption, achieves win-win situation for both the environment and the economy.

❖ Quality Certification



2.3 Customer Value

✧ Customer Service

Holy Stone understands the importance of our products in various electronic applications. Therefore, the company not only master the diverse application characteristics of our products but also provide explanations and clarifications on the application scope based on customers' different needs. We regularly visit customers to listen to their requirements, overcome technical challenges, develop new technologies, and assist in problem-solving. Additionally, we offer professional analysis services, providing complete analysis reports and recommendations for products entrusted by customers, enhancing the quality of customer service. At the same time, to ensure customer privacy, we sign contracts with customers to strictly protect confidential information. The company has a dedicated inquiry mailbox, allowing customers to contact us through this channel for more efficient communication, further strengthening the interaction between the company and customers, to achieve comprehensive customer service.

✧ Customer Satisfaction

Customer satisfaction surveys are an important part of Holy Stone's efforts to enhance interaction with customers. Through these surveys, the company collect and monitor customer satisfaction levels regarding our product quality, sales processes, and related services, thereby improving the company's overall competitiveness and establishing a positive corporate image. The company conduct an annual customer satisfaction survey, covering five key evaluation areas: service evaluation, product quality, shipping quality, technical capabilities, and overall services. The survey analyzes sales of both house-brand products and agency products. Collected data is compiled and analyzed to understand the progress in customer satisfaction for the year, and improvement plans are proposed for areas of weakness. These findings serve as the foundation for the company's improvement and follow-up actions for the year. To gather more suggestions for improvement and opportunities for development, we adjust the survey design to ensure its effectiveness and comprehensiveness periodically.

Customer Satisfaction Survey

	Agency Product	House-Brand Product (General)	House-Brand Product (Automotive)	House-Brand Product (SB)
2024 Overall Average Score	4.62	4.84	4.52	5.00

✧ Customer Feedback

Understands customer needs and improve services are our top priorities. To constantly improve product quality and strengthen customer trust in our products, the company has established an immediate response mechanism. Customer complaints are promptly communicated by the sales departments and followed up with the customer within 24 hours. For house-brand products, we provide relevant application conditions and data, and immediately notify the quality assurance department to carry out failure analysis, corrective actions, and formulate long-term countermeasures. We then confirm the effectiveness or provide suggestions and submit a comprehensive analysis report to the customer within 7 days. For agency products, we collaborate with the original manufacturer to follow the same process, with sales personnel continuously monitoring the customer's subsequent usage to ensure uninterrupted communication between the customer, sales, and quality assurance departments, meeting the quality requirement of service excellence. Through the complete information and feedback provided by the customer, we relay it to the relevant departments, enhancing company's technical capabilities and service quality non-stop.



2.4 Green Product

With the rise of global environmental awareness and the advancement of sustainability concepts; product design must not only adhere to relevant legal requirements but also take responsibility for environmental protection and minimizing ecological impact. Therefore, Holy Stone authorize the business unit manager at the MLCC production stage, convene materials design, product design, quality control, procurement, HR, environmental safety, production, and logistic units to form the Green Product Organizational Committee. The Head of the Quality Assurance Department serves as the Chairperson, responsible for the promotion of the Restricted Substances Management Plan. Department convenes meetings as necessary to review relevant regulations and customer requirements, reaching the customer requirements on hazardous substance management, also keep all units informed of the most recent updates on HSF and conflict minerals.

❖ Raw Material Approval

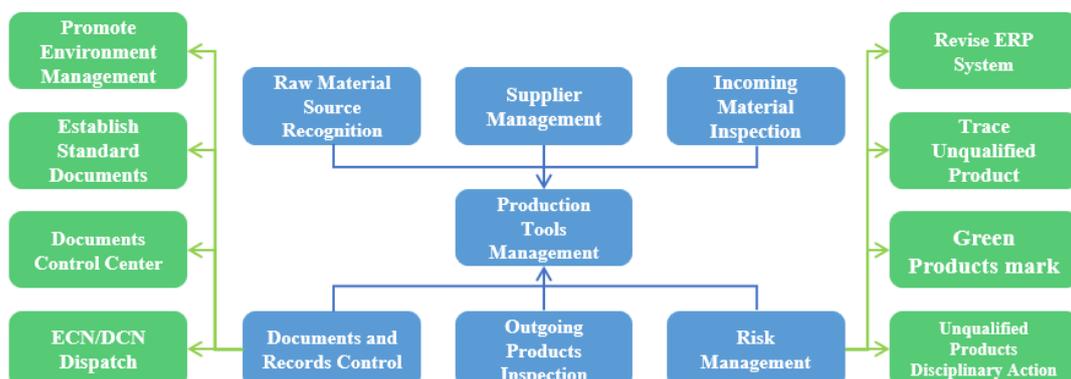
Approval of new raw materials must be accompanied by an SDS and a test report from an independent third-party organization. The material may be added to the R&D Department’s new raw material development timeline only upon confirmation that it is free of environmentally hazardous substances. Approved raw materials must be submitted annually for verification by an independent third-party organization, to make sure no prohibited substances included. Both guarantee certificate and the non-use declaration shall be updated annually, to ensure a clear understanding of Holy Stone’s commitment to environmental substance control. The guarantee certificate shall also specify that any changes to raw materials, processes, manufacturing sites, or equipment must be promptly reported to the Company, to facilitate control over the scope of pollution in raw materials.

❖ Green Design

Holy Stone ensures compliance with hazardous substance control requirements at the raw material approval stage, materials are submitted to an impartial third-party organization for testing during sample stage. Passing the tests is required before advancing to the pilot-run and mass production phases.

❖ Risk Management

The Company manages production, material usage, and quality inspection records electronically through the MES system. For products with potential pollution concerns, the system can quickly track the source of occurrence and scope of pollution, those products may be retained within the factory, to prevent delivering to our customers.





Friendly Workplace

3.1 Friendly Workplace

3.2 Talent Cultivation

3.3 Diversity and Inclusion

3.4 Occupational Safety

3.1 Friendly Workplace

We understand employees are company's most valuable resource, and Holy Stone is committed to create a fair and inclusive workplace environment. We comply with all relevant regulations and policies, ensuring that every employee, regardless of their race, gender, age, religious beliefs, nationality, or political background, etc is treated equally. The company adheres to a merit-based approach for hiring, focusing on skills and performance, prohibits any form of employment discrimination. Holy Stone has established a transparent and fair promotion system, allowing each employee to achieve career development and fair compensation in a safe and supportive work environment. We also actively promote diverse training programs, providing extensive learning opportunities to encourage employees to continuously enhance their skills and knowledge, growing alongside the company and create superior value.

✧ Employee Structure

As of 2024.12.31, Holy Stone had a total of 997 employees, with 449 male (45%) and 548 female colleagues (55%). There were 257 managerial-level employees and 740 general-level employees. In terms of gender distribution among managerial-level, 51% were male and 49% were female. Among general-level employees, 43% were male and 57% were female. Regarding age distribution, 69% of employees were between the ages of 30 to 50. Holy Stone is committed to create a diverse and inclusive work environment and has actively provided employment opportunities for people with physical and mental disabilities. By the end of 2024, the company employed a total of 10 employees with disabilities.

Total Number of Employees Classified by Gender

Taiwan			
Type	Male	Female	Total
Total Number of Employees	449	548	997
Permanent Employees	449	548	997
Temporary Employees	0	0	0
Employees without Guaranteed Hours	0	0	0
Full-Time Employees	449	546	995
Part-Time Employees	0	2	2

Total Number of Employees Classified by Job Category

As of 2024/12/31

Type	Age	Gender	Number	Ratio
Managerial Level	30 and below	Male	3	100%
		Female	0	0%
		Total	3	100%
	30-50	Male	78	50%
		Female	79	50%
		Total	157	100%
	50 and above	Male	49	51%
		Female	48	49%
		Total	97	100%
General Level	30 and below	Male	71	60%
		Female	47	40%
		Total	118	100%
	30-50	Male	220	41%
		Female	312	59%
		Total	532	100%
	50 and above	Male	28	31%
		Female	62	69%
		Total	90	100%

Diverse Employment

Type	Gender	Number
Employment of People with Disabilities	Male	5
	Female	5
	Total	10
Employment of Foreign Personnel	Male	2
	Female	5
	Total	7

Non-Employee Workers

Type	Service Scope (Job Type)	Number	Contract Terms
Cleaning Company (Taipei)	Office Area Cleaning and Maintenance	2	Signed cleaning contract with cleaning company
Cleaning Company (Li Ze)	Factory Area Cleaning and Maintenance	1	Procured services from cleaning company (hourly basis)
Security Company (Li Ze)	Factory Access Control (Vehicles, Personnel)	5	Signed security contract with security company
Cleaning Company (Longtan)	Office and Public Area Cleaning and Maintenance	5	Signed contract with cleaning company
On-Site Security (Longtan)	On-site Access Control Security	9	Signed contract with security company
Catering Service (Longtan)	Catering Services	3	Signed contract with catering company

New Hire and Turnover Ratio

Type	Age	Gender	Number	Ratio
New Hire	30 and below	Male	34	71%
		Female	14	29%
		Total	48	100%
	30-50	Male	60	58%
		Female	43	42%
		Total	103	100%
	50 and above	Male	0	0%
		Female	0	0%
		Total	0	0%
Resigned Employee	30 and below	Male	23	72%
		Female	9	28%
		Total	32	100%
	30-50	Male	51	56%
		Female	40	44%
		Total	91	100%
	50 and above	Male	4	29%
		Female	10	71%
		Total	14	100%

✧ Employee Benefit

A well-designed benefits program can attract and retain top talent, reduce employee turnover, and improve job stability and engagement. To ensure that every employee can grow and develop in a supportive and caring environment, Holy Stone continues to invest resources in promoting various employee welfare activities.

