



2025

Sustainability Report

Nien-Yi Industrial Corp.

Sustainability Highlights

Building a Low-Carbon Value System ,Progressing Toward Net-Zero Emissions



EcoVadis Bronze Medal*



Dun & Bradstreet Dual Certification
D-U-N-S REGISTERED & ESG
REGISTERED





Outstanding
Supplier
Award

FII QUALITY IMPROVEMENT AWARD

NIENYI VIETNAM INDUSTRIAL COMPANY LIMITED



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About Nien-Yi Group 2025 ESG Report

Nien-Yi Group (hereinafter referred to as Nien-Yi) has issued this ESG Sustainability Report to transparently and publicly present the Group's sustainability strategy, implementation actions, performance results and long-term goals to the public, customers, investors, employees and supply chain stakeholders, respond to global sustainability regulatory trends and market expectations, and strengthen the company's operational resilience and long-term value. Our ESG report is updated annually. This 2025 ESG Sustainability Report will be published in August 2026, fully presenting Nien-Yi's specific practices and quantified performance data in environmental protection, corporate governance and social engagement from January 1 to December 31, 2025. All outlooks, plans and forward-looking information after January 1, 2026 are explained and their scope of application is indicated in the dedicated section of the report.

The global economic outlook for 2025 is generally fragile and complex, with slow growth and gradually easing inflationary pressures. However, factors such as geopolitical tensions, the reopening of trade barriers, regional restructuring of supply chains, and weak end-user demand will continue to disrupt the electronics manufacturing and cable connector industries. The market will face even more severe challenges in 2026 and beyond: global economic growth is expected to slow to 2.6%–2.9%, consumer electronics shipments will decline, price volatility in storage chips and raw materials will increase, green compliance costs will rise, financial market volatility will increase, and order shortfalls and uncertainty will rise. These factors will place higher demands on the operational flexibility, supply chain stability, sustainability management, and risk response capabilities of multinational manufacturing companies. The Nien-Yi Group uses an ESG system throughout its entire process of R&D, production, supply chain, and marketing, fully integrating environmental, social, and governance factors into operational decisions to ensure sustainable resilience against market fluctuations and guarantee long-term sound operations.

Based on the assessment of the overall operational impact on the Group, the reporting scope for this report centers on the operating sites in Taiwan, Mainland China, and Vietnam. Nien-Yi was established in 1987 in Neihu District, Taipei City, Taiwan. The Company's main business includes the design, development, production, assembly, and processing of products such as cables and wires, including network cables, computer cables, telephone cables, high-frequency coaxial cables, optoelectronic composite cables, and underwater drone cables, connectors, AC adapters, antennas, optoelectronic modules, and related injection molding products.

The Company's products are mainly sold to Japan, Southeast Asia, Australia, Africa, the Americas, Europe, and India. This report includes the following six manufacturing sites: Nien-Yi Industrial Corp. (Neihu), Nien-Yi Industrial Corp. (ZhuBei), Taicang Nien-Yi Technology Electronics Co. Ltd. (Taicang)/ L-Cubic Electronics (Suzhou) Co. Ltd.(L-Cubic), Nien-Yi Technology (Zhuhai) Co. Ltd. (Zhuhai), Nienyi Vietnam Industrial Co. Ltd. (Bac Ninh), and Leap Optical Technology Corp. .

This report is based on the Global Reporting Initiative (GRI) Standards and employs a reference-based approach for information disclosure. To ensure the authenticity, credibility, and transparency of the information, this report was commissioned to DQS Taiwan Inc. (UL International Management Systems Certification Co., Ltd.) to conduct an independent third-party assurance based on AA1000 AS v3 (Assurance Standard 2020) Type 1 Medium Assurance Level, thereby enhancing the report's credibility and market acceptance.

In response to the global trend of consolidation in sustainability regulation and mandatory disclosure for the year 2025, this report, based on the existing GRI core framework and referencing the explanations of climate-related financial disclosures (TCFDs) stipulated in IFRS Sustainability Disclosure Standard S1 "General Requirements for Sustainability-Related Financial Disclosures (SASB)" and S2 "Climate-Related Disclosures" (hereinafter referred to as IFRS S2) issued by the International Financial Reporting Standards (ISSB), and assessment support tools, has added the EU's Corporate Sustainability Reporting Directive (CSRD). The Nien-Yi Group employs a dual materiality assessment (CSRD) to align with the disclosure framework of the European Sustainability Reporting Standards (ESRS). This comprehensive approach identifies and assesses sustainability issues that have a significant impact on the Group's financial performance and on the environment and society, resulting in a more complete and systematic presentation of the Group's sustainability implementation effectiveness and management performance in its ESG reports.

The Nien-Yi Group also aligns with local sustainability regulations in Taiwan, mainland China, and Vietnam, building a cross-regional, multi-standard integrated sustainability management and disclosure system. This high-quality ESG management approach addresses the regulatory implementation in 2025 and the severe market challenges anticipated in 2026 and beyond, driving the company's long-term sustainable development.

This report discloses all operating activities, products, services (including sales markets), and value chain entities and activities during the reporting period. Financial statements in this report are expressed in US dollars (USD). Social, environmental, health, and safety performance is presented using internationally recognized indicators. Any estimates or assumptions will be noted in the relevant sections.

Reporting Cycle :

The Company first issued its Sustainability Report in December 2024 and will continue to publish the report annually thereafter.

Previous Year (2024) Release Date	December 2025
Current Year (2025) Release Date	August 2026
Next Year (2026) Release Date	August 2027

Note: In response to environmental protection and the promotion of paperless processes, the report is issued in electronic form.

Information restatement :

None

Contact Information :

If you have any questions or suggestions regarding this report, please feel free to contact us.

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Stakeholder communication and complaint channels:

Stakeholder	Complaint Items	Responsible Department	Communication and Complaint Channels
Community (Neighboring factory)	Environment	Member of the ESG Steering Committee	https://www.nienyi.com/esg
Suppliers (including contractors)	Labor and Human Rights		
Government Departments	Business Ethics	Management Department/Union	Employee Feedback Box / Union Chairman / Factory Manager Email / Business Email
Employees	Occupational Health and Safety		
Customers	Others	Business Department	

Chapter 1 Strategy and Vision

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01 Strategy and Vision

1, Message from Our Chairman and General Manager

Since its establishment in 1987, Nien-Yi Group has grown over the past 39 years from a cable R&D and manufacturing company into a comprehensive electronics manufacturing service provider, with a diverse portfolio encompassing cables and wires, optoelectronic communications, connectors, AC adapters, antennas, optoelectronic modules, and injection-molded products. Amid fluctuations in global markets, the Group remains committed to prudent and sustainable operations while pursuing continuous growth.

In 2025, the global economy faced significant challenges. To mitigate the impacts arising from geopolitical developments, we proactively strengthened our global operational resilience and completed the construction of our second plant in Bac Ninh, Vietnam, thereby diversifying operational risks and enhancing our risk management capabilities. At the same time, we are embracing opportunities arising from structural transformation. AI foundation models, intelligent robotics, and clean energy have emerged as key drivers of future growth. These developments are not only reshaping manufacturing models but also creating new opportunities for technological advancement and market expansion in the electronics industry, while placing higher demands on corporate innovation, low-carbon transformation, and supply chain resilience. Amid a rapidly changing environment, Nien-Yi Group remains committed to its core management philosophy of "Integrity, Thrifty, Innovation, and Sharing." We uphold our brand through integrity, enhance efficiency through diligence, drive transformation through innovation, and pursue mutual success through sharing. These principles serve as the foundation for addressing future challenges and seizing emerging opportunities.

We are guided by the United Nations Sustainable Development Goals (SDGs) and promote the comprehensive integration of ESG principles into our corporate strategy across three key dimensions: economic growth, social progress, and environmental protection. With "coexistence and shared prosperity with stakeholders" as our core value, we strive to make sustainable development a fundamental pillar of our long-term business operations. To strengthen corporate governance and sustainability disclosures, the Group has established a comprehensive institutional framework covering operational procedures for official business activities, ethical business conduct, compliance management, codes of ethics, and ESG reporting. These systems enhance our risk management and international compliance capabilities while continuously improving the quality of corporate governance.

Employees are the most valuable asset of our Company. Amid the rapid advancement of AI and industrial upgrading, we have established diverse and effective communication mechanisms to promptly respond to employee needs and foster a harmonious workplace. At the same time, we continue to strengthen compensation and benefits, occupational health and safety, and talent development,

while expanding skills training in areas such as AI applications and green manufacturing. These efforts help us retain and stabilize our core workforce and provide a strong foundation for the Company's transformation and sustainable growth.

In terms of environmental sustainability, in 2025, the Group responded to the growing challenges of climate change and the global transition toward energy conservation and carbon reduction. Our operations across different regions completed greenhouse gas inventories and third-party verification. We continued to promote renewable energy, rainwater harvesting, energy conservation and carbon reduction initiatives, and environmental performance indicator management. In response to labor shortages and the transition toward a low-carbon economy, we accelerated the automation and digitalization of our production processes by introducing intelligent equipment and AI-related technologies. At the same time, we advanced product carbon footprint management and developed connectors and optoelectronic modules for green energy and AI applications. Through green products and sustainable manufacturing processes, we strive to fulfill our corporate citizenship responsibilities and contribute to a more sustainable future.

Looking back over the past 39 years, Nien-Yi Group has remained committed to integrity, strengthened corporate governance, nurtured talent, advanced green manufacturing, and worked collaboratively with our supply chain partners to implement ESG principles.

Looking ahead to 2026 and beyond, the global economy will continue to face challenges, including slower economic growth, trade uncertainties, and rising costs associated with the green transition. The Group will continue to place ESG at the core of its corporate strategy, closely aligning with development trends in AI, automation, and green energy. We will strengthen risk management, deepen our low-carbon transformation, expand the development of green products, optimize our talent and supply chain systems, and continuously enhance the quality of our ESG disclosures and international compliance capabilities.

Looking ahead, Nien-Yi Group will fulfill its responsibilities as a corporate citizen by working closely with our employees, customers, suppliers, shareholders, and communities. Together, we will pursue steady growth amid challenges, create value through transformation, and build a more sustainable, prosperous, and resilient industry ecosystem and a better future for all.

Chairman: Huang Kuei-Hsien

Huang Kuei-Hsien

Group General Manager: Lo Shih-Kuang

Lo Shih-Kuang

Nien-Yi Group Sustainability Policy

To advance corporate sustainability and contribute to economic, environmental, and social progress toward achieving sustainable development goals, the Company has developed the Nien-Yi Group Sustainability Policy. With reference to the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, and the United Nations Guiding Principles on Business and Human Rights. The Sustainability Policy is communicated externally through the Company's website (<https://www.nienyi.com>) and implemented through internal training and management systems. Through these initiatives, the Group integrates ESG principles and requirements into its overall internal and external operations, thereby embedding sustainability into its business practices and decision-making processes.

1. Strengthening Corporate Governance and Ethical Business Conduct

- Comply with applicable laws and regulations as well as international standards, and uphold integrity and business ethics in all business activities.
- Establish comprehensive risk management and internal control systems to continuously enhance the effectiveness of corporate governance.
- Prohibit all forms of corruption, bribery, misconduct, fraud, and other unethical practices, and strive to establish a fair, impartial, and transparent operating environment.
- Emphasize transparent information disclosure and effective stakeholder communication, while safeguarding the legitimate rights and interests of shareholders, customers, employees, and business partners.

2. Promoting Environmental Sustainability and Low-Carbon Management

- Actively address climate change and continuously promote energy conservation, carbon reduction, and greenhouse gas management.
- Strengthen the management of energy, water resources, and waste to reduce environmental impacts and minimize resource waste.
- Promote green manufacturing processes and pollution prevention measures, while progressively advancing toward the goal of net-zero emissions.
- Promote green supply chain management and encourage and require suppliers to jointly implement energy conservation and carbon reduction, greenhouse gas management, and environmental protection measures, thereby continuously improving the sustainability performance of the supply chain.
- Give priority to evaluating and supporting suppliers that demonstrate a commitment to environmental sustainability and carbon reduction, and work together with business partners to reduce the environmental impacts throughout the product life cycle.

3. Emphasizing Employee Well-Being and Social Responsibility

- Comply with applicable labor laws and regulations, and safeguard the legitimate rights, interests, and fundamental human rights of employees.
- Provide a safe, healthy, and inclusive working environment, and continuously strengthen occupational health and safety management.
- Emphasize talent development and employee growth, and strive to foster a diverse, equitable, and inclusive workplace culture.

4. Safeguarding Consumer Health and Product Safety

- Prioritize consumer health and safety by establishing comprehensive product quality and safety management systems.
- Comply with applicable product safety laws, regulations, and international standards to ensure that products meet quality, safety, and compliance requirements.
- Strengthen quality control and traceability management for raw materials, manufacturing processes, and finished products to mitigate product-related risks.
- Establish customer feedback and product nonconformity handling mechanisms to continuously improve product quality and customer satisfaction.
- Uphold the principles of ethical business conduct and fair dealing, and prohibit any false advertising, fraudulent practices, or conduct that may harm consumer rights and interests.

5. Commitment to Sustainable Business

The Company will continue to uphold the principles of sustainable development by integrating our core corporate values with business strategies and advancing initiatives in environmental protection, social responsibility, and corporate governance. We are committed to working collaboratively with our stakeholders to create long-term sustainable value and foster a more resilient and prosperous future.

Group General Manager Lo Shih-Kuang

June 2025

2, Commitment to Corporate Sustainability and Organizational Structure

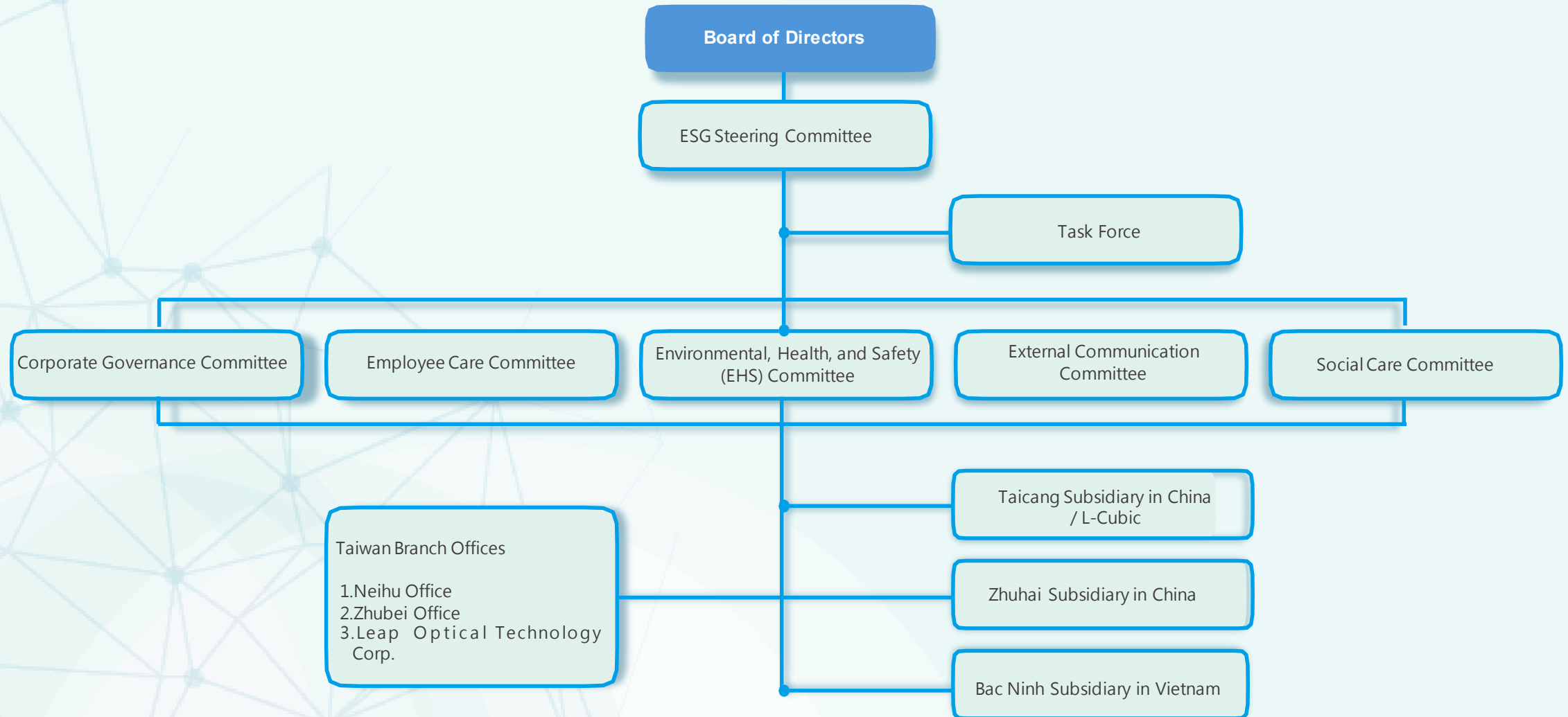
To fulfill its commitment to sustainable development and align with global sustainability trends and the Company's growth needs, Nien-Yi Industrial Corp. established the "ESG Guidance and Steering Committee". The Board of Directors plays a supervisory and guiding role, while the Committee oversees various sub-committees to implement sustainability principles and policies through concrete actions, continuously creating value for stakeholders. The "ESG Guidance and Steering Committee" is composed of the General Manager and Deputy General Manager, who jointly review sustainability issues related to the Company's operations and set medium and long-term ESG development strategies and goals. The Committee regularly reports the implementation results and proposed plans to the Board of Directors, which, based on these reports, provides the necessary resources and offers guidance, feedback, and recommendations for decision-making.

The Nien-Yi Group Sustainability Policy is the highest-level guiding principle for Nien-Yi Industrial Corp.'s sustainable development. The Chairman of the Board serves as the head of the highest governance body, leading the ESG Guidance and Steering Committee and senior executives to integrate ESG strategies and resources across departments. This aims to implement the Company's governance, social responsibility, and environmental sustainability goals and policies.

The Group fosters positive interactions with employees, shareholders, customers, suppliers, contractors, government entities, and public associations, creating mutually beneficial value with all social stakeholders.

The Nien-Yi ESG Guidance and Steering Committee, considering the impact of corporate sustainable development, has established five sub-committees: Corporate Governance Committee, Employee Care Committee, Environmental, Health, and Safety (EHS) Committee, External Communications Committee, and Social Responsibility Committee. Each sub-committee selects five executive members based on their expertise. These committees guide the management indicators for the economic, environmental, and social dimensions of sustainable development. Regular meetings are held to review and assess ESG implementation results, and periodic reports are submitted to the ESG Guidance and Steering Committee to ensure the effective implementation of performance management indicators across the economic, environmental, and social aspects.

Nien-Yi Industrial Corp.'s ESG implementation framework is structured under the Board of Directors, with the following organizational structure :



The Nien Yi ESG Steering Committee serves as the decision-making and supervisory body responsible for the Group's sustainability-related matters. It provides guidance and oversight to five subordinate ESG Executive Committees in implementing sustainability initiatives, with the aim of embedding a strong corporate sustainability culture and strengthening the Group's commitment to sound corporate governance (G), environmental protection (E), social responsibility (S), and stakeholder engagement.

Through these efforts, the ESG Steering Committee supports the Board of Directors in fulfilling its responsibilities to safeguard the rights and interests of the Company, employees, shareholders, and other stakeholders, while striving to establish Nien Yi as a responsible corporate citizen that meets the expectations of its customers, employees, and shareholders.

The ESG Steering Committee is responsible for promoting and coordinating the Group's sustainability initiatives and regularly reports to the Board of Directors on the Company's impacts related to the economy, environment, and people (society). The Board of Directors serves as the highest governance body for ESG matters. The overall organizational structure and allocation of responsibilities are as follows:

ESG Task Force

- Lead members of the 5 ESG Executive Committees in coordinating and implementing ESG policies and initiatives.

Employee Care Executive Committee

- Foster a culture of integrity, compliance, and ethical awareness.
- Build a diverse, equitable, and inclusive workplace.
- Enhance employee attraction and retention.
- Strengthen talent development and career growth.

External Communication Executive Committee

- Develop ESG communication guidelines and requirements for suppliers.
- Build an ESG value chain across the supply network.
- Facilitate ESG communication and engagement with societal stakeholders.
- Maintain effective and responsible communication with customers.

Corporate Governance Executive Committee

- Implement ethical business conduct and strengthen corporate governance.
- Uphold regulatory compliance and effective risk management.
- Enhance the transparency of corporate governance information.

Environmental, Health and Safety (EHS) Executive Committee

- Establish mechanisms to assess climate-related risks and opportunities to reduce operational costs.
- Ensure compliance with environmental regulations and reduce environmental impacts.
- Implement energy conservation and carbon reduction initiatives.

Social Care Executive Committee

- Assist in planning and implementing ESG initiatives related to social care and community engagement.
- Promote social responsibility and contribute to charitable and community welfare initiatives.

Board of Directors

- Oversee and ensure the effective implementation of the ESG and sustainable development policies.
- Review the performance of the ESG Steering Committee at least once a year.
- Review and approve the material topics and performance disclosed in the ESG Report on an annual basis.

ESG Steering Committee

- Oversee the implementation of the Group's ESG and sustainable development principles.
- Assign the 5 ESG Executive Committees to conduct due diligence on significant negative ESG impact incidents.
- Ensure the implementation of the Company's sustainability policies and monitor their effectiveness and progress.
- Report the ESG Steering Committee's implementation results to the Board of Directors on a regular annual basis.
- Appoint the ESG Promotion Team.
- Regularly report to the Board of Directors on material ESG topics of concern to stakeholders and the progress and effectiveness of related initiatives.
- The Chairman of the Board serves as the Chair of the ESG Steering Committee, while heads of relevant departments serve as Executive Committee members. The Committee integrates cross-functional ESG strategies, policies, and resources, with the ESG Promotion Team leading members of the five ESG Executive Committees in coordinating and implementing ESG policies and initiatives.
- Serve as the decision-making body for ESG activities and policies, and review and approve the ESG Report.
- Convene meetings regularly and review the progress and effectiveness of ESG objectives and initiatives to ensure the effective implementation of the Group's sustainability policies.

3, Compliance with Laws and Regulations

Ensuring regulatory compliance is a fundamental principle for Nien-Yi Group. The Company upholds compliance with regulations in areas such as environmental protection, corporate governance, and labor rights as a basic requirement. As a result, there were no significant regulatory violations in 2025, and the Company did not experience any negative impact on its financial performance or competitive position due to non-compliance.

4, Stakeholder Engagement and Management of Sustainability Topics

4.1 [Materiality Assessment Process]

To respond to sustainability issues of concern to stakeholders, the Company maintains regular communication channels and, in addition, follows a systematic process that includes understanding the organizational context, identifying potential impacts, and assessing the significance of such impacts. Through this process, we review the annual impact and stakeholder relevance of material topics, identify significant internal and external impacts, and conduct corresponding investigation, analysis, and management. Based on the assessment results, we determine the reporting scope and incorporate the material topics identified for the year into the Sustainability Report.

The Company follows the guidance of GRI 3: Material Topics 2021 under the GRI Standards and also refers to the double materiality principle under the Corporate Sustainability Reporting Directive (CSRD). The ESG Steering Committee conducts assessments from two perspectives: "impact on operations" and "impact on sustainability." The specific assessment and identification process is illustrated in Figure 1, "Material Topic Assessment and Identification Process."

4.1.1 Understanding the Organizational Context

Collecting Industry and International Intelligence

Refer to the GRI Universal Standards and SASB industry standards to define the applicable industry context for the Company, including Electronics Manufacturing Services (EMS) and Original Design Manufacturing (ODM).

Internal and External Impacts on the Company

Consider the areas of concern identified by the ESG Steering Committee, the topics of interest and communication channels of various stakeholders, and the assurance recommendations from the previous year's Sustainability Report.

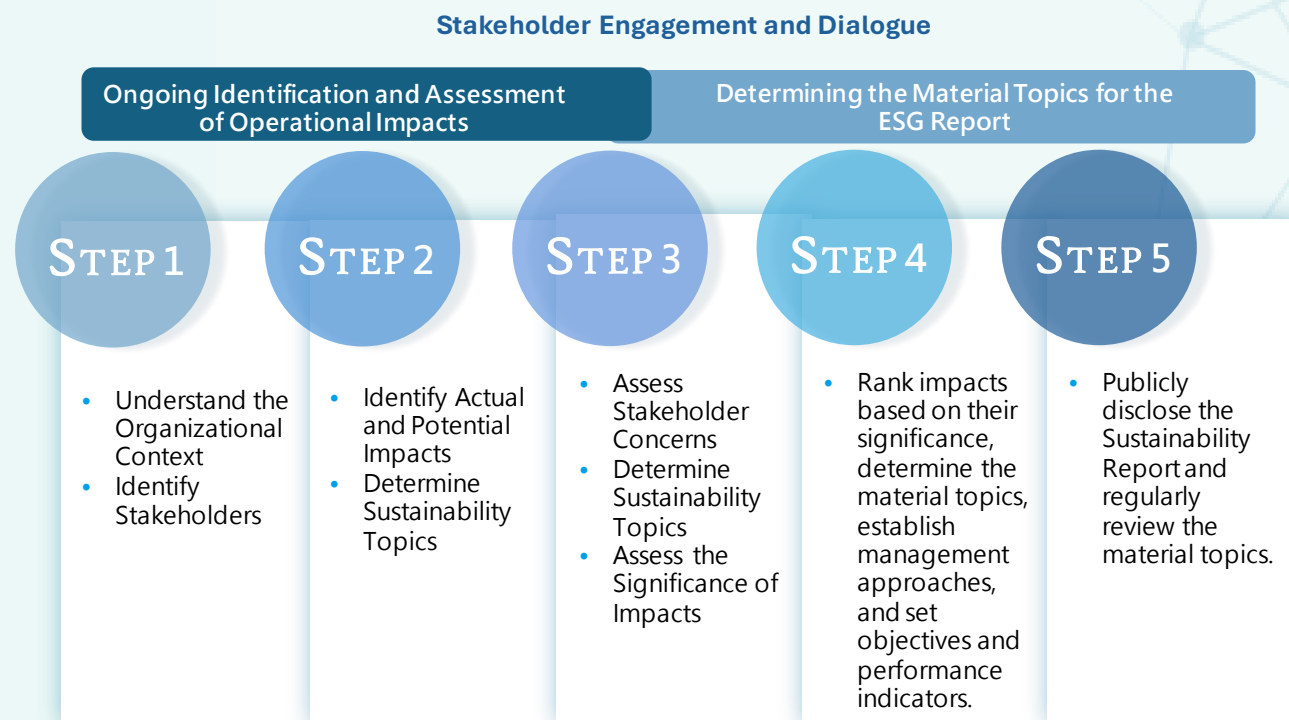


Figure 1. Material Topic Assessment and Identification Process

4.1.2 Stakeholder Identification

The Company designed a questionnaire with reference to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES) Responsibility, Influence, Dependency, Tension, and Diverse Perspectives and conducted the assessment through a questionnaire survey. The stakeholder assessment covered twelve groups: employees, customers, shareholders/investors, suppliers, contractors, communities (neighboring facilities), media, government authorities, labor unions, industry associations/chambers, academic/research institutions, and NGOs/advocacy groups. Based on the comprehensive assessment results, customers, government authorities, suppliers, employees, and communities (neighboring facilities) ranked among the top five in terms of overall scores. Accordingly, these five groups were identified as the core stakeholders for this Sustainability Report.

ESG Topics of Interest and Communication Methods for Nien Yi Group's Five Core Stakeholder Groups

Stakeholder	Concerned Issues	Nien-Yi's Communication Methods	Communication Frequency	Communication timing
Employees	•Labor relations •Grievance •Occupational health and safety •Customer privacy •Economic performance	Employee performance appraisal	Annually	1 time
		Employee satisfaction survey	Annually	Overall employee satisfaction score with the company: 90.63
		Environmental and Occupational Health & Safety Management Committee	Quarterly	4 meetings held at each plant site in 2025
		Education and training	Irregular	Total of 54,309 person-hours
		Mid-year & year-end management meetings	Semi-annual	Group meetings held in January and July
		Salary review meetings	Quarterly	4 meetings were held in each plant
Government Regulatory Authorities	•Energy •Emissions (GHG) •Economic performance •Water discharge •Labor relations	Labor union meetings	Monthly / Quarterly	4 meetings held in Zhuhai and Taicang respectively; 12 meetings held in Vietnam
		Audits (fire safety, environmental protection, labor safety)	Irregular	Zhuhai, Taicang and Vietnam: 2 audits each
		Regular inspections	Annual	Each plant was inspected once in 2025
		Nien-Yi Group external disclosure	Irregular	Nien-Yi Group website updated
Community (Neighborhood)	•Waste •Emissions •Anti-Corruption	Regular reporting (fire safety, environmental protection, labor safety)	Annual	Each plant was inspected once in 2025
		Nien-Yi Group external disclosure	Irregular	Nien-Yi Group website updated
Customers	•Customer privacy •Emissions (GHG) •Economic performance •Occupational health and safety •Supplier assessment	Complaint handling channel	Irregular	No customer data leakage incidents occurred at the end of 2025
		Customer QBR meetings	Quarterly	4 meetings were held in 2025
		Corporate Social Responsibility (CSR) audits	Irregular	In 2025, customers conducted 12 audits; suppliers assisted in 2 audits, all meeting requirements
		Regular reporting	Annual	No occupational safety incidents occurred in any plant in 2025; number of reported cases: 0
		Nien-Yi Group external disclosure	Irregular	Nien-Yi Group website updated
Suppliers	•Economic performance •Supplier assessment	Supplier audits	Annual	16 on-site audits were conducted in 2025
		Supplier QBR meetings	Quarterly	4 meetings were held in 2025
		Relevant ISO 14001 / ISO 45001 / SA8000 certification audits	Irregular	100% of suppliers passed the audits in 2025

4.1.3 Determining Sustainability Topics

Based on relevant sustainability information from the GRI Topic Standards, SASB Standards, and the United Nations Sustainable Development Goals (SDGs), the Company conducted a comprehensive assessment through meetings of the ESG Steering Committee. Taking into consideration sustainability issues that have actual or potential impacts on Nien Yi Group, the Company screened and determined the relevant sustainability topics across the three major dimensions of environmental, social, and governance (ESG). A total of 26 ESG sustainability topics were identified, comprising 7 environmental topics, 13 social topics, and 6 governance topics.

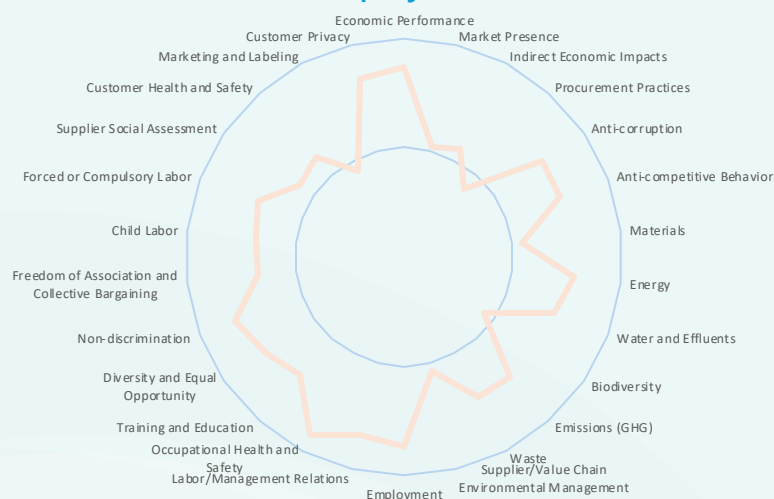
4.1.4 Assessing the Significance of Impacts

The significance of impacts is assessed through three key questionnaires: the ESG Sustainability Report Sustainability Issues Survey, the ESG Opportunities and Risks Impact Assessment Survey, and the ESG Positive and Negative Impact Assessment Survey. These surveys are conducted among stakeholders and members of the ESG Steering Committee, including senior management, to evaluate and determine the significance of ESG-related impacts.

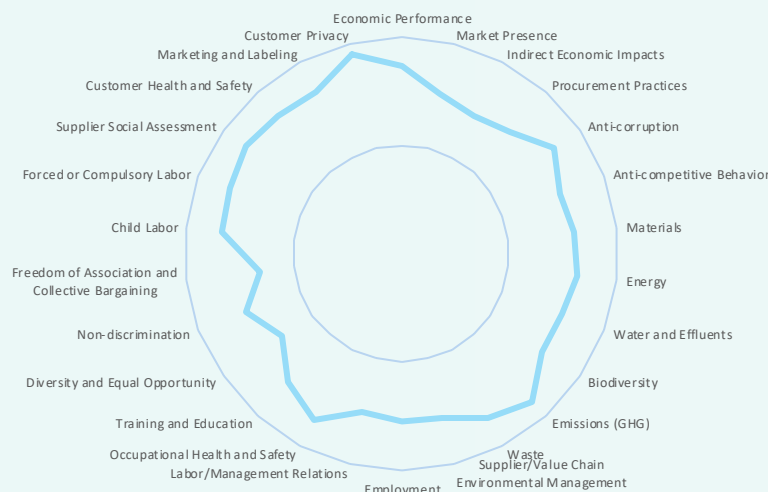
4.1.4.1 Stakeholder Survey

To accurately identify the level of stakeholder concern regarding sustainability topics, the ESG Steering Committee consolidated sustainability topics across the relevant dimensions. To ensure inclusiveness and representativeness in stakeholder engagement, electronic questionnaires were prepared in Chinese, English, and Vietnamese. Respondents were asked to rate their level of concern for each sustainability topic on a five-point scale, ranging from 1 (lowest) to 5 (highest), and the questionnaires were distributed to relevant stakeholders via email. A total of 188 valid questionnaires were collected. The responses were analyzed by stakeholder group, and the distribution of stakeholder concerns regarding each sustainability topic is presented in the Sustainability Topic Concern Radar Charts for Each Stakeholder Group below.

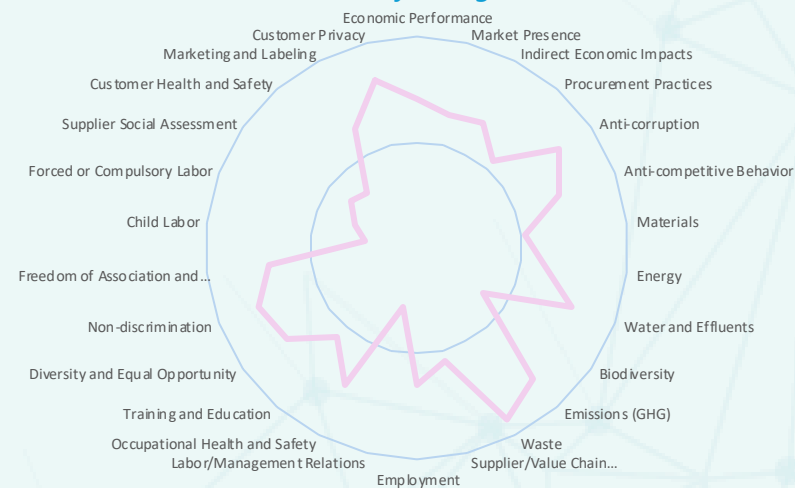
Employees



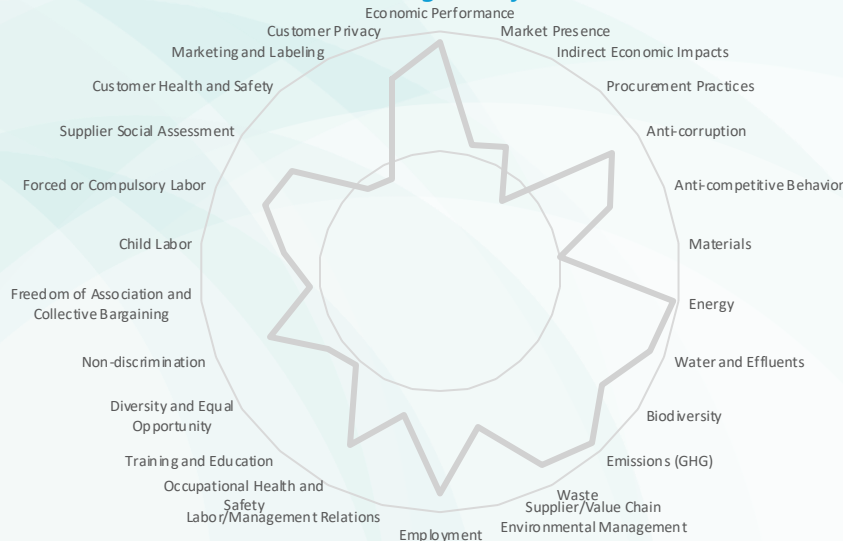
Customers



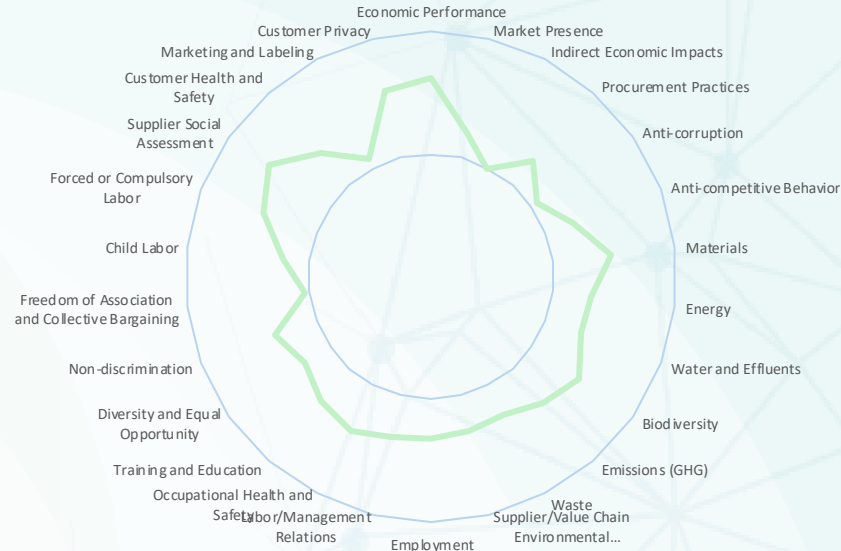
Community (Neighbors)



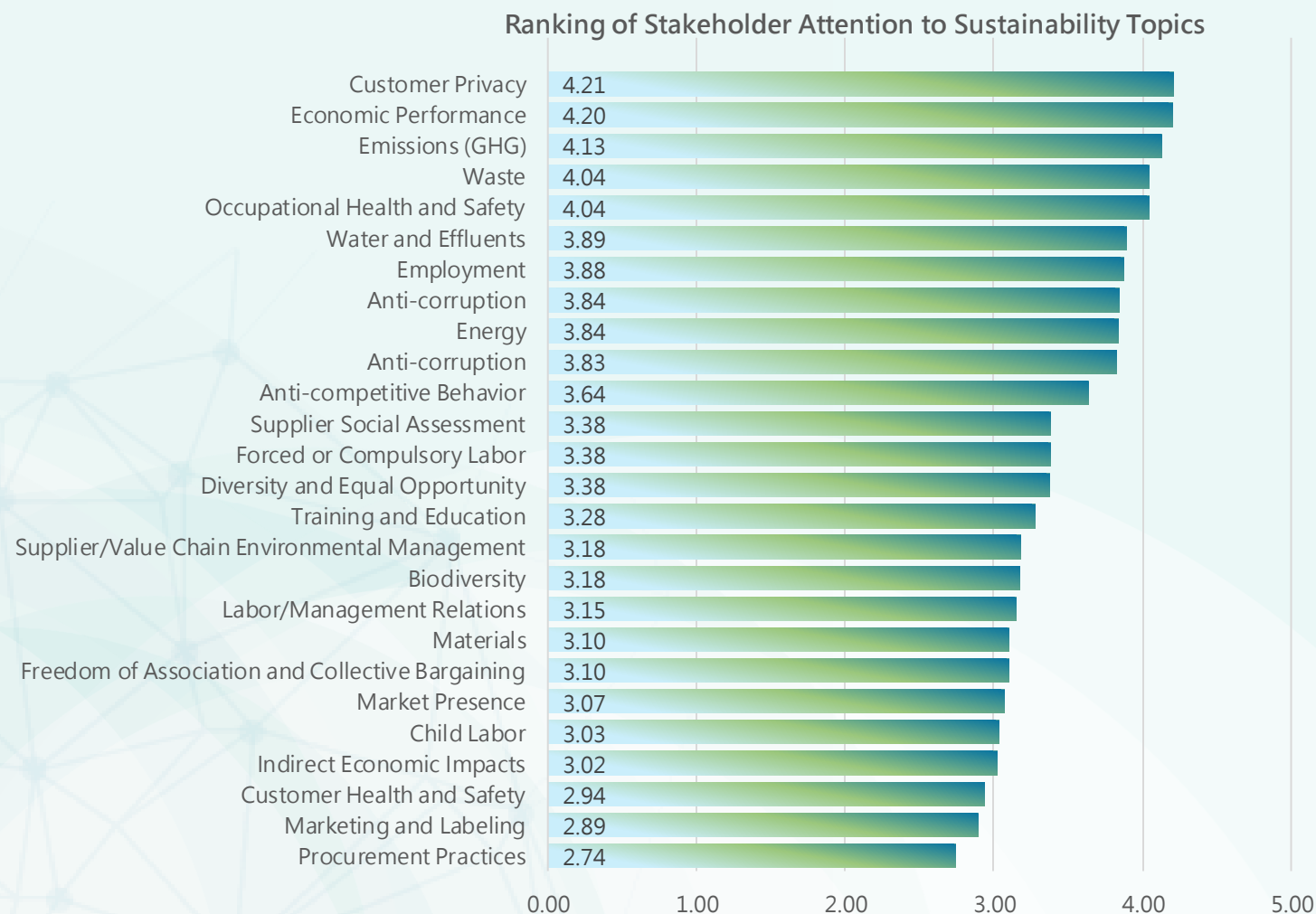
Government Regulatory Authorities



Suppliers



To rank the level of stakeholder concern regarding sustainability topics, the ESG Steering Committee calculated the average score for each sustainability topic by stakeholder group, and then consolidated and analyzed the average scores of each topic for ranking. The ranking results are shown in the figure below.



Following the ranking, the top ten sustainability topics in terms of stakeholder concern, in descending order, are: Customer Privacy, Economic Performance, Emissions (Greenhouse Gas), Waste, Occupational Health and Safety, Water and Effluents, Labor-Management Relations, Anti-Corruption, Energy, and Non-Discrimination.

4.1.4.2 Double Materiality Assessment

To comprehensively identify and assess the impacts of sustainability topics, Nien Yi Group's ESG Promotion Team followed the principle of double materiality, evaluating both positive/opportunity impacts and negative/risk impacts, as shown in the table below.

Aspect	GRI Standard	Sustainability Topic	Description of Positive/Opportunity and Negative/Risk Impacts and Their Significance to Nien Yi
Environmental	GRI 101	Biodiversity	1. Positive/Opportunity Impacts: By protecting and restoring ecosystems, Nien Yi can strengthen supply chain resilience, gain access to green financing, and enhance its brand reputation. 2. Negative/Risk Impacts: Biodiversity loss may result in resource shortages, operational disruptions, regulatory penalties, and investor withdrawal.
	GRI 102	Climate Change – Emissions (GHG)	1. Positive/Opportunity Impacts: Nien Yi regularly conducts greenhouse gas inventories and implements energy conservation and emissions reduction measures to support the goal of net-zero emissions by 2050. These efforts can increase customer recognition and support continued orders, thereby contributing to revenue growth while reducing potential future carbon-related costs. 2. Negative/Risk Impacts: If Nien Yi fails to implement effective energy conservation and emissions reduction measures, it may lose customer trust and face reduced orders, resulting in lower revenue.
	GRI 103	Energy	1. Positive/Opportunity Impacts: To address the immediate and long-term impacts of climate change and keep related risks within acceptable levels, Nien Yi incorporates risk management, energy and resource impacts, and green production considerations into its operations. By complying with government regulations and customer requirements, improving energy and resource efficiency, and establishing energy conservation targets, Nien Yi can reduce operating costs associated with resource consumption and minimize negative environmental and economic impacts, thereby supporting sustainable development. 2. Negative/Risk Impacts: Electricity demand during operations may increase with rising temperatures, while electricity prices may also increase annually due to rising power generation costs. If Nien Yi fails to properly manage energy and resource consumption, it may face higher operating costs and an increased risk of operational disruption.
	GRI 301	Materials	1. Positive/Opportunity Impacts: Nien Yi's strong performance in resource efficiency, circular economy, and waste management helps strengthen its image as a "green manufacturer," while simultaneously achieving cost reduction and efficiency improvement and mitigating resource-related risks. 2. Negative/Risk Impacts: Poor performance, such as excessive material consumption or a low proportion of recycled materials, may expose significant weaknesses in resource dependence, environmental footprint, and innovation, increasing the risks of cost fluctuations, regulatory penalties, and customer attrition.
	GRI 303	Water and Effluents	1. Positive/Opportunity Impacts: By establishing quantitative water conservation targets, investing in advanced water treatment and recycling technologies, and regularly conducting water risk assessments, Nien Yi systematically implements water conservation and recycling measures to significantly reduce freshwater withdrawals and operating costs while improving resource productivity. At the same time, proper treatment and monitoring of wastewater can effectively protect local aquatic ecosystems and safeguard water-use security for communities and agriculture, thereby strengthening environmental leadership and long-term sustainability resilience. 2. Negative/Risk Impacts: Excessive withdrawal of local water resources or improper discharge of untreated wastewater may directly affect ecological balance, such as river depletion and wetland degradation, as well as community access to water resources. This may lead to community protests and deteriorating community relations. Violations of wastewater discharge standards may also result in substantial fines, production suspension or restrictions, seriously damaging Nien Yi's reputation and social license to operate.

Aspect	GRI Standard	Sustainability Topic	Description of Positive/Opportunity and Negative/Risk Impacts and Their Significance to Nien Yi
Environmental	GRI 306	Waste	1. Positive/Opportunity Impacts: Proper waste management enables Nien Yi to significantly reduce environmental impacts and disposal costs, while transforming waste into resources and operational efficiencies and strengthening its leading brand image in the circular economy. 2. Negative/Risk Impacts: Inadequate waste management may directly expose weaknesses in Nien Yi's environmental management and operations. It may not only increase compliance costs and the risk of regulatory penalties, but also cause operational disruptions, reputational crises, and loss of market confidence following pollution incidents, ultimately weakening the Company's profitability and business resilience.
	GRI 308	Supplier/Value Chain Environmental Management	1. Positive/Opportunity Impacts: By establishing a systematic supplier environmental assessment mechanism and conducting environmental surveys and follow-up assessments, Nien Yi can effectively manage supply chain risks and strengthen overall operational resilience while promoting the green transformation of its value chain. These efforts help meet the ESG requirements of international customers and investors, strengthen brand trust, and encourage suppliers to continuously improve their environmental management capabilities, thereby creating long-term value across the industry. 2. Negative/Risk Impacts: Without an effective supplier environmental assessment mechanism, Nien Yi may face supply chain-related compliance risks, including substantial fines, order losses, and restricted access to international markets. Environmental controversies may also trigger reputational crises, resulting in customer termination of cooperation, investor withdrawal, and disruption to overall supply chain stability, thereby threatening the foundation of the Company's long-term sustainable operations.
Social	GRI 401	Employment	1. Positive/Opportunity Impacts: Establishing a fair, inclusive, and well-structured employment relationship system enables Nien Yi to attract and retain key talent through effective compensation and benefits, career development opportunities, and a diverse and inclusive work environment. This can significantly reduce employee turnover and recruitment costs. A strong employer brand can enhance employee loyalty and engagement, foster a stable and highly capable workforce, and ultimately strengthen the Company's innovation capabilities and market competitiveness. 2. Negative/Risk Impacts: Failure to systematically manage employment relationships may result in a tense workplace environment, a lack of employee belonging, and increased talent turnover. Overreliance on short-term incentives or unsustainable competition in employee benefits may increase costs and negatively affect employees' perceptions of internal equity. Rigid employment systems may constrain organizational vitality, while inadequate communication mechanisms may exacerbate labor-management conflicts. Ultimately, these issues may damage the Company's reputation, increase management costs, and even give rise to legal risks, thereby affecting its long-term stability and sustainability.
	GRI 402	Labor/Management Relations	1. Positive/Opportunity Impacts: Providing employees with advance notice of significant operational changes demonstrates the Company's respect for and commitment to protecting employee rights and interests. This helps maintain employee confidence and labor-management trust, reduce resistance to organizational changes, and enhance operational resilience. 2. Negative/Risk Impacts: Insufficient notice or ineffective communication regarding significant operational changes may be perceived as a lack of respect for employees and may easily lead to labor-management conflicts, declining employee morale, reputational damage, and legal risks.

Aspect	GRI Standard	Sustainability Topic	Description of Positive/Opportunity and Negative/Risk Impacts and Their Significance to Nien Yi
Social	GRI 403	Occupational Health and Safety	1. Positive/Opportunity Impacts: Establishing a comprehensive and systematic occupational health and safety management framework, supported by prevention, training, and employee participation, can significantly reduce workplace accidents and occupational health risks. This helps ensure production stability, strengthen employees' sense of belonging, and establish Nien Yi as a responsible employer. 2. Negative/Risk Impacts: Deficiencies in the occupational health and safety management system or ineffective implementation may directly result in increased workplace injuries and occupational diseases, leading to casualties, production disruptions, legal disputes, compensation costs, and serious reputational crises.
	GRI 404	Training and Education	1. Positive/Opportunity Impacts: Sufficient investment in talent development and employee career development enables Nien Yi to build a highly skilled and engaged workforce, thereby driving organizational innovation, improving productivity, and strengthening the Company's ability to adapt to changes in the market. 2. Negative/Risk Impacts: Insufficient investment in employee training and career development may result in outdated employee skills, declining morale, and talent attrition, thereby weakening Nien Yi's core competitiveness and long-term growth momentum.
	GRI 405	Diversity and Equal Opportunity	1. Positive/Opportunity Impacts: Demonstrating tangible progress in workforce diversity and pay equity can significantly enhance the quality of decision-making, employees' sense of belonging, innovation potential, and the Company's social reputation. 2. Negative/Risk Impacts: A lack of workforce diversity or significant pay disparities may expose deficiencies in internal equity and fairness, increasing the risks of talent attrition, legal disputes, public criticism, and deterioration of brand value.
	GRI 406	Non-discrimination	1. Positive/Opportunity Impacts: Transparent reporting of discrimination incidents and effective corrective actions demonstrate the Company's firm commitment to equality and non-discrimination. Such practices can help rebuild trust, strengthen an inclusive corporate culture, and reduce legal risks. 2. Negative/Risk Impacts: Frequent discrimination incidents or inadequate handling of such incidents may expose serious deficiencies in corporate culture and management, resulting in declining employee morale, significant reputational damage, and substantial legal and compensation costs.
	GRI 407	Freedom of Association and Collective Bargaining	1. Positive/Opportunity Impacts: Proactively identifying and preventing labor rights risks is not only essential to legal compliance but can also strengthen the Company's social responsibility performance and supply chain resilience. This helps enhance brand credibility and prevent potential labor-management conflicts. 2. Negative/Risk Impacts: The existence of high-risk areas without effective controls may expose significant deficiencies in the protection of labor rights and interests across the supply chain, potentially resulting in boycotts, legal disputes, and serious reputational crises.

Aspect	GRI Standard	Sustainability Topic	Description of Positive/Opportunity and Negative/Risk Impacts and Their Significance to Nien Yi
Social	GRI 408	Child Labor	1. Positive/Opportunity Impacts: Nien Yi's strong awareness of and proactive management of child labor risks within its own operations and supply chain strengthens its commitment to responsible sourcing. This can effectively prevent legal and reputational crises while reinforcing the Company's socially responsible brand image. 2. Negative/Risk Impacts: Failure to effectively manage child labor risks within the Company and its supply chain, or failure to take decisive corrective actions when risks are identified, may expose Nien Yi to significant deficiencies in human rights protection. This could result in severe legal sanctions, consumer boycotts, and irreversible damage to the Company's brand reputation.
	GRI 409	Forced or Compulsory Labor	1. Positive/Opportunity Impacts: Proactively identifying forced or compulsory labor risks within Nien Yi's own operations and supply chain demonstrates the Company's commitment to respecting and protecting human rights. Such efforts can prevent significant legal and compliance risks, enhance ethical reputation and compliance credibility, and translate into greater consumer trust and market competitiveness. 2. Negative/Risk Impacts: If forced or compulsory labor risks are ignored or concealed, the Company may face severe legal sanctions, supply chain disruptions, market boycotts, and other cascading consequences, potentially causing significant damage to brand reputation and business continuity.
	GRI 414	Supplier Social Assessment	1. Positive/Opportunity Impacts: Establishing a systematic supplier social assessment mechanism, including human rights due diligence, labor conditions reviews, and sustainability performance monitoring, enables Nien Yi to effectively manage supply chain risks, enhance overall operational resilience, and promote the responsible transformation of the value chain. This not only helps meet the ESG requirements of international customers and investors and strengthen brand trust, but also encourages suppliers to improve their social governance practices, creating long-term shared value across the industry. 2. Negative/Risk Impacts: Without an effective supplier social assessment mechanism, Nien Yi may face supply chain-related compliance liabilities, including substantial fines, order losses, and restricted access to international markets. Human rights or environmental controversies may further trigger reputational crises, resulting in customer termination of cooperation, investor withdrawal, and disruption to overall supply chain stability, thereby threatening the foundation of the Company's sustainable operations.
	GRI 416	Customer Health and Safety	1. Positive/Opportunity Impacts: Systematic management of product-related health and safety impacts enables Nien Yi to proactively identify and mitigate risks, earn consumer trust, and strengthen its market reputation for product safety. 2. Negative/Risk Impacts: Inadequate management or recurring compliance violations may directly compromise consumer rights and interests, trigger legal liabilities, and result in severe reputational damage and loss of market share.
	GRI 417	Marketing and Labeling	1. Positive/Opportunity Impacts: By strictly complying with information disclosure, product labeling, and marketing requirements, Nien Yi can establish a transparent and trustworthy market image, effectively prevent the risk of misleading information, and earn long-term consumer trust. 2. Negative/Risk Impacts: Violations involving product information, labeling, or misleading marketing practices may directly result in consumer complaints, regulatory penalties, and severe reputational damage, leading to market share loss and legal risks.
	GRI 418	Customer Privacy	1. Positive/Opportunity Impacts: Establishing a comprehensive customer privacy protection framework enables Nien Yi not only to effectively mitigate data breach risks and potential legal costs, but also to position "security and trustworthiness" as a core brand asset. This can strengthen customer trust and loyalty and create sustainable competitive advantages in the market. 2. Negative/Risk Impacts: Weaknesses in customer privacy management may result in data breaches, causing financial losses such as fines and compensation claims, significant revenue declines due to large-scale customer attrition, and potentially lasting damage to the Company's brand reputation.

Aspect	GRI Standard	Sustainability Topic	Description of Positive/Opportunity and Negative/Risk Impacts and Their Significance to Nien Yi
Governance	GRI 201	Economic Performance	1. Positive/Opportunity Impacts: Effective corporate governance and oversight of the Company' s sustainability strategies and initiatives can support continuous improvement in business performance and revenue growth. 2. Negative/Risk Impacts: Poor corporate governance performance may prevent the Company from achieving its profitability objectives, resulting in shareholder losses and potentially causing financial impacts across the supply chain and upstream and downstream business partners.
	GRI 202	Market Presence	1. Positive/Opportunity Impacts: Effective governance of fair compensation practices and community engagement enables Nien Yi to systematically strengthen employee loyalty, community support, and investor confidence. 2. Negative/Risk Impacts: Poor or unbalanced performance in these areas may lead external stakeholders to perceive the Company as lacking foresight and social responsibility, potentially resulting in public criticism, declining employee morale, and increased operational risks.
	GRI 203	Indirect Economic Impacts	1. Positive/Opportunity Impacts: Investment in infrastructure and the creation of employment and broader economic opportunities can significantly improve local living standards and development potential, while strengthening government support, community goodwill, and the stability of the Company' s operating environment. 2. Negative/Risk Impacts: Limited investment or significant negative indirect impacts, such as excessive consumption of local resources, may lead stakeholders to perceive the Company as benefiting from the community without contributing sufficiently to it. This may result in community opposition, increased policy restrictions, and potentially a dual crisis involving both the Company' s operating license and social license to operate.
	GRI 204	Procurement Practices	1. Positive/Opportunity Impacts: A high proportion of procurement from local suppliers demonstrates the Company' s direct contribution to the local economy, strengthens supply chain resilience, and builds trust within local communities. 2. Negative/Risk Impacts: A low proportion of local procurement may indicate insufficient localization of the supply chain and limited substantive support for local economic development, potentially resulting in reputational risks and increased policy pressure.
	GRI 205	Anti-corruption	1. Positive/Opportunity Impacts: By complying with established anti-corruption policies and effectively overseeing the implementation of corporate sustainability strategies, Nien Yi can prevent bribery and other corrupt practices, strengthen compliance management, and support sustainable business growth and revenue generation. 2. Negative/Risk Impacts: Failure by employees to comply with anti-corruption policies may result in non-compliance with regulatory requirements and applicable laws, or lead to bribery and other corrupt practices. Such incidents may result in significant financial penalties and seriously damage the Company' s reputation.
	GRI 206	Anti-competitive Behavior	1. Positive/Opportunity Impacts: Compliance with competition laws and proactive prevention of practices such as price fixing and market allocation help maintain a fair market environment, strengthen the Company' s compliance reputation, reduce legal risks, and reinforce trust with customers and suppliers. These efforts support long-term stable business growth and sustainable competitive advantages. 2. Negative/Risk Impacts: Inadequate controls over anti-competitive behavior may expose the Company to significant antitrust investigations, substantial fines, and civil liabilities, severely damaging its reputation. Such incidents may also result in customer attrition, deterioration of supplier relationships, and reduced market innovation, ultimately affecting the Company' s long-term viability and development.

Aspect	Impact on Operations (Financial Impacts)				GRI Standard	Sustainability Topic	Impacts on Society, the Economy, the Environment, and People				
	Revenue	Customer Satisfaction	Employee Satisfaction	Orders			Suppliers	Government	Communities	Media	Customers
Environmental		V			GRI 101	Biodiversity		V			
	V	V		V	GRI 102	Climate Change – Emissions (GHG)		V	V		V
	V	V		V	GRI 103	Energy		V			V
	V	V		V	GRI 301	Materials	V				V
	V	V		V	GRI 303	Water and Effluents		V			V
	V	V		V	GRI 306	Waste		V	V		V
		V			GRI 308	Supplier/Value Chain Environmental Management	V				
Social			V		GRI 401	Employment				V	V
			V		GRI 402	Labor/Management Relations					
			V		GRI 403	Occupational Health and Safety		V	V		V
			V		GRI 404	Training and Education					V
	V	V	V	V	GRI 405	Diversity and Equal Opportunity			V	V	
	V	V	V	V	GRI 406	Non-discrimination			V		
			V		GRI 407	Freedom of Association and Collective Bargaining			V		
	V	V	V	V	GRI 408	Child Labor		V	V		
	V	V	V	V	GRI 409	Forced or Compulsory Labor			V		
	V	V		V	GRI 414	Supplier Social Assessment	V				V
	V	V		V	GRI 416	Customer Health and Safety					V
	V	V		V	GRI 417	Marketing and Labeling		V			V
	V	V		V	GRI 418	Customer Privacy					V
Governance	V		V	V	GRI 201	Economic Performance	V	V			V
	V		V		GRI 202	Market Presence	V				V
	V			V	GRI 203	Indirect Economic Impacts		V			V
	V	V		V	GRI 204	Procurement Practices	V				
	V	V	V	V	GRI 205	Anti-corruption	V	V	V	V	V
	V				GRI 206	Anti-competitive Behavior					V

Impacts Were Assessed Across Two Major Dimensions

- **Opportunity and Risk Impacts on Operations (Financial Impacts):** Focused on the effects of sustainability topics on the Company' s internal financial performance and operational resilience. The assessment covered four key indicators: revenue, customer satisfaction, employee satisfaction, and orders.
- **Positive and Negative Impacts on the Economy, Environment, and People (Including Human Rights):** Focused on the impacts of the Company' s business activities on external systems, covering five stakeholder groups: suppliers, government, communities, media, and customers.
- The significance of impacts was assessed based on their severity (scale, scope, and irremediable characteristics) and likelihood of occurrence.

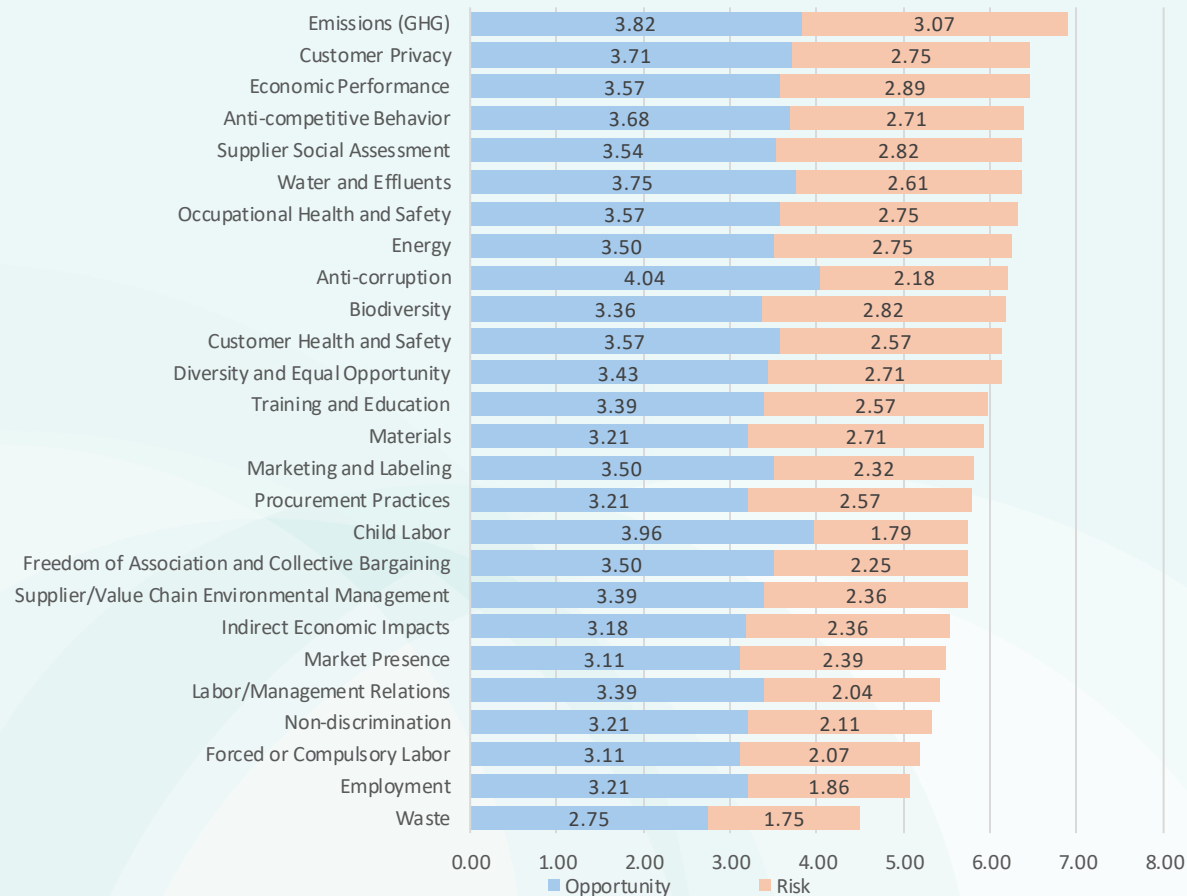
For this assessment, members of the ESG Steering Committee, including senior management, conducted quantitative scoring across each assessment dimension. A total of 28 valid responses were collected for each of the two questionnaires, serving as the basis for the subsequent identification of material topics and the development of corresponding management strategies.

4.2 Ranking Based on Impact Significance

4.2.1 Impacts on Operations (Financial Impacts)

The ESG Steering Committee, including senior management, assessed the significance of risks and opportunities through a questionnaire-based scoring process. Based on the assessment results, the top ten sustainability topics, ranked in order of significance, are: Emissions (GHG), Economic Performance, Customer Privacy, Anti-competitive Behavior, Supplier Social Assessment, Water and Effluents, Occupational Health and Safety, Energy, Anti-corruption, and Biodiversity, as illustrated below.