- **Health Check:** Newly-hired employee must undergo a pre-employment medical examination, and regular health check-ups are scheduled for all employees. This ensures all employees are aware of their own health status. Professional healthcare personnel are available to provide healthcare support.
- **Childcare Subsidy:** To address the childcare needs of employees and alleviate the functional burden of caring for their children, childcare subsidy program has been implemented.
- **Employee Retreats:** Offer travel allowances to employees to encourage participation in leisure activities, enhance their physical and mental health.
- **Christmas Event:** Hold a Christmas card-giving event to promote expressions of gratitude and good wishes, enhancing workplace camaraderie.
- **Club Activities:** Encourage employees to participate in club activities to promote physical health and emotional connections.
- **Holy Stone Book Store Platform:** Provide a comprehensive book rental platform and a variety of magazines and books for employees to borrow, enhancing their skills and adding leisure enjoyment.
- **Year-End Party:** Holy Stone's annual year-end gathering is a festive celebration, with plant sites organizing banquets and office areas hosting performances. This occasion provides an opportunity to review the achievements of the past year while looking ahead to future goals.
- **Employee Activity:** Movie Screenings: Host film appreciation sessions as a lighthearted leisure activity, enriching employees' diverse, flexible, and creative life experiences.



▲ Club Activities



▲ Christmas Event



▲ ▼ Year-End Party



Parental Leaves

The company actively implements the gender equality policies advocated by the government. Employees can apply for parental leave without pay according to their personal needs. Employees who have worked for at least six months may apply for parental leave without pay under the Regulations of Gender Equality in Employment Act and Guidelines for Unpaid Parental Leave. Applications of Unpaid Parental Leave for Raising Children before they turn three, the duration will be no longer than two years. After parental leave period ends, employees will return to their original department and position.

Item	Gender	2022	2023	2024
Number of employees eligible for parental leave	Male	15	8	8
	Female	13	8	13
	Total	28	16	21
Number of employees who actually applied for parental leave	Male	1	7	4
	Female	10	9	5
	Total	11	16	9
Number of employees due to return to work	Male	1	5	4
	Female	9	10	4
	Total	10	15	8
Number of employees who actually returned to work	Male	1	3	3
	Female	10	7	4
	Total	11	10	7
Return-to-work rate	Male	100%	60%	75%
	Female	111%	70%	100%
	Total	110%	67%	88%
Number of employees who returned to work for one year in the current year	Male	1	1	2
	Female	8	8	7
	Total	9	9	9
Retention rate	Male	100%	100%	67%
	Female	100%	80%	100%
	Total	100%	82%	90%

Note1: Return-to-work rate = Actual return-to-work employees ÷ Employees due to return to work × 100%

Note2: Retention rate = Number of employees who returned to work for one year in the current year ÷ Number of employees who returned to work in the previous year × 100%

Employee Retirement Plan

To support employees' post-retirement life, the company has established an Employee Retirement Plan in accordance with the law, contributing to retirement funds based on Labor Standards Act and the Labor Pension Act.

Retirement System and Implementation in 2024

Retirement Pension System	Old System	New System
Applicable Law	Labor Standards Act	Labor Retirement Pension Regulations
Allocation Method	Allocate 2% of employees' monthly salary expenses and deposit into the Bank of Taiwan special account	Allocate 6% of each employees' monthly salary into individual accounts manage by the Labor Insurance Bureau
Amount Allocated	Accumulated amount of Labor Retirement Reserve Fund: NT\$143,995 thousands	Allocated in 2024: NT\$38,500 thousands

3.2 Talent Cultivation

Holy Stone values its employees as valuable assets and actively creates a learning environment that fosters continuous growth. We are dedicated to enhance professional skills to an exceptional level, making employees to become key players in leading teams. By leveraging department managers to tailor training programs, ranging from single-course designs to comprehensive series, based on employees' individual education, work experience, job requirements, and future development needs, Holy Stone helps employees boost their overall competitiveness continuously.

✧ Training Structure

New Hires Series

Each employee who joins Holy Stone will receive pre-employment training from the HR department, which includes an introduction to the company culture, rules and regulations, product overview, environmental orientation, a brief on certification systems (ISO9001, IATF16949, QC080000, ISO14001, ISO45001, RBA), six required courses of Authorized Economic Operator, information security promotion, harassment prevention training, business ethics code of conduct, occupational safety and health education training, management philosophy, and the company's sustainable development. During the critical first 90 days, one-on-one guidance will be provided to assist with job training and environmental adaptation.

Managerial and Professional Trainings Series

Holy Stone provides on-job training for employees based on the company's, department's and individual needs, as well as government regulations, laws, and customer requirements. The training programs and certification items are clearly planned, such as: management training (macroeconomic outlook, compliance with integrity management-related laws, etc.), specific qualification training and certifications (ISO9001, IATF16949, QC080000, ISO14001, ISO45001, RBA, internal auditor training, environmental regulations, occupational safety and health regulations, and other specific qualification requirements), and general training (emergency response training, six required courses of Authorized Economic Operator, information security promotion, ethical management), etc. These programs aim to demonstrate employees' professionalism and learning outcomes in a timely manner.

✧ Diverse Learning Experience Channels

- **In-Duty Training:** supervisors at all levels train and enhance the abilities of their subordinates based on the nature of the work and individual capabilities, through methods such as task delegation, work guidance, trainings and developing subordinate's capabilities.
- **Internal Training:** participate in cross-departmental, company-wide annual training courses organized and planned by the training unit.
- **External Training:** participate in training courses and seminars organized by external institutions.

✧ Learning and Development Platform

Through the Holy Stone Learning and Development Platform, the company established the following institutes: Management and Business Administration, Marketing and Sales, Quality Management, R&D and Process, Production Management, Legal and Intellectual Property, Information Technology,

Financial Management, Human Resources and Administration, Comprehensive Knowledge and New Employee Academy.

2024 Average Training Hours Per Employee

Level	Male	Female	Total Hours	Average Hours
Managerial Employee	1,056	2,103	3,160	12
General Employee	15,603	15,717	31,320	42
Total Hours	16,659	17,821	34,480	35
Average Hours	37	33	35	

Training Hours and Headcount for Each Category

Type / Year		2022	2023	2024
New Employee Training	Number of Participants	121	168	354
	Total Hours	551	527	1,055
Professional Training	Number of Participants	9,233	2,054	2,721
	Total Hours	37,318	16,127	29,659
Management Skill Training	Number of Participants	137	170	40
	Total Hours	149	304	195
General Education Training	Number of Participants	3,399	4,411	4,171
	Total Hours	2,264	3,204	3,571

Employee Training Costs and Hours

Training Metrics	2022	2023	2024
Training Costs (NTD\$)	1,085,927	773,760	379,780
Total Employee Training Participants	12,890	6,803	7,286
Average Training Investment Per Employee	1,069	789	381

Note: Number of Employees: 2022: 1,016 、2023: 981 、2024: 997.



▲ Information Security Awareness Program



▲ Subordinate Development and Coaching

❖ Performance Evaluation

In terms of employees' career planning and promotion, Holy Stone supports this through performance appraisal system. The system includes a review of employee training and development programs, applicable to all full-time employees. The purpose of this system not only emphasizes the consensus on work goals between employees and supervisors, but also focuses on prioritizing employee growth over performance assessment. It balances both evaluative and developmental functions, aiming to cultivate and develop employees' personal abilities, align with employees' career development, enhance the company's competitiveness and overall organizational effectiveness.

2024 Performance Evaluation

Item	Male			Female			Total		
	Total Number of Employees	Number of Evaluated Employees	Ratio	Total Number of Employees	Number of Evaluated Employees	Ratio	Total Number of Employees	Number of Evaluated Employees	Ratio
Managerial Level	130	116	89%	127	118	93%	257	234	91%
Non-Managerial Level	319	316	99%	421	415	99%	740	731	99%
Total	449	432	96%	548	533	97%	997	965	97%

Note: the number of individuals subject to review does not include senior management personnel or new employees who have been with the company for less than three months.

❖ Base Salary and Compensation

Holy Stone is a people-oriented company, we emphasize equitable employee compensation and benefits, ensures that starting salaries are not influenced by gender. Salaries are set according to employees' academic qualifications, professional experience, and personal performance. We then comply with legal regulations in salary payment. Furthermore, performance and year-end bonuses are granted in accordance with annual business performance and individual achievements.

Median and average salary of non-managerial employees

Non-managerial employees	2022	2023	2024
Number of (people)	1,001	967	943
Total Salary(thousand)	838,903	790,513	795,297
Average Salary(thousand)	838	817	843
Salary Median (thousand)	665	707	737

Note: The detailed salary information of the company's non-managerial employees is disclosed on the Market Observation Post System (MOPS) > Summary Reports > Corporate Governance > Employee Benefits and Compensation Statistics > Salary Information of Full-time Employees in Non-managerial Positions (<https://mops.twse.com.tw/mops/#!/web/t100sb15>)

3.3 Diversity and Inclusion

✧ Diverse Communication

The establishment and operation of communication channels is an important manifestation of Holy Stone's commitment to employee rights. Holy Stone provides a variety of communication platforms to ensure that every employee's voice is heard and effectively responded to. Employees can submit their opinions and suggestions through various channels such as departmental meetings, HR department, suggestion boxes, labor-management meetings, and welfare committee meetings. We encourage our employees to participate actively, ensuring that both work-related issues and personal needs receive timely attention and resolution from the company.

In addition, Holy Stone adheres to the principles of fairness and justice to ensure that employees will not face any form of retaliation or unfair treatment after expressing their opinions. We are also committed to protect employees' rights to freely express their views and ensuring that every opinion is respected and valued. Any situation where an employee faces retaliation for expressing their opinion will be carefully and fairly addressed.

✧ Human Rights

In accordance with the RBA (Responsible Business Alliance) standards, Holy Stone demonstrates our commitment to and practices in human rights protection across various aspects. In 2024, no human rights violations or complaints occurred.

Labor Rights Protection:

- **Prohibition of Child and Forced Labor:** Holy Stone strictly adheres to the regulations prohibiting child labor and forced labor, ensuring that all employees engage in work voluntarily and meet the legal working age requirements.
- **Fair Remuneration and Working Hours Management:** Holy Stone is committed to provide fair remuneration, ensuring that employees' wages meet their basic living needs, while avoiding excessive overtime and ensuring that employees have adequate rest time.

Occupational Health and Safety:

- **Safe Working Environment:** Holy Stone is committed to provide a safe and healthy working environment, conducting regular safety training and drills, equipping necessary safety devices and protective measures to prevent occupational injuries and accidents.
- **Health Benefits:** Holy Stone provides regular health checks for employees, prioritize their physical and mental well-being.