Impacts on Operations (Financial Impacts)



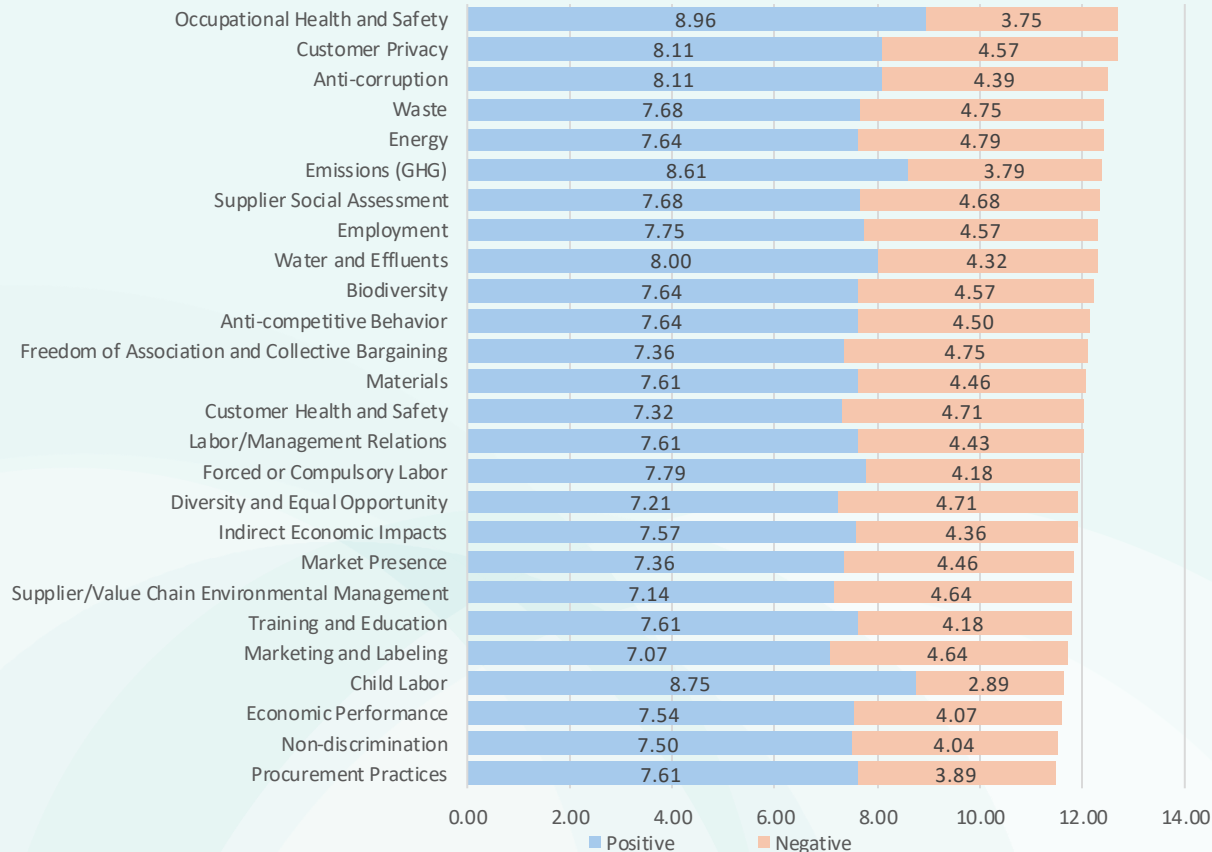
For the topics with risk impact scores above 2.8, namely Emissions (GHG), Biodiversity, Supplier Social Assessment, and Economic Performance, the following response measures have been established:

Sustainability Topic	Nien Yi's Response Measures
Emissions (GHG)	Nien Yi Group's manufacturing sites have obtained ISO 14064-1 greenhouse gas inventory certification and continue to conduct product carbon footprint assessments to reduce energy consumption associated with products.
Biodiversity	Nien Yi's manufacturing sites actively promote ecological greening through tree planting and grassland development. During the planning and construction of new facilities, existing vegetation is preserved to minimize ecological disturbance, while additional areas are allocated for tree and grass planting to enhance green coverage and biodiversity.
Supplier Social Assessment	Nien Yi organizes supplier conferences and actively encourages suppliers to disclose ESG-related information. Supplier social responsibility assessments are also conducted on a regular basis to strengthen responsible supply chain management.
Economic Performance	Nien Yi has established a second new manufacturing facility in Vietnam and continues to expand its product portfolio through R&D and innovation, thereby improving economic performance and enhancing employee benefits. The Group also leverages R&D and innovation to expand product offerings and capitalize on the rapid growth of AI servers and AI infrastructure, with the aim of increasing the proportion of higher-margin products.

4.2.2 Impacts on the Economy, Environment, and People (Including Human Rights)

The ESG Steering Committee, including senior management, assessed the significance of positive and negative impacts through a questionnaire-based scoring process. Based on the assessment results, the top ten sustainability topics, ranked in order of significance, are: Occupational Health and Safety, Customer Privacy, Anti-corruption, Waste, Energy, Emissions (GHG), Supplier Social Assessment, Employment, Water and Effluents, and Biodiversity, as illustrated below.

Impacts on the Economy, Environment, and People (Including Human Rights)



Sustainability Topic	Nien Yi's Response Measures
Energy	Nien Yi will continue to strengthen its energy management mechanisms by regularly monitoring and analyzing energy consumption and improving energy efficiency through process optimization, the adoption of high-efficiency equipment, and energy-saving improvement initiatives. In addition, solar power generation systems will be installed at newly constructed facilities to gradually increase the proportion of renewable energy use and reduce reliance on conventional energy sources. These measures are expected to reduce energy costs and energy supply risks while strengthening the Company's resilience for sustainable operations.

For negative impacts, stakeholders may raise concerns and seek remedy through the Stakeholder Communication and Grievance Mechanism. The identity of stakeholders who submit concerns or recommendations will be kept confidential.

4.3 Material Topics Identification Results

Nien-Yi Group follows the principle of Double Materiality and comprehensively evaluates three dimensions: the impacts of opportunities and risks on business operations, the positive and negative impacts on sustainability, and the level of stakeholder concern. Based on the scores for impacts on sustainability and impacts on business operations, the topics were calculated and ranked from highest to lowest total score. A Double Materiality Matrix was then developed to identify the material sustainability topics for the year.

A total of 10 material sustainability topics were identified in this assessment, together with 3 non-material sustainability topics with relatively high stakeholder concern. Among the 13 topics, 11 topics were retained and 2 new topics—Biodiversity and Non-discrimination—were added, resulting in a total of 13 material topics. Corresponding objectives based on the applicable GRI Topic Standards have been established for each topic, and the relevant information is disclosed throughout this Report.

Double Materiality Assessment Matrix of Nienyi Group



Material Topics Addressed in This Report

Environment	Economy	People (Social)
- Energy - Emissions (GHG) - Water and Effluents - Waste - Biodiversity	- Anti-competitive Behavior - Anti-corruption - Economic Performance	- Employment - Occupational Health and Safety - Customer Privacy - Supplier Social Assessment - Non-discrimination

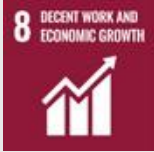
Sustainability Disclosure Topics Addressed in This Report in Accordance with SASB Standards

Environment	Human Capital	Business Model and Innovation
- Water Management - Waste Management	- Labor Practices - Employment - Occupational Health and Safety	- Labor Conditions - Health and Safety - Customer Privacy - Supplier Social Assessment - Non-discrimination

【Material Topic Boundaries】

For each identified material topic, we assess its impacts and determine the extent of its influence across the value chain.

Nien-Yi Material Topics, Value Chain Impacts, and Alignment with the SDGs

Material Topics	Disclosure Standards	Nien-Yi Value Chain						SDGs
		Upstream		Nien-Yi			Downstream	
		Contractors	Suppliers	*Taiwan	**Mainland China	Vietnam	Customers	
Energy	GRI 103	■	■	●	●	●	★	   
Emissions	GRI 102	■	■	●	●	●	★	
Water and Effluents	GRI 303 TC-ES-140a.1	■	■	●	●	●	★	
Waste	GRI 306 TC-ES-150a.1 TC-ES-410a.1	■	■	●	●	●	★	
Biodiversity	GRI 101	--	--	●	●	●	--	   
Anti-competitive Behavior	GRI 206	■	■	●	●	●	--	
Economic Performance	GRI 201	■	■	●	●	●	--	
Anti-corruption	GRI 205	■	■	●	●	●	★	   
Employment	GRI 401 TC-ES-310a.1	--	--	●	●	●	--	
Occupational Health and Safety	GRI 403 TC-ES-320a.1	■	■	●	●	●	--	
Supplier Social Assessment	GRI 414 TC-ES-320a.2 TC-ES-320a.3 TC-ES-440a.1	■	■	●	●	●	--	
Non-discrimination	GRI 406	■	■	●	●	●	--	
Customer Privacy	GRI 418	--	■	●	●	●	★	

Legend	Description
●	Caused by
■	Directly Related to
★	Contributed to

*Including the Taiwan Neihu headquarters, Zhubei R&D center, and Leap Optical.

**Including the Mainland China Taicang plant/L-Cubic Electronic Technology (Suzhou) Co. Ltd. and Zhuhai plant.

5, Alignment of Material Topics with the United Nations Sustainable Development Goals

The United Nations introduced the Sustainable Development Goals (SDGs) in 2015, which have become a common language for global sustainable development. The SDGs not only represent a global development trend but also present important business opportunities for companies in the future. Based on the material topics identified through the GRI Standards, the Company assesses risks to people and the environment, as well as the provision of effective products, services, and investments, to identify the SDGs most closely connected to its sustainability efforts, with the aim of making the most meaningful contributions to the SDGs.

Nien-Yi is strengthening its sustainability strategy by comprehensively promoting economic growth, social equality and progress, and environmental protection, thereby enhancing the Company's long-term value. Nien-Yi has identified priority areas aligned with the Sustainable Development Goals (SDGs). We will disclose our sustainability performance across the product life cycle and value chain, translating our alignment with the SDGs into concrete action plans and integrating these goals into our daily operations through practical approaches. Going forward, we will continuously review and adjust the priorities of our sustainability goals to gain the recognition of investors and stakeholders and create long-term sustainable value. The relevant topics, sustainability practices, and targets are disclosed in the respective chapters of this report.

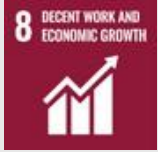
Nien-Yi ESG Material Topics and SDGs Alignment Table (People)

Nien-Yi ESG Material Topics	Alignment with SDGs	UN SDG Descriptions and Indicators	Nien-Yi Sustainability Practices and Future ESG Targets
Employment		3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases.	Current Status: Continue to promote disease prevention and health awareness, while implementing the ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System to control environmental pollution and occupational health and safety risks. Targets: Continue to promote occupational health and safety awareness through ISO 45001 and control environmental pollution through the ISO 14001 Environmental Management System.
Supplier Social Assessment		3.4 By 2030, reduce by one-third premature mortality from non-communicable diseases through prevention and treatment.	
Customer Privacy		3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.	
Occupational Health and Safety		3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.	
Non-discrimination		3.9 Reduce the adverse health impacts caused by air pollution, water pollution and other forms of pollution. Pollution poses a serious threat to human health.	Current Status: All employees are treated fairly and are not subject to any form of discrimination during the recruitment process or throughout their employment. Target: Discrimination complaints: 0 cases.
		5.1 End all forms of discrimination against all women and girls everywhere.	
		5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation.	
		5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies, and the promotion of shared responsibility within households and families, as nationally appropriate.	

Nien-Yi ESG Material Topics and SDGs Alignment Table (People)

Nien-Yi ESG Material Topics	Alignment with SDGs	UN SDG Descriptions and Indicators	Nien-Yi Sustainability Practices and Future ESG Targets
Employment		8.5 By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value. 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training. 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and prohibit and eliminate the worst forms of child labour, including the recruitment and use of child labour, and by 2025 end child labour in all its forms. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrant workers and those in precarious employment. 8.8a Number of suppliers subject to social impact assessments. 8.8b Number of suppliers identified as having significant actual and potential negative social impacts.	Current Status: Ensure equal pay for work of equal value, prohibit child labor, and prevent forced labor. Conduct on-site assessments of key suppliers. Nien-Yi's wage levels exceed the local statutory minimum wage requirements and provide employees with sufficient income to meet their basic needs for food, clothing, housing, and transportation. Targets: Employee Grievances: 0 cases. Conduct ESG assessments for new suppliers. Maintain competitive employee compensation levels and provide comprehensive benefits.
Supplier Social Assessment			
Customer Privacy			
Occupational Health and Safety		10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.	Current Status: Promote equal employment opportunities and labor rights through the Anti-Discrimination Management Procedure. Target: Employee discrimination complaints: 0 cases.
Non-discrimination		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all. 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels. 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements.	Current Status: Conduct annual ESG assessments of key suppliers. Establish information risk management and control measures. Targets: Encourage key suppliers to disclose their ESG performance. Zero complaints regarding breaches of customer privacy or loss of customer data.

Nien-Yi ESG Material Topics and SDGs Alignment Table (Governance)

Nien-Yi ESG Material Topics	Alignment with SDGs	UN SDG Descriptions and Indicators	Nien-Yi Sustainability Practices and Future ESG Targets
Anti-competitive Behavior		16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all.	Current Status: Promote awareness of antitrust laws and ensure that business quotations comply with antitrust principles. Target: Zero antitrust violations.
Anti-corruption		16.5 Substantially reduce corruption and bribery in all their forms. 16.6 Develop effective, accountable and transparent institutions at all levels.	Current Status: Promote ethical conduct through the Business Ethics Management Procedure to prevent unethical behavior and foster integrity, honesty, and ethical conduct. Target: Corruption complaints: 0 cases .
Economic Performance	 	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors. 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. 9.5 Enhance scientific research and upgrade the technological capabilities of industrial sectors in all countries, particularly developing countries, including by 2030 encouraging innovation and substantially increasing the number of research and development workers per million people and public and private research and development spending. 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Current Status: Expand global production and operational sites to mitigate the impact of geopolitical and economic conflicts and maintain business continuity. Increase the proportion of revenue generated from AI-related products to 10% . Implement TCFD climate-related risk assessments. Targets: Obtain ISO 22301 Business Continuity Management System certification. Increase the proportion of revenue generated from AI-related products to 20% and continue expanding product offerings through R&D and innovation. Continuously monitor and assess TCFD-related risks, implement corresponding mitigation measures, and achieve the established targets.

Nien-Yi ESG Material Topics and SDGs Alignment Table (Environmental)

Nien-Yi ESG Material Topics	Alignment with SDGs	UN SDG Descriptions and Indicators	Nien-Yi Sustainability Practices and Future ESG Targets
Energy Emissions Water and Effluents Waste Biodiversity		3.9 Reduce the adverse health impacts caused by air pollution, water pollution, and other forms of pollution. Pollution poses a serious threat to human health.	Current Status: Implement environmental risk management through the ISO 14001 Environmental Management System to ensure environmental sustainability. The Company has also implemented an organizational greenhouse gas inventory. Targets: Enhance industrial waste reduction and cleaner production performance through environmental risk control measures under ISO 14001 , while continuing to implement carbon reduction initiatives.
		6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally. 6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity. 6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies. 6.b Support and strengthen the participation of local communities in improving water and sanitation management.	Current Status: Implement environmental risk management through the ISO 14001 Environmental Management System to reduce water pollution. Recycle and reuse process cooling water. Target: Incorporate rainwater harvesting and reclaimed water reuse systems into the design of new facilities.
			
		7.2 By 2030, substantially increase the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency.	Current Status: Nien-Yi has implemented solar power generation at its facilities, with solar panels installed across the rooftops of its plants. Targets: Obtain ISO 50001 Energy Management System certification. Gradually reduce energy intensity.
		8.4 By 2030, progressively improve global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead.	Current Status: Nien-Yi has established production performance controls to improve production efficiency and sets annual environmental continuous improvement targets. Target: Develop production automation to improve production efficiency.

Nien-Yi ESG Material Topics and SDGs Alignment Table (Environmental)

Nien-Yi ESG Material Topics	Alignment with SDGs	UN SDG Descriptions and Indicators	Nien-Yi Sustainability Practices and Future ESG Targets
Energy Emissions Water and Effluents Waste Biodiversity		11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	Current Status: Implement the ISO 14001 Environmental Management System to ensure environmental sustainability. Target: Enhance industrial waste reduction and cleaner production performance through environmental risk control measures under ISO 14001.
		12.2 By 2030, achieve the sustainable management and efficient use of natural resources. 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Current Status: Implement the ISO 14001 Environmental Management System to prevent pollution, conserve energy, and reduce waste. Target: Increase waste recycling and recovery.
		13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	Current Status: Implement an organizational greenhouse gas inventory. Implement TCFD climate-related risk assessments. Targets: Continuously monitor and assess TCFD-related risks, implement corresponding mitigation measures, and achieve the established targets. Continue advancing ISO 14067 product carbon footprint assessments.
		14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels.	Current Status: Nien-Yi has implemented an organizational greenhouse gas inventory. Implement TCFD climate-related risk assessments. Target: Continuously monitor and assess TCFD-related risks, implement corresponding mitigation measures, and achieve the established targets.
		15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. 15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species.	Current Status: Green landscaping areas: Zhuhai Plant: 9,000 m²; Taicang Plant: 32,000 m²; Bac Ninh Plant 1: 1,200 m²; Bac Ninh Plant 2: 12,000 m². Target: Preserve existing green spaces and vegetation when constructing new facilities.

Chapter 2 Business Review

- 2.1 Company History
- 2.2 Key Brands/Products/Services
- 2.3 Industry Associations Joined
- 2.4 Sustainability Risks
- 2.5 Corporate Governance
- 2.6 Anti-Competitive Behavior
- 2.7 Anti-Corruption

02 Business Review

Material Topics	2025 Management Approach	2025 Achievements	2026 Goals	Mid-to-Long Term Goals
Economic Performance	Following the APQP and Control Plan Procedure, new product development integrates technology for sustainable development by exploring emerging trends and developing AI application products.	Successfully developed 800G signal transmission and high-power power control products for AI servers, which were recognized by customers and accounted for 15% of total revenue.	Increase the revenue contribution of AI-related products to 20%.	Continue to expand product offerings through R&D and innovation.
	Following the Risk and Opportunity Response Control Procedure, identify internal and external factors affecting the company, assess risks and opportunities, analyze and control them to reduce the likelihood of risks, seize opportunities to improve project performance, maintain normal production, ensure customer product supply, and sustain business operations.	In response to geopolitical and economic developments, Nien-Yi adjusted the distribution of its sales regions. 2025 revenue totaled US\$139.2 million, with the Asia-Pacific region accounting for 45.6%.	Deepen the presence in the Asia-Pacific market, accelerate channel expansion and customer development, focus on developing the L-Cubic proprietary brand, and increase market share in Greater China by 5% through product innovation and targeted marketing.	Obtain ISO 22301 Business Continuity Management System certification.
Anti-competitive Behavior	In accordance with the Unfair Competition Management Procedure, we encourage and protect fair competition, prevent unfair competition practices, and safe-guard the legitimate rights and interests of businesses and consumers. Business quotations comply with the Unfair Competition Management Procedure.	Zero antitrust incidents.	Promote the Anti-Unfair Competition Management Procedure and maintain zero antitrust incidents.	Mid-term: Continue awareness campaigns and training to enhance the company's understanding of anti-competitive behavior. Long-term: 1.Establish a transparent monitoring mechanism for supervising and penalizing anti-competitive conduct. 2.Maintain a record of zero antitrust incidents.
Anti-corruption	In accordance with the Business Ethics Code of Conduct, we control un-ethical behavior and promote honest and ethical conduct, establishing guidelines for employee ethical behavior.	1.100% training completion rate. 2. Zero major violations of professional ethics.	Require business partners to comply with anti-corruption standards, incorporate relevant requirements into contracts, and achieve 100% supplier signing of ESG commitment letters.	Mid-term:: 1.Continue education and awareness initiatives to strengthen employees' understanding of integrity and anti-corruption. 2.Implement the ISO 37001 Anti-Bribery Management System. Long-term: 1.Encourage employees to participate in oversight and reporting. 2.Obtain ISO 37001 Anti-Bribery Management System certification.

2.1 Company History

【Nien-Yi Industrial Corp. Overview】

Established Year : 1987

Company Address : 4F,-1&4F-2 No.15, Lane 360,

Sec.1 NeiHu Rd., Taiwan

Operating Locations: Please refer

to the website: <https://www.nienyi.com>;

<https://www.nienyi.cn>

<https://www.nienyi.vn>

Contact Number : +886-(2)2657-6800

Total Number of Employees in 2025 :

1584 people

Non-Employee Workers :

109 people

Nien-Yi Group was established in 1987 in NeiHu, Taipei City, Taiwan. The Company's primary business includes the design, development, production, assembly, and processing of products such as cables (including network cables, computer cables, telephone cables, opto-electronic composite cables, etc.), connectors, AC adapters, antennas, optoelectronic modules, and related injection-molded products. The Company's products are mainly sold to Japan, Southeast Asia, Australia, Africa, the Americas, Europe, and India. The headquarters of Nien-Yi Industrial Corp. is located in NeiHu, Taipei City, Taiwan, with six manufacturing sites: Nien-Yi Industrial Corp. (Neihu), Nien-Yi Industrial Corp. (ZhuBei), Taicang Nien-Yi Technology Electronics Co. Ltd. (Taicang), among them, Taicang Nien-Yi Technology Electronics Co. Ltd. includes L-Cubic Electronics Technology (Suzhou) Co. Ltd. (L-Cubic). Nien-Yi Technology (Zhuhai) Co. Ltd. (Zhuhai), Nienyi Vietnam Industrial Co. Ltd. (Bac Ninh), and Leap Optical Technology Corp. To meet the diverse needs of customers worldwide the Company has obtained a range of safety certifications, including UL, CSA, ACA, VDE, ETL, CCC, CE, HDMI, and USB certifications. In addition, Nien-Yi has successively obtained certifications for its quality and management systems, including ISO 9001, ISO 14001, ISO 45001, TL 9000, IATF 16949, ISO 13485, AS9100, and ISO/IEC 17025, to ensure that product and service quality meets customer requirements. (TC-ES-000.A)

Currently, Nien-Yi Group includes the six manufacturing sites in Nei-hu, ZhuBei, Taicang, Zhuhai, Nienyi Vietnam, and Leap Optical. The Group's governance structure consists of a Board of Directors, which is the highest governing body. The Chairman of the Board is the representative of the Group and serves as the highest-ranking executive, without holding any administrative position.

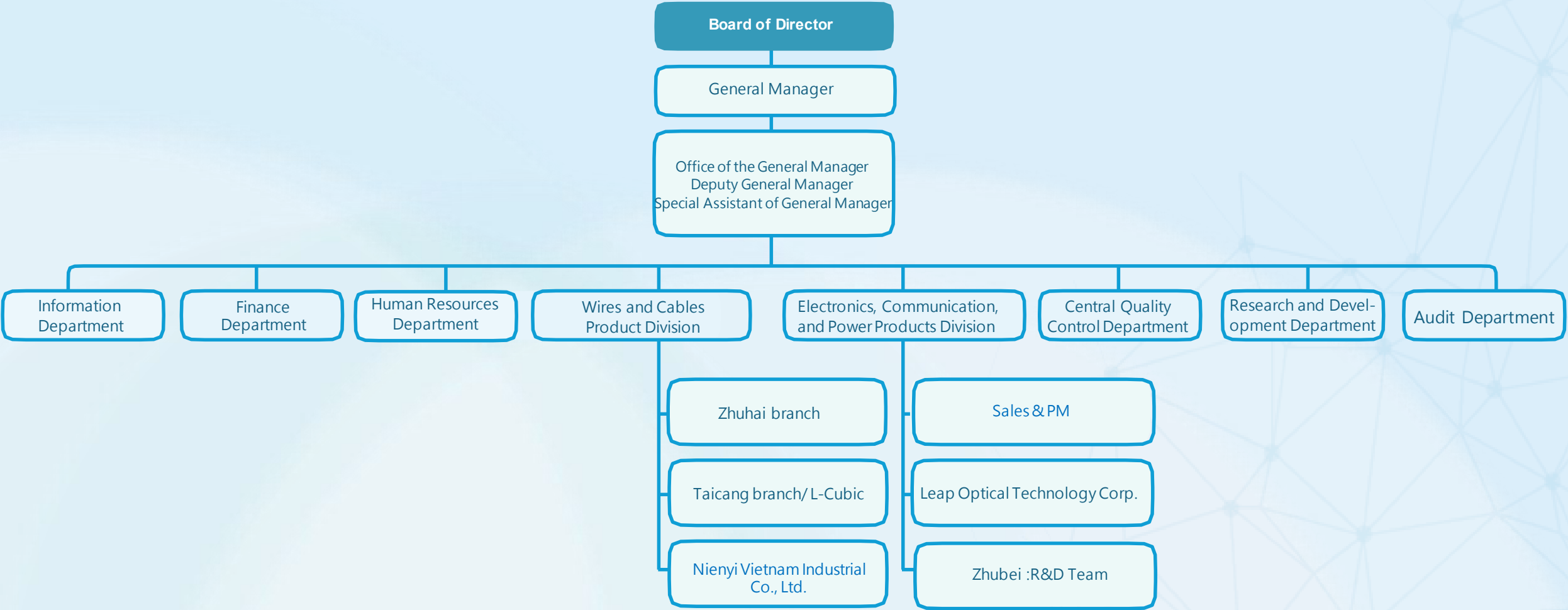
Nien-Yi Group Operational Locations



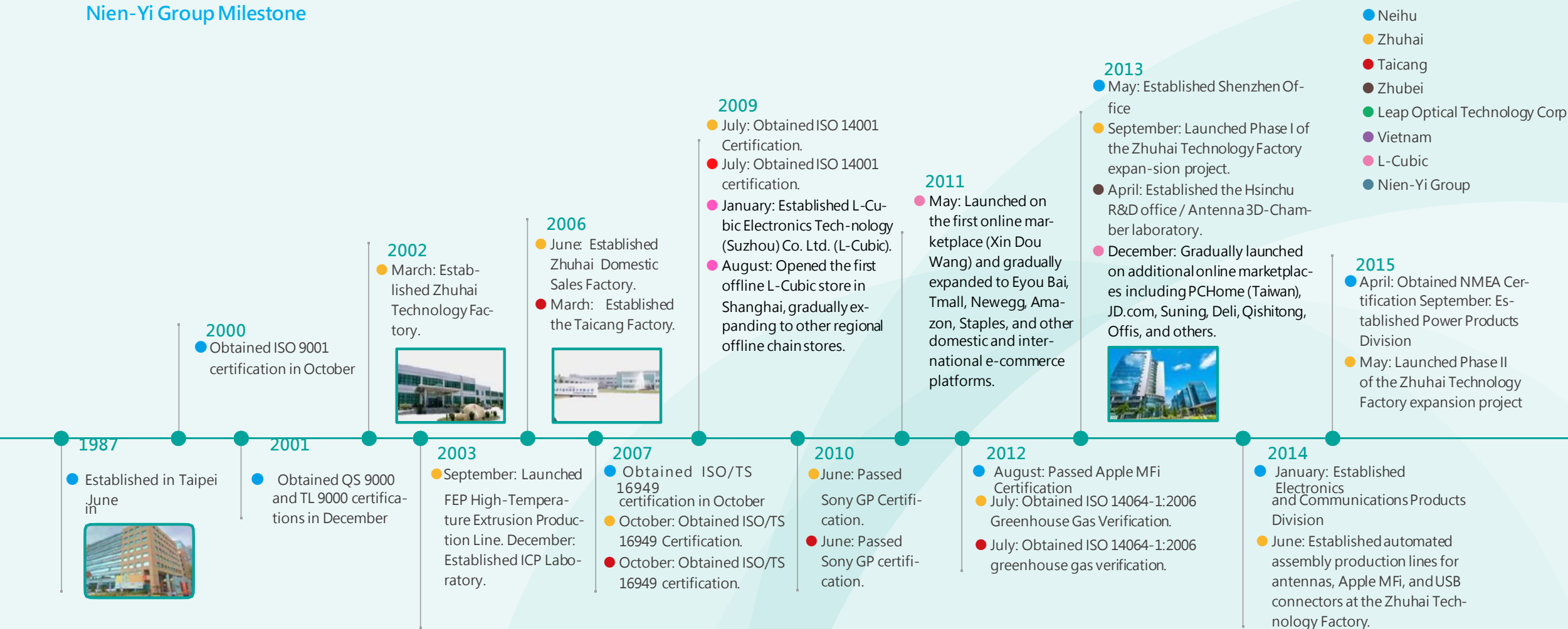
Technology Creates the Future,
No Longer Out of Reach



Company Governance Structure



Nien-Yi Group Milestone



2016

- January: Established the Power Products AC Inverter Automation Division and obtained the NMEA Shipboard Wiring Certification in the same month. October: Obtained HDBaseT Cable Certification. November: Obtained ISO 13485, AS 9100, and HDMI Premium Cable Certification
- January: Completion of Phase II expansion of the Zhuhai Technology Factory; simultaneously established automated production line for USB Type-C connectors. November: Obtained ISO 13485, AS 9100, and HDMI Premium cable certifications. December: Achieved ISO 17025 laboratory accreditation.
- November: Obtained ISO 13485, AS9100, and HDMI Premium cable certifications. December: Obtained ISO 17025 laboratory certification.
- December: Obtained ISO 17025 laboratory certification.

2018

- November: obtained ISO 9001 and ISO 13485 certifications
- October: Established the Bac Ninh Factory in Vietnam
- February: Gradually launched on Taiwan e-commerce platforms MOMO, Shopee, Comix Group, and Hemudu Procurement Network.



2020

- January: Started the Phase II expansion project for cable extrusion factory

2023

- April: Nien-Yi Group Established Nycomtech Inc. (Nien-Yi's U.S. office and warehouse); August: passed the EcoVadis assessment and received the Commitment Medal.
- April: Vietnam Established connector production line

2025

- Vietnam: Successfully passed the SMETA audit in January; construction of the second new plant in Bac Ninh, Vietnam commenced in March; obtained ISO 45001 certification in August; and obtained ISO/IEC 17025 and AS9100D certifications in September.
- Zhuhai: Obtained ISO 14067 Product Carbon Footprint Certification in June and ISO 45001 Certification in July.
- Taichang: Obtained ISO 45001 Certification in July.
- L-Cubic: Established its South China Regional Office in August
- Nien-Yi Group: Obtained Dun & Bradstreet International Trade Dual Certification in August.

2026

- Vietnam: The Bac Ninh Plant 2 officially commenced operations in February; obtained TL 9000 certification in April; and successfully passed the third-party VDA 6.3 Process Audit for automotive applications in June.
- Zhuhai: Successfully passed the third-party VDA 6.3 Process Audit for automotive applications in June.
- Taichang: Successfully passed the third-party VDA 6.3 Process Audit for automotive applications in June.
- Nien-Yi Group: Received the EcoVadis Bronze Medal in April.

2017

- November: established Leap Optical Technology Corp in Zhubei, Taiwan. December: obtained the patent for optical engine (optical module).



2019

- May: Obtained ISO 9001 and ISO 14001 certifications

2022

- September: Started the Phase III expansion project for cable and electronic wire assembly factory; Passed RBA audit in October

2024

- Vietnam May: Obtained IATF 16949 certification August: Obtained ISO 13485 certification and ISO 14064-1:2018 verification statement
- Zhuhai June: Obtained SMETA certification.
- Neihu August: Obtained ISO 14064-1:2018 Verification Statement.
- Zhuhai August: Obtained ISO 14064-1:2018 verification statement.
- Taichang August: Obtained ISO 14064-1:2018 verification statement.
- Zhubei August: Obtained ISO 14064-1:2018 verification statement.
- Leap August: Obtained ISO 14064-1:2018 verification statement.

- Neihu
- Zhuhai
- Taichang
- Zhubei
- Leap Optical Technology Corp
- Vietnam
- L-Cubic
- Nien-Yi Group

The company continues to invest in the development of high-efficiency and green-energy products, successfully developing 800G high-speed signal transmission modules and high-power power control solutions for AI server applications, which have been verified and adopted by major customers. These products not only meet the high-speed and high-power requirements of data centers but also optimize energy efficiency and system stability, effectively supporting customers' sustainable operations and low-carbon data transformation.

To continuously expand product offerings through R&D innovation, the company leverages the explosive growth trend in AI servers and AI infrastructure, increasing the proportion of high-margin products. (GRI : Economic Performance Management Policy)

2025 Main business and revenue proportion of the group .

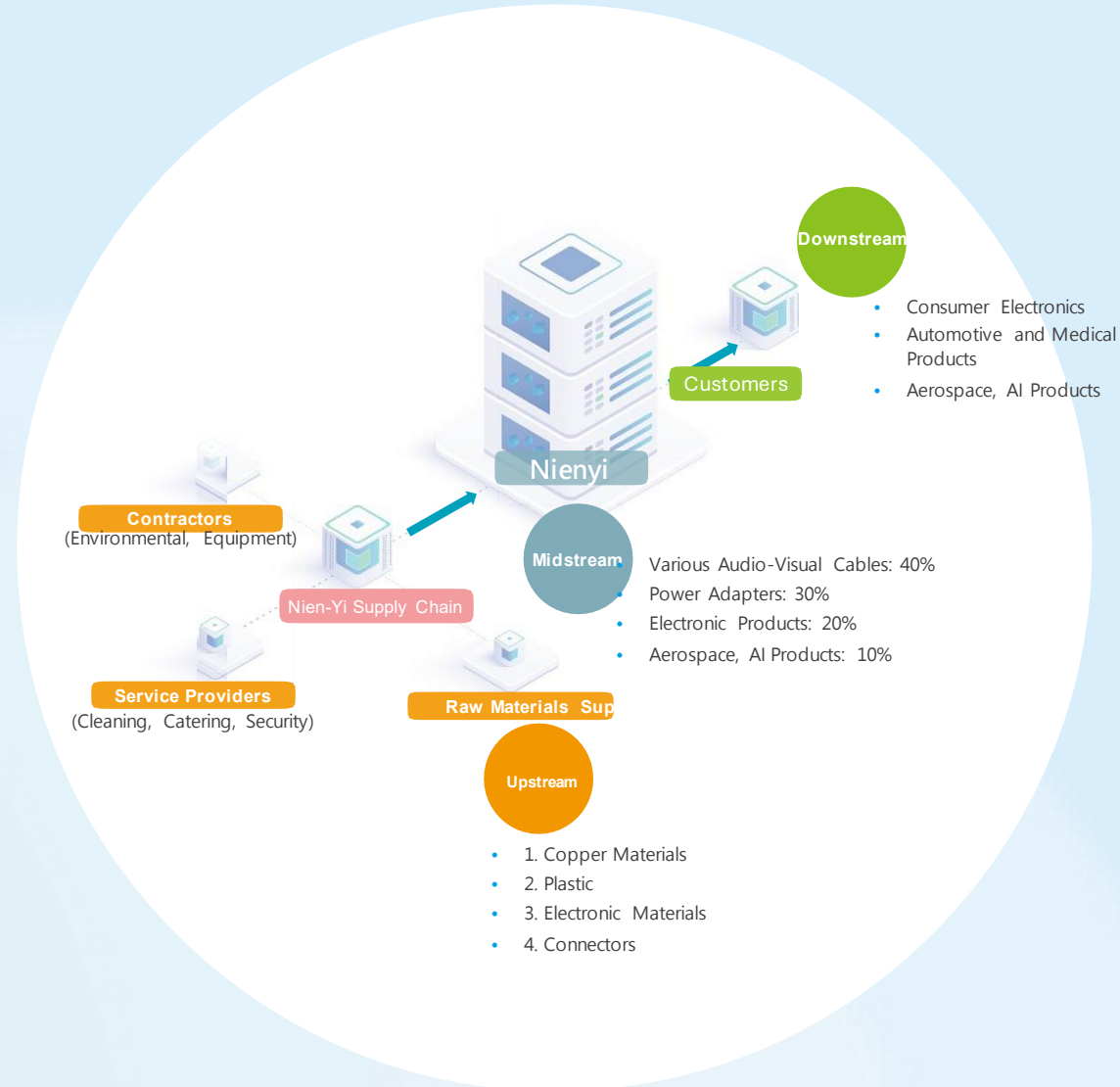
Year	Revenue (million USD)
2023	146.1
2024	143.2
2025	139.2

Note: Revenue decreased by 2.79% from 2024 to 2025.



Main product sales by region:

Region	2023		2024		2025	
	Sales (million USD)	%	Sales (million USD)	%	Sales (million USD)	%
Europe & America	49.674	34%	54.416	38%	53.424	38.4%
Asia Pacific	64.284	44%	65.872	46%	63.511	45.6%
Japan	32.142	22%	22.912	16%	22.272	16%
Total	146.1	100%	143.2	100%	139.2	100%



The main sales regions for each product are as follows:

Key Products	Category	Major Markets	Distribution Channels
Cables	Power and High-Voltage Cable	Taiwan, Mainland China, Japan, the Americas, Europe, Australia, Africa, Southeast Asia, India, etc.	Direct sales, distributors
	Signal and Data Transmission Cables		
	Coaxial and High-Frequency Cables		
	Sensor and Control Cables		
	Wire Harnesses and Assemblies		
	Specialty Cables		
Connectors	Including optoelectronic converters, Bluetooth connectors, Type-C, Lightning, HDMI, USB, DP, DVI, RJ45/RJ11 connectors and assemblies		
AC Adapters and Power Banks	Including fast-charging products supporting PD and QC protocols, Qi wireless charging products, and mobile power banks		
Antennas and Communication Equipment	Including internal and external antennas for network routers and switches, and cable testers		
Consumer Electronics	Including Bluetooth speakers and insulated thermal cups		

2.3 Industry Associations Joined

Nien-Yi Group participates in the following public (associative) organizations to share management tech-niques and practical experiences. The membership details are as follows:

- 1  USB Implementers Forum
- 2  HDMI Licensing Administrator, Inc.
- 3  Sony GP(Sony Green Partner)
- 4  UL Association (Underwriters Laboratories Inc., USA)
- 5  ETL Association (ETL Testing Laboratories Inc.)
- 6  CSA Group (Canadian Standards Association)
- 7  NATA (National Association of Testing Authorities, Australia)
- 8  Anatel (National Telecommunications Authority of Brazil)
- 9  VESA (Video Electronics Standards Association)
- 10  HDBaseT Alliance (High-Definition Digital Interface Certification Alliance)
- 11  PSE Association (Product Safety of Electrical Appliance & Materials, Japan)
- 12  CB Scheme (Certification Bodies Scheme)
- 13  CCC (China Compulsory Certification)
- 14  BIS (The Bureau of Indian Standards)
- 15  SMETA Association (Sedex members ethical trade Audit)
- 16  EcoVadis Association (Corporate Social Responsibility Rating Service Provider)
- 17  RBA (Responsible Business Alliance)
- 18  Dun & Bradstreet Association (Dun & Bradstreet, Inc.)

2.4 Sustainability Risks

The Company' s management places great emphasis on sustainable business risk management. In response to the potential impacts on the Company' s financial performance and operations arising from factors such as market volatility, credit defaults, major changes in domestic and international policies and regulations, technological advancements, and shifts in the industry landscape, the Company has established rigorous risk assessment, monitoring, and response mechanisms.

With regard to market risk management, the Company continuously collects information on exchange rates, interest rates, and macroeconomic trends, and regularly reviews changes in related risks. Where appropriate, the Company utilizes hedging instruments such as foreign exchange forward contracts to effectively mitigate the impact of exchange rate fluctuations.

For significant risk-related activities, including high-risk investments, highly leveraged operations, loans to other parties, endorsements and guarantees, and derivatives transactions, the Company adheres to a prudent and conservative management approach and conducts rigorous reviews and implementation in accordance with its internal governance policies. In 2025, the Company did not provide loans to other parties or engage in derivatives transactions, thereby reinforcing prudent operations and disciplined risk management.

In 2025, Nien-Yi Group recorded revenue of US\$139.2 million. Throughout its business operations and development, the Group continued to face various sustainability-related risks across multiple dimensions, including market, environmental, and social risks. To strengthen operational resilience and mitigate potential impacts, the Group has established comprehensive mechanisms for identifying, assessing, and managing various sustainability risks. The relevant risk categories and specific response measures are summarized in the following table.

Market Risks

Risk Category	Response Measures
Foreign Exchange Risk	1. Adopt natural hedging by offsetting foreign-currency receivables against foreign-currency payables to reduce foreign exchange risk. 2. Assign dedicated personnel to monitor international exchange rate trends in real time and formulate and implement appropriate response measures when necessary. 3. Optimize the structure of foreign-currency assets and liabilities by appropriately allocating multiple currencies to diversify the risks arising from fluctuations in any single currency.
Tariff Risk	1. Actively expand into emerging markets such as Southeast Asia, the Middle East, and Latin America to diversify regional market concentration and reduce dependence on tariff policies in any single region. 2. Closely monitor changes in tariff policies across countries, proactively negotiate with suppliers and customers, and optimize order terms and pricing mechanisms to pass on part of the tariff costs where appropriate. 3. Leverage policy benefits provided by free trade zones, bonded zones, and other preferential arrangements to optimize industrial and logistics layouts and reduce tariff expenditures.
Interest Rate Risk	1. Assign dedicated personnel to continuously monitor market interest rate trends and keep abreast of developments in financial markets. 2. Flexibly adjust financial planning and financing strategies based on interest rate trends to reduce the impact of interest rate fluctuations on operating profitability. 3. Strengthen cash flow budget management, improve capital utilization efficiency, reduce the proportion of idle funds, and mitigate the impact of interest rate fluctuations on financing costs.
Market Demand Volatility Risk	1. Strengthen market research and demand forecasting, establish a dynamic customer demand tracking mechanism, and promptly adjust product structures and capacity planning. 2. Deepen presence in core markets, expand high-value-added products and services, enhance customer loyalty, and reduce the impact of fluctuations in demand in lower-end markets. 3. Diversify the product portfolio to avoid excessive reliance on a single product and mitigate operational pressure arising from changes in market demand.
Competitive Risk	1. Increase investment in research and development, strengthen core technology capabilities, enhance product differentiation and competitiveness, and establish competitive barriers. 2. Optimize the customer service system, enhance customer experience, and consolidate market share. 3. Closely monitor competitors' activities, analyze their business strategies and product advantages, and promptly adjust the Company's competitive strategies. 4. Promote industry collaboration and resource integration to reduce risks arising from excessive competition through mutually beneficial cooperation.
Geopolitical Risk	1. In response to changes in global geopolitical and trade conditions, the Group has expanded its second factory in Bac Ninh Province, Vietnam. By diversifying overseas production capacity, the Group aims to mitigate regional risks and enhance operational stability and resilience. 2. Establish a geopolitical risk assessment system, regularly analyze political stability in major markets and changes in trade policies, and formulate contingency plans in advance. 3. Strengthen communication and collaboration with local governments and industry associations, comply with local laws and regulations, and reduce risks arising from policy uncertainties. 4. Diversify the supply chain footprint to avoid excessive reliance on suppliers in a single region and enhance supply chain resilience.

Environmental Risks

Risk Category		Response Measures
Risk of Changes in Environmental Regulations		1. Assign dedicated personnel to continuously monitor updates to environmental laws and regulations, carbon emission controls, and pollution prevention standards in the countries and regions where the Group operates, ensuring full compliance throughout the operations of all Group facilities. 2. Conduct regular environmental compliance self-assessments and internal audits at each facility, and proactively complete equipment optimization and process adjustments to prevent the risks of regulatory penalties and operational disruptions. 3. Establish contingency plans for regulatory changes, simultaneously adjust production standards and control procedures, and uphold the principle of lawful and compliant operations.
Pollution Prevention and Emissions Risk		1. Strictly implement comprehensive controls over wastewater, air emissions, and solid waste throughout the entire process. Regularly maintain and inspect pollution prevention equipment to ensure that all emission indicators consistently remain below applicable regulatory limits. 2. Promote waste reduction at source and optimize cleaner production processes to reduce pollutant generation at the production-process level, thereby minimizing environmental impacts and compliance risks. 3. Standardize the procedures for outsourced waste collection, transportation, and treatment, strictly select qualified service providers, and maintain full-process control over hazardous waste disposal to prevent environmental pollution risks.
GHG Emissions Risk		1. Establish an ISO 14064-1 greenhouse gas inventory system to systematically assess the Group's overall carbon emissions and identify major emission sources and key areas for management and control. 2. Promote ISO 14067 product carbon footprint assessments and certification to comprehensively understand carbon emission data throughout the product life cycle and provide a basis for carbon reduction decision-making. 3. Establish a comprehensive carbon reduction management mechanism, set phased carbon reduction targets, and continuously implement carbon reduction measures across all facilities to reduce risks associated with carbon management policies and environmental impacts.
Waste Management Risk		1. Strictly select professional service providers with the required qualifications to handle the collection, transportation, and disposal of waste, including hazardous waste, ensuring that all disposal processes comply with applicable laws and regulations. 2. Establish a comprehensive waste management and control system covering the entire process, implement waste segregation and standardized storage requirements, and ensure a 100% waste treatment rate. 3. Continuously promote waste recycling and reuse to improve resource circulation efficiency and reduce waste disposal costs and environmental pollution risks.
Energy Shortage Risk		1. Promote the installation of solar photovoltaic power generation systems at Group facilities to develop renewable energy, increase the supply of green electricity, reduce dependence on conventional energy sources, and mitigate the impact of energy shortages. 2. Continue to promote the ISO 50001 Energy Management System, establish a systematic energy management and control framework, optimize energy efficiency, and reduce energy waste. 3. Establish emergency plans for energy supply disruptions, diversify energy supply channels, strengthen energy supply stability, and reduce the impact of energy shortages on production and operations.
Climate Change Operational Risk		1. Assess the potential impacts of extreme weather and natural disasters on facility operations, supply chain stability, and logistics lead times, and establish disaster emergency response plans and contingency mechanisms. 2. Optimize the configuration of disaster prevention, drainage, and backup power facilities, strengthen operational resilience, and reduce production losses caused by climate-related risks. 3. Incorporate climate risks into the Group's long-term operational planning, diversify the geographical distribution of production capacity, and reduce the impact of climate-related disasters in any single region.
Supply Chain Environmental Risk		1. Incorporate environmental compliance and green production requirements into the supplier selection and evaluation system, and regularly conduct environmental risk audits of suppliers. 2. Promote the implementation of energy conservation, waste reduction, and pollution control requirements throughout the supply chain to reduce the risk of supply disruptions caused by environmental non-compliance among upstream suppliers. 3. Establish a green supply chain management mechanism, prioritize environmentally compliant suppliers with strong sustainability performance, and enhance supply chain security and stability.

Social and Community Risks

Risk Category	Response Measures
Strained Labor-Management Relations	1. Provide competitive employee benefits to strengthen employees’ sense of commitment and belonging. Conduct regular exit interviews to gain an in-depth understanding of employees’ concerns, address their needs accurately and effectively, and reduce employee turnover. 2. Establish a regular communication mechanism with labor union organizations and hold quarterly consultation meetings to build a constructive communication bridge, promote consensus between the Company and labor unions, and maintain harmonious labor-management relations.
Occupational Health and Safety (Workplace Bullying and Unlawful Harassment)	1. Strictly adhere to the Universal Declaration of Human Rights and uphold the fundamental principle of “respect for human rights” to create a diverse, equal, inclusive, and friendly workplace. Actively promote gender equality and prevent workplace bullying and unlawful harassment. 2. Formally establish and communicate human rights protection policies, clearly define workplace codes of conduct and standards for handling violations, and strengthen employees’ awareness of human rights protection. 3. Continue to implement the ISO 45001 Occupational Health and Safety Management System, establish comprehensive workplace safety protection and complaint-handling mechanisms, and promptly address various violations.
Occupational Health and Safety (Noise, Dust, and Hazardous Gas Work Areas)	1. Strictly control work authorization certificates, allowing only employees who have completed relevant professional training and passed competency assessments to perform work in designated areas, thereby ensuring that employees possess the necessary safety operating capabilities. 2. Post prominent warning signs at the entrances to relevant work areas, clearly indicating that unauthorized personnel are prohibited from entering, thereby preventing safety risks caused by accidental entry. 3. Pay particular attention to the occupational health of female employees. If a female employee is pregnant, promptly transfer her to another workstation or work area that is not exposed to noise, dust, or hazardous gases, thereby comprehensively protecting the health of pregnant employees.

2.5 Corporate Governance

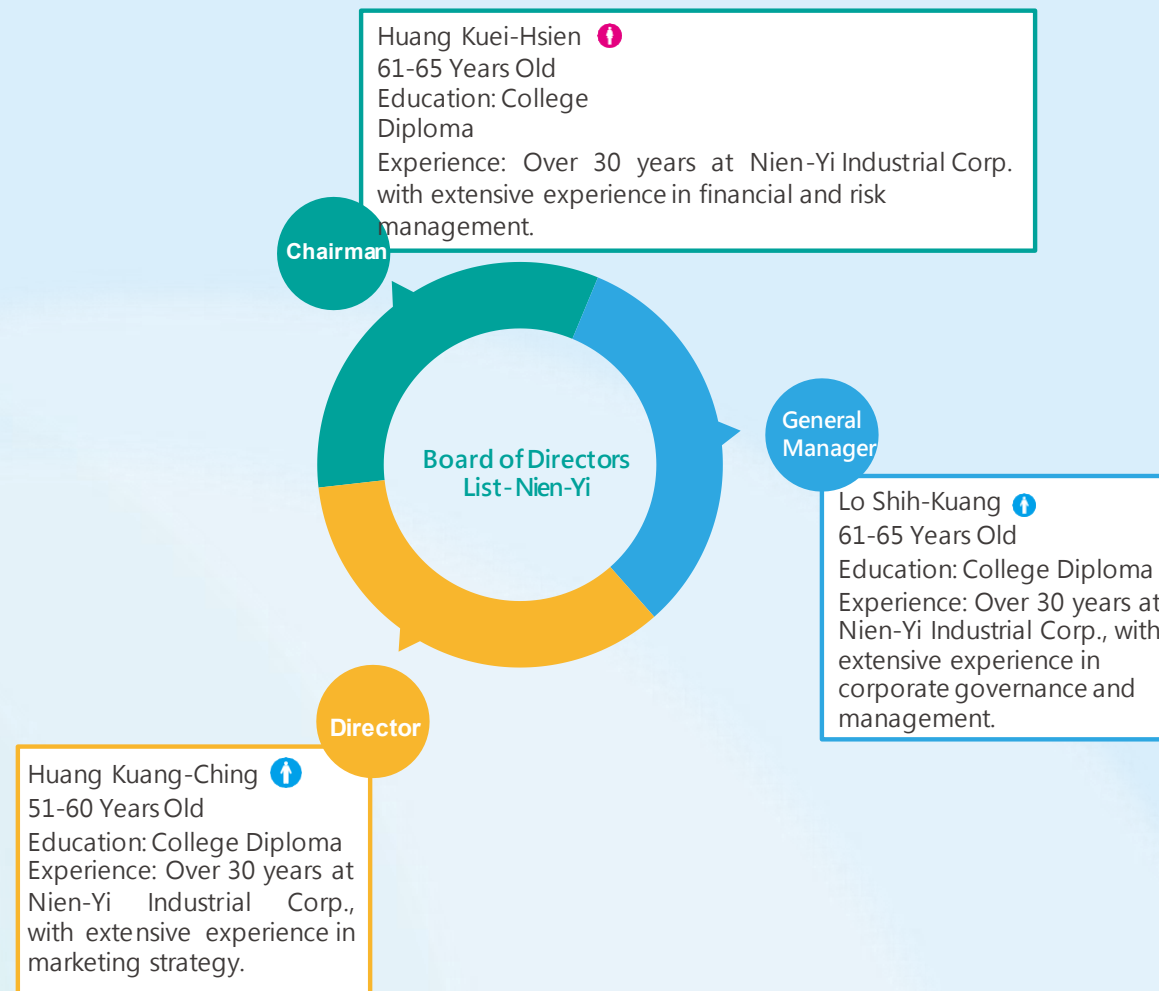
Nien Yi exercises rigorous oversight over every detail. With a strong sense of accountability, Nien Yi is committed to providing customers with high-quality products. Through dedicated and enthusiastic service, Nien Yi works alongside its customers to overcome challenges. For many years, the Nien Yi management team has been committed to maintaining transparency in operational, financial, and other relevant information, with the goal of upholding sound corporate governance through ethical business principles and commitments. Nien Yi's corporate governance practices emphasize diversity and independence while ensuring the avoidance of conflicts of interest. At each term of the Board of Directors, the elected directors select the Chairperson from among themselves. The Board of Directors also includes one female director.

【Composition of the Board】

The Board of Directors is the highest governance body of the Company and exercises its authority in accordance with the Company's articles of incorporation or the resolutions of the shareholders' meeting, being accountable to the share-holders. The board includes one female director, and all major matters related to the Company's operations and decision-making processes are submitted for discussion by the board to ensure proper communication and decision-making on critical issues. The board currently has three directors, each serving a term of three years, with a candidate nomination system in place. The board meets at least once a year but may be convened at any time in case of urgent matters. In 2025, the board held one meeting, with an attendance rate of 100%, including both in-person and proxy attendance.

The Board of Directors will focus on the long-term prospects and sustainable financial performance of the Company. Regarding credit risk, before engaging in transactions with customers, a credit verification process is conducted, and the process is managed through the information system. Accounts receivable collection is continuously monitored, and provisions for doubtful accounts are made based on the recovery status. The Board also remains highly attentive to domestic and international political and economic developments, legal changes, and industry shifts. These factors are evaluated and discussed in management meetings as necessary. Nien-Yi Group continues to promote ongoing training for its directors (including independent directors), focusing on topics related to corporate governance, such as finance, risk management, business operations, commerce, accounting, law, corporate social responsibility, and sustainability. In 2025, Nien-Yi Group directors participated in EcoVadis training courses to enhance the knowledge of the governance team, thereby guiding all employees at Nien-Yi Group in the practical implementation of the ESG concept of "corporate sustainable development."

List of Nien Yi Directors



2.6 Anti-Competitive Behavior

The Company complies with applicable fair competition and antitrust laws and regulations in the jurisdictions where it operates and implements fair competition management in accordance with the Anti-Unfair Competition Management Procedure. Upholding the principle of ethical business conduct, the Company is committed to maintaining an open, fair, and transparent competitive market environment. Any form of collusion or monopolistic conduct, price manipulation, market allocation, abuse of market position, or other improper business practices that restrict competition is strictly prohibited, ensuring that all business activities comply with applicable laws and regulations as well as corporate ethical standards.

In 2025, Nien-Yi Group had no legal cases, administrative penalties, or material violations involving anti-competitive behavior, antitrust matters, or monopolistic practices, and did not receive any sanctions from competent authorities for violations of fair competition laws and regulations. Going forward, the Group will continue to strengthen its fair competition management mechanisms, regularly review relevant systems and regulatory compliance, enhance employees’ awareness of legal and regulatory compliance, and ensure that all business activities adhere to the principles of fair competition, thereby safeguarding market order and supporting sustainable corporate development.

2.7 Anti-corruption

Nien-Yi Group identifies corruption risks through its management meetings, as summarized in the table below. The table outlines anti-corruption measures corresponding to various sources of corruption risks. Each year, the Group provides employees with two hours of anti-corruption-related training, achieving a 100% training completion rate. For external business partners, the Group promotes ethical business principles through the “Relevant Parties ISO 14001/ISO 45001/SA8000 Commitment Letter” and the “SA8000 Relevant Parties Social Responsibility Questionnaire.”

Sources of Corruption Risks and Anti-Corruption Measures

Corruption Risk Category	Description	Anti-Corruption Countermeasures
Supply Chain Management	During supplier selection or procurement processes, there may be risks of employees accepting bribes or kickbacks, which could compromise the fairness and transparency of procurement decisions.	In accordance with the “Procedure for the Prevention of Improper Bene-fits” and the “Code of Business Ethics Management Procedure” , all employees must comply with corporate compliance requirements and local regulations to uphold ethical conduct standards.
Internal Ethics Risk Management	Internal risk identification indicates that departments such as Procurement, Finance, Sales, Administration, Quality Assurance, and Information Security may face corruption risks. Employees in these departments may potentially engage in bribery when interacting with external business partners, which could adversely affect the Company’ s interests and reputation.	
Government & Regulatory Risks	In contracts or dealings with government and regulatory authorities, employees may potentially engage in bribery of officials or improper exchanges of benefits to obtain favorable contract terms, reduce compliance pressure, expedite approval processes, or achieve other related objectives. For example, employees may attempt to improperly influence decision-makers when applying for environmental permits or implementing environmental projects.	

【Integrity Management Policy】

To implement a high-quality corporate culture and uphold the Company's image and business ethics, Nien-Yi Group has established the "NYP7602 Compliance Management Operating Procedures" and "NYP7603 Public Service Conduct Management Operating Procedures" based on the Company's culture. These procedures commit to conducting due diligence investigations and protecting whistleblowers in the case of violations. In terms of business conduct and procedural regulations, the company avoids using positions for personal or familial gain and strictly prohibits the disclosure of customer privacy. The Company regularly reviews its "Values" and "Job Responsibilities" and requires relevant personnel to adhere to them. These are incorporated into employees' annual performance evaluations. In the event of violations, appropriate actions will be taken according to the Company's reward and punishment policies.

【Integrity Management Implementation】

The Nien Yi Human Resources Department is responsible for promoting ethical business conduct and reports to the Board of Directors on the implementation of ethical business practices once a year. In accordance with the "Management Procedure for Preventing Retaliation and Protecting Whistleblowers," whistleblowers may report concerns in person, by letter, telephone, or other means, and may also authorize another person to make a report on their behalf. Employees and business partners are encouraged to provide their real names when making reports; however, anonymous reports are also accepted. Whistleblowers are required to provide truthful information, including the name, department, position, and address of the person being reported, or the name of the organization being reported, as well as the basic facts, leads, or evidence concerning alleged violations of disciplinary rules, laws, or criminal offenses. It is strictly prohibited to disclose the whistleblower's name, organization, address, or other relevant information, or the contents of the report, to the person or organization being reported. Complainants will not be subject to retaliation for filing a complaint. Upon receiving a report, the Company conducts an investigation in accordance with the "Management Procedure for Investigating and Preventing Unethical Conduct." In 2025, no violations related to ethical business conduct were identified across the Group's six facilities. The Company also received no internal or external whistleblower reports or legal cases related to Nien Yi's ethical business conduct, and there were no material violations of ethical business conduct.

Each year, the Company references the Corruption Perceptions Index (CPI) published by Transparency International, together with applicable legal requirements, operating environments, and business characteristics at each operating location, to regularly identify and assess potential corruption risks. The 2025 assessment indicated that the Mainland China and Vietnam operating locations had relatively higher corruption risks. Accordingly, the Company identified anti-corruption management as a key corporate governance priority and established the "NYP7601 Ethical Business Conduct and Code of Conduct Management Procedure," "NYP7602 Compliance Management Procedure," "NYP7603 Official Duties Conduct Management Procedure," and "NYP7604 Corporate Ethical Conduct Management Procedure." Ethical business conduct, fair dealing, anti-corruption, and ethical standards are incorporated into the Company's operational management systems as principles to be followed by all employees and relevant stakeholders.

Each year, the Company continuously enhances the awareness of ethical business conduct and anti-corruption among directors, management, and all employees through training, awareness campaigns, and internal communication mechanisms. Every employee is required to complete at least two hours of relevant training annually. In 2025, a total of 1,584 employees participated in the training, achieving a 100% training coverage rate. Training topics included the ethical business conduct policy, anti-corruption requirements, conflicts of interest, prevention of improper transfer of benefits, and compliance with relevant laws and regulations.

In addition, the Company has established diverse and accessible grievance and communication mechanisms to enable employees, customers, suppliers, and other stakeholders to raise concerns regarding ESG and business ethics. Such concerns are investigated, addressed, and followed up in accordance with established procedures to verify the effectiveness of remedial measures. At the same time, employees are encouraged to provide suggestions concerning business conduct and ethical business practices through labor-management meetings and other communication channels, thereby continuously strengthening the corporate governance culture.

2025 Annual Code of Ethics Training Overview

Number of People Position	Plant	Taiwan Facilities (Neihu / Zhubei / Leap Optical)			Taicang Plant (Taicang/L-Cubic)			Zhuhai Plant			Bac Ninh Plant			Total		
		Planned Participants	Actual Participants	Completion Rate	Planned Participants	Actual Participants	Completion Rate	Planned Participants	Actual Participants	Completion Rate	Planned Participants	Actual Participants	Completion Rate	Planned Participants	Actual Participants	Completion Rate
	Directors and Supervisors	3	3	100%	/	/	/	/	/	/	/	/	/	3	3	100%
	Management	21	21	100%	21	21	100%	34	34	100%	19	19	100%	95	95	100%
	Professional and Technical Staff	21	21	100%	185	185	100%	531	531	100%	597	597	100%	1334	1334	100%
	General Administrative Staff	12	12	100%	34	34	100%	51	51	100%	55	55	100%	152	152	100%
	2025 Total	57	57	100%	240	240	100%	616	616	100%	671	671	100%	1584	1584	100%

Chapter 3 Environmental Sustainability

- 3.1 Reducing Carbon Emissions
- 3.2 Energy Management
- 3.3 Waste Management
- 3.4 Water Resource Management
- 3.5 Biodiversity

Chapter 3 Environmental Sustainability

(Compliance with Regulations on Emissions/Energy Consumption/Waste/Water/Environmental Protection DMA)

Material Topics	2025 Management Approach	2025 Achievements	2026 Goals	Mid-to-Long Term Goals
Emissions	In accordance with the Greenhouse Gas Inventory Management Procedure, conduct greenhouse gas inventories, identify emission hotspots, formulate emission reduction plans, and reduce greenhouse gas emissions.	1. In 2025, the Group's total Scope 1 + Scope 2 greenhouse gas emissions were 5,553.831 tCO ₂ e. Compared with the 2023 baseline year, Scope 1 + Scope 2 emissions intensity decreased by 3.9%, achieving the target of a 1% reduction. 2. Completed TCFD climate-related disclosures.	1. Expand the calculation of Scope 3 Categories 1–6 greenhouse gas emissions. 2. Reduce Nien Yi Group's Scope 1 + Scope 2 emissions intensity by 1% relative to the baseline year.	Mid-term: Gradually introduce ecological design verification processes. Long-term: Achieve net-zero emissions by 2050.
Energy	In accordance with the Resource and Energy Conservation Management Procedure, control energy and resource consumption, increase the utilization of renewable energy, reduce waste, control costs, and improve efficiency.	In 2025, renewable electricity accounted for 22.3% of Nien Yi Group's total electricity consumption, representing a 0.4 percentage-point increase compared with 21.9% in 2024.	1. Expand the installation area of solar photovoltaic systems at the new Bac Ninh facility to reduce energy consumption and increase the proportion of renewable energy to 25%. 2. Reduce energy intensity by 2%.	Mid-term: Establish an ISO 50001 Energy Management System. Long-term: Obtain ISO 50001 Energy Management System certification.
Waste	In accordance with the Waste Management Procedure, implement safe and effective waste management, promote waste reduction and recycling, and reduce and prevent environmental impacts arising from waste.	The recycling rate of waste plastic generated from injection molding reached 30.5%, achieving the target of 30%.	1. Increase the recycling rate of waste plastic generated from injection molding to 35%. 2. Reduce waste intensity by 5%.	Mid-term: Establish a UL 2799 Zero Waste to Landfill management system. Long-term: Obtain UL 2799 Zero Waste to Landfill certification.
Water and Effluents	In accordance with the Resource and Energy Conservation Management Procedure, control water consumption, reduce waste, and promote water conservation.	In 2025, water withdrawal intensity was 0.052 million liters/person, representing a 14.5% decrease from the 2024 baseline of 0.061 million liters/person and achieving the established target.	1. Reduce water withdrawal intensity by 1% relative to the baseline year. 2. Implement rainwater collection and reuse at the new Bac Ninh facility.	Mid-term: Establish an ISO 46001 Water Efficiency Management System. Long-term: Obtain ISO 46001 Water Efficiency Management System certification.
Biodiversity	In accordance with the Biodiversity Policy and its principles of Avoid, Minimize, Restore, and Offset, protect natural ecosystems and the environmental rights and interests shared by stakeholders.	During construction of the new Bac Ninh facility, existing vegetation was preserved.	1. Provide biodiversity training for management, engineering, procurement, and other relevant personnel. 2. Maintain a native vegetation retention rate of ≥80% in newly developed facilities.	Mid-term: Establish sustainable traceability and ecological risk management mechanisms for 100% of critical raw materials, and promote joint biodiversity conservation efforts with upstream suppliers. Long-term: 1. Achieve an overall Net Gain in biodiversity, ensuring that ecological restoration and enhancement exceed the impacts of operational activities, thereby moving toward Nature Positive. 2. Establish a collaborative biodiversity governance system across the value chain to work with upstream and downstream partners to reduce ecological footprints.