Prevention of Harassment and Discrimination:

- **Diversity and Inclusion:** Holy Stone advocates for diversity and inclusion, respecting employees' gender, race, religion, and cultural backgrounds, and ensures that all employees are treated equally in areas such as recruitment, promotion, and compensation.
- **Anti-Harassment:** Holy Stone has established an anti-harassment policy, where any form of harassment will be penalized. A reporting mechanism has also been set up to ensure employees can

report any inappropriate behavior safe and anonymously.

Employee Participation and Communication:

- **Transparent Communication:** Holy Stone encourages employees to participate in company affairs by gathering their opinions and suggestions through regular meetings, surveys, suggestion boxes, and other channels, then actively responds and makes improvements based on their feedback.
- **Freedom of Association:** Holy Stone respects employees’ right to associate freely and ensures that their rights are fully protected.

✧ **Sexual Harassment Prevention**

Within Holy Stone, documents and regulations such as the Work Rules, Measures for the Prevention of Workplace Sexual Harassment, and Workplace Sexual Harassment Prohibition Statement explicitly declare the protection of employees’ human rights and promote gender equality awareness among supervisors and employees to prevent sexual harassment. Training courses for new employees include related content to enhance their understanding of sexual harassment prevention measures. A dedicated complaint channel for sexual harassment is also placed to protect employees from such threats and foster a friendly work environment. Externally, Holy Stone interacts with suppliers and customers with a respectful attitude.

✧ **Human Rights Related Trainings**

Item	Training Participants	Training Hours	Total Training Hours
Ethical Management-The Soul of Corporate Sustainability	209	0.5	104.5
2024 (RBA) Employee Social Responsibility Awareness Promotion – Managerial	105	0.5	52.5
2024 (RBA) Employee Social Responsibility Awareness Promotion - Frontline personnel	438	0.5	219

2024 Labor and Human Rights Performance Goals(Longtan Plant)

- Employee discrimination complaints: 0
- New employee social responsibility awareness training completion rate: 100%
- Employee social responsibility awareness on-site training completion rate: 100%

3.4 Occupational Safety

To comply with legal regulations and continue improving on health and safety performance, Holy Stone Longtan plant undergoes ISO45001 management system certification every year. To implement system management, the plant follows PDCA management model and has established internal auditing and coaching mechanisms. Through annual external certification process, the plant ensures that the system operates effectively, safeguarding the safety and health of the working environment for employees.

❖ Occupational Health and Safety Policy

- Full Participation in the System
- Follow all Laws and Regulations
- Hazard Identification and Risk Prevention Control
- Ensure health and safety management in the workplace
- Implement the Management to Reach Zero Accident
- Continuous Improvement to Maintain Management Performance

❖ Occupational Safety Committee

Holy Stone's Occupational Safety and Health Committee is established under the Occupational Safety Center as a primary unit, with 4 labor representatives and a total of 10 members. The committee regularly holds safety meetings to report on various occupational safety and health strategies also proposals. The committee also reviews issues related to occupational safety and health incidents involving employees and contractors, analyzing the causes and improvement measures to prevent recurrence. Through the company's internal website, employee suggestion boxes, and other channels, the latest occupational safety and health regulations and related information are delivered to employees, and feedback on safety and health matters is collected to adjust and improve practices accordingly.

❖ Hazard Identification and Risk Assessment

2024 plant safety management plan includes risk identification and assessment of the work environment, control of chemical use and storage locations, the installation of emergency response equipment and training in both work environments and storage areas. This ensures that in the event of an accident, effective and swift handling can take place to protect the safety and health of employees. Work environment monitoring for each task is conducted with multiple-point surveillance, and records kept to ensure that employees are not exposed to unsafe environments. The plant integrates fire evacuation route maps (type B rescue maps), hazardous chemicals, dangerous machinery and equipment, emergency response equipment, and placement location diagrams. These are clearly marked to indicate evacuation routes and hazardous material storage locations. The information is placed at the guard station and regularly maintained and updated to facilitate disaster response decisions and ensure the safety of emergency responders. An emergency notification group integrating with a mobile messaging app is established to enable real-time IoT alerts for fire-fighting and area-specific gas detection alarms in plant, ensuring timely reception of messages and enable rapid response.

❖ Occupational Health and Safety Sustainability and Ongoing Improvement

Through stakeholders, Occupational Health and Safety regulations, and Hazard Identification and Risk Assessment in Occupational Safety and Health annually; issues where the current situation can be improved via Occupational Safety and Health Target Program, develop an improvement plan and implement it gradually to ensure the plant's safety and integrity of the facilities and equipment, compliance with or optimization of occupational health and safety in the workplace, to effectively mitigate risks and prevent workplace injuries. In managing subcontractors within construction areas—such as pipe tunnels or locations where fall risks are concerned—appropriate controls, warning signs, or engineering modifications should be implemented, to enable the construction work area to mitigate fall risks (Pipe Tunnel Safety Improvement Plan). The plant ensures construction safety through regular inspections by verifying the effective functioning of chemical handling, automatic inspection systems, designated control zones, emergency response equipment, and labeling management.

❖ Occupational Health and Safety Trainings

1. Chemical Leakage Emergency Response Drill:

The training focuses on interactive teaching and hands-on exercises to enhance the plant's emergency response capabilities. It aims to prevent accidents, conduct emergency rescues, and safeguard lives and property.

2. Emergency Response Facility and Equipment Instructional Training:

For workstations equipped with emergency response facilities or equipment, such as SCBA, employees are provided with training on proper usage and self-inspection procedures.

3. Emergency Response Team-Firefighting and First Aid Training:

Emergency response training is conducted every six months; on-site training and practical exercises at the workstation, simulate real-world scenarios to train staff in emergency reporting response protocols and concepts, ensuring occupational and personnel's safety of life in plant property.

4. Evacuation Drills for all Employees:

Regular evacuation drills are organized for all employees to practice timely reporting and safe evacuation during emergencies, aiming to safeguard lives and property.

5. Safety Training on Contractors:

To ensure the construction safety of contractors during on-site operations and prevent any impact on employees, regular and irregular inspections are conducted, providing targeted education and hands-on training for engineering staffs involved in the project.

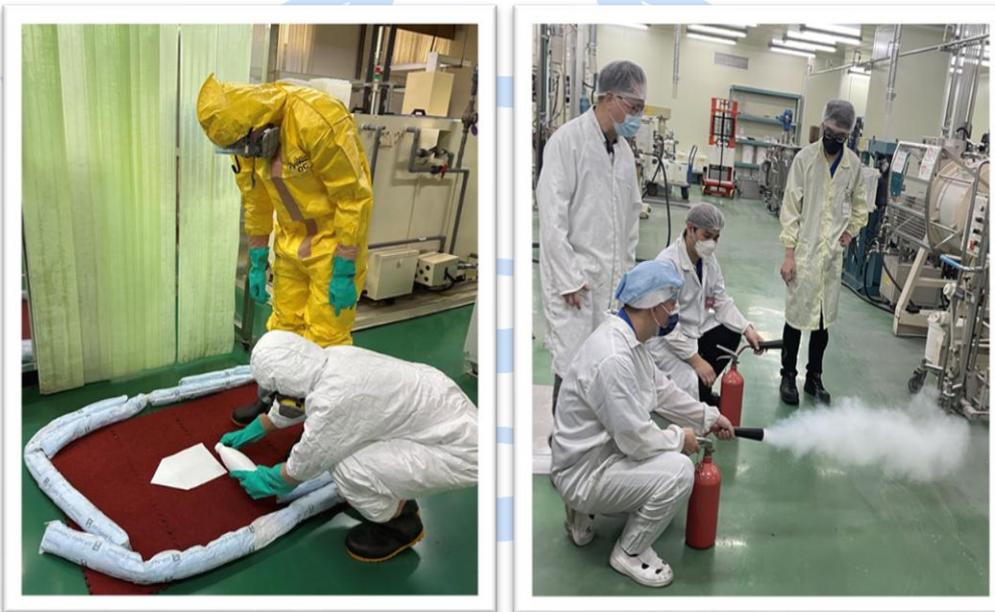
6. Satisfaction Survey and Improvement:

Enhance internal communication channel for employees and understand employees' perspectives on occupational safety and health issues through satisfaction survey, in terms of their work, workplace environment, corporate culture, and overall assessment. Understands employees' satisfaction with the company and their work, also identify issues for improvement in order to achieve effective communication.

Occupational Health and Safety Trainings

Training Type	Shift	Participated Employees	Training Hours	Total Training Hours
Occupational Safety and Health Training (Indirect)	Day Shift	188	3	564
Occupational Safety and Health Training (Direct)	Early, Mid, Night Shifts; Day-Night Rotations	490	1	490
Firefighting and First Aid Training (Including Evacuation) Emergency Response Training (2024 Program):	Early, Mid, Night Shifts; Day Shift; Day-Night Rotations	836	0.5-1	453
Fit Testing	Early, Mid, Night Shifts; Day Shift; Day-Night Rotations	45	1	45
Chemical Spill/Toxic Substances (Hazardous chemicals and unannounced emergency drills)	Early, Mid, Night Shifts; Day-Night Rotations	63	1	63
Health Management Training- Cardiovascular Disease	Early, Mid, Night Shifts; Day-Night Rotations	54	1	54
Radiation Protection Personnel Training	Early, Mid, Night Shifts; Day Shift; Day-Night Rotations	41	3	123

Chemical Spill and Fire Emergency Response Training



Fire Evacuation Drill



✧ Employee Health Promotion

Employees are the most valuable asset of the company. By fostering a positive workplace and atmosphere, we ensure continuous growth for both employees and the company. Various enriching activities are held, including diverse company events and sports clubs for activities like ball games and yoga. Annual health checks are provided, along with specialized health screenings for employees in specific roles. In 2024, Longtan plant's health check-up participation rate reached 98%. Employees with abnormal health check results were evaluated and advised by on-site occupational health physicians. In 2024, Longtan plant on-site occupational health services totaled 103 visits, including 15 workplace visits. The company also collaborates with hospitals to host regular health seminars and consultations. Target Program of 2024 is Health Promotion Plan aimed at reducing the proportion of plant employees at moderate to high risk of cardiovascular disease, in order to enhance employees' awareness and understanding of health. In addition, these initiatives focus on effectively managing four key areas: human factor hazards, maternal health protection, excessive workloads, effective management of workplace harassment and mental health issues. These efforts support employees in achieving a balance between family life, physical and mental health, and enthusiasm for work.