3.1 Reducing Carbon Emissions

【Establishment of Environmental Management System and Certification Achievements】

Nien-Yi Group has long been committed to addressing environmental pollution issues, including wastewater and solid waste, while adhering to its environmental policy of “Compliance with Regulations, Zero Accidents, Waste Reduction, Pollution Reduction, and Energy Conservation.” Since 2009, the various facilities of Nien-Yi Group have progressively obtained ISO 14001 Environmental Management System certification. Through the ISO 14001 Environmental Management System, Nien-Yi Group continuously promotes resource conservation, pollution prevention, and environmental sustainability.

Guided by the principles of corporate sustainability, Nien Yi incorporates “Energy Conservation and Carbon Reduction,” “Environmental Protection,” and “Green Production” into its sustainable business philosophy. We are committed to strictly complying with environmental protection and energy-related regulations and customer requirements, actively supporting government environmental policies, and continuously improving environmental performance and preventing pollution. To fulfill our commitment to environmental sustainability, while ensuring compliance with applicable regulatory requirements, we actively implement ISO 14064-1 organizational greenhouse gas inventories and ISO 14067 product carbon footprint management, introduce independent third-party verification mechanisms, and continuously establish and implement carbon reduction targets.

Recognizing the high complexity and multidimensional nature of environmental management, Nien Yi has continued in recent years to strengthen environmental training for on-site personnel and environmental professionals and promote various environmental protection-related training programs. Through continuous learning of the latest environmental knowledge, we cultivate awareness and practical actions related to water and energy conservation, progressively achieving our long-term goals of energy conservation, carbon reduction, and sustainable development.

During the implementation of energy conservation and carbon reduction transformation or adaptation initiatives, the overall organizational operating model, production line configuration, and operational scale of Nien-Yi Group have not undergone any significant changes or adjustments. The Group has primarily focused on strengthening internal capacity building by continuously providing employees with training on energy conservation and carbon reduction concepts and developing professional competencies in greenhouse gas inventory management. These initiatives have enhanced employees’ awareness and professional capabilities in carbon management and generated positive impacts on employees. During the implementation period, there were no organizational layoffs, job changes, or changes in working conditions. Employees’ rights and interests and their right to work were not adversely affected, ensuring that fairness and employee stability were maintained throughout the carbon reduction transformation process.

【Ecodesign(DfE, Design for Environment)】

To meet end customers’ requirements for applying for eco-label products, the Company incorporates sustainability considerations and technology applications into its product development process, explores emerging trends in new fields, and develops new AI-enabled products. Green product ecodesign is implemented from both the material and (semi-)finished product perspectives to further meet customers’ requirements for green product sample submission and approval.

For the material side, during material selection and component approval, in addition to complying with HSF acceptance criteria, the Company prioritizes the selection of low-carbon-emission materials or recycled materials that can help increase the proportion of recyclable content.

For the (semi-)finished product side, mold design is optimized during the process development stage to reduce the amount of runner waste generated. For plastic components weighing more than 25 g, the Company plans to implement recycling identification markings in accordance with ISO 11469, in conjunction with mold design. For adapter energy consumption, the Company continuously optimizes energy efficiency to meet the latest ENERGY STAR / ErP applicable requirements.

In accordance with the 2025 operating strategy, the Company selected USB Type-C Cables, LAN Cables, Coaxial Cables, Wire Harnesses, and Adapters as target products for carbon footprint calculation and methodology development.

【End-of-Life Product Management】

As global attention to sustainable development continues to grow, **end-of-life product management has become an important component of corporate ESG strategies.** Proper management and disposal of end-of-life products can reduce resource waste, minimize environmental pollution, and enhance corporate reputation.

By strengthening communication and collaboration with customers, Nien Yi continues to invest in product design and development that incorporates more recyclable and readily biodegradable raw materials, while ensuring that products meet applicable customer safety and environmental requirements. These efforts aim to reduce the environmental impact and recycling costs incurred by end consumers during the end-of-life disposal and recycling of products.

【Task Force on Climate-related Financial Disclosures (TCFD)】

Nien-Yi Group places a strong emphasis on the operational risks and transition opportunities arising from climate change. In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework issued by the Financial Stability Board (FSB) in 2017, the Group systematically identifies and manages climate-related physical risks and transition risks. For high-risk factors, the Company further conducts financial impact assessments and formally integrates climate-related issues into its overall enterprise risk management system to facilitate long-term monitoring and effective governance, thereby continuously strengthening corporate resilience and sustainability.

In response to the global trend toward carbon reduction, Nien Yi has independently conducted annual greenhouse gas inventories since 2023 and engaged an independent third party, U-Li International Management System Verification Co., Ltd., to conduct verification, ensuring the accuracy and reliability of emissions data. Following the four core pillars of TCFD Governance, Strategy, Risk Management, and Metrics & Targets the Company systematically implements climate change response strategies and action plans, with the aim of reducing the impacts of climate-related risks and steadily advancing toward low-carbon and sustainable business operations.

Governance of Climate Change

Nien-Yi Group has established a three-tier climate governance structure comprising the Board of Directors, ESG Steering Committee, and ESG Executive Committee, ensuring effective top-down oversight and management of climate-related risks and opportunities.

(1). Board Oversight

The Board of Directors serves as the highest decision-making and oversight body for the Company's climate governance. It is responsible for overall oversight of climate-related issues, major decision-making, and performance management. The Board regularly reviews the Company's sustainability governance performance on an annual basis, with key areas including the status of climate-related governance, progress toward targets, and progress toward net-zero transition. In 2025, the Board completed its annual review of climate-related targets, including energy conservation, carbon reduction, and water conservation. The Board formally incorporates climate-related considerations into the review processes for major capital expenditures, annual budgets, and business plans. Through the annual reporting mechanism of the ESG Steering Committee, the Board continuously monitors the implementation progress of climate-related targets and indicators, ensuring that climate governance remains aligned with the Company's long-term strategic direction.

(2). Responsibilities of the ESG Steering Committee

The Company has established the ESG Steering Committee under the Board of Directors as the highest-level executive and guiding body for sustainable development. The Committee reports annually to the Board on the management performance of climate-related risks and opportunities. The Committee has established a dedicated working group responsible for monitoring domestic and international climate-related trends, formulating the Company's overall climate risk and opportunity management policies and response strategies, and submitting the annual results of climate-related initiatives and net-zero emission reduction action plans to the Board for review.

At the same time, the Company has established an ESG Executive Committee, which integrates cross-functional greenhouse gas strategies, policies, and resources. The Committee reports significant climate-related issues and implementation performance to the ESG Steering Committee and the Board of Directors on an annual basis and holds annual meetings to review progress toward climate-related targets, ensuring the effective implementation of sustainability policies. In particular, the Environmental, Health and Safety (EHS) Executive Committee is responsible for identifying and assessing climate-related risks and opportunities. It regularly consolidates and analyzes climate-related indicators and targets, including energy and resource consumption and greenhouse gas emissions, to support the adjustment and development of climate governance strategies. The Committee reports implementation performance to the ESG Steering Committee and simultaneously discloses relevant information to stakeholders.

Climate Change Strategy

- Based on Nien Yi's Climate Change Risk and Opportunity Assessment Methodology, climate-related assessments and planning are systematically conducted across three time horizons: short term (1–3 years), medium term (3–10 years), and long term (more than 10 years).
- In accordance with the TCFD framework, Nien Yi assesses the overall impacts of climate change-related risks and opportunities on its operations, strategy, and financial performance. As a company in the wire and cable industry, Nien Yi focuses on five major areas for identification and analysis: transition risks (policy and legal, technology, market, and reputation), physical risks (acute and chronic), and opportunities (resource efficiency, energy sources, products and services, markets, and resilience). Climate-related factors are incorporated into medium- and long-term operational strategies and financial planning to assess their potential impacts on production capacity, supply chains, cost structures, and product competitiveness.
- Nien Yi adopts the Intergovernmental Panel on Climate Change (IPCC) AR6 climate scenarios for scenario analysis, including SSP1-1.9 (1.2–1.7°C warming by 2040, representing an orderly low-carbon transition scenario) and SSP5-8.5 (1.3–1.9°C warming by 2040, representing a high-emissions scenario with high physical risks). The analysis evaluates the Company's operational resilience and transition adaptability under different climate pathways and serves as an important basis for adjusting climate strategies.

Climate Change Risk Management

In managing climate-related risks, the Company strictly follows the TCFD risk checklist and integrates the PDCA (Plan-Do-Check-Act) management cycle to systematically identify and monitor various climate risk factors. For each risk item, the Company evaluates the likelihood of occurrence and the potential impact on operating costs and business performance. Issues with a moderate or higher level of impact are prioritized for the formulation of climate change strategies and corresponding response measures. Relevant responsible departments prepare dedicated budgets to support the implementation and execution of these initiatives.

Through industry benchmarking, the Company comprehensively analyzes the potential financial impacts and opportunities arising from climate change risks. In accordance with its internal risk management procedures, the Company continuously identifies and assesses physical risks, transition risks, and climate-related opportunities. During the identification and assessment process, the Company takes into consideration international climate change trends, industry development directions, and the net-zero commitments of major customers. It anticipates potential impacts under different scenarios, including policy and regulatory changes, shifts in market dynamics, technological evolution and upgrades, reputational impacts, and physical risks, and conducts dedicated analyses of the corresponding risks and opportunities.

(1) Climate Risk and Opportunity Identification and Assessment Process

To achieve its ESG vision and safeguard the sustainable value of the Company and its stakeholders, Nien-Yi Group has established a proactive climate risk and opportunity identification and assessment process, as follows:



TCFD Climate Risks, Opportunities, and Response Measures

Item	Category	Description	Management Actions	Time Horizon	Financial Impact (US\$ million)			Expected Benefits
					Low (< 50)	Medium (50≤150)	High (> 150)	
Opportunities	Resource Efficiency	OP1: Cost Reduction and Efficiency Improvement through High-Efficiency Production	1. Introduce smart manufacturing and automation technologies. 2. Implement ISO 50001 Energy Management System certification.	Medium-term		V		1. Optimize production processes and enhance equipment and process capabilities. 2. Systematically manage energy consumption and reduce energy use.
	Resource Efficiency	OP2: Enhancement of Resource Recycling and Reuse	1. Establish a waste segregation and recycling system for production waste. 2. Promote lightweight and modular product design.	Medium-term		V		1. Increase the utilization rate of recycled resources. 2. Reduce raw material consumption, simplify production processes, and lower costs.
	Energy Source	OP3: Expansion of Green Energy Applications	1. Promote the installation of solar power generation systems at facilities. 2. Enter into long-term Power Purchase Agreements (PPAs) with green electricity suppliers.	Long-term		V		Increase the proportion of green electricity usage and reduce carbon emissions.
	Products and Services + Resource Efficiency	OP4: Development of a Low-Carbon Manufacturing System	Establish a green supply chain management system and prioritize low-carbon suppliers.	Medium-term		V		
	Market + Products and Services	OP5: Development of Low-Carbon Market Opportunities	1. Develop low-carbon products and green services that meet market demand. 2. Provide customized carbon management solutions in response to customers' carbon reduction needs.	Long-term		V		Expand the customer base, reduce product carbon footprints, and improve ESG performance.
	Market	OP6: Access to Green Policy Incentives	1. Monitor local government low-carbon subsidies and tax incentives and proactively apply for green projects. 2. Implement energy-saving technological upgrades and circular economy projects and apply for dedicated government support funds.	Medium-term		V		1. Reduce operating tax burdens and obtain policy incentives and subsidies. 2. Reduce energy costs and improve resource utilization efficiency.
	Energy Source + Resilience	OP7: Energy Substitution and Transition	Electrify high-energy-consuming equipment.	Medium-term		V		Reduce indirect carbon emissions.

TCFD Climate Risks, Opportunities, and Response Measures — Continued

Item	Category	Description	Risk Analysis	Time Horizon	Financial Impact (US\$ million)			Management Actions
					Low (< 50)	Medium (50≤150)	High (> 150)	
Transition Risk	Policy and Regulation	TR1: Net-Zero Emissions	1. Difficulty meeting low-carbon access requirements imposed by downstream customers, resulting in lost orders and business opportunities. 2. Damage to corporate reputation and increased costs.	Long-term			V	1. Set science-based carbon targets and break them down into annual emission reduction targets. 2. Establish a carbon emissions accounting system covering Scope 1, Scope 2, and Scope 3 Categories 3–6 , and conduct annual carbon inventories. 3. Develop a carbon neutrality roadmap and define key milestones for energy substitution and process transformation.
	Policy and Regulation	TR2: Carbon Fees / Carbon Tax Imposition	Increased operating costs.	Long-term			V	1. Establish a carbon cost assessment model and incorporate carbon costs into product pricing and cost management. 2. Prioritize low-energy-consumption and low-emission processes to reduce the carbon tax base. 3. Evaluate carbon trading market mechanisms and hedge cost fluctuations through emissions allowance management.
	Market	TR3: Updates to Low-Carbon Product Regulations / Energy Efficiency Standards	1. Inconsistencies among low-carbon product standards. 2. Differences between customer requirements and regulatory requirements.	Medium-term		V		1. Establish a regulatory and standards tracking mechanism and proactively prepare for product compliance upgrades. 2. Conduct product carbon footprint assessments and optimize product designs to meet energy efficiency and low-carbon standards. 3. Participate in the development of industry standards and proactively adapt to market access requirements.
	Market	TR4: Insufficient Competitiveness of Low-Carbon Products	Inability to meet market demand, resulting in reduced orders.	Medium-term		V		1. Develop low-carbon alternative materials and processes and launch green products that meet market demand. 2. Obtain green product certifications and carbon labels to enhance product premium potential. 3. Establish a mechanism for responding to customers' low-carbon requirements and develop customized low-carbon solutions.
	Market	TR5: Supply and Demand Instability Caused by Low-Carbon Transition	Changes in consumer preferences may lead to reduced demand for products and services.	Medium-term			V	1. Establish a multi-source supplier system to reduce dependence on a single high-carbon raw material. 2. Conduct supply chain resilience assessments and develop contingency plans for alternative materials.

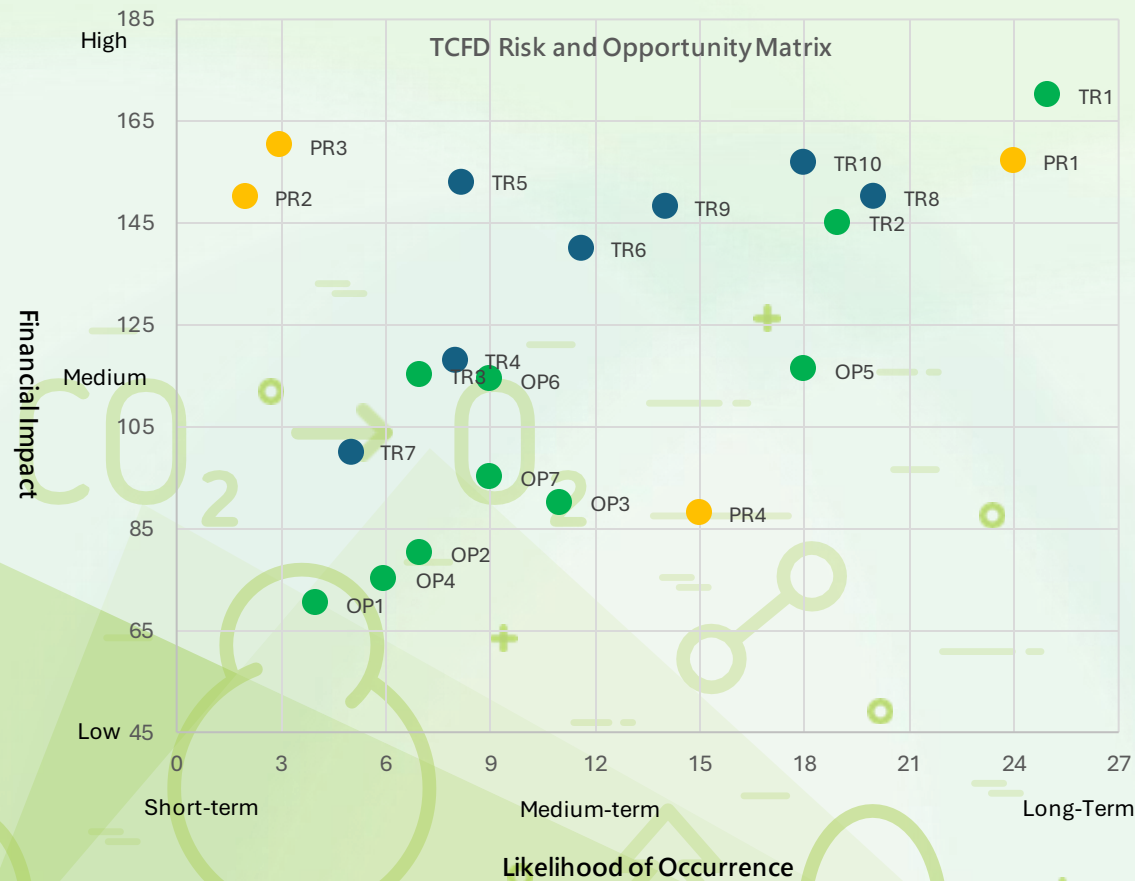
TCFD Climate Risks, Opportunities, and Response Measures — Continued

Item	Category	Description	Risk Analysis	Time Horizon	Financial Impact (US\$ million)			Management Actions
					Low	Medium	High	
					(< 50)	(50≤150)	(> 150)	
Transition Risk	Policy and Regulation	TR6: Risk of Penalties for Failure to Achieve Carbon Reduction Targets	Increased operating costs.	Long-term		V		1. Establish a carbon reduction target tracking mechanism and regularly review progress toward targets. 2. Develop dedicated corrective action plans and allocate dedicated resources for projects that fall behind their carbon reduction targets. 3. Engage third-party verification agencies to enhance the reliability of carbon data.
	Policy and Regulation + Market	TR7: Lack of Transparency / Non-Compliance in Product Carbon Footprints	Changes in market demand may result in reduced demand for products and services.	Medium-term		V		1. Establish a product carbon footprint accounting system covering the entire life cycle from raw materials to end-of-life disposal. 2. Promote carbon data disclosure among upstream suppliers and improve the completeness of supply chain carbon footprint data. 3. Conduct carbon footprint benchmarking and optimize processes and materials in high-carbon stages.
	Reputation + Market	TR8: Decline in Investors' / Customers' Evaluation of the Company's Climate Performance	Reduced demand for products/services and decreased revenue.	Long-term			V	1. Disclose climate-related risks and opportunities in accordance with the TCFD framework to enhance transparency. 2. Establish an ESG performance evaluation system and incorporate climate-related indicators into management performance assessments. 3. Proactively communicate carbon reduction progress with investors and key customers to convey long-term value.
	Reputation + Policy and Regulation	TR9: Public Disclosure / Negative Listing Due to Carbon Emission Violations	Damage to corporate reputation, reduced demand for products/services, and decreased revenue.	Long-term			V	1. Establish a carbon emissions compliance management system and conduct regular compliance self-assessments. 2. Strengthen the management and control of environmental and carbon emissions data to prevent data falsification and excessive emissions. 3. Develop a reputation crisis response plan and maintain proactive communication with regulatory authorities.
	Reputation + Market	TR10: Increased Stakeholder Attention to Climate Issues	Continuous changes in market demand and increased production costs.	Long-term			V	1. Establish a stakeholder communication mechanism and regularly publish climate action reports. 2. Develop differentiated communication strategies for different stakeholders, including customers, investors, and communities. 3. Conduct climate awareness training for employees and promote participation in low-carbon initiatives across the organization.

TCFD Climate Risks, Opportunities, and Response Measures — Continued

Item	Category	Description	Risk Analysis	Time Horizon	Financial Impact (US\$ million)			Management Actions
					Low	Medium	High	
					(< 50)	(50≤150)	(> 150)	
Physical Risk	Long-Term	PR1: Water Supply Shortage	Water scarcity	Long-term			V	1. Conduct water resource risk assessments to identify water-intensive processes and vulnerable areas. 2. Implement water-saving improvements and reclaimed water reuse projects to reduce water consumption per unit of product. 3. Develop water resource emergency response plans and establish alternative water sources or water recycling systems.
	Immediate	PR2: Material Supply Disruptions Caused by Extreme Weather	Supply chain disruption	Short-term			V	1. Conduct climate resilience assessments of key suppliers and identify high-risk areas. 2. Establish a multi-region backup supplier system to reduce dependence on a single region. 3. Develop supply chain disruption contingency plans and maintain safety stock of critical materials.
	Immediate	PR3: Extreme Weather Events (Floods / Typhoons / Extreme Heat)	Damage to production facilities and operational disruptions	Short-term		V		1. Conduct climate risk assessments for facilities and implement flood protection, wind resistance, and heat insulation improvements for critical infrastructure. 2. Develop emergency response plans for extreme weather events and conduct regular emergency drills. 3. Purchase climate-related property insurance to mitigate disaster-related losses.
	Long-Term	PR4: Rising Temperatures	Increased energy consumption	Long-term		V		1. Upgrade production equipment for high-temperature resilience and optimize heat dissipation systems. 2. Adjust production schedules to avoid operations during periods of extreme heat and reduce equipment loads. 3. Conduct energy consumption monitoring and analysis and optimize the operating efficiency of air-conditioning and cooling systems.

Based on the analysis results, a Risk and Opportunity Matrix is developed according to the likelihood of occurrence and degree of financial impact, with clear criteria established for determining the levels of various risks and opportunities. To address the potential threats that climate change risks may pose to the Company's future operations, systematic management is implemented to reduce both the likelihood of risk occurrence and its impact on the Company's business operations and development. This approach aims to ensure that risks remain manageable, opportunities can be effectively captured, and the Company's sustainable operations are safeguarded.



Opportunity	Transition Risk	Physical Risk
OP1 High-Efficiency Production for Cost Reduction and Efficiency Improvement	TR1 Net-Zero Emissions	PR1 Water Supply Shortage / Water Scarcity
	TR2 Carbon Fees / Carbon Tax Imposition	
		PR2 Material Supply Disruptions Caused by Extreme Weather / Supply Chain Disruptions
OP2 Enhancement of Resource Recycling and Reuse	TR3 Updates to Low-Carbon Product Regulations / Energy Efficiency Standards	
		PR3 Extreme Weather Events (Floods / Typhoons / Extreme Heat) Causing Damage to Production Facilities
OP3 Expansion of Green Energy Applications	TR4 Insufficient Competitiveness of Low-Carbon Products	
	TR5 Supply and Demand Instability Caused by Low-Carbon Transition	
OP4 Development of a Low-Carbon Manufacturing System	TR6 Risk of Penalties for Failure to Achieve Carbon Reduction Targets	PR4 Rising Temperatures Causing Equipment Failures / Increased Energy Consumption
OP5 Development of Low-Carbon Market Opportunities	TR7 Lack of Transparency / Non-Compliance in Product Carbon Footprints	
OP6 Access to Green Policy Incentives	TR8 Decline in Investors' / Customers' Evaluation of the Company's Climate Performance	
OP7 Energy Substitution and Transition	TR9 Public Disclosure / Negative Listing Due to Carbon Emission Violations	
	TR10 Increased Stakeholder Attention to Climate Issues	

Climate Change Risk Scenario Analysis

Based on the two major climate scenarios, SSP1-1.9 and SSP5-8.5, the Company focuses on transition risks arising from the transition toward net-zero emissions, as well as physical risks arising from extreme climate events such as floods, typhoons, and high temperatures that may damage production facilities. A comprehensive assessment was conducted based on the TCFD risk framework to identify the two core risks with the greatest potential financial impact, followed by dedicated scenario-based stress testing and risk analysis. The details are as follows:

Risk Category	Selected Climate Scenario	Assessment Methodology	Assumptions	Financial Impact of Risk	Existing Management Measures
Physical Risk – Damage to production facilities caused by extreme climate events (floods/typhoon s/extreme heat), resulting in production disruptions	SSP5-8.5 High-Emission Climate Deterioration Scenario (continued high greenhouse gas emissions, with a significant increase in the frequency and intensity of extreme climate events).	Following the TCFD physical risk assessment framework, an extreme scenario simulation approach is adopted. Regional climate disaster data and production and operational data from manufacturing sites are integrated to quantify the financial impacts of extreme climate events on production facilities and site operations.	1. The frequency, duration, and severity of future typhoons, torrential rainfall and flooding, and extreme heat events in the regions are expected to increase significantly. 2. Extreme disasters directly impact production equipment, plant infrastructure, and power and water supply systems. 3. Production operations are completely suspended during the disaster and recovery periods, with simultaneous disruptions to the supply chain. 4. Capital investment is required after disasters to repair facilities and rectify affected sites, resulting in a production recovery downtime. 5. Greenhouse gas emissions continue under a business-as-usual scenario, with global warming estimated to reach 3.2°C by the end of the century.	1. Direct losses: Asset repair and replacement costs arising from damage to production equipment and plant facilities. 2. Indirect losses: Capacity shortages, delayed order deliveries, contractual penalties, and revenue losses resulting from production disruptions. 3. Additional costs: Increased expenses for emergency repairs, equipment inspections, safety improvements, emergency supplies, and other post-disaster recovery measures. 4. Extreme heat may cause equipment to operate under excessive loads, increasing failure rates and energy consumption costs.	1. Optimize disaster prevention and mitigation infrastructure at manufacturing sites and strengthen the climate resilience of facilities. 2. Establish emergency response plans and production backup mechanisms for extreme weather events to shorten production downtime and recovery periods. 3. Adjust production scheduling and inventory strategies to mitigate operational instability caused by extreme climate events. 4. Establish and implement daily, weekly, monthly, quarterly, and annual maintenance programs for critical factory equipment, together with emergency response drills, to reduce potential risks arising from equipment failures caused by extreme heat.
Transition Risk – Net-Zero Emissions by 2050	SSP1-1.9 Low-Emission / Net-Zero Transition Scenario (global implementation of ambitious decarbonization measures and stringent carbon-neutrality policies).	Based on the TCFD strategic risk assessment framework, a scenario-based stress testing approach is adopted. Industry decarbonization pathways and the pace of policy development are incorporated to quantitatively simulate the operational and financial changes arising from the Company’ s long-term low-carbon transition and identify high-impact transition risk areas.	1. In the short to medium term, domestic dual-carbon policies will continue to become more stringent, with carbon taxes, carbon allowances, dual-control requirements for energy consumption and carbon emissions, and other regulatory standards becoming increasingly stringent. 2. Low-carbon procurement requirements and green supply chain access requirements from downstream customers will be comprehensively implemented. 3. The Company will be required to complete low-carbon equipment upgrades, green certifications, carbon inventory compliance, and other related initiatives within specified timelines. 4. Low-carbon market competition will intensify, while the operating space for high-carbon products will continue to contract.	1. Increased compliance costs: Annual carbon trading, decarbonization certification, and compliance management costs will continue to increase. 2. Increased capital expenditures: Low-carbon technological upgrades to production equipment and the development of energy-saving and carbon-reduction systems will require significant capital expenditures. 3. Revenue impact: Sales of high-carbon products may be restricted, and orders may be lost if products fail to meet green market access requirements. 4. Asset impairment: High-carbon legacy equipment and conventional production assets may become obsolete more rapidly, resulting in idling and impairment losses.	1. Adjust the Company’ s long-term business strategy and incorporate net-zero transition objectives into its development strategy. 2. Optimize capital investment planning and prioritize resources for low-carbon technological upgrades and green production. 3. Establish a regular carbon inventory and compliance management mechanism to align with evolving regulatory requirements. 4. Continuously optimize the product portfolio and develop low-carbon product markets to reduce the risk of product obsolescence during the transition.

Climate Management Targets and Indicators

Nien-Yi Group follows the TCFD framework to establish a climate governance mechanism and continuously promotes carbon reduction initiatives through the PDCA management approach. As presented in the Carbon Reduction Roadmap and Comprehensive Climate Management Overview, the Group has established 2023 as the baseline year and defined three key management indicators covering energy, greenhouse gases, and climate action. Short-, medium-, and long-term carbon reduction targets have been established and are being progressively implemented in accordance with a three-stage carbon reduction roadmap: “Improving Energy Efficiency – Energy Transition – Achieving Net Zero,” with the goal of achieving net-zero emissions by 2050.

To accelerate the energy transition, Nien-Yi Group has established a long-term target of achieving 100% renewable energy use by 2040, while referring to the principles of the RE100 initiative in developing its renewable energy strategy and progressively increasing the proportion of renewable energy in its energy mix. The Group will continue to reduce greenhouse gas emissions from its operations and enhance energy self-sufficiency and climate resilience through various measures, including the installation of solar power generation systems, procurement of renewable electricity through Power Purchase Agreements (PPAs), and acquisition of Renewable Energy Certificates (RECs), thereby supporting the global transition toward net-zero emissions.

Carbon Reduction Pathway



Note: The carbon reduction roadmap is aligned with the RE100 initiative.

Climate Management Comprehensive Overview

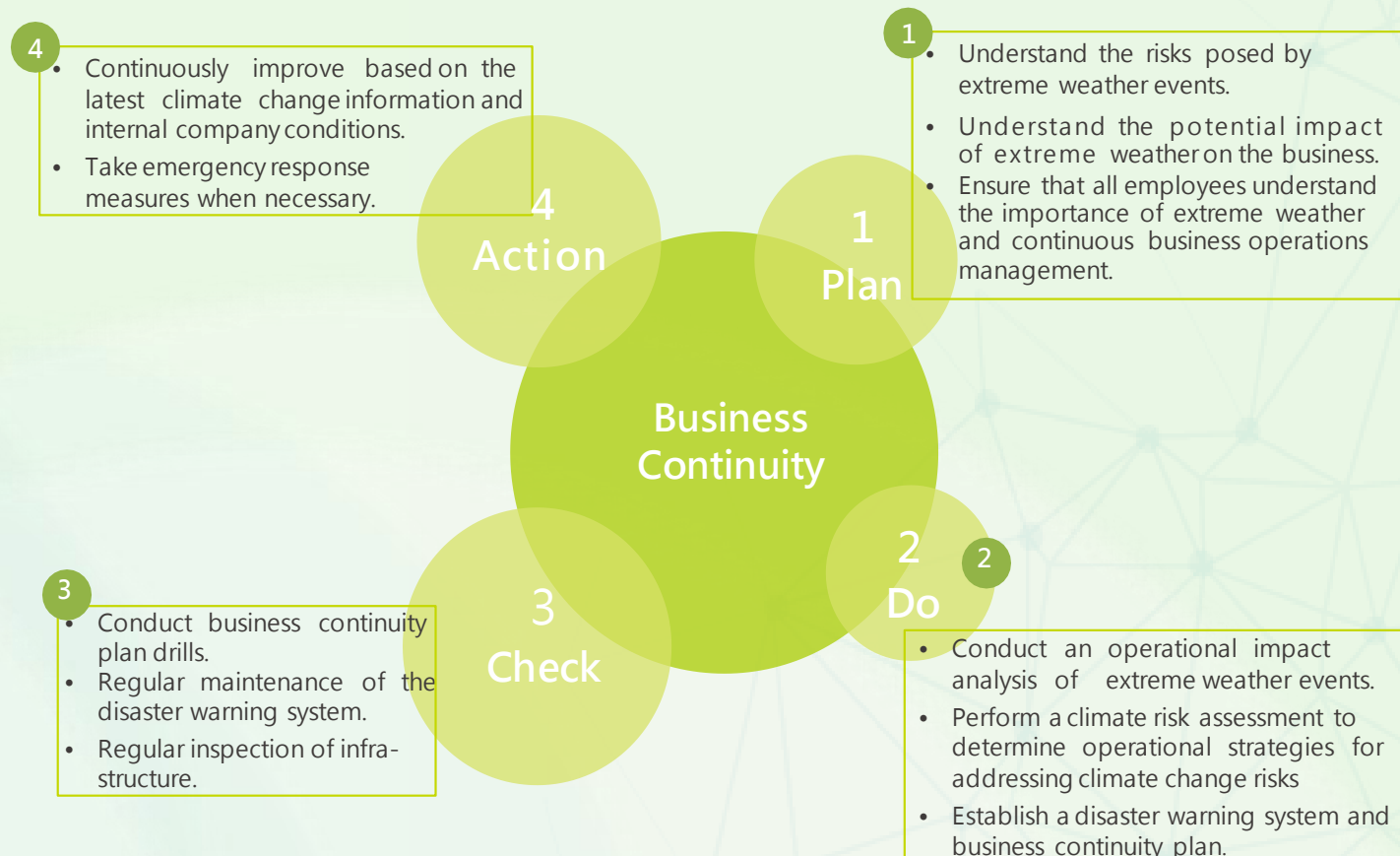
Category	Indicators (2023 Baseline Year Definition)	Short-Term Targets (2024–2030)	Medium-Term Targets (2031–2040)	Long-Term Targets (2041–2050)
Energy Management	- Total energy consumption (kWh) - Energy intensity (kWh/revenue, kWh/unit of product) - Renewable energy consumption ratio (%)	- Reduce energy intensity by 10% from the baseline year - Implement an Energy Management System (EMS) and complete monitoring of major energy-consuming equipment - Gradually increase the proportion of renewable energy use	Achieve a renewable energy usage ratio of more than 50%	Achieve RE100 (100% renewable energy)
GHG Management	- Category 1 (Scope 1) emissions (tCO₂e) - Category 2 (Scope 2) emissions (tCO₂e) - Greenhouse gas emissions intensity (tCO₂e/revenue)	Reduce combined Scope 1 and Scope 2 emissions intensity by 10% from the baseline year	Reduce absolute Scope 1 and Scope 2 emissions by 50% from the baseline year	- Achieve Net Zero emissions by 2050 - Continue reducing value chain (Scope 3) emissions
Climate Action	- Completion rate of improvements to high-energy-consuming equipment (%) - Achievement rate of energy-saving improvement projects (%) - Supplier carbon management coverage (%)	- Achieve a 100% completion rate for energy-saving improvements to high-energy-consuming equipment - Promote energy-saving improvement projects - Gradually increase supplier carbon management coverage	- Continue promoting low-carbon equipment upgrades and smart energy management - Establish a low-carbon supply chain management system	- Promote supply chain carbon reduction management - Introduce carbon credit, carbon offsetting, and carbon removal mechanisms
Key Carbon Reduction Measures	-	- Establish an Energy Management System (EMS) - Upgrade air compressors, chillers, fans, and high-efficiency motors - Introduce LED lighting and variable-frequency drive (VFD) equipment - Optimize production processes and improve yield rates	- Install solar power generation systems - Procure renewable electricity and introduce Renewable Energy Certificates (RECs) - Implement smart energy management and low-carbon equipment upgrades	- Achieve RE100 - Promote supply chain carbon reduction management - Achieve comprehensive low-carbon production processes and equipment electrification - Implement carbon credit, carbon offsetting, and carbon removal mechanisms

(2) Renewable Energy Commitment

In response to the global transition toward net-zero emissions, Nien-Yi Group is actively promoting its energy transition. With the standards of the international renewable energy initiative RE100 as a reference, the Group has established a long-term target of achieving 100% renewable energy use by 2040 and has developed a phased implementation roadmap. The Group will steadily advance toward low-carbon operations through concrete actions, including expanding renewable electricity procurement, evaluating the development of self-owned solar power generation facilities, and progressively increasing the proportion of renewable energy use, thereby fulfilling its sustainability commitments.

Greenhouse Gas Management

Amid the challenges posed by global climate change, Nien-Yi Group recognizes the importance of continuously reducing greenhouse gas emissions generated from its operations to mitigate adverse impacts on the climate. Based on the PDCA (Plan-Do-Check-Act) management approach, the Group addresses climate change-related issues to promote environmental sustainability, fulfill its corporate responsibility for sustainable development, and put its commitment to sustainable business operations into practice.



Nien-Yi Group Climate-related Response

To understand the greenhouse gas emission profile of each manufacturing site, Nien-Yi Group conducted a Group-wide greenhouse gas inventory in 2025. The results are presented in the table below. According to the 2025 Nien-Yi Group Greenhouse Gas Inventory, Category 2 (Scope 2) accounted for more than 92.33% of total emissions, with electricity consumption for production processes being the primary contributor. Detailed greenhouse gas emission data are presented in the following table.

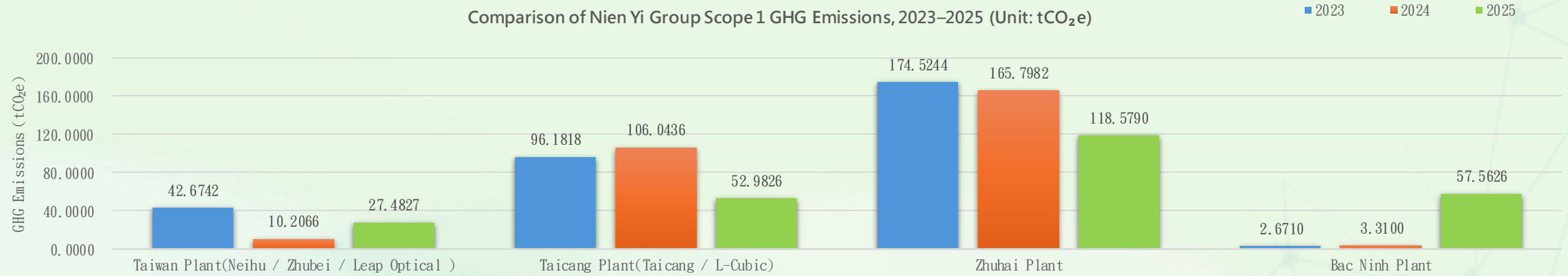
Total GHG Emissions of Nien Yi Group' s Manufacturing Sites for 2023–2025

GHG (Unit: tCO ₂ e)	Year	Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/ L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total	2025 vs. 2023 Baseline Year
Scope 1	2023	42.6742	96.1818	174.5244	2.6710	316.0514	Scope 1 emissions decreased by 59.4445 tCO ₂ e compared with the baseline year
	2024	10.2066	106.0436	165.7982	3.3100	285.3584	
	2025	27.4827	52.9826	118.5790	57.5626	256.6069	
Scope 2	2023	252.1845	924.8360	2,605.6189	660.5340	4,443.1734	Scope 2 emissions increased by 854.0511 tCO ₂ e compared with the baseline year
	2024	241.1634	786.9284	2,454.6019	1,694.0992	5,176.7929	
	2025	221.6820	611.8735	2,026.1372	2,437.5318	5,297.2245	
Scope 3, Categories 3–6	2023	1.6504	14.8473	-1.2723	0.4230	15.6484	Scope 3 emissions from Categories 3–6 increased by 167.9887 tCO ₂ e compared with the baseline year.
	2024	1.6854	12.3288	19.6666	0.7380	34.4188	
	2025	108.3069	10.5737	32.0116	32.7449	183.6371	
Total GHG Emissions	2023	296.509	1,035.865	2,778.871	663.628	4,774.873	Total GHG emissions increased by 962.5953 tCO ₂ e compared with the baseline year
	2024	253.055	905.301	2,640.067	1,698.147	5,496.570	
	2025	357.472	675.430	2,176.728	2,527.839	5,737.469	

Nien-Yi Group Scope 1 GHG Emissions Comparison

In 2025, Nien Yi Group's overall Scope 1 GHG emissions decreased by 59.4445 tCO₂e compared with the 2023 baseline year. This reduction was primarily attributable to an increased use of new-energy electric vehicles at the manufacturing sites, together with a reduction in the use of gasoline- and diesel-powered vehicles, thereby reducing overall Scope 1 GHG emissions.

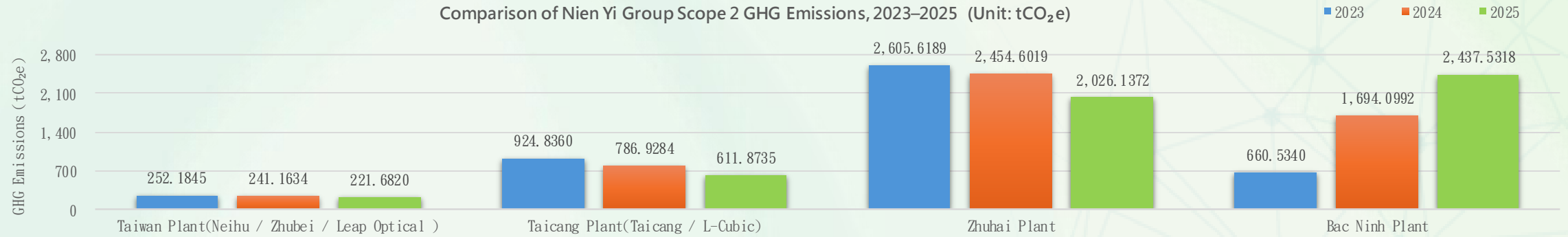
Comparison of Nien Yi Group Scope 1 GHG Emissions, 2023–2025 (Unit: tCO₂e)



Nien-Yi Group Scope 2 GHG Emissions Comparison

Nien Yi Group's Scope 2 GHG emissions increased by 854.0511 tCO₂e in 2025 compared with the 2023 baseline year. The primary reason was the expansion of production capacity at the Bac Ninh site in Vietnam in 2025, which involved the addition of production equipment and consequently increased electricity consumption, resulting in an overall increase in Scope 2 GHG emissions.

Comparison of Nien Yi Group Scope 2 GHG Emissions, 2023–2025 (Unit: tCO₂e)



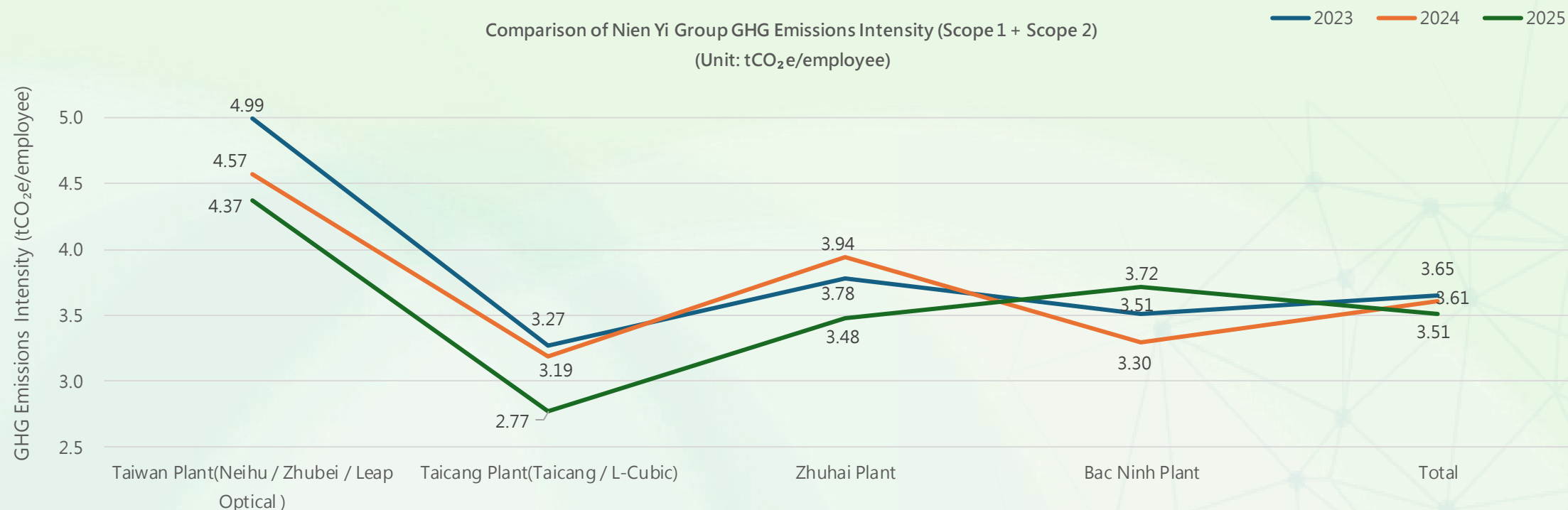
Nien-Yi Group Total GHG Emissions Comparison

Note: Nien Yi Group’ s total GHG emissions in 2025 increased by 962.5953 tCO₂e compared with the 2023 baseline year. This increase was primarily attributable to the expansion of production capacity at the Bac Ninh site in Vietnam in 2025, which involved the addition of production equipment and a corresponding increase in electricity consumption, resulting in an overall increase in GHG emissions.



Comparison of Nien Yi Group' s GHG Emissions Intensity (Scope 1 + Scope 2)

To eliminate the impact of changes in electricity emission factors and maintain comparability between the baseline year and the current-year emission reduction performance, the Scope 2 emissions for the 2023 baseline year were recalculated using the same electricity emission factors applied to each manufacturing site in 2025. Following the adjustment, the total Scope 2 emissions for the 2023 baseline year increased by 489.751 tCO₂e, representing an increase of 11.02%, from 4,443.1734 tCO₂e to 4,932.9244 tCO₂e. In 2025, the per-employee GHG emissions intensity (Scope 1 + Scope 2) decreased by 0.144 tCO₂e per employee compared with the 2023 baseline year, representing an overall reduction of 3.9%.



2. Energy Management

Nien-Yi Group incorporates energy management into its core sustainable development strategy and strictly complies with applicable national laws and regulations concerning energy conservation, renewable energy, and carbon reduction and neutrality. With reference to the GRI Sustainability Reporting Standards, the Group has established and continuously improved its energy management governance framework. Guided by the energy management principles of “energy conservation and consumption reduction, energy efficiency improvement, low-carbon transition, and renewable electricity substitution,” the Group continues to optimize its energy structure, prioritize the adoption of clean and renewable energy, and steadily reduce energy consumption and carbon emissions intensity per unit of product and per unit of output value through energy-saving technological upgrades, equipment improvements, and lean energy management.

Nien Yi Group’s energy consumption is categorized into direct energy and indirect energy. Direct energy primarily consists of diesel and gasoline, which are mainly used for company vehicles and powered forklifts. Indirect energy primarily consists of electricity. The Zhuhai, Taicang, and Vietnam sites have begun utilizing renewable energy, primarily solar power. The proportion of renewable energy at the Zhuhai site is 19.7%, while that at the Taicang/L-Cubic site is 47.46% and that in Vietnam is 16.61%. The relatively low proportion of renewable energy at the Vietnam sites is primarily attributable to their larger production capacity and higher overall electricity demand. As a result, the proportion of solar-generated renewable energy in total electricity consumption is diluted, leading to a comparatively lower renewable energy ratio in Vietnam. The energy consumption statistics of Nien-Yi Group are presented below:

Nien-Yi Group Indirect Energy (Electricity) Consumption Statistics

In 2025, Nien Yi Group’s indirect energy consumption from electricity decreased by 541.65 GJ (-1.26%) compared with 2024. This reduction was primarily attributable to the Taiwan, Taicang, and Zhuhai sites, which effectively implemented energy conservation and consumption reduction measures in daily operations and continuously improved production efficiency, thereby collectively reducing electricity consumption.

Item		Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total
Purchased Electricity Consumption (MWh) – A		467.68	1,050.07	4,585.06	3,697.71	9,800.52
Renewable Electricity Generation (MWh) – B		0.00	948.49	1,124.55	736.62	2,809.65
Total Electricity Consumption (MWh) C = (A+B)		467.68	1,998.56	5,709.60	4,434.33	12,610.17
Solar Power as a Percentage of Total Electricity Consumption (%)		0%	47.5%	19.7%	16.6%	22.3%
Total Energy Consumption (GJ))	2025	1,683.66	7,194.80	20,554.58	15,963.59	45,396.63
	2024	1,831.63	8,237.66	24,119.94	11,749.05	45,938.28
	2023	1,837.782	8,786.002	24,047.860	8,176.485	42,848.128

Note: In accordance with international units of measurement, 1 thousand kWh (1,000 kWh) = 3.6 gigajoules(GJ).

Energy Consumption Table (Direct + Indirect Energy)

Compared with 2024, Nien Yi Group's direct and indirect energy consumption decreased by 518.94 GJ in 2025, representing a 1.11% decrease. This reduction was primarily attributable to the Taiwan, Taicang, and Zhuhai sites, which implemented effective energy conservation and consumption reduction measures in daily operations and continuously improved production efficiency, thereby collectively reducing overall energy consumption.

2025 Item	Direct Energy Consumption (GJ) E	Indirect Energy Consumption (GJ) (Electricity Consumption D)	Total Energy Consumption (GJ) F [F = D + E]
Taiwan Plant (Neihu / Zhubei / Leap Optical)	132.99	1,683.66	1,816.65
Taicang Plant (Taicang/L-Cubic)	188.48	7,194.80	7,383.29
Zhuhai Plant	409.31	20,554.58	20,963.88
Bac Ninh Plant	98.91	15,963.59	16,062.50
Annual Total Energy Consumption	2025	829.69	45,396.63
	2024	806.98	45,938.28
	2023	918.00	42,848.11

Direct Energy Consumption: Primarily Gasoline and Diesel

2025 Total Fuel Consumption: Gasoline: 10,006.49 L / Diesel: 14,018.12 L

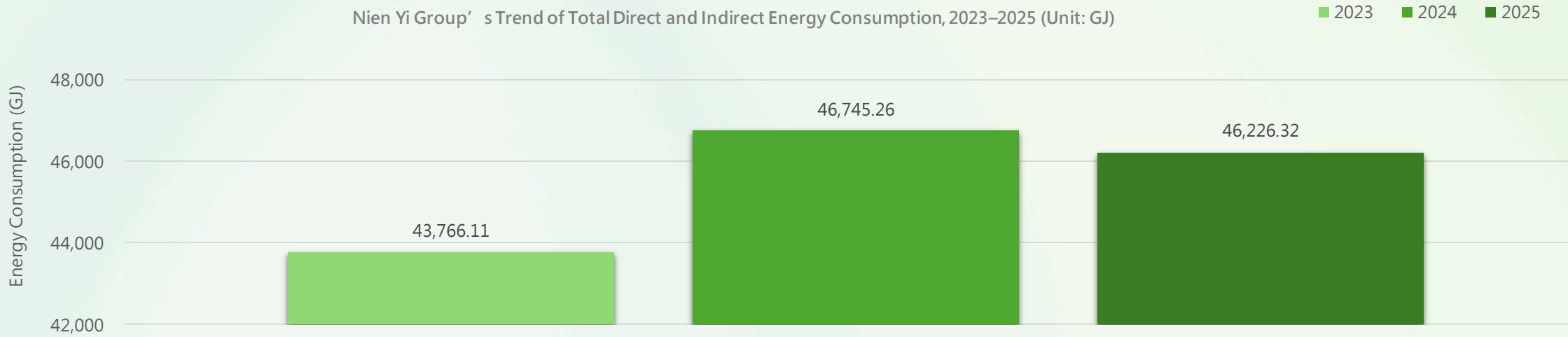
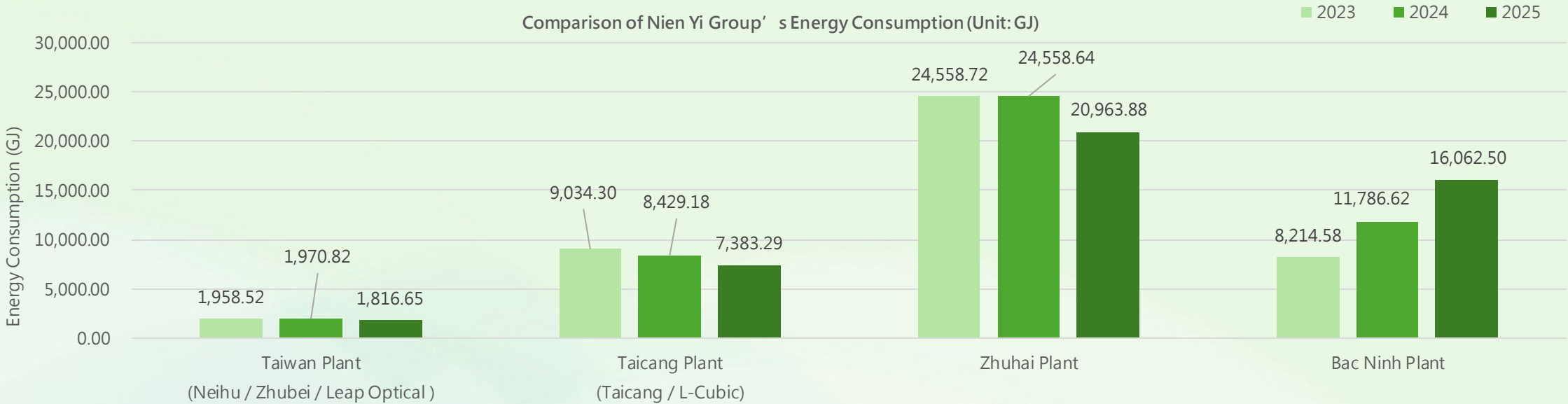
Taiwan Region: Based on data from the Taiwan Energy Administration:

1 L of gasoline = 7,609 kcal × 0.0042 MJ/kcal = 31.9578 MJ = 0.031958 GJ

Mainland China and Vietnam Regions: Based on the calorific values specified in China's national greenhouse gas accounting standard GB/T 32151.24—2024:

1 L of gasoline = 7,612 kcal × 0.0042 MJ/kcal = 31.9722 MJ = 0.031972 GJ

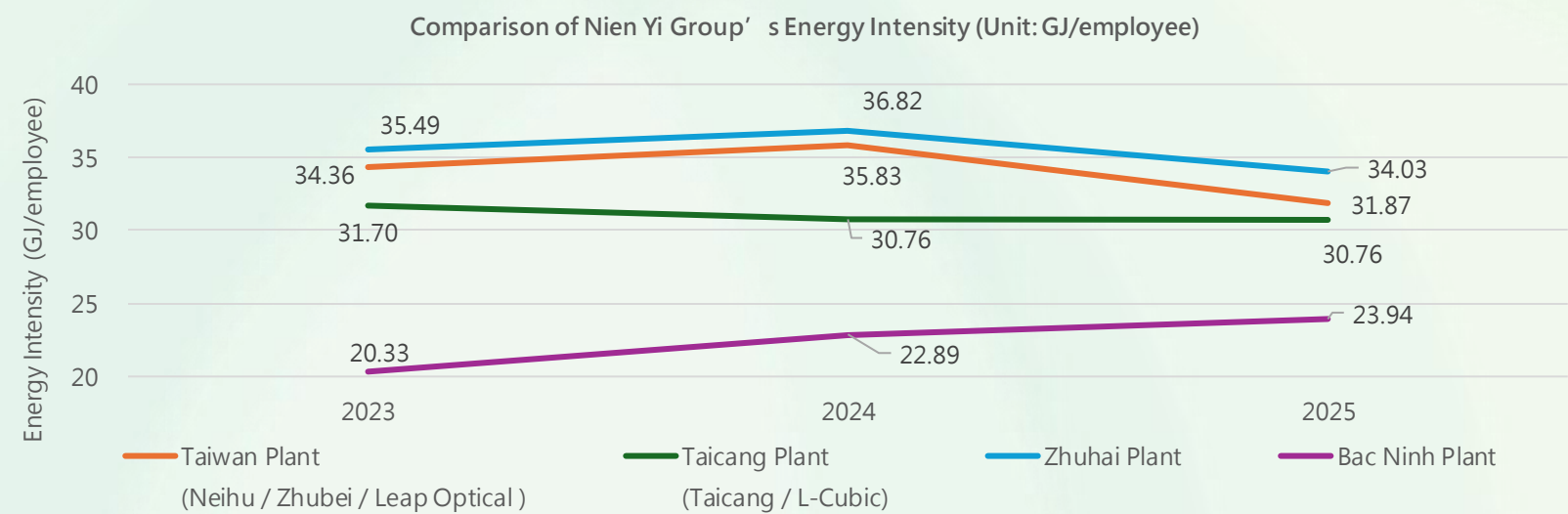
1 L of diesel = 8,659 kcal × 0.0042 MJ/kcal = 36.3685 MJ = 0.036369 GJ



Annual Energy Intensity

In 2025, Nien Yi Group’s energy intensity per employee decreased by 1.753 GJ/employee compared with 2024, representing a 5.67% reduction. This decrease was primarily attributable to the increase in orders and production capacity at the Vietnam site in 2025, together with the recruitment of additional employees, resulting in improved energy efficiency on a per-employee basis.

Site	Annual Total Employees (Unit: persons)			Annual Total Energy Consumption (Unit: GJ)			Energy Intensity (Unit: GJ/employee)		
	2023	2024	2025	2023	2024	2025	2023	2024	2025
Nien Yi Group	1438	1511	1584	43,766.11	46,745.26	46,226.32	30.44	30.94	29.18
Taiwan Plant (Neihu / Zhubei / Leap Optical)	57	55	57	1,958.52	1,970.82	1,816.65	34.36	35.83	31.87
Taichang Plant (Taichang / L-Cubic)	285	274	240	9,034.30	8,429.18	7,383.29	31.70	30.76	30.76
Zhuhai Plant	692	667	616	24,558.72	24,558.64	20,963.88	35.49	36.82	34.03
Bac Ninh Plant	404	515	671	8,214.58	11,786.62	16,062.50	20.33	22.89	23.94



Note:
Energy intensity is calculated using the following formula:
Energy Intensity (Unit: GJ/employee) = Total Annual Energy Consumption (GJ) ÷ Total Annual Number of Employees (employees)

2025 Energy Conservation and Carbon Reduction Performance of Nien Yi Group

Nien-Yi Group recognizes that greenhouse gas reduction is a critical component of the global corporate value chain. The Group is committed to reducing greenhouse gas emissions generated from its operations to mitigate its impact on climate change. In 2025, the Group continued to invest in energy conservation and carbon reduction initiatives, focusing on five key areas: (1) improving the energy efficiency of air-conditioning and lighting systems in office and production areas; (2) upgrading conventional motors used in production equipment to energy-efficient motors; (3) increasing the deployment of automated equipment; (4) optimizing production processes and operational efficiency; and (5) regularly cleaning solar photovoltaic panels to improve power generation performance and energy conversion efficiency. Through these initiatives, the Group achieved electricity savings of 2,830.36 thousand kWh, resulting in an estimated energy consumption reduction of 10,189.296 GJ, equivalent to a reduction of 1,558.673 tCO₂e in carbon emissions.

Nien-Yi Group 2025 Energy Conservation Initiatives and Performance

Item	Site	Initiative Description	Electricity Savings (MWh)	otal Energy Savings (GJ)	Emission Factor (tCO ₂ e/MWh)	2025 Carbon Emissions Reduction (tCO ₂ e/year)
1	Taicang Plant (Taicang/L-Cubic)	Installation of solar photovoltaic power generation systems to reduce electricity consumption	948.49	3,414.564	0.5978	567.007
2	Zhuhai Plant	Installation of solar photovoltaic power generation systems to reduce electricity consumption	1,145.25	4,122.900	0.4419	506.086
3	Bac Ninh Plant	Installation of solar photovoltaic power generation systems to reduce electricity consumption	736.62	2,651.832	0.6592	485.580
Total			2,830.360	10,189.296	/	1,558.673

Note: In accordance with international units of measurement, 1 thousand kWh = 3.6 gigajoules (GJ).

3. Waste Management

As an electronics manufacturing company, Nien Yi Group's operations primarily involve production, assembly, and processing, generating various types of waste during the manufacturing process, including waste plastics, copper wire scrap, waste PCBs, discarded connectors, waste paper, solder dross, waste oil, waste organic solvents and chemicals, and other general waste. We actively promote clean production and implement detailed waste segregation at source. Supported by the ISO 14001 Environmental Management System, we systematically assess raw material consumption and waste generation, establish waste reduction targets accordingly, and continuously promote pollution prevention and improvements in environmental performance. Most of our waste can be recycled. We also implement waste management practices across the supply chain. For example, solder dross generated during the production process is collected by suppliers for recycling and reuse. For hazardous industrial waste, we strictly engage qualified waste treatment contractors to ensure its lawful, safe collection, transportation, and disposal. Through systematic and transparent management practices, we aim to minimize the negative environmental impacts arising from waste generated by our operations.

In addition, Nien-Yi Group prioritizes the selection of waste treatment facilities located closer to our manufacturing sites to reduce greenhouse gas emissions associated with waste transportation. We implement waste disposal plans and a waste manifest verification mechanism, and conduct audits of waste collection and treatment contractors. No waste leakage incidents occurred in 2025.

Waste Management Practices

1. Each department classifies and stores waste according to its characteristics. Environmental, Health and Safety (EHS) personnel identify legally authorized waste collection and treatment contractors for different types of waste. Before entering into a contract, contractors are evaluated to confirm that they hold valid environmental permits and relevant EHS licenses and certifications.

The qualifications of waste treatment contractors are reviewed annually. The assessment covers the validity and compliance of the contractors' EHS-related permits and licenses, management of waste storage areas, operation of pollution control facilities, and on-site operational safety management. Based on the assessment results, Nien-Yi Group determines whether to renew and continue cooperation with the contractors.

2. Conduct regular inspections and audits of waste storage areas, with records maintained to verify proper waste segregation and storage practices and ensure that environmental, health, and safety conditions comply with applicable laws and regulations.

3. Before waste is removed from the site, the relevant information is reported through the designated environmental protection authority's online reporting system to monitor the waste transportation process and ensure that the waste is properly delivered to the authorized treatment facility. After confirming that the treatment facility has received the relevant waste shipment, Nien-Yi Group verifies the waste collection and treatment status reported by the collection and treatment contractors through the environmental protection authority's online system, thereby ensuring that the waste is legally and properly disposed of at its final destination.

Resource Circularity and Waste Management Measures

1. The Company implements systematic waste management in accordance with the Waste Management Operating Procedures to ensure that waste handling complies with applicable safety and environmental requirements, with waste reduction and resource recovery and reuse as its primary objectives. Through clear waste segregation, tracking, and outsourced treatment mechanisms, the Company actively minimizes potential environmental impacts.

2. In terms of process improvement, the Company continues to promote the recycling and reuse of waste plastics generated from injection molding operations. As of the reporting year, the recycling rate of waste plastics from injection molding reached 30.5%, exceeding the established target of 30%. This initiative effectively reduces the use of virgin plastics and increases the circular utilization rate of raw materials. In addition to demonstrating the Company's concrete commitment to the circular economy, this achievement further reduces the overall volume of waste requiring final disposal.

3. Through systematic management and concrete actions, the Company will continue to pursue the goals of maximizing resource utilization and minimizing environmental impacts.



Waste Copper Wire (Centralized Recycling and Treatment)



Waste Plastics (Centralized Recycling and Treatment)



Temporary Storage Area for Hazardous Industrial Waste



Temporary Storage Area for General Industrial Waste

Waste Generation Statistics

In 2025, Nien-Yi Group generated a total of 355.73 metric tons of waste, comprising 96.82 metric tons of general industrial waste, 3.96 metric tons of hazardous industrial waste, and 254.95 metric tons of recyclable waste. General industrial waste and hazardous industrial waste were outsourced for off-site incineration, with no recycling or landfill disposal. Recyclable waste was outsourced for off-site recycling and treatment.

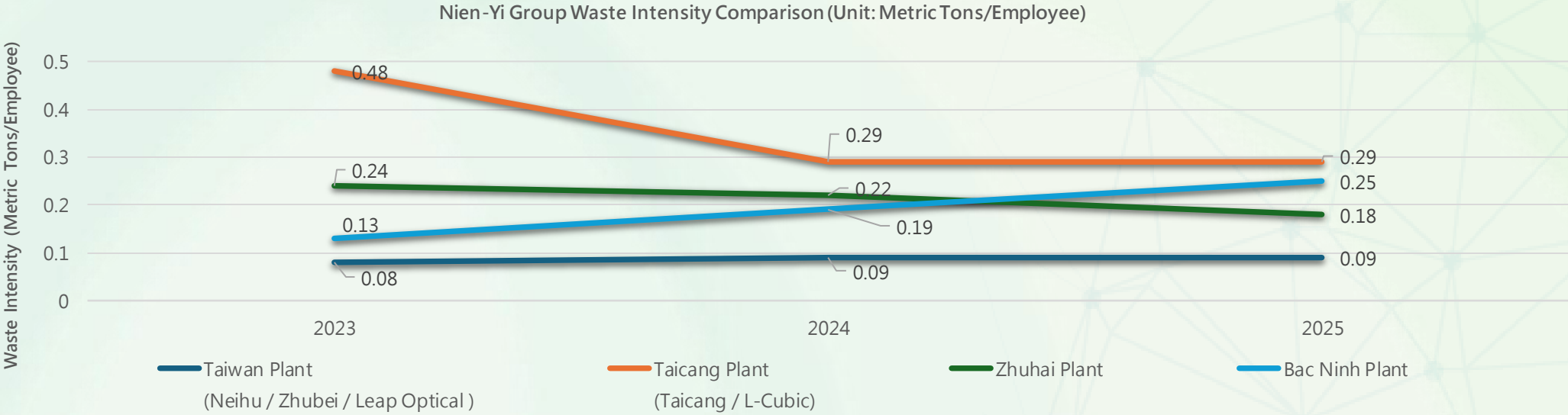
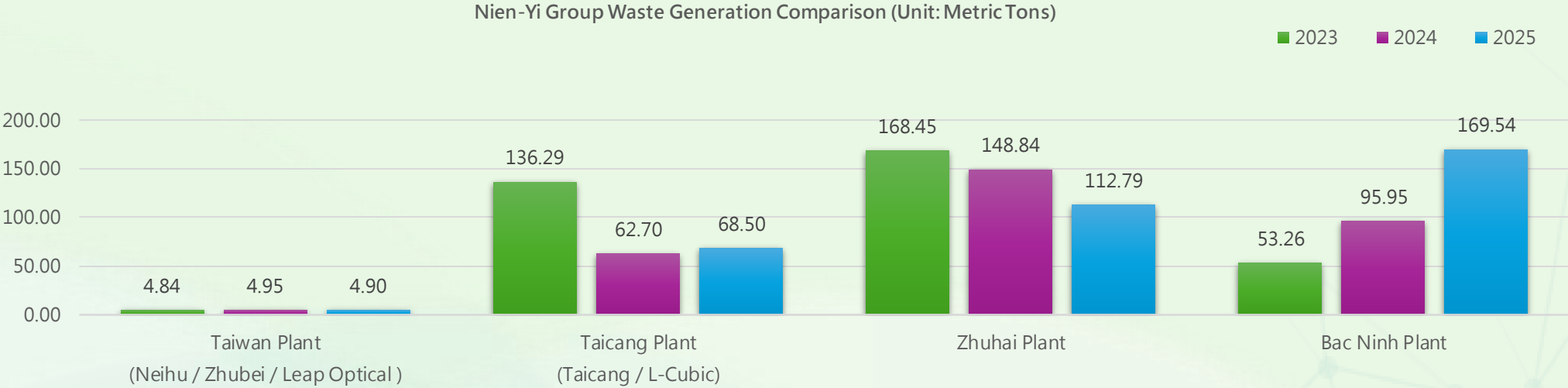
Waste Disposal Status and Waste Statistics

In 2025, Nien Yi Group's total waste generation increased by 43.3 metric tons compared with 2024, representing an increase of 13.9%. Waste intensity increased by 0.018 metric tons per employee compared with 2024, representing an increase of 8.6%.