▲ Health Forum

In the workplace, regular inspections of emergency response equipment are conducted. Additionally, personal protective equipment (PPE) usage guidelines are clearly posted at workstations, ensuring that employees are fully aware of safety protocols during operations.

✧ Number of Occupational Injuries Over the Years

Holy Stone complies with the Occupational Safety and Health Act by reporting occupational accident statistics monthly as required, and submits them to the inspection agency for record. In the event of a workplace accident, it is reported to the highest plant supervisor, and the Occupational Safety Unit works with relevant units to conduct investigation, analysis, and resolution of the incident. Improvement measures are developed collaboratively, and case studies are created for awareness campaigns to raise vigilance and prevent similar issues from recurring. In 2024, there were no occupational injuries involving independent contractors at the plant.

Item	2022	2023	2024
Total Working Hours (year)	2,062,048	2,002,586	2,041,091
Number of fatalities caused by occupational injuries	0	0	0
Fatality rate due to occupational injuries	0	0	0
Number of severe occupational injuries	0	0	0
Rate of severe occupational injuries	0	0	0
Number of recordable occupational injuries	5	7	7
Rate of recordable occupational injuries	2.42	3.50	3.43





Environmental Protection

4.1 Energy Resources Management

4.2 Pollution Prevention

4.3 Climate Change Response

4.1 Energy Resources Management

✧ Energy Management

Holy Stone aims to enhance the efficiency of resource utilization through various efforts; reduce environmental impact and decrease energy consumption, creating a society where technological industrial development coexists with environmental protection. In Holy Stone's production facilities, energy efficiency is considered as part of the evaluation process when selecting equipment to meet the company's overall energy-saving goals. Additionally, continuous reviews and improvements are made through various methods to achieve energy conservation and environmental protection objectives.

In 2024, the total electricity consumption increased due to plant capacity adjustments, include installation and testing of the new Longtan plant. Overall electricity consumption rise by 0.91% compared to 2023, with the total electricity consumption reaching 60,615 MWh.

2024 Energy Consumption

Item	Billion Joules (GJ)
Diesel	29.6699
Gasoline	8.7626
Purchased electricity	218,213.3462
Renewable energy usage <small>(Self-generated and self-consumed solar photovoltaic of 497.3496 kWh)</small>	1,790.4586
Total energy usage	220,042.2372
Total energy usage intensity (GJ per million in revenue)	22.7049

Note: Includes Taipei headquarters, Taoyuan Longtan Plant 1, Taoyuan Longtan Plant 2, and Yilan Li Ze Plant.

Note: 1 liter of gasoline = 32.6352 million joules, 1 liter of diesel = 35.1456 million joules, 1 kWh of electricity = 3.6 million joules.

Note: Energy calorific values are based on the 2021 Energy Statistical Handbook by the Ministry of Economic Affairs.

Note: 2024 unconsolidated revenue is 9,691 million.

✧ Greenhouse Gas Management

In response to the government's 2050 net-zero carbon emissions target and in accordance with the timeline requirements for greenhouse gas (GHG) disclosure for listed companies, Holy Stone has completed the GHG emissions inventory and related verification activities for its Taiwan operations. These activities were carried out in compliance with the ISO 14064-1 standard. The 2024 GHG inventory verification was verified by AFNOR ASIA in accordance with ISO 14064-3:2019 standard, and obtained an unqualified verification opinion statement on June 5, 2025.

In 2024, Holy Stone's GHG inventory reported a total annual emission of 36,449.3630 metric tons of CO₂ (CO₂e). Scope 1 emissions is approximately 920.4331 metric tons of CO₂e, Scope 2 emissions totaled approximately 28,731.4240 metric tons of CO₂e.

The company’s previously established GHG reduction target is “2024 reduction of greenhouse gas per million products decrease by 10% in comparison to the base year (2019)”. In 2024, the actual emission intensity reached 2.24 metric tons of CO₂e/per million units. Due to the inclusion of the Taipei and Lize facilities in the inventory since 2023, total emissions increased, leading to a corresponding rise in emission intensity. Beyond the annual 1% electricity-saving goal, future GHG reduction targets will be redefined in alignment with international trends and national policies.

Greenhouse Gas Inventory

Location	Scope	2022	2023	2024
Headquarter and Other Operating Locations	Scope 1	320.99	367.63	920.43
	Scope 2	29,171.71	29,670.87	28,731.42
	Total	29,492.70	30,038.50	29,651.85
	Density	1.81	2.07	2.24
	Note	Longtan Plant Only (Self-Disclose)	2024/5/16 Third Party Verification	2025/4/28 Third Party Verification

Note 1: The inclusion of the Taipei and Lize facilities since 2023 inventory resulted in the increase in total emissions, which also caused a corresponding rise in emission intensity.

Note 2: According to the announcement by Taiwan Power Company, the electricity emission factor for 2024 is 0.474 kg CO₂e per kWh.

Energy Saving Measures

In 2024, Holy Stone continued to implement energy resource management and process energy-saving improvement plans, such as upgrading lighting systems to save electricity, heat recovery system from chamfer low-temperature ovens, adjusting and Optimizing PUMP operation for wastewater recycling, and ongoing replacement of chiller units along with other initiatives. In addition, a total of 497,350 kWh of solar photovoltaic power was self-generated and self-consumed in 2024, total obtained of 495 Renewable Energy Certificates (RECs) issued by the Taiwan Renewable Energy Certificate Center (T-REC). Measures above were estimated to save approximately 731,578 kWh of electricity for the year.

To increase the utilization rate of green electricity and achieve sustainable development, the installation of second phase solar photovoltaic equipment (approximately 1,175 kW) at Lize plant is scheduled for 2025. Holy Stone implements concrete actions to advance environmental initiatives, including energy conservation, carbon reduction, and electricity-saving measures, etc.

2024 Electricity Conservation Result

Project	Lightening improved saved 28,928kWh
	Heat recovery in low-temperature ovens saved 196,607 kWh
	Pure water recycling through optimized raw-water pump operation saved 1,621 kWh
	Optimizing raw-water pump operation enabled RO wastewater recycling that saved 7,072 kWh
	Annual Solar Power generation 497,350 kWh
Total	2024 electricity saved totaled 731,578 kWh

✧ Water Resource Management

The company's water usage is primarily categorized into two main types: process water and domestic water for employees. Domestic wastewater is treated through sewage facilities, while process wastewater is handled at the wastewater treatment plant. Both are legally discharged via the sewer system after treatment, with regular monitoring of effluent to ensure compliance with water quality standards. There were no incidents of illegal pollution or significant impact on environmental water sources in 2024.

In 2024, the total water consumption of the company was 266,153.90 metric tons. Adjustments in the product structure resulted in an increase in total emission equivalents, an increase of 2.01% compared to 2023. The water usage intensity for 2024 was 20.08.

Recent Two Years Water Consumption

		Unit: tons	
Year	Item	2023	2024
	Water Consumption	260,915.40	266,153.90
	Water Intensity (water consumption per million units produced)	17.96	20.08

Note: Since 2023, inventory includes Taipei Headquarter, Taoyuan Longtan 1, 2Plant and Yilan Lize Plant

Water Resource Conservation

In terms of domestic water usage, Longtan plant management office replaced water saving devices in the plant's washrooms and break rooms, promoting water conservation awareness among employees through small measures. To further conserve water, water-saving devices have also been installed on faucets. In addition, Holy Stone continues to assess the existing equipment at the Longtan plant for water resource recycling and reuse, such as replacing high-efficiency chiller unit, recycling cooling water from machinery, and using it to supplement the pure water-cooling tower system, whole process could improve the cooling water recovery rate continuously. In 2024, relevant water-saving plans continued, such as RO wastewater recycling, pure water system backwash wastewater recycling, and chamfer water recycling. The estimated total water savings for 2024 is approximately 38,864 metric tons.

2024 Water Resources Conservation Result

Item	RO wastewater recycling saved:17,554 metric tons
	Pure water system backwash wastewater recycling saved 11,793 metric tons
	Chamfer water recycling save 9,517 metric tons
Total	2024 water saved totaled 38,864 metric tons

❖ Waste Management

In terms of industrial waste management, except continuous implementation of ISO 14001 environmental management system, the company also follows government environmental regulations and reports accurately to ensure effective management of waste flow and avoid secondary pollution. The company continues to carry out waste reduction, resource recycling, and solvent recycling programs to minimize waste generation. The plant will review relevant waste disposal plans and strengthen vendor audits according to production conditions complying environmental regulations. Furthermore, the waste treatment methods are also being evaluated, with a focus on replace incineration with recycling to reduce resource consumption.

Holy Stone is committed to improve the efficiency of resource utilization by implementing waste classification management and recycling raw materials and waste solvents in the production process. In 2024, the amount of solvent recycled was 197.46 metric tons. Solvent recovery is estimated to generate benefits of approximately NT\$9.87 million and reduce greenhouse gas emissions by around 41.47 metric tons of CO₂e, and has effectively reduces the procurement of solvents (raw materials) and pollutant emissions. The project will be served as a target for the company's ongoing environmental protection schedule, it will be reviewed regularly, indirectly reduce equipment energy consumption and greenhouse gas emissions.

Regarding waste plastic, the Solid Recovered Fuel (SRF) Waste-to-Energy program has been successfully implemented. This program converts waste into SRF, primarily extracting combustible materials such as paper, plastic, and fibers from the waste. These materials are then homogenized and formed into a uniform fuel. The SRF can be used in specialized boilers or cement kilns, eliminating the need for burning coal, oil, or natural gas, truly turning waste into gold. Moreover, the combustion calorific value and efficiency of SRF are higher, benefiting production processes, and the greenhouse gas emissions are lower, which is more environmentally friendly. This provides an opportunity for materials that were once discarded and unrecyclable to be reused. In 2024, a total of 93.19 metric tons of SRF were recycled, significantly reduced the amount of waste directly incinerated and minimizing environmental impact. This will continue to be a goal in company's ongoing environmental protection plan, subject to regular review, and indirectly reduce equipment energy consumption and greenhouse gas emissions.

Waste Inventory Result

Year / Item	2023	2024
Hazardous Waste (Metric Tons)	310.60	307.66
General Waste (Metric Tons) (Including Announced Recycling)	648.03	694.80

Note: Inventory includes Taipei headquarters, Longtan plant 1,2 and Yilan Lize plant since 2023.