Waste Disposal Classification	Treatment Method	Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total
General Industrial Waste (including production waste)	Incineration	4.90	6.56	30.91	54.44	96.82
Hazardous Industrial Waste (e.g., waste oil, waste organic solvents and chemicals)	Incineration	0.00	1.57	1.51	0.88	3.96
Recyclable Waste	Off-site Recycling and Treatment	0.00	60.36	80.37	114.22	254.95
Total Waste Generated (Unit: metric tons)	2025	4.90	68.50	112.79	169.54	355.73
	2024	4.95	62.70	148.84	95.95	312.43
	2023	4.84	136.29	168.45	53.26	362.85
Annual Number of Employees	2025	57	240	616	671	1584
	2024	55	274	667	515	1511
	2023	57	285	692	404	1438
Waste Intensity (Unit: metric tons/employee)	2025	0.09	0.29	0.18	0.25	0.22
	2024	0.09	0.23	0.22	0.19	0.21
	2023	0.08	0.48	0.24	0.13	0.25

1. **Recyclable waste** includes waste plastics, waste copper wire, waste PCBs, waste connectors, waste paper, solder dross, and other recyclable materials.

2. **Waste generation at the Neihu / Zhubei / Leap Optical sites:** Based on the Greenhouse Gas Inventory, waste generation was calculated using an average waste generation rate of 1.373 kg/person-day in Taiwan.



4. Water Resources Management

Water Resources Management Measures (Water Resources Management Policy)

According to the 2024 assessment by the World Resources Institute (WRI), among the Group's four production sites, Taiwan and Zhuhai are not located in high water-risk areas, while the Taicang site is located in a high water-risk area (overall water risk indicator: High, 3–4) and the Vietnam site is located in an extremely high water-risk area (overall water risk indicator: Extremely High, 4–5).

However, Nien Yi Group's manufacturing operations primarily focus on product assembly and processing, which do not require significant amounts of water. Most water consumption is for domestic use and circulating cooling water for certain facility equipment. All sites use municipal water as their water source, and their operations do not have a significant environmental impact on water resources or the ecology of water-source areas. Nevertheless, the Group actively collects water consumption data, regularly monitors water quality and water use, and promotes water conservation initiatives as appropriate to strengthen water resource protection. (TC-ES-140a.1)

Nien-Yi Group reduces municipal water consumption and overall wastewater discharge through water-saving measures for domestic use and water storage systems. All production sites use municipal water and do not extract groundwater or well water. The relevant water-source areas are not environmentally sensitive areas, and wastewater is treated before being discharged to the wastewater treatment facilities of the respective industrial parks.

The Group's water consumption is primarily for domestic use and equipment cooling, and overall consumption is comparable to that of general office operations. Through domestic water conservation and the recycling and reuse of equipment cooling water, the Group reduces municipal water consumption and minimizes overall wastewater discharge.

Domestic Water Conservation: The Group uses water-saving faucets, urinals, and toilets. New facilities are also equipped with rainwater collection and reuse systems. In addition, the Group strengthens employee awareness of water resource conservation and promotes responsible water use to reduce overall water demand.

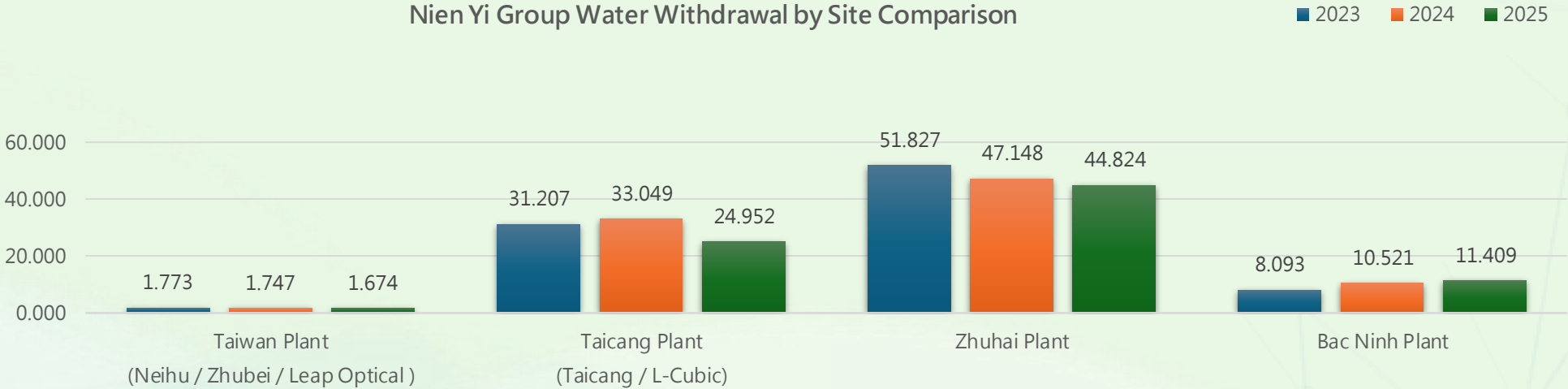
2025 Total Water Withdrawal Statistics

In 2025, total water withdrawal decreased by 9.61 million liters compared with 2024, representing a 10.39% reduction. Water withdrawal intensity decreased by 0.009 million liters per employee compared with 2024, representing a 14.5% reduction.

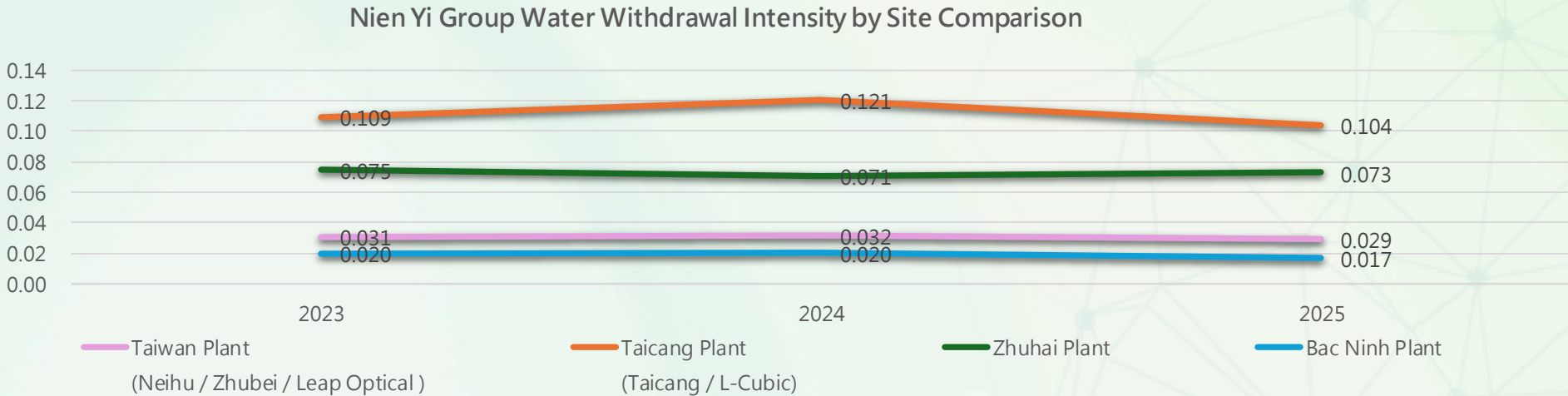
Item		Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total
Annual Water Withdrawal (Million Liters)	2023	1.773	31.207	51.827	8.093	92.900
	2024	1.747	33.049	47.148	10.521	92.465
	2025	1.674	24.952	44.824	11.409	82.859
Total Number of Employees	2023	57	285	692	404	1438
	2024	55	274	667	515	1511
	2025	57	240	616	671	1584
Water Withdrawal Intensity (Million Liters/Employee)	2023	0.031	0.109	0.075	0.020	0.065
	2024	0.032	0.121	0.071	0.020	0.061
	2025	0.029	0.104	0.073	0.017	0.052

Note: 100% of the Group's water withdrawal is sourced from municipal water supplies.

Water Withdrawal (Million Liters)



Water Withdrawal Intensity (Million Liters/Employee)



【Wastewater Discharge Management】

All Nien-Yi Group sites use municipal water as their water source. The primary source of wastewater discharge is domestic wastewater generated by employees, followed by a very small amount of wastewater generated from production-line cleaning activities. Nevertheless, the Group strictly complies with applicable environmental regulations. Wastewater discharged from each site meets the water quality standards stipulated by local regulations. The Mainland China sites and the Bac Ninh site have obtained the required wastewater discharge permits in accordance with applicable laws and regulations. For example, wastewater from the Mainland China sites is discharged into municipal wastewater pipelines, while wastewater from the Bac Ninh site is discharged to the wastewater treatment center of the Yunzhong Industrial Park. Detailed

wastewater discharge and water consumption data are presented in the following table.

2025 Group-wide Water Discharge and Water Consumption

Item	Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang / L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total
Water Withdrawal (Million Liters) C	1.674	24.952	44.824	11.409	82.859
Water Discharge (Million Liters) D	1.674	24.952	44.824	9.127	80.577
Water Consumption (Million Liters) C—D	0.000	0.000	0.000	2.282	2.282

Note: Wastewater discharge volumes are calculated based on wastewater treatment data stated on water utility invoices. No industrial wastewater is discharged.

1. Percentage of Total Water Withdrawal from Areas with High or Extremely High Baseline Water Stress:

High water stress — Taicang: 30.11%

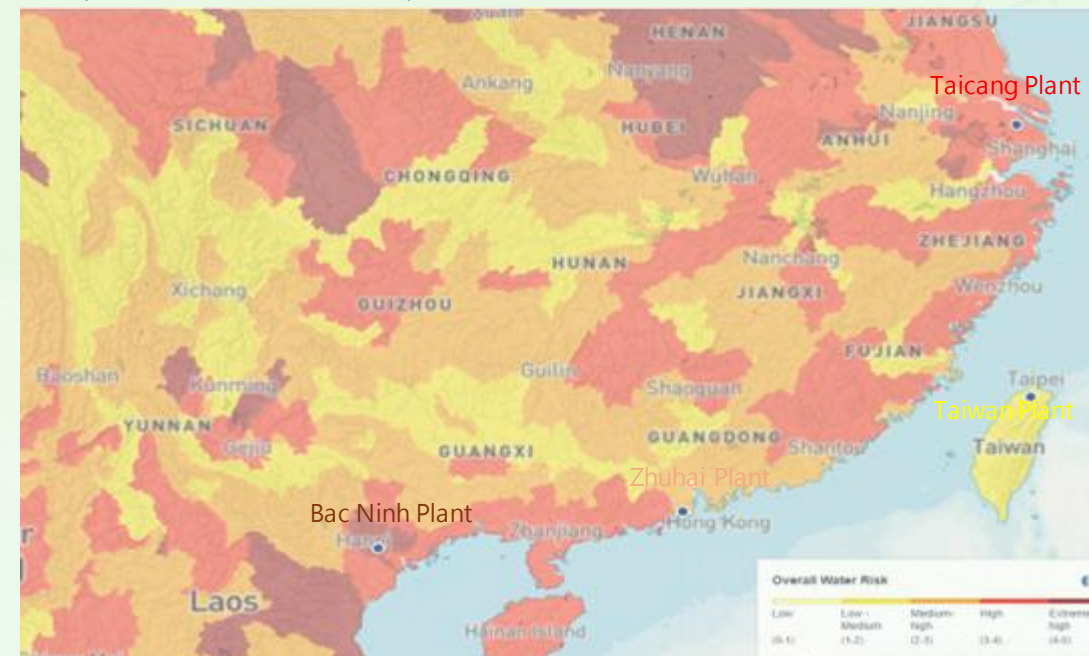
Extremely high water stress — Bac Ninh: 13.77%

2. Percentage of Total Water Consumption from Areas with High or Extremely High Baseline Water Stress:

High water stress — Taicang: 0%

Extremely high water stress — Bac Ninh: 100%

WRI (World Resources Institute) Assessment Results



Specific wastewater management measures include complying with applicable environmental regulations and engaging qualified third-party organizations annually to conduct water quality testing and reporting. Testing parameters include pH, chemical oxygen demand (COD), ammonia nitrogen, total phosphorus, suspended solids (SS), and animal and vegetable oils. In accordance with the ISO 14001 Environmental Management System, Nien-Yi Group also conducts regular internal and external audits to review the effectiveness and appropriateness of system operations, verify that procedures are properly implemented in accordance with established SOPs and applicable environmental regulations, and identify opportunities for continual improvement.

5. Biodiversity

In response to the United Nations Convention on Biological Diversity (CBD) and the 2030 targets and 2050 vision of the Kunming-Montreal Global Biodiversity Framework (GBF), Nien-Yi Group refers to the Global Reporting Initiative (GRI) 101: Biodiversity 2024 Standard, the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations, and United Nations Sustainable Development Goal (SDG) 15: Life on Land. The Group is systematically advancing biodiversity conservation efforts by establishing a management framework covering its entire operations and value chain. Through science-based management and proactive actions, Nien-Yi Group is committed to halting and reversing biodiversity loss and promoting positive ecological development.

5.1 Nien-Yi Group Biodiversity Conservation Policy

Nien-Yi Group has established the following Biodiversity Conservation Policy as the highest-level guiding principle for the Group's operations, development, manufacturing activities, and supply chain management.

Nien Yi Industrial Co., Ltd. Biodiversity Policy

Purpose and Commitment

Nien Yi upholds the principle of "Ecological Coexistence" and firmly believes that protecting biodiversity and maintaining ecological balance are essential foundations for long-term corporate sustainability. We are committed to complying with the following international conventions and guidelines, proactively preventing and mitigating the impacts of our operations on the ecological environment, and ensuring that Nien Yi's operations, development activities, and value chain activities do not cause harm to biodiversity, thereby safeguarding natural ecosystems and the shared environmental rights and interests of our stakeholders.

Principles We Follow

- United Nations Convention on Biological Diversity (CBD) and the Kunming-Montreal Global Biodiversity Framework (GBF)
- Global Reporting Initiative (GRI) 101: Biodiversity Standard
- Taskforce on Nature-related Financial Disclosures (TNFD) Guidance on Biodiversity-related Risk Management
- United Nations Global Compact (UNGC) Ten Principles
- International Union for Conservation of Nature (IUCN) Red List and Conservation Standards
- Relevant ecological protection requirements under the Responsible Business Alliance (RBA) Code of Conduct

Scope of Application

The Nien Yi Biodiversity Policy applies to all employees, affiliated companies, production sites, suppliers, contractors, business partners, and other stakeholders, including customers, local communities, and environmental organizations. Nien Yi is committed to preventing and eliminating any activities that may harm biodiversity or damage ecological environments.

Policy Principles

Nien Yi is committed to complying with biodiversity conservation laws and regulations applicable in all locations where the Group operates and exercising due diligence to prevent ecological damage. In pursuit of an ecologically responsible and sustainable business model, the Group will implement the following principles and work with value chain partners to collectively protect and conserve biodiversity.

- Establish an ecology-first business philosophy and integrate biodiversity management into the Group's strategic planning and operational decision-making.
- Strictly follow the Mitigation Hierarchy of "Avoid, Minimize, Restore, and Offset" to prevent and reduce impacts on biodiversity.
- Prohibit activities that damage natural habitats, including the clearing of native vegetation and the hunting or killing of protected wildlife species.
- Prioritize the use of native plant species for site landscaping and strictly control the introduction of invasive alien species.
- Rationally plan land use at production sites to avoid encroachment on ecologically sensitive areas, nature reserves, and habitats of rare or protected species.
- Continuously optimize production processes to reduce wastewater, air emissions, and noise, thereby minimizing indirect impacts on surrounding ecosystems.
- Conduct biodiversity risk assessments and long-term monitoring, establish an ecological database, and continuously improve biodiversity management measures.
- Promote green procurement and require suppliers to fulfill their biodiversity conservation responsibilities, thereby reducing ecological risks across the value chain.
- Conduct biodiversity awareness campaigns and environmental education to enhance ecological conservation awareness among employees and stakeholders.
- Collaborate with local communities, environmental organizations, and academic institutions to jointly promote biodiversity conservation and ecological restoration projects.

Remediation Mechanism

Once a biodiversity-related impact or damage event caused or contributed to by Nien Yi is identified, Nien Yi will activate appropriate remediation mechanisms based on the nature and scope of the event. Measures may include habitat restoration, vegetation transplantation, and ecological compensation. Where necessary, Nien Yi will collaborate with relevant stakeholders and professional organizations to establish preventive measures and avoid recurrence.

Communication and Disclosure

Nien Yi identifies affected parties for each material biodiversity-related topic and regularly engages with stakeholders to understand their concerns and continuously improve its biodiversity management practices. At the same time, the Group will disclose its biodiversity management objectives, actions, performance data, and progress in its Sustainability Report to ensure transparency and accountability of relevant information.

5.2 Importance, Impacts, Risks and Opportunities Management of Biodiversity

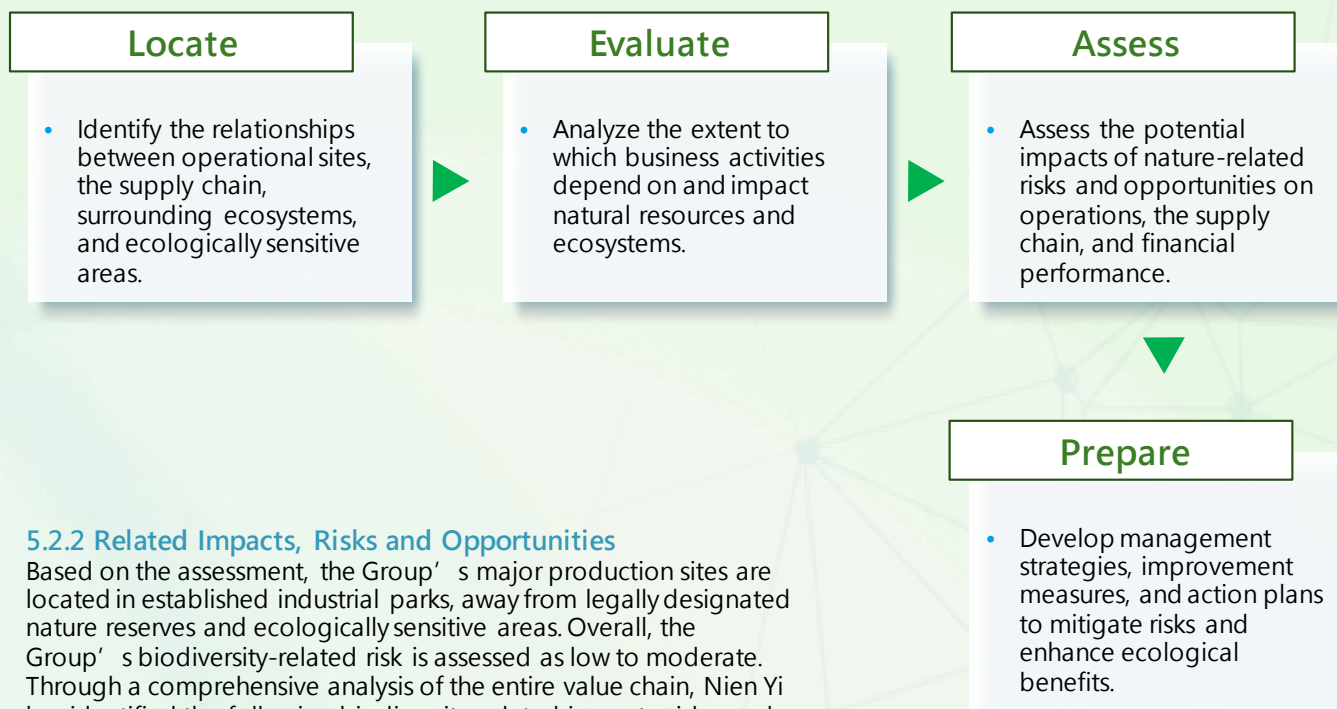
Nien-Yi Group recognizes the critical importance of biodiversity to ecological balance and long-term corporate sustainability. Healthy and resilient ecosystems provide essential services, including air purification, water regulation, climate regulation, and habitat maintenance. These ecosystem services not only affect environmental quality but are also closely linked to the Group's long-term operations, supply chain stability, and stakeholder interests.

Nien-Yi Group is primarily engaged in the research, development, and manufacturing of electronic products, with its manufacturing operations located in industrial parks in Zhuhai and Taicang, China, and Bac Ninh, Vietnam. Although all sites are located on legally designated industrial land and are not directly situated within legally designated nature reserves or major ecologically sensitive areas, the Group recognizes that its operations may still have direct or indirect impacts on the natural environment through land use, pollutant emissions, resource consumption, and value chain activities. Accordingly, Nien Yi continuously incorporates biodiversity considerations into its sustainability management strategy.

5.2.1 Biodiversity Management Approach

Nien-Yi Group refers to the TNFD Recommendations, including the LEAP approach, and the GRI 101 Biodiversity Standard to regularly conduct assessments of biodiversity impacts, nature-related risks, and opportunities. Through these assessments, the Group seeks to effectively manage potential adverse impacts and risks while identifying and leveraging positive opportunities related to biodiversity conservation and nature.

LEAP Approach Management Mechanism:



5.2.2 Related Impacts, Risks and Opportunities

Based on the assessment, the Group's major production sites are located in established industrial parks, away from legally designated nature reserves and ecologically sensitive areas. Overall, the Group's biodiversity-related risk is assessed as low to moderate. Through a comprehensive analysis of the entire value chain, Nien Yi has identified the following biodiversity-related impacts, risks, and opportunities:

① Impacts (Including Positive and Negative Impacts)

Impact Direction	Specific Description	Management Measures
Positive Impacts	- Site greening, preservation of native vegetation, and establishment of ecological buffer zones provide habitats for surrounding birds and small wildlife. - Promotion of green procurement and supplier management encourages value chain partners to participate in biodiversity conservation. - Implementation of ecological partnerships and environmental education enhances public awareness of biodiversity conservation.	Continuously expand green areas: Maintain a greening coverage rate of at least 30% for new sites, with annual improvements at existing sites; prioritize native plant species and strictly prohibit the introduction of invasive species. Strengthen green procurement: Incorporate biodiversity requirements into supplier qualification and annual evaluations, and provide preferential cooperation and incentives to suppliers actively participating in ecological conservation. Expand ecological partnerships and education: Conduct annual environmental and biodiversity initiatives, such as tree planting and habitat restoration, and organize regular internal biodiversity training to enhance conservation awareness among employees and surrounding communities.
Negative Impacts	- Wastewater, air emissions, and noise generated during operations may cause minor disturbances to the habitats of surrounding small wildlife. - Improper management during site expansion may potentially affect local native vegetation.	Optimize operational emissions: Implement internal control standards for wastewater, air emissions, and noise that are more stringent than applicable regulatory requirements. Standardize construction and development management: Complete an ecological impact assessment before commencing all expansion or new construction projects and develop vegetation preservation and transplantation plans. Establish physical barriers along construction boundaries to prevent damage to vegetation outside the designated construction area, and conduct ecological restoration immediately after project completion.

② Risk Assessment and Response Measures

Risk Type	Risk Description	Response Measures
Compliance Risk	Failure to comply with local ecological regulations and international standards such as GRI and TNFD may result in penalties or operational restrictions. As biodiversity regulations become increasingly stringent, including the implementation of the GBF and ecological protection controls, compliance costs may increase.	Establish biodiversity-related supplier qualification standards; conduct annual ESG assessments and require high-risk suppliers to implement corrective actions within specified timeframes; execute ecological protection agreements that clearly define relevant responsibilities.
Supply Chain Risk	Biodiversity-damaging practices by upstream suppliers, such as illegal resource extraction or habitat destruction, may result in supply chain disruptions or reputational damage.	Establish a regulatory monitoring mechanism to promptly update policy and regulatory requirements; conduct regular compliance self-assessments; strengthen employee compliance training.
Ecological Risk	Extreme weather events, such as heavy rainfall and high temperatures, may affect site landscaping and surrounding ecosystems. The introduction of invasive species or localized vegetation damage may also disrupt regional biodiversity.	Strictly control the introduction of non-native and invasive species; regularly inspect and maintain site vegetation; establish extreme weather emergency response plans.
Reputational Risk	Biodiversity-related damage incidents may trigger public concerns and negative media coverage, potentially affecting customer relationships and market expansion.	Establish an emergency response mechanism; regularly disclose biodiversity management performance; strengthen communication and engagement with stakeholders.

③ Opportunity Assessment

Opportunity Type	Opportunity Description
Green Manufacturing Opportunities	Integrate ecological conservation into manufacturing operations, develop environmentally friendly products, and expand into green markets.
Supply Chain Optimization Opportunities	Promote the green transformation of suppliers and enhance the sustainability and resilience of the supply chain.
Partnership and Brand Opportunities	Collaborate with environmental organizations and academic institutions to strengthen the Group’s brand reputation and influence in biodiversity conservation.

(2) Core Baseline Indicators

Core Indicator	Baseline (2025)	2030 Target	Unit
Overall Group Green Coverage Rate	37.74	≥40	%
Wastewater Discharge Compliance Rate	100	100	%
Air Emission Compliance Rate	100	100	%
Number of Introduced Invasive Alien Species	0	0	Species

5.3Biodiversity Baseline and Trends

Nien-Yi Group refers to the World Database on Protected Areas (WDPA), publicly available data from local environmental authorities, industrial park planning information, and on-site survey results to establish a 2025 biodiversity baseline.

(1) Baseline Status (2025)

Operational Plant	Geographic Location	Major Surrounding Ecosystems	Baseline Vegetation Coverage	Baseline Species Distribution	Distance from Sensitive Areas
Zhuhai Plant	Doumen Industrial Park, Zhuhai, Guangdong Province, China	Wetlands, woodland, and migratory bird stopover areas	Primarily native herbaceous plants, mango trees, and coconut trees; site green coverage rate: 25.00%	Common birds (e.g., sparrows), frogs, dragonflies, butterflies, native herbaceous plants, and coconut trees; no rare or protected species identified	Maintains an adequate buffer distance from provincial-level wetland parks and water and pine forest conservation areas
Taicang Plant	Taicang Economic Development Zone, Suzhou, Jiangsu Province, China	Yangtze River Delta river-network wetland ecological zone	Primarily native camphor trees, bald cypress, and herbaceous plants; site green coverage rate: 44.44%	Common birds, frogs, dragonflies, butterflies, native herbaceous plants, bald cypress, and camphor trees; no rare or protected species identified	Located away from ecological protection red lines and highly sensitive conservation areas, in compliance with the “Three Lines and One Permit” (Three Lines and One List) requirements
Bac Ninh (Plant 1)	Yunzhong Industrial Park, Bac Ninh Province, Vietnam	Northern Vietnam lowland rainforest ecological transition zone	Primarily native rainforest vegetation; site green coverage rate: 9.52%	Common rainforest birds (e.g., bulbuls and white-eyes), lizards, frogs, and native trees; no rare or protected species identified	Maintains a safe distance from national nature reserves and core conservation areas of native rainforest
Bac Ninh (Plant 2)	Yunzhong Industrial Park, Bac Ninh Province, Vietnam	Northern Vietnam lowland rainforest ecological transition zone	Newly constructed site; over 80% of native vegetation retained, with a green coverage rate of 52.17%, primarily using native plant species	Common rainforest birds (e.g., bulbuls and white-eyes), lizards, frogs, coconut trees, and native trees; no rare or protected species identified	Maintains a safe distance from national nature reserves and core conservation areas of native rainforest

Note:Based on publicly available information and the results of current assessments, no nationally protected, rare, or endangered species have been identified within or around the Group’s production sites to date.

(3) Subsequent Management Plan

As the Group’s production sites are located within established industrial parks and overall biodiversity-related ecological risks are assessed as relatively low, Nien-Yi Group does not currently plan to conduct annual biodiversity surveys through third-party organizations. Instead, subsequent monitoring will primarily rely on regular internal assessments. Ecosystem conditions will be monitored through indicators such as vegetation coverage, water quality monitoring, and observations of biological communities, including the types and abundance of small plants and animals. A basic biodiversity monitoring assessment will be conducted annually to ensure the continuity and comparability of monitoring data over time.

5.4 Direct Drivers of Biodiversity Loss

Taking into account the Group’ s manufacturing activities, its multi-site operations in Zhuhai, Taicang, and Vietnam , as well as the characteristics of its supply chain, Nien-Yi Group discloses the key drivers of biodiversity loss that may directly arise from its own operations and are identifiable and manageable, as follows:

Comparison Table of the Three Drivers

Drivers	Potential Impacts on Ecosystems	Management Measures
Land Use	New construction or expansion projects may affect existing vegetation and localized habitats.	Preserve existing green spaces, transplant native vegetation, and restore and enhance greenery.
Pollutant Emission s	Air emissions, noise, and domestic wastewater may affect the surrounding environment.	Continuously optimize production processes and ensure that all pollutants meet applicable discharge standards.
Invasive Alien Species	Landscaping and logistics activities may introduce non-native species.	Prioritize the use of native plants and establish procurement control mechanisms.

Based on a comprehensive assessment, the overall impacts of these factors on biodiversity are considered to present low to moderate risks and can be effectively controlled through appropriate management measures.

5.5 Changes in the State of Biodiversity

Nien-Yi Group establishes robust ecological buffer zones through scientific land-use planning and landscaping design. Among its facilities, the Vietnam Bac Ninh Plant 2 commenced construction in 2025 and implemented environmentally friendly development practices throughout the project. Prior to construction, existing native vegetation within the site was preserved in situ or transplanted to green areas surrounding the plant, thereby maintaining the original ecological characteristics without large-scale vegetation clearance or habitat destruction. During the early planning stage, extensive green spaces were also reserved, resulting in a green coverage rate of 52.17%, which is higher than that of general industrial parks. The Group’ s overall green coverage rate reached 37.74%. Through routine landscaping maintenance, the Group maintains the regional micro-ecological balance and continues to enhance biodiversity conservation and environmental ecosystem services.

5.5.1 Overview of Land Use and Green Space Areas at the Group’ s Facilities

Facility Name	Total Site Area (m²)	Building and Facility Footprint (m²)	Green Space Area (m²)	Green Coverage Rate
Taicang Plant	72,000	35,000	32,000	44.44%
Zhuhai Plant	36,000	25,000	9,000	25.00%
Bac Ninh (No. 1 Plant)	12,600	9,000	1,200	9.52%
Bac Ninh (No. 2 Plant)	23,000	5,000	12,000	52.17%
Total	143,600	74,000	54,200	37.74%

Note: 2025 is the baseline year; first-time disclosure.

5.5.2 Background Information on Data Compilation

Compilation Standards: The data compilation was prepared with reference to the requirements of GRI 101-7:2024, combined with the Technical Specification for Ecosystem Status Assessment (HJ 192-2021) and relevant local standards for ecological and environmental assessment, to ensure that the disclosed information is compliant and consistent.