4.2 Pollution Prevention

❖ Water Pollution Prevention

In 2024, the wastewater output of the plants (including Lize plant) totaled 138,735 metric tons. We continue to strengthen operational management plans for wastewater treatment facilities and implement programs to regulate high-concentration waste liquid discharge. The Environmental Safety Department conducts monthly system analyses and provides feedback to production units for anomaly detection. Additionally, a water quality management plan is in place; including daily self-monitoring of pH and heavy metals, quarterly water quality analysis by the Ministry of Environment, and has expanded the monitoring scope to include stormwater drains to prevent wastewater pollution incidents. Ensure that the quality of discharged water consistently meets or surpasses regulatory requirements. Moving forward, the company will align with new plant expansion plans, periodically reviews wastewater treatment capacity and load, prepare proactively to ensure sustainable operations, monitoring and complying with domestic environmental regulations, ensuring alignment with environmental standards and trends.

❖ Air Pollution Prevention

Holy Stone Longtan plant continued its participation in Taoyuan City Environmental Protection Bureau's Taoyuan Ozone Improvement Action Plan during 2024. Without affecting normal production, efforts were made to reduce the use of organic solvents. Longtan plant has recycled solvents totaled 197.46 metric tons in 2024, effectively reduced both solvent procurement and waste generation, achieved an indirect reduction in volatile organic compound (VOC) emissions, reaching the goal of energy conservation and waste reduction plan, which the plan will be a continues ongoing target for sustainability.

At Longtan plant, periodic efficiency testing of gas incinerator control equipment annually is conducted to optimize the exhaust gas treatment system, ensuring the incinerator's treatment efficiency exceeds 90%. This system has significantly reduced volatile organic compound emissions, minimizing pollution, and improving air quality. The company will plan by applying for air pollution permits for the incinerators to ensure proper exhaust gas treatment and compliance with environmental regulations.

❖ Noise Pollution Prevention

Holy Stone Longtan plant is located within Wushulin Industrial Park, although noise level matches the environmental regulations, the company still proactively installed noise-reduction equipment on major exhaust ducts to enhance the living quality of the surrounding community. Noise level testing is

conducted every six months within the facility and annually along the perimeter to ensure compliance with standards and prevent noise pollution.

✧ **Environmental Management Goal**

Environmental Management Goal	Greenhouse Gas Management
Goal	2024 reduction of greenhouse gas per million products decrease by 10% in comparison to the base year (2019)
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ✧ Capacity optimization to enhance production unit capacity, develop low-temperature sintering materials, and procure environmentally friendly energy-saving equipment. ✧ Replacement of energy-saving lighting, installation of green power facilities for self-production and self-consumption, continuous promotion on energy resource recycling. ✧ Energy-saving trainings and audits.
Result	<p>Five-Year plan, GHG emission intensity for each year is as follows:</p> <ul style="list-style-type: none"> ● 2019: 1.69(base year) ● 2020: 1.31(1st year) ● 2021: 1.21(2nd year) ● 2022: 1.81(3rd year) ● 2023: 2.07(4th year) ● 2024: 2.24(5th year) <p>Due to the expanded inventory boundary (inclusion of Taipei and Lize facilities) and adjustments on output calculations resulted in increased emission, leading to a corresponding rise in emission intensity. The carbon reduction goals will be revised at a later stage.</p>

Environmental management goal	Advanced Air Pollution Control Technology Emission Reduction Plan
Goal	T5 exhaust gas incinerator achieves a treatment efficiency over 92%.
Allocated Resources and Main Tasks	Construction of exhaust gas incinerators (equipped with zeolite concentrator wheels and regenerative catalytic oxidizers) effectively reduces volatile organic compounds (VOCs).
Result	<ol style="list-style-type: none"> 1. 2024.06.12 Air Pollution Monitoring; incinerator exhaust gas treatment efficiency at 98.1%. 2. On 2024.09.03, the operating permit for fixed pollution source (M02) was approved by the competent authority.

Environmental management goal	ISO14064-1 Organizational GHG Inventory Management System Plan
Goal	Pass third-party verification and obtain the external greenhouse gas verification statement by 2024.
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ● Guidance and confirmation by the advisory agency, commitment from senior management, establishment of an inventory department, and ISO 14064-1:2018 training sessions. ● Establishment of an emissions inventory, confirmation of the GHG inventory report, implementation of internal verification, and improvement of deficiencies (internal audit). ● External verification of ISO 14064-1:2018 (external audit).
Result	1. In 2025.06.05, company obtained ISO14064-1:2018 Greenhouse Gas Verification Opinion Statement (2024 Report no.: THGHG23291-01). Subsequently, an annual greenhouse gas (GHG) inventory will be conducted on a regular basis.

Environmental management goal	Waste Solvent Outsourcing Treatment Reduction Plan
Goal	Waste solvent recovery and treatment volume: 210,000L/year (180.6 tons)
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ◇ Scheduling of manpower support plans. ◇ Waste solvent classification plan, waste solvent recovery volume statistics.
Result	<ol style="list-style-type: none"> 1. Waste solvent recovery volume: 229,600L/year 2. Achievement rate: 109%

Environmental management goal	Waste Disposal Vendor Compliance Audit Plan
Goal	Actual on-site visits to hazardous waste vendors:100%
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ◇ Waste contractor evaluation management, investigation of hazardous waste resource. ◇ Actual on-site visits to hazardous waste vendors.
Result	<ol style="list-style-type: none"> 1. Completed on-site inspections of 9 regulated waste vendors. 2. Vendor visit rate: 100%

Environmental management goal	Fire Safety Enhancement Plan for Public Hazardous Materials Storage Areas
Goal	Quarterly self-conducted fire safety inspections in high-risk areas
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ◇ Inspection and registration of designated hazardous areas, and installation of additional fire alarm systems. ◇ Mapped out high-risk areas and do self-conducted fire safety inspections.

	<ul style="list-style-type: none"> ◇ Statistical analysis of false alarm rate in fire alarm systems.
Result	<ol style="list-style-type: none"> 1. Quarterly self-conducted Fire Safety Inspections in March, May, September, and November. 2. Achievement Rate: 100%.

Environmental management goal	Plant Fire Safety and Emergency Response Mapping Project
Goal	Completion Rate of Plant Pollution Emission Mapping (Air/Water/Waste/Hazardous Substances): 100%
Allocated Resources and Main Tasks	<ul style="list-style-type: none"> ◇ Investigate the pollution emission inventory of Longtan plant. ◇ Established a Pollution Correlation Mapping Platform (for Internal and External Communication).
Result	<ol style="list-style-type: none"> 1. Draw Pollution Correlation Maps for Longtan (Plant 1 and Plant 2). 2. Achievement Rate: 100%.

4.3 Climate Change Response

As natural disasters driven by climate change become more frequent, the risks and challenges faced by businesses are also intensifying. Holy Stone deeply recognizes this issue and is actively responding to the challenges of climate change, committing to promote sustainable development. Holy Stone also follows international framework for climate-related financial disclosures (TCFD) to outline the company's current approach and responses to the challenges posed by climate change.

◇ Climate Change-Governance

Holy Stone has established a Corporate Sustainability Committee to enhance risk management on climate change. The Office of the General Manager serves as the primary unit responsible for promoting corporate sustainability, and reports the implementation results to the Board of Directors on a regular basis. Referred to Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Task Force on Climate-related Financial Disclosures (TCFD) by G20 members, requirements of ISO14001 and ISO14064-1. General Manager Office actively formulate supervision and management measures for addressing climate change-related risks faced by the Company, and replies global concerns of sustainable development, including participating disclose on CDP (Carbon Disclosure Project) in 2024 for the first time.

◇ Climate Change-Strategy

The company's strategies for addressing climate change and greenhouse gas management are outlined as follows:

1. **Physical Risk:** The probability and intensity of extreme rainfall and water shortages have increased due to climate change, it may cause damage or interruption of certain operational facilities. The mitigation measure is to assess and inventory the vulnerability of facilities; subsequent assessments will be conducted, such as elevating equipment, install flood barriers, reinforce and repair aging

facilities, and add additional water pumps, other groundwater contingency strategies, etc.

2. **Climate Change Risks & Opportunities:** Due to global trends of carbon management and climate change, the Company tracks product carbon footprints and greenhouse gas emissions records to clearly identify the amount of carbon dioxide generated during the manufacturing process. Based on these findings, the Company could set specific and measurable carbon reduction targets. In addition, energy-saving development and green products can enhance product added value and competitiveness, we then fulfill our environmental responsibilities, demonstrating a commitment to sustainable operations.

At present, the company has not suffered any losses due to climate change-induced disasters such as storms or flooding. However, extreme weather events resulting from the greenhouse effect and global warming are expected to increase the frequency and severity of such disasters. Additionally, the heightened uncertainty of natural disasters could lead to damage to factories and production equipment, power outages, and financial or business losses for customers, indirectly increase the company's operational risks and raising operating costs. Our strategies for addressing climate change and greenhouse gas management are summarized as follows:

1. The carbon dioxide emissions from electricity supplied by Taiwan Power Company (Taipower) constitute the Company's primary source of greenhouse gas emissions. Therefore, related energy-saving and carbon-reduction initiatives will primarily focus on electricity conservation. The response measures are as follows: improving operational efficiency, replacing conventional lighting with energy-saving alternatives, reducing raw material consumption, and conducting daily site-wide energy inspections by assigned personnel are undertaken, with engagement from all employees.
2. Continue to obtain ISO 14064-1:2018 greenhouse gas quantification and verification standard Greenhouse Gas Verification Report Opinion.
3. Develop relevant air and water management procedures based on ISO 14001 operational management guidelines to manage and reduce environmental impact effectively.

Short-Term Goal: Complete the company's carbon reduction plan, "2024 reduction of greenhouse gas per million products decrease by 10% in comparison to the base year (2019)". We plan to re-establish carbon reduction targets and formulate corresponding actions.

Mid-Long-Term Goal: In line with national policy schedule to achieve the national carbon reduction target: Net-zero emission by 2050.

✧ Risk Management

To effectively identify and assess the significant impacts or risks of climate change on operations, Holy Stone adopts a decentralized assessment approach, inviting each department to conduct self-assessment analyses. This helps identify the potential financial impacts of specific climate change risks and opportunities. The results of these assessments will serve as an important basis for the formulation of internal policies and goal setting within the company.

The company has conducted education and training on TCFD issues in 2024, participated in CDP Carbon Disclosure Project. We aim to gradually integrate climate change risk issues into corporate governance and sustainability management goals, moving towards to become a sustainable development enterprise.

✧ Goal Management

The company set a greenhouse gas emission reduction target of 2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019) in 2020. Besides the annual 1% power-saving target, solar photovoltaic system has been established. Self-generated solar photovoltaic electricity is amounted to 497,350 (kWh) in 2024. A total of 495 Renewable Energy Certificate (T-REC) issued by the National Renewable Energy Certificate Center have been obtained.

To address the potential impact of climate change, the company has applied to the Ministry of Economic Affairs for subsidies to upgrade and transform low-carbon and intelligent manufacturing in the project name of “Low-Carbon Automotive Ceramic Capacitor Material and Process Development”. This project has been concluded since August 2023, and estimated to be end by June 2025. Through integrating carbon reduction technologies with mid and downstream suppliers, as well as the Industrial Technology Research Institute (ITRI) commissioning the development of research. Current project progress has been completed as scheduled and is still ongoing, incorporate the technology into the core automotive-grade product 100KK, achieving electricity saving rate 35% benefits and 14% material carbon reduction currently. To sustain the implementation of the Climate Risk Transformation Program, 2025 New Solar Power Generation is planned; anticipated investment would be \$50 million, installed capacity approximately 1,175 kW.

Climate Change Risk Response

	Main Climate Change Risks	Potential and Financial Impacts	Future Response Strategy Directions
Extreme Weather Disasters	<p>Extreme weather events, such as typhoons, heavy rainfall, and flooding, could disrupt the supply chain, leading to production shutdowns or delivery delays. Additionally, with rising temperatures, the summer electricity shortage issue may worsen, affecting the company's normal operation and product production, also increasing operational costs.</p>	<ul style="list-style-type: none"> ➤ Lower operational performance ➤ Delayed deliveries leading to decrease customer satisfaction ➤ Increased operational management costs (electricity, water etc.) 	<ul style="list-style-type: none"> ➤ Establish disaster prevention and management measures, implement comprehensive preventive actions and operational recovery plans to ensure a swift response and restoration of normal operations in the event of a disaster. ➤ Promote energy-saving and carbon-reduction measures, improve energy efficiency, and reduce carbon emissions to address the long-term impacts of climate change. ➤ Diversify raw material sources to reduce supply chain disruption risks, ensure a stable supply of raw materials, and maintain the continuity of production operations.
Market Risks	<p>As the awareness of environmental issues continues to grow, there is a significant increase in market demand for eco-friendly materials and sustainably manufactured products. Consumers increasingly focused on the environmental performance of products and the carbon emissions during the manufacturing process, expecting companies to provide greener and more sustainable products. Failing to align with market trends and demands may result in missed business opportunities.</p>	<ul style="list-style-type: none"> ➤ Change in market trend ➤ Rising material costs 	<p>Monitor market trends and continue to research and develop sustainability-related technologies and products, including developing more products using eco-friendly materials, ensuring the ability to quickly adapt to market changes and meet consumer demand for environmental protection and sustainability, thus seizing new market opportunities.</p>
Policy and Legal Risks	<p>As national policies gradually restrict greenhouse gas emissions, the operational and compliance requirements for businesses increases yearly. Regulatory authorities are progressively requiring industries to inventory their greenhouse gas emissions and plan to establish related carbon pricing standards. The policy has not yet been applicable on Holy Stone at the moment, as the company will not only need to strengthen carbon emission monitoring and reporting but also implement more proactive carbon reduction measures.</p>	<ul style="list-style-type: none"> ➤ Increase in operating costs 	<ul style="list-style-type: none"> ➤ Evaluate investments in pollution control, renewable energy, or energy-saving equipment to fulfill carbon-reduction goal. ➤ Set annual greenhouse gas reduction targets and implement plans based on those targets.

Climate Change Opportunity Response

Climate Change Opportunities		Challenges and Opportunities	Response Strategy
Market Change Opportunities	As the market demand for low-energy and low-environmental-impact products grows, Holy Stone will actively develop low-carbon, more eco-friendly products and technologies. Through innovation and technology research and development, the company strives to offer products that meet these market demands, thereby enhancing its competitiveness.	<ul style="list-style-type: none"> ➤ Increase in revenue ➤ Innovation in production process 	<ul style="list-style-type: none"> ➤ Technology R&D investment: Increase investment in R&D of low-carbon and eco-friendly technologies to ensure that new technologies and products are quickly brought to market. ➤ Product design optimization: Integrate eco-friendly and energy-saving concepts during the product design phase to minimize environmental impact throughout the product's lifecycle. ➤ Supply chain management: Collaborate with suppliers to drive low-carbon transformation across the entire supply chain, ensuring that raw materials and components low-carbon and meet environmental standards.
Resources Utilization Efficiency	Holy Stone is committed to improve resource utilization efficiency, thereby reduce environmental impacts in within. Not only helps reduce products' carbon footprint, but also lowers operational costs significantly, enabling us to adapt more flexibly to change in environmental regulations and market demands.	<ul style="list-style-type: none"> ➤ Establishment of corporate image ➤ Reducing product costs 	<ul style="list-style-type: none"> ➤ Develop a plan for replacing old equipment with new ones. ➤ Formulate/implement electricity-saving and carbon-reduction plans.



Social Involvement

5.1 Social Involvement

5.1 Social Involvement

We embrace the belief that what gained from society should be returned to society, the chairman of Holy Stone Enterprise Co., Ltd., in collaboration with the founding shareholders, established the Taipei Holy Stone Social Welfare and Charity Foundation in December 2001. The foundation aims to care for society and assist disadvantaged families. It provides emergency aid for vulnerable families, scholarships for financially struggling or outstanding students, sponsors public welfare organizations and promotes charitable causes. The foundation actively participates in various charitable activities, striving to bring love and warmth to society. In 2024, the foundation donated a total of NTDS\$ 5.91 million.

Over the years, the foundation has spared no effort in helping with emergency aid cases, providing scholarships and grants to students, and funding public welfare organizations. Meanwhile donated medical support vehicles for services in remote areas, provided rehabilitation buses for transporting people with limited mobility to medical appointments, donated energy-saving light tubes to social welfare organizations lacking bright lighting, supported funding for orphanages and nursing homes, sponsored elderly daycare, meal delivery for the elderly living alone, reading programs for disadvantaged children, scholarships for children from single-parent families, early intervention for children with disabilities, art therapy for people with disabilities, medical infrastructure in remote areas, cancer prevention campaigns, support for patients and their families also other charitable activities.

As a corporate citizen, Holy Stone upholds the corporate spirit of passing down public welfare through the Holy Stone Foundation, realizing the original intent of supporting the disadvantaged and caring for society. Moreover, it aims to make public welfare more innovative and comprehensive through its business model, to enhance the innovation and completeness of philanthropic initiatives, while maximizing the value of social engagement.

❖ Holy Stone Volunteer: Happy Mount Colony Summer Fun Day

Public Welfare as a Family Legacy is a proud corporate culture of Holy Stone. Since 2011, employees have voluntarily formed the Holy Stone Volunteer Team to implement corporate social responsibility, hoping to care for society through practical actions and bring different perspectives and experiences to themselves. In 2024, employees actively participate in caring for

society, fulfilling their corporate social responsibilities. Volunteers activities included “Happy Mount Colony Summer Fun Day”. Holy Stone hopes that through the Corporate Volunteer Day event, the



passionate atmosphere and warm energy of volunteer services could inspire more people, encouraging greater participation in volunteering activities. “Old Shoes Save Lives” is also a volunteer event which, through the collection of unused household items from our employees, we aim to extend warmth and support to those in need.

As of 2024, the accumulated volunteer service hours of Holy Stone amount to 4,346 hours.

❖ **Holy Stone Scholarship Sponsorship: Support Children in Achieving Their Goals**

Education is the right for every child, and for underprivileged students, it is a crucial foundation for escaping poverty, every child should have the equal rights to achieve great success. Upholding the mission of caring for the underprivileged, providing scholarship for outstanding students in poverty is one of the most important service projects of Holy Stone Foundation every year.

In 2024, scholarships are provided for 32 students, the cumulative amount of scholarship grants reached NT\$11.39 million. Making the public welfare heirloom not only being corporate culture of Holy Stone, but also hoping the power of love can be continued to circulate and expand, allowing everyone to become an indispensable force in creating happiness.

❖ **Caring for Education: Supporting the Reading Education Charity Plan**

Holy Stone’s main production plant is located in Longtan District, Taoyuan. Since 2019, Holy Stone has been supporting the project by Global Views Educational Foundation, named “Sowing the Seeds of Reading for a Brighter Future for Children”, in order to provide resources and support to more children in need. In 2024, donations were made to 6 schools in Taoyuan City, totaling 1,270 magazines.

As of 2024, the total number of magazines donated in response to this project has reached 6,608. Holy Stone continues to take education as the starting point, and distributes the seeds of reading in the form of monthly magazine donations, sends care to campuses and classes. Spending quality reading time with children, hoping to irrigate a happier future to the next generation in Taiwan.