Compilation Methodology: Ecosystem status was assessed through methods including vegetation coverage assessment, water quality monitoring, and observation of biological communities (including the species and quantities of small plants and animals). Basic monitoring is conducted regularly by the Company internally, with monitoring performed once a year.

Compilation Assumptions: The baseline year (2025, the first year of disclosure by the Company) assumes that the ecosystems at each operating site were not subject to significant external disturbances, such as extreme weather or human activities by third parties. The monitoring data are considered to accurately reflect the baseline status of the ecosystems. As this is the first year of disclosure, no comparative data for the current reporting period have been established. In subsequent reporting periods, the monitoring scope and methodologies established in this assessment will be maintained to ensure data comparability. Changes in ecosystems surrounding the Company’ s facilities consider only the impacts of the Company’ s operational activities, while excluding interference from natural ecological evolution and other external factors.

5.6 Ecosystem Services

NienYi Group identified the ecosystem services that are affected, or potentially affected, by the Group's business activities, taking into consideration the types of ecosystems surrounding each facility and the characteristics of the Group's operations, as shown in the table below.

5.6.1 Description of Ecosystem Services, Beneficiaries, and Impacts at Each Operating Site

Facility	Key Ecosystem Services	Core Beneficiaries	Impacts of and Management Measures for Business Operations
Zhuhai Plant (adjacent to the Qianshan River, Modaomen Waterway, and wetland parks)	Water quality regulation, pollutant purification, habitat support, and landscape functions	Employees, surrounding residents, small wetland organisms, and neighboring communities	Domestic wastewater from the plant is discharged into the municipal sewage network for treatment. Air emissions and noise are treated and controlled prior to discharge, resulting in relatively low impacts on the surrounding wetland environment. Green spaces further help reduce environmental disturbance.
Taicang Plant (artificial green spaces+ farmland buffer and localized zone ecosystem)	Air purification, noise reduction, soil and water conservation, and localized habitat functions	Employees, surrounding farmers, farmland ecosystems, and small animals	Air emissions and particulate matter generated from production activities are collected and treated before discharge. The surrounding green spaces and farmland buffer zone further help mitigate environmental impacts.
Bac Ninh Plant No. 1/ No. 2 (artificial green spaces+ secondary herbaceous ecosystems)	Soil and water conservation, microclimate regulation, habitat support, and landscape functions	Employees, surrounding communities, small birds, insects, and plant communities	Localized land preparation was carried out during the construction and expansion phases. Measures such as retaining, transplanting, and supplementary planting of native vegetation were implemented to reduce impacts on the surrounding environment. Vegetation functions have gradually been restored.

Overall assessment results indicate that all operating sites are located within established industrial areas or industrial parks. The Group's operational activities have an overall low to moderate level of risk of impact on surrounding ecosystem services, and the existing management measures are effective in mitigating potential environmental impacts.

5.6.2 Key Conservation Measures

NienYi Group continuously implements the following measures across all facilities during daily operations, as well as construction, renovation, and expansion activities:

Measure Type	Specific Actions
Vegetation Conservation	Retain native vegetation and implement supplementary planting measures.
Low-Impact Development	Facility renovation and maintenance follow low-impact development principles, preserving existing drainage channels, water systems, and native vegetation patterns, while avoiding the unnecessary filling of natural water bodies or removal of native trees.
Native Species Management	Prioritize the planting of native and locally indigenous species and strictly control the introduction of invasive alien species. Conduct regular vegetation maintenance to preserve and strengthen microhabitats within the facilities.
Microhabitat Creation	Utilize green spaces, ecological buffer zones, rainwater retention areas, and other design features to provide a habitat-friendly environment for surrounding birds and small terrestrial organisms.

5.6.3 Management Measures for Controlling Human Activity Disturbances

To further reduce disturbances to the surrounding natural ecosystems and common species caused by human activities during operations, NienYi Group has established a comprehensive disturbance management system and developed corresponding control measures for different types of disturbances, as detailed in the table below.

Type of Disturbance	Management Measures
Nighttime Lighting and Construction	Control nighttime construction activities and light pollution.
Boundary Noise	Conduct regular annual monitoring of noise at the facility boundary.
Wastewater Discharge	No industrial wastewater is generated. All domestic wastewater is discharged into the municipal sewage network and tested regularly each year to ensure compliance with applicable standards. The facilities implement separate rainwater and wastewater drainage systems, with independent stormwater networks to prevent impacts on the surrounding water environment.
Chemical Substances	Prohibit the use of highly toxic substances and persistent organic pollutants (POPs). Prioritize biological control methods for vegetation maintenance and comply with RoHS, REACH, and applicable local regulations governing hazardous chemicals.

5.6.4 Continuous Improvement and Commitments

Sensitive Species Early Warning Mechanism: Continuously monitor species monitoring data released by local forestry authorities and conservation organizations.

Employee Capacity Building: Conduct basic biodiversity training once a year to ensure that on-site personnel can identify locally protected key flora and fauna. Upon identification, personnel shall immediately report the finding and cease activities that may cause disturbance.

Information Disclosure: Disclose annual updates on surrounding biodiversity and management performance in the ESG Report.



Chapter 4 Labor Rights and Care

- 4.1 Labor-Management Harmony and Employee Welfare
- 4.2 Occupational Health and Safety Management
- 4.3 Customer Privacy Management

04 Labor Rights and Care

Material Topics	2025 Management Approach	2025 Achievements	2026 Goals	Mid-to-Long Term Goals
Labor-Management Relations	- Standardize recruitment practices in accordance with the <i>Recruitment and Separation Management Regulations</i>, clearly communicate employees' rights and obligations, provide competitive benefits, strengthen employee engagement, and conduct exit interviews to understand employee feedback and reduce turnover. - Conduct employee satisfaction surveys.	- Zero employee complaints. - The average monthly turnover rates in 2025 were 1.22%, 1.20%, and 1.34% for the Zhuhai, Taicang, and Vietnam facilities, respectively, achieving the target of 1.4%. - Employee satisfaction score was 90.63, exceeding the target of 88.	- Zero employee complaints. - Reduce the monthly turnover rate at the Mainland China and Vietnam facilities to 1.2%. - Employee satisfaction target: 88.5 points.	Medium Term: - Improve employee satisfaction. - Reduce the monthly turnover rate to 1.0%. - Maintain zero conflict incidents between the Company and employees through mutual trust and communication. - Ensure compliance with labor laws and regulations and fulfill corporate social responsibility, protect employee rights and interests, and maintain zero violations of labor laws and regulations. Long Term: - Continuously improve employee satisfaction. - Continuously maintain zero conflict incidents between the Company and employees. - Continuously maintain zero violations of labor laws and regulations.
Anti-Discrimination	- Implement the <i>Anti-Discrimination Management Procedure</i> to ensure that all employees are free from discrimination during recruitment and employment, thereby strengthening the Company's social responsibility. - Promote a awareness of anti-discrimination principles among employees through training and education.	Zero discrimination incidents in 2025.	- Zero discrimination incidents. - Anti-discrimination training coverage: 100%.	Medium Term: - Continue education and awareness campaigns to enhance employees' understanding of anti-discrimination principles. - Maintain 100% long-term coverage of anti-discrimination and diversity & inclusion training for all employees, with dedicated management training conducted at least twice a year. Long Term: - Encourage employees to participate in monitoring and reporting. - Continuously improve the anti-discrimination management system and build an equal and inclusive workplace free from discrimination based on age, gender, marital or parental status, disability, region, ethnicity, religion, or identity differences; maintain zero discrimination incidents over the long term, create a diverse and people-oriented employment environment, and fulfill the Company's human rights management responsibilities.
Occupational Health and Safety	Manage occupational health and safety in accordance with the <i>Occupational Health and Safety Management Procedure</i> . Conduct regular occupational health and safety awareness programs and training, and regularly manage and maintain facilities for controlling occupational hazards.	- Zero occupational injuries and zero occupational diseases. - Obtained ISO 45001 Occupational Health and Safety certification.	- Zero occupational injuries and zero occupational diseases. - Occupational health and safety training coverage: 100%.	Medium Term: - Implement the requirements of the ISO 45001 Occupational Health and Safety standard. - Continue promoting relevant occupational health and safety laws and regulations and ensure their effective implementation to protect workers' rights and interests. Long Term: - Improve equipment and optimize ergonomic design to enhance occupational health and safety efficiency, further safeguard workplace safety, and improve productivity. - Continue promoting relevant occupational health and safety laws and regulations and ensure their effective implementation to protect workers' rights and interests.
Customer Privacy	Manage customer privacy in accordance with the <i>Information Operations Procedures</i> . Conduct network attack testing and disaster emergency response drills twice a year to fully protect customer privacy.	Zero complaints regarding infringement of customer privacy or loss of customer data.	- Provide employee information security awareness training to enhance employees' awareness of information security protection. - Maintain zero complaints regarding infringement of customer privacy or loss of customer data.	Medium Term: - Implement an ISO 27001 Information Security Management System. - Continue information security training to enhance employees' awareness of customer privacy protection. - Establish data encryption technologies and security measures to ensure that customer data are not accessed or disclosed without authorization. - Maintain zero complaints regarding infringement of customer privacy or loss of customer data. Long Term: - Obtain ISO 27001 Information Security Management certification. - Continue information security training to enhance employees' awareness of customer privacy protection. - Achieve zero deficiencies in network attack testing and disaster emergency response drills.

1. Harmonious Labor Relations and Employee Well-being

The Company recognizes that protecting and respecting employees' labor rights and interests contributes to talent retention and improved productivity. We are committed to complying with relevant ILO international human rights conventions and, through initiatives such as workplace anti-bullying and anti-unlawful-harassment awareness campaigns, communicate NienYi's adherence to the United Nations Universal Declaration of Human Rights and its fundamental principle of "respect for human rights." We are committed to creating a diverse, equitable, inclusive, and friendly workplace while actively promoting gender equality.

To establish more harmonious labor-management relations, labor unions were established in accordance with the requirements of local governments or general labor unions. The Zhuhai Plant established its labor union in 2013, and the Taicang Plant established its labor union in 2022. Internal communication and labor-management meetings are held quarterly. The Vietnam Plant established its labor union in 2022 and holds internal communication and labor-management meetings monthly. Labor-management relations are currently well maintained, and no collective bargaining agreement has been entered into to date.

Anti-Discrimination and Equal Employment

NienYi Group currently has **1,584 employees**. The Company has always upheld the core principles of "**respect for human rights, equality and inclusion, and zero discrimination.**" We strictly comply with applicable laws and regulations in the jurisdictions where our facilities operate and integrate the principles of anti-discrimination and equal employment throughout the entire employment lifecycle, including recruitment, hiring, compensation, promotion, training, and separation. We effectively safeguard the legitimate rights and interests of all employees, including employees with disabilities, and fulfill our corporate social responsibility and human rights management obligations.

The Company places strong emphasis on anti-discrimination management and has established comprehensive employee Grievance channels, providing employees with safe, convenient, and confidential avenues for protecting their rights and interests. These channels include the Plant Manager's Mailbox, dedicated ESG Grievance email, and HR complaint email, among others. Clear Grievance handling procedures, response timelines, and feedback mechanisms have been established. Retaliation in any form is strictly prohibited, ensuring that employees can report discrimination or inappropriate conduct without concern. All Grievance cases are promptly investigated and handled through a closed-loop process.

To strengthen awareness of anti-discrimination across the workforce and establish a robust compliance framework, the Company regularly conducts specialized training on anti-discrimination, anti-harassment, and equal employment, covering social responsibility and applicable laws and regulations. The training covers management, HR personnel, and all frontline employees, with a focus on defining discriminatory conduct, using Grievance channels, understanding relevant laws and regulations, and complying with the Company's management requirements. These initiatives enhance employees' awareness and ability to implement anti-discrimination practices and promote an inclusive and equitable workplace culture.

The Company is committed to the principles of equal employment, diversity, and inclusion. During recruitment and hiring, the Company actively promotes employment opportunities for persons with disabilities and has currently employed eight persons with disabilities. The Company also emphasizes the diversification of its workforce by promoting the recruitment of talent from diverse ethnic backgrounds, continuously fostering an inclusive, equitable, diverse, and integrated workplace environment.

The key policies of NienYi regarding human rights protection are as follows:

Nien-Yi Industrial Corp. Human Rights Policy

Purpose and Scope

NienYi upholds a “**people-oriented**” philosophy and believes that respecting human rights and creating a dignified working environment are fundamental to sustainable business operations. We are committed to complying with the following international human rights conventions and guidelines, treating and respecting all individuals equally, and ensuring that our business activities do not involve any acts that infringe upon or violate human rights, thereby safeguarding the rights and interests of employees and value chain partners.

Guiding Principles

- Universal Declaration of Human Rights (UDHR)
- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- Ten Principles of the United Nations Global Compact (UNGC)
- ILO Declaration on Fundamental Principles and Rights at Work
- Responsible Business Alliance (RBA) Code of Conduct

Scope of Application

NienYi's Human Rights Policy applies to all managers and employees, suppliers, contractors, business partners (including customers and communities), and other stakeholders, with a commitment to preventing all forms of human rights violations.

Policy Commitments

NienYi is committed to complying with human rights protection laws and regulations in all jurisdictions where it operates, exercising due diligence to avoid causing or contributing to human rights violations, and following the principles below to foster a corporate culture based on equality, respect, care, and a safe and secure working environment. At the same time, we encourage and oversee our value chain partners to jointly uphold human rights.

- Establish a diverse and inclusive workplace with zero tolerance for discrimination, prohibit harassment, and ensure humane treatment.
- Prohibit child labor, forced labor, human trafficking, and other practices that violate human rights.
- Provide fair and reasonable compensation and working conditions.
- Ensure a healthy, safe, and hygienic working environment.
- Ensure equal employment opportunities for all personnel and prevent all forms of discrimination.
- Provide channels and an environment for freedom of expression and respect employees' rights to freedom of association.
- Provide an independent grievance mechanism and implement investigation procedures to protect employees' rights and interests, while prohibiting retaliation.
- Respect personal privacy and ensure that the collection and use of personal data comply with applicable legal requirements.
- Regularly assess human rights risks and implement timely remediation measures where necessary.

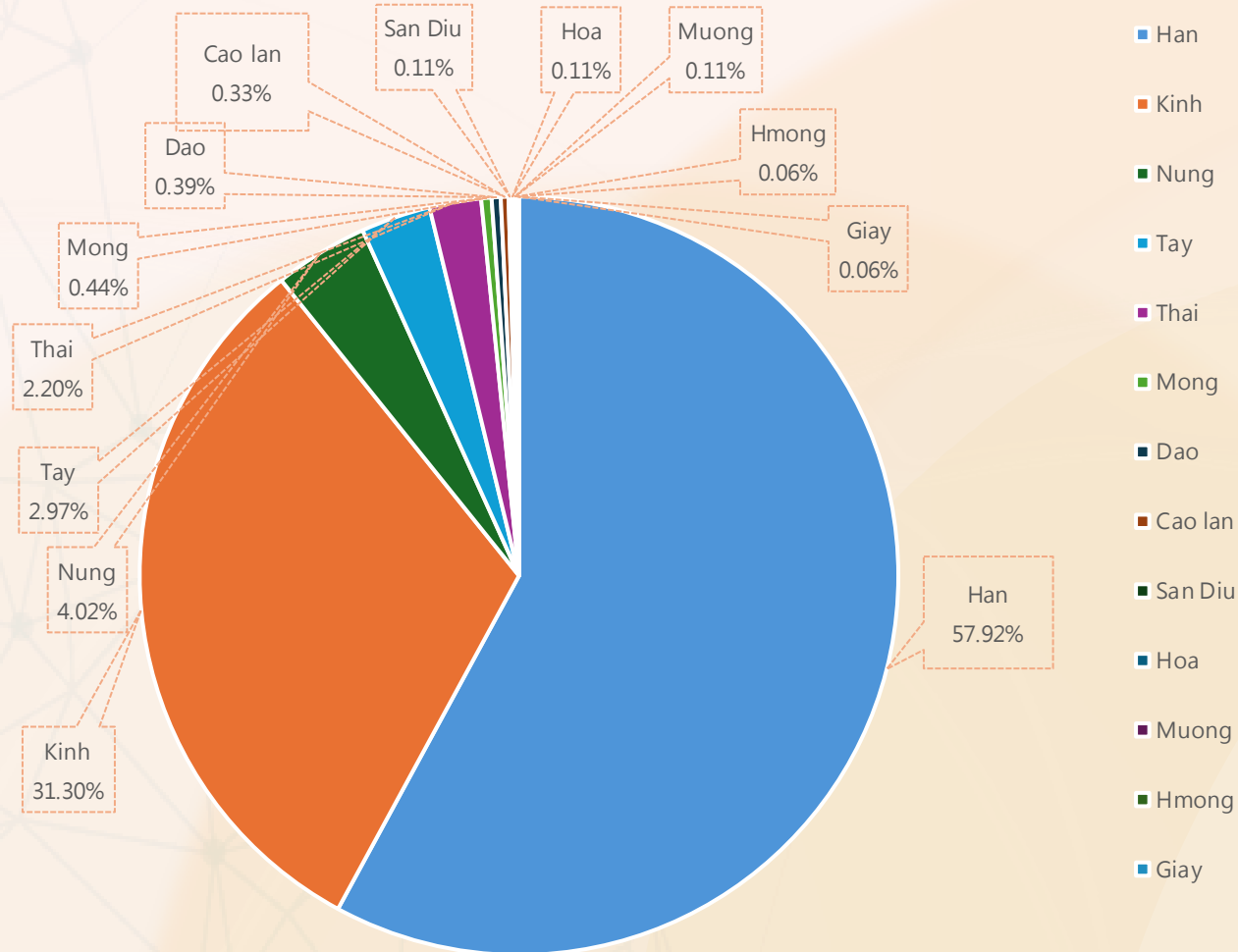
Remediation Mechanism

Once a human rights violation caused or contributed to by NienYi is confirmed, NienYi will activate an appropriate remediation mechanism based on the nature of the incident and, where necessary, cooperate with relevant stakeholders to prevent recurrence.

Communication and Disclosure

NienYi identifies affected parties for each material human rights topic and regularly discloses its human rights management objectives, actions, performance, and progress in its Sustainability Report.

Ethnic Composition of NienYi Group Employees (%)



Discrimination Incidents and Corrective Actions

In 2025, NienYi Group conducted a comprehensive review through various grievance channels, including the Plant Manager's Mailbox, dedicated ESG grievance mailbox, and HR complaint mailbox, supplemented by internal management audits, employee feedback, and external complaint channels. No formally filed or confirmed cases of discrimination were identified (0 cases). No discriminatory conduct was identified against employees on the basis of race, skin color, gender, age, religion, disability, marital or parental status, sexual orientation, nationality, ethnicity, geographic origin, or other related characteristics. Going forward, the Company will continue to consolidate the effectiveness of its anti-discrimination management practices and further optimize the operation of its grievance mechanisms. Regular anti-discrimination training and compliance reviews of employment practices will be conducted, with strict controls over key processes such as recruitment and promotion to eliminate potential discrimination risks. At the same time, the Company will progressively improve its diversity and inclusion employment policies, with particular attention to the development needs of various employee groups, including employees with disabilities. Appropriate job positions and necessary support will be provided to employees with disabilities. Through these efforts, NienYi will continue to foster a discrimination-free and inclusive workplace, integrate anti-discrimination compliance requirements into daily corporate management, effectively implement anti-discrimination standards, and fulfill its corporate human rights management responsibilities.

Employee Training: A Shared Responsibility

NienYi places great emphasis on employee education and training. We implement a variety of training programs to enhance employees’ capabilities and support their career development and planning.

Training Includes:

1.Onboarding Training:

Provided to all new employees and centrally administered by the management department. Training covers corporate culture, professional conduct, company policies and regulations, and general pre-job requirements. It also incorporates labor laws and regulations, professional ethics, and basic environmental and occupational health and safety requirements to help new employees establish awareness of compliance.

2.Job Skills Training:

Mandatory training for employees before assuming their positions. Employees may formally begin work only after successfully completing the required assessment. Personnel in specialized positions are required to complete external qualification training and obtain the relevant work certificates. This training also covers cross-training for employees transferring to different positions, multi-skilled worker training, and recertification of job qualifications. Occupational health and safety procedures and training for special operations are incorporated to ensure compliance and safety in job performance.

3.Management Training:

NienYi provides training to enhance the career development and comprehensive management skills of managers at all levels. Management training is divided into General Management Training and Total Quality Management (TQM) Training.

2025 Training Participation and Total Training Hours for Career Development, Job Competency Enhancement, Human Rights Protection, and Occupational Health and Safety

Plant	Taiwan Plant (Neihu / Zhubei / Leap Optical)		Taicang Plant (Taicang/ L-Cubic)		Zhuhai Plant		Bac Ninh Plant		Total	
Training Course	Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours	Total Training Participants	Total Training Hours
Career Development and Comprehensive Job Skills Enhancement	175	237	468	811	3,294	19,663	1,295	8,742	5,232	28,763
Social Responsibility and Laws & Regulations	126	295	248	483	2,449	4,449	1,462	2,912	4,285	8,139
Environmental and Occupational Health & Safety	101	158	1,574	2,023	4,172	8,285	3,137	6,251	8,984	16,717
Special Operations (Elevator / Electrical / Forklift) – Operational Training	External Training and Certification for Specialized Operation									
Total Training Participation and Training Hours in 2025	402	690	2,290	3,317	9,915	32,397	5,894	17,905	18,501	54,309

NienYi believes that workforce diversity is a fundamental driver of corporate competitiveness. Through a competitive compensation and benefits system, the Company rewards and retains employees while attracting external talent. The composition of employees by gender and job category in 2025 is as follows:

NienYi Group Workforce Statistics (Table 1)

Plant		Taiwan Plant (Neihu / Zhubei / Leap Optical)					Taicang Plant (Taicang/L-Cubic)					Zhuhai Plant				
Total Number of Employees		Male	Male %	Female	Female %	Total	Male	Male %	Female	Female %	Total	Male	Male %	Female	Female %	Total
Job Category	Board Members and Supervisors	2	66.7%	1	33.3%	3	0	0%	0	0%	0	0	0%	0	0%	0
	Management	11	52.4%	10	47.6%	21	12	57.1%	9	42.9%	21	23	67.6%	11	32.4%	34
	Professional and Technical Staff	12	57.1%	9	42.9%	21	77	41.6%	108	58.4%	185	209	39.4%	322	60.6%	531
	General Administrative Staff	0	0.0%	12	100.0%	12	1	2.9%	33	97.1%	34	3	5.9%	48	94.1%	51
Total		25	43.9%	32	56.1%	57	90	37.5%	150	62.5%	240	235	38.1%	381	61.9%	616

NienYi Group Workforce Statistics (Table 2)

Plant		Bac Ninh Plant					Total				
Total Number of Employees		Male	Male %	Female	Female %	Total	Male	Male %	Female	Female %	Total
Job Category	Board Members and Supervisors	0	0%	0	0%	0	2	66.7%	1	33.3%	3
	Management	12	63.2%	7	36.8%	19	58	61.1%	37	38.9%	95
	Professional and Technical Staff	162	27.1%	435	72.9%	597	460	34.5%	874	65.5%	1334
	General Administrative Staff	16	29.1%	39	70.9%	55	20	13.2%	132	86.8%	152
Total		190	28.3%	481	71.7%	671	540	34.1%	1044	65.9%	1584

As of the end of 2025, NienYi Group had a total of 1,584 employees, of whom 34.1% were male and 65.9% were female. Women accounted for 38.9% of management positions and 86.8% of general administrative positions, respectively. NienYi Group will continue to promote workforce diversity and strive to achieve a more balanced representation of male and female employees.

Notes:

1. Professional and Technical Staff includes production operators.
2. All employees are full-time employees.

Employee Relations: Employment, Engagement, and Well-being

NienYi' s 2025 employee satisfaction survey results exceeded the established target of 88 points, indicating an overall positive level of employee satisfaction. Both male and female employees receive wages that comply with the minimum wage requirements under applicable labor laws and regulations. The Company also provides long-term employment commitments to support stable livelihoods and employee well-being. In addition, to safeguard local employment opportunities, the Company' s operations do not employ foreign workers and prioritize the recruitment of local employees.

While continuously striving to improve production efficiency, NienYi remains committed to promoting employment opportunities, creating a high-quality working environment, and providing comprehensive employee benefits. In 2025, production capacity in Vietnam continued to expand, resulting in more new hires than employee separations. Accordingly, compared with the 2023 baseline, NienYi Group' s overall employee turnover rate decreased significantly by 40.29% in 2025. The Group also places great importance on maintaining long-term and stable labor-management relations, and its sustained efforts in this area have yielded positive results.

New Hires and Employee Turnover (1)

Age Group	Gender	Taiwan Plant (Neihu / Zhubei / Leap Optical)					Taicang Plant (Taicang/ L-Cubic)					Zhuhai Plant				
		Total Employ ees	New Hires	Monthly New Hire Rate	Employee Separati ons	Monthly Turnover Rate	Total Employ ees	New Hires	Monthly New Hire Rate	Employee Separations	Monthly Turnover Rate	Total Employ ees	New Hires	Monthly New Hire Rate	Empley e Separati ons	Monthly Turnover Rate
Under 30	Male		0	0%	0	0%		1	0.03%	9	0.31%		10	0.14%	12	0.16%
	Female		0	0%	0	0%		1	0.03%	6	0.21%		9	0.12%	6	0.08%
30-50 (inclusive)	Male		2	0.29%	1	0.15%		0	0.00%	5	0.17%		12	0.16%	14	0.19%
	Female		0	0%	1	0.15%		1	0.03%	11	0.38%		37	0.50%	47	0.64%
Over 50	Male	57	0	0%	0	0%	240	0	0.00%	2	0.07%	616	1	0.01%	3	0.04%
	Female		0	0%	0	0%		0	0.00%	2	0.07%		1	0.01%	7	0.09%
Subtotal	Male		2	0.29%	1	0.146%		1	0.03%	16	0.56%		23	0.31%	29	0.39%
	Female		0	0%	1	0.146%		2	0.07%	19	0.66%		47	0.64%	60	0.81%
Total			2	0.29%	2	0.29%		3	0.10%	35	1.22%		70	0.95%	89	1.20%

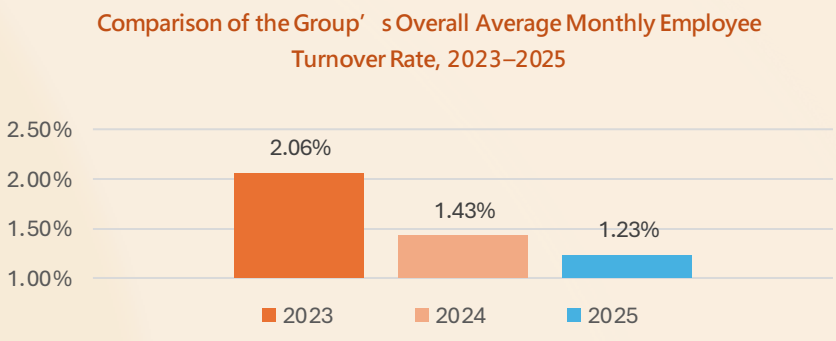
New Hires and Employee Turnover (2)

		Bac Ninh Plant					Total				
Age Group	Gender	Total Employees	New Hires	Monthly New Hire Rate	Employee Separations	Monthly Turnover Rate	Total Employees	New Hires	Monthly New Hire Rate	Employee Separations	Monthly Turnover Rate
Under 30	Male	671	52	0.65%	16	0.20%	1584	63	0.33%	37	0.19%
	Female		86	1.07%	29	0.36%		96	0.51%	41	0.22%
30–50 (inclusive)	Male		76	0.94%	19	0.24%		90	0.47%	39	0.21%
	Female		135	1.68%	43	0.53%		173	0.91%	102	0.54%
Over 50	Male		3	0.04%	1	0.01%		4	0.02%	6	0.03%
	Female		17	0.21%	0	0.00%		18	0.09%	9	0.05%
Subtotal	Male		131	1.63%	36	0.45%		157	0.83%	82	0.43%
	Female		238	2.96%	72	0.89%		287	1.51%	152	0.80%
Total				369	4.58%	108		1.34%		444	2.34%

Note: Employees who have been employed for less than three months are excluded from the statistics.

Monthly Employee Turnover Rate, 2023–2025

Year	Total Employees	Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/ L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total Employee Separations	Average Monthly Turnover Rate for the Year
2023	1438	3	54	168	131	356	2.06%
2024	1511	5	44	97	113	259	1.43%
2025	1584	2	35	89	108	234	1.23%
Reduction in Monthly Employee Turnover Rate Compared with the 2023 Baseline Year							40.29%



Obligations for Employee Benefit Plans

NienYi provides employee benefits that exceed statutory requirements. In Taiwan, employees are provided with group insurance and group insurance coverage for family members. In Mainland China and Vietnam, the factories provide 100% coverage of statutory social insurance for employees in accordance with local legal requirements, helping safeguard employees' work and livelihood.

In addition, the Company provides a range of employee benefits, including meal allowances; marriage, childbirth, sickness and bereavement allowances; Lunar New Year cash gifts; year-end appreciation events and lucky draws; and year-end bonuses. The Company also provides discretionary assistance during major holidays to employees experiencing financial difficulties. Employee rest areas are provided at production facilities to promote interpersonal interaction and enable employees to develop social connections outside of work, contributing to a positive workplace environment.

In addition, labor unions have been established in Mainland China and Vietnam. Through union operations, the Company coordinates various employee welfare programs, including Dragon Boat Festival, Mid-Autumn Festival and Chinese New Year benefits, birthday allowances, education subsidies, marriage and bereavement assistance, emergency financial assistance, employee club activities, meal subsidies, and holiday care and support programs.

A Healthy and Vibrant Workplace Culture

Basic Benefits	Insurance	Provide employees with insurance coverage in accordance with local legal requirements.
	Leave	Provide leave in accordance with local legal requirements.
Compensation and Benefits	Item	Yisheng Scholarship
		Employee Travel
		Meal Allowance
		Marriage, Childbirth, Sickness and Bereavement Allowances
		New Year Cash Gift
		Year-End Banquet Lucky Draw
		Year-End Bonus
		Family Day
		Employee Gatherings



Health Promotion	Activities	Annual Employee Health Checkups
		Sports Events Gym Facilities
Comprehensive Facilities / Working Environment	Facilities	Employee Rest Areas
		Dining and Break Areas Basketball Court / Badminton Court / Billiards Room
Employee Welfare Committee / Labor Union	Employee Welfare Fund	Every year, the Company provides employees with gifts for the Dragon Boat Festival and Mid-Autumn Festival.
		Organize barbecue activities to strengthen relationships and foster camaraderie among employees.
	Annual Activities	Organize tea gatherings to enhance mutual understanding and interaction between employees and the Company.
		Organize production line competitions to recognize outstanding employees and foster a sense of achievement and pride.
Community Engagement / Public Welfare Activities	Social Welfare Activities	Organize blood donation activities.
		Carry out agricultural support activities.
		Hualien Barrier Lake Overflow Sediment Removal Initiative ("Shovel Heroes") Support school education funds.

Taicang Plant Agricultural Support Initiative



Taicang Plant Team-Building Activities



Taicang Plant Christmas Celebration



Taicang Plant International Women's Day Celebration



Taicang Plant Year-End Banquet



Hualien, Taiwan — Public Welfare Initiative to Clear Sediment from the Barrier Lake Overflow



Nien Yi Supplier ESG Conference



Zhuhai Plant Team-Building Activities



Zhuhai Plant Chinese New Year Commencement Activities



Zhuhai Plant Year-End Banquet



Employee Skills Competition



Zhuhai Plant Christmas Celebration



Vietnam Plant International
Women's Day Celebration



Vietnam Plant Mid-Autumn
Festival Celebration



Vietnam Plant Family Day



Vietnam Plant Community Public Welfare
Activity (Community Road Cleanup)



Vietnam Plant Father's
Day Celebration



Free Health Checkups for
Vietnam Plant Employees



Vietnam Plant
Year-End Banquet



Vietnam Plant Support for Local
Farmers Affected by Natural Disasters



Inauguration Ceremony of
Nien Yi Vietnam Plant No. 2



Vietnam Plant
Christmas Celebration

Corporate Social Insurance Contributions

The Company contributes the employer portion of social insurance premiums in accordance with the applicable social insurance laws and regulations of each operating location, thereby safeguarding employees' retirement and related social insurance benefits. The employer social insurance contribution rates for 2025 are as follows:

Plant	Neihu