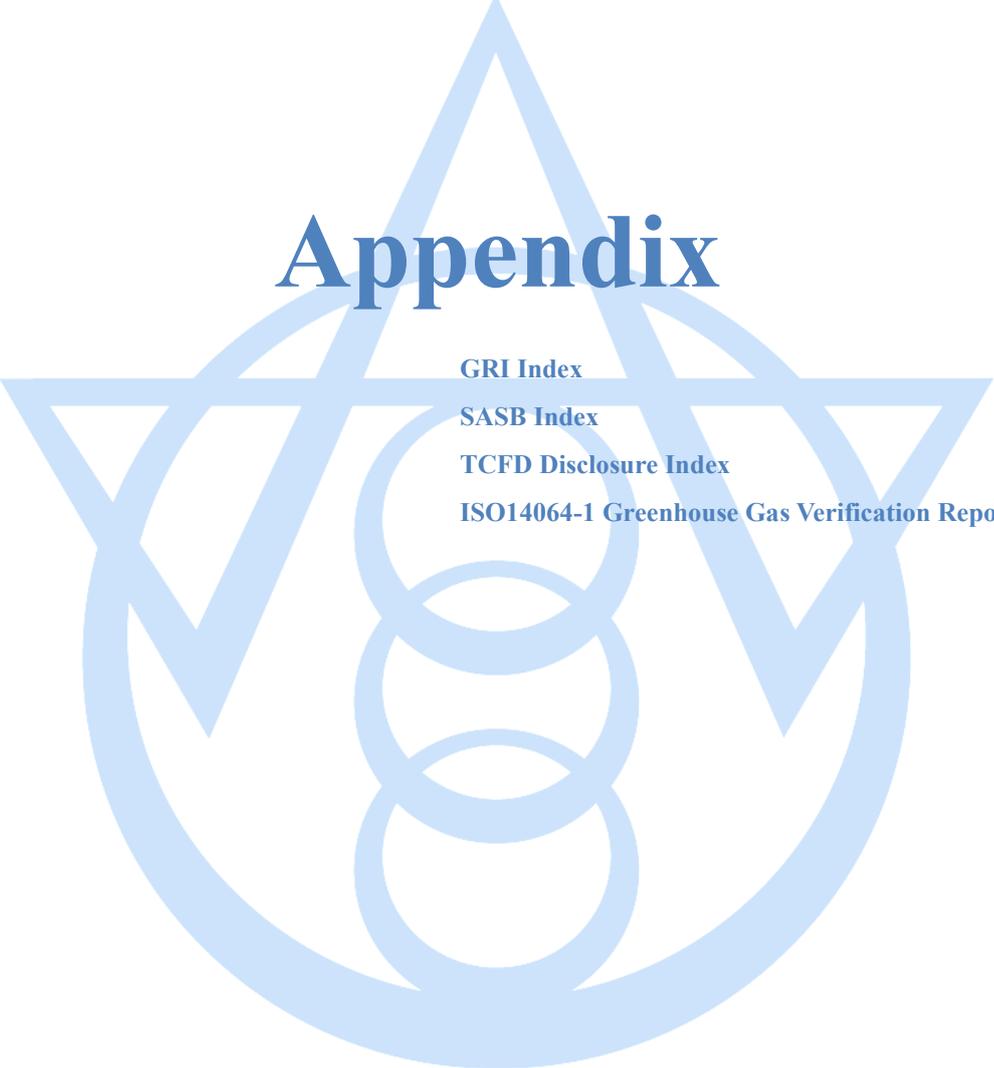
❖ **Donations of Second Handed Laptops: Let Love Be Spread into All Corners in Remote Areas**

For ten consecutive years, Holy Stone participated in the event of collecting second-handed computers by the Digital Center organized by KPMG. In fact, internet penetration rate is so high that internet communication is undoubtedly an important and common communication medium. From daily inquiries to even various municipal application processes, can only be accessed through the internet. This is particularly challenging for disadvantaged families in remote areas, where lag in information access highlights the urgent need to address the urban-rural digital divide. To tackle this issue, the Ministry of Education’s Computer Center established Digital Opportunity Centers (DOCs) in remote regions across Taiwan, provide opportunities for underprivileged groups to learn computer skills. Under KPMG’s initiative, many enterprises have joined efforts to collect second-hand computers for these centers. Since 2011, Holy Stone has participated in this project and as of 2024, we’ve donated total of 231 laptops to DOCs in various remote areas in Taiwan.

✧ **Year-end Warmth Campaign**

Since 2015, Holy Stone Foundation has collaborated with various organizations to raise funds and invite colleagues to bring warmth to underprivileged friends at the end of each year. In 2024, partnering with the Taiwan Lezhi Charity Association, the foundation delivered New Year's dishes, winter care packages, and blessings to the homeless before Lunar New Year. We aspire to unite all forces through love, the initiative aimed to extend support to the streets, helping those in need to endure the harsh winter.





Appendix

GRI Index

SASB Index

TCFD Disclosure Index

ISO14064-1 Greenhouse Gas Verification Report Opinion

GRI Index

Statement of Use:

Holy Stone has reported the content for the period from 2024.01.01 to 2024.12.31 in accordance with the GRI Standard

GRI 1	GRI 1 : General 2021
Applicable GRI Standard	None

Disclosure Item	Disclosure Item	Section Topic or Description	Omitted Description	Page
GRI 2: General 2021				
2-1	Organizational Details	1.1Company Profile	-	7
2-2	Entities included in the company's sustainability reporting	About the Report	-	2
2-3	Reporting period, frequency, and contact person	About the Report	-	2
2-4	Information restatement	About the Report	-	2
2-5	External assurance/verification	No third-party assurance	-	
2-6	Activities, value chain, and other business relationships	1.1Company Profile 1.8Sustainable Supply Chain	-	7 41
2-7	Employee	About the Report 3.1Friendly Workplace	-	2 54
2-8	Non-Employee Workers	3.1Friendly Workplace	-	54
2-9	Governance structure and composition	1.3Board of Director Governance	-	23
2-10	Nomination and selection of the highest governance body	1.3Board of Director Governance	-	23
2-11	Chair of the highest governance body	1.3Board of Director Governance	-	23
2-12	Role of the highest governance body in overseeing impact management	1.3Board of Director Governance	-	23
2-13	Person responsible for impact management	1.3Board of Director Governance	-	23
2-14	Role of the highest governance body in sustainability reporting	1.3Board of Director Governance	-	23
2-15	Conflict of Interest	1.3Board of Director Governance	-	23
2-16	Communication of key material events	1.3Board of Director Governance	-	23
2-17	Collective intelligence of the highest governance body	1.3Board of Director Governance	-	23

Disclosure Item	Disclosure Item	Section Topic or Description	Omitted Description	Page
2-18	Performance evaluation of the highest governance body	1.3Board of Director Governance	-	23
2-19	Remuneration Policy	1.3Board of Director Governance	-	23
2-20	Compensation decision-making process	1.3Board of Director Governance	-	23
2-21	Annual total compensation ratio	3.2Talent Cultivation	-	
2-22	Statement of sustainability strategy	Message to Stakeholders	-	4
2-23	Policies and Commitments	3.3Diversity and Inclusion	-	62
2-24	Incorporation of policy commitments	3.3Diversity and Inclusion	-	62
2-25	Procedures for remedying negative impacts	1.4Ethical Management 3.3Diversity and Inclusion	-	33 62
2-26	Mechanisms for seeking advice and raising concerns	1.4Ethical Management 3.3Diversity and Inclusion	-	33 62
2-27	Legal Compliance	1.5Legal Compliance	-	35
2-28	Membership in trade associations	1.1Company Profile	-	7
2-29	Stakeholder engagement policy	1.2Stakeholder Engagement and Major Theme Analysis	-	16
2-30	Collective agreements	-	No collective agreements.	

Disclosure Item	Disclosure Item	Omitted Description	Page
GRI 3 : Major Topic 2021			
3-1	Process of Determining Major Topic	-	16
3-2	Major Topic List		
3-3	Major Topic Management		

Custom Major Topic

Item	Corresponding GRI Standards	Corresponding Content	Page
Legal Compliance	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis	16
Quality Management	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis	16

Major Topic GRI Corresponding Chart

Major Topic: Operational Result

Item	Corresponding GRI Standards	Corresponding Content	Page
GRI3: Major Topic2021	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis	16
201 Economic Performance 2016	201-1Direct economic value generated and distributed by the company	1.1Company Profile	7
	201-2Financial impacts and other risks and opportunities arising from climate change	4.3Climate Change Response	78
	201-3Defined benefit obligations and other retirement plans	3.1Friendly Workplace	54
	201-4Financial assistance received from the government	1.1Company Profile	7

Major Topic: Anti-Corruption

Item	Corresponding GRI Standards	Corresponding Content	Page	Item
GRI3: Major Topic 2021	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis		16
205 Anti-Corruption 2016	205-1 Operating locations where corruption risk assessments have been conducted	-	Corruption risk assessments have not yet been conducted at operational locations.	-
	205-2 Communication and training on anti-corruption policies and procedures	1.4Ethical Management	-	33
	205-3 Confirmed incidents of corruption and actions taken	1.4Ethical Management	-	33

Major Topic: Talent Cultivation

Item	Corresponding GRI Standards	Corresponding Content	Page
GRI3 Major Topic 2021	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis	16
404 Training and Education 2016	404-1 Average hours of training per employee per year	3.2Talent Cultivation	59
	404-2 Programs for enhancing employee skills and transition assistance	3.2Talent Cultivation	59
	404-3 Percentage of employees who receive regular performance and career development reviews	3.2Talent Cultivation	59

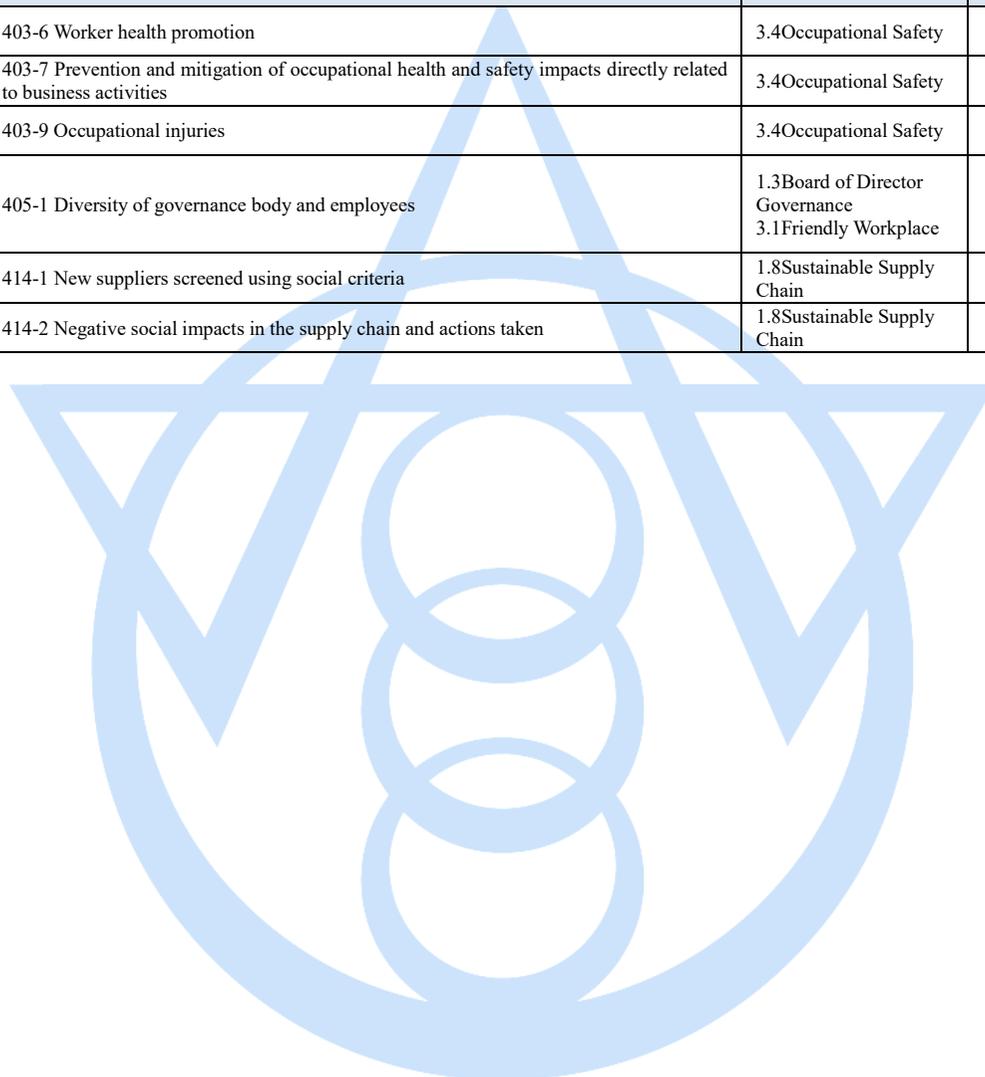
Major Topic: Information security

Item	Corresponding GRI Standards	Corresponding Content	Page
GRI3: Major Topic 2021	3-3 Major Topic Management	1.2Stakeholder Engagement and Major Theme Analysis	16
418 Customer Privacy 2016	418-1 Complaints regarding confirmed violations of customer privacy or loss of customer data	1.7Information Security	40

Non-Major Topic GRI Corresponding

Item	Corresponding GRI Standard	Section Topic or Description	Omitted Description	Page
302 Energy 2016	302-1 Energy consumption within the organization	4.1 Energy Resources Management		71
	302-2 Energy consumption outside of the organization	-	External energy consumption assessments have not yet been conducted by the organization.	-
	302-3 Energy intensity	4.1 Energy Resources Management	-	71
	302-4 Reduction on energy consumption	4.1 Energy Resources Management		71
	302-5 Reductions in energy requirements of products and services	-	Relevant data has not yet been compiled.	-
305 Emission 2016	305-1 Direct (Scope 1) Greenhouse Gas Emissions	4.1 Energy Resources Management	-	71
	305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	4.1 Energy Resources Management	-	71
	305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	4.1 Energy Resources Management	-	71
	305-4 Greenhouse Gas Emission Intensity	4.1 Energy Resources Management	-	71
	305-5 Greenhouse Gas Emission Reduction	4.1 Energy Resources Management	-	71
	305-6 Emissions of Ozone-Depleting Substances (ODS)	-	Our company does not emit ozone-depleting substances (ODS) gases.	-
	305-7 Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and Other Significant Air Emissions	-	Our company does not emit gases such as NOx and SOx, etc.	-
308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	1.8 Sustainable Supply Chain	-	41
	308-2 Negative environmental impacts of the supply chain and actions taken	1.8 Sustainable Supply Chain	-	41
401 Labor Management 2016	401-1 New employee hires and employee turnover	3.1 Friendly Workplace	-	54
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	3.1 Friendly Workplace	-	54
	401-3 Parental leave	3.1 Friendly Workplace	-	54
403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	3.4 Occupational Safety	-	64
	403-2 Hazard identification, risk assessment, and incident investigation	3.4 Occupational Safety	-	64
	403-3 Occupational health services	3.4 Occupational Safety	-	64
	403-4 Worker participation, consultation, and communication on occupational health and safety	3.4 Occupational Safety	-	64
	403-5 Worker training on occupational health and safety	3.4 Occupational Safety	-	64

Item	Corresponding GRI Standard	Section Topic or Description	Omitted Description	Page
	403-6 Worker health promotion	3.4Occupational Safety	-	65
	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business activities	3.4Occupational Safety	-	65
	403-9 Occupational injuries	3.4Occupational Safety	-	65
405 Employee Diversity and Equal Opportunity 2016	405-1 Diversity of governance body and employees	1.3Board of Director Governance	-	23
		3.1Friendly Workplace	-	54
414 Supplier Social Assessment	414-1 New suppliers screened using social criteria	1.8Sustainable Supply Chain	-	41
	414-2 Negative social impacts in the supply chain and actions taken	1.8Sustainable Supply Chain	-	41



SASB Index

Metric Code	Measurement Metric	Corresponding Chapters
Disclosure Topic: Product Safety		
TC-HW-230a.1	Describe the risk identification and management methods for product information security.	Our company's products have been identified as not having information security risks.
Disclosure Topic: Employee Diversification and Inclusion		
TC-HW-330a.1	Global Employee Gender Percentage	3.1 Friendly Workplace
Disclosure Topic: Product Lifecycle Management		
TC-HW-410a.1	Percentage of annual revenue from products that comply with IEC62474 and are required to report controlled substances.	Not Applicable
TC-HW-410a.2	Percentage of annual revenue from products that comply with EPEAT certification or equivalent requirements.	Not Applicable
TC-HW-410a.3	Percentage of annual revenue from products that comply with Energy Star or equivalent requirements.	Not Applicable
TC-HW-410a.4	Percentage of total sales product weight represented by the total weight of discarded products and the weight of recycled treatment globally.	Holy Stone products are B to B and do not have any recycled products, therefore this metric is not applicable.
Disclosure Topic: Supply Chain Management		
TC-HW-430a.1	Percentage of first-tier Supplier Executing RBA VAP (Validated Audit Process) or Equivalent Audits (a) All Suppliers (b) High-Risk Suppliers	Implementation not yet planned
TC-HW-430a.2	First-Tier Suppliers (1) Percentage of audited suppliers that did not pass RBA VAP or equivalent audits (2) Audit results: (a) Major findings (b) improvement rate for other non-conformities	Implementation not yet planned
Disclosure Topic: Material Procurement		
TC-HW-440a.1	Describe the risk management of using critical materials	1.8 Sustainable Supply Chain
Disclosure Topic: Activity Metrics		
TC-HW-000.A	Production volume by product category	A total of 13,252,445 thousand units were produced in 2024.
TC-HW-000.B	Facility area	Longtan plant building area: 60,364 square meters (18,292 ping) Yilan plant building area: 14,255 square meters (4,320 ping)
TC-HW-000.C	Percentage of production from owned facilities	100%

TCFD Index

Aspect	TCFD Recommended Disclosure Items	Corresponding Chapter	Page
Governance	Describe the board's oversight of climate-related risks and opportunities.	4.3Climate Change Response	78
	Describe management's role in assessing and managing climate-related risks and opportunities.	4.3Climate Change Response	78
Strategy	Describe the climate-related risks and opportunities identified by the company over the short, medium and long-term.	4.3Climate Change Response	78
	Describe the impact of climate-related risks and opportunities on the company's business, strategy, and financial planning.	4.3Climate Change Response	78
	Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios, including a 2°C or more severe scenario.	Scenario analysis has not yet been conducted	-
Risk Management	Describe the company's processes for identifying and assessing climate-related risks.	4.3Climate Change Response	78
	Describe the company's processes for managing climate-related risks.	4.3Climate Change Response	78
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management framework.	4.3Climate Change Response	78
Metrics and Targets	Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.	4.3Climate Change Response	78
	Disclose Scope 1, Scope 2, and Scope 3 (if applicable) greenhouse gas (GHG) emissions and the related risks.	4.3Climate Change Response	78
	Describe the targets used by the company to manage climate-related risks and opportunities, and its performance against those targets.	4.3Climate Change Response	78



Certificate

Certificat

Report No. : (TH23-291 / Version 1)

Greenhouse Gas Verification Report Opinion

THGHG23291-01

Verification HOLY STONE ENTERPRISE CO., LTD.
Scope: 1F, No. 62, Sec.2, Huanshan Rd., Neihu Dist., Taipei 11452, Taiwan(R.O.C.)
The information of other sites are listed on the subsequent page.

Verification ISO 14064-1 : 2018
Criteria:

Verification According to ISO 14064-3:2019, AFNOR Asia Ltd. (AFNOR ASIA) confirms that the GHG
Objectives : statement (GHG inventory report) of the above-mentioned organization(s) is reported
in accordance with the verification criteria agreed by both parties. AFNOR ASIA
performs the verification with an objective and fair position and principle (relevant,
complete, consistent, accurate, and transparent).

Data Period : From 01 01, 2024 to 12 31, 2024 (The data being viewed is historical in nature)

Verification	Direct GHG Emissions (Category 1):	920.4331	Ton CO ₂ e
Verification	Energy Indirect GHG Emissions (Category 2):	28731.4240	Ton CO ₂ e
Data :	Indirect GHG Emissions (Category 3-6):	6797.5063	Ton CO ₂ e

Global Warming Potential (GWP) : Refer to IPCC 2021 Year, the 6 assessment report

Statement Basis : This statement must be interpreted as a whole with the following.

GHG Inventory Report (Version :	3	: Date :	04 28, 2025)
GHG Inventory (Version :	3	: Date :	04 28, 2025)

Materiality : 5% (Category 1 and Category 2)

Type of Opinion : Unqualified Qualified (see the subsequent page) Disclaim the issuance

Verification To confirm that the organization submits a GHG statement in accordance with the
Conclusion: requirements of the verification criteria agreed by both parties, and fairly presents
the GHG data and related information, which are consistent with the verification
scope, objectives and criteria agreed by both parties.
**Declares that the reasonable assurance level of the inventory data is Category 1
and Category 2.**

Date of Issuance: 06 05, 2025

APPROVED BY

Steven Huang
Director for Certification
ON BEHALF OF
AFNOR ASIA

113-2024-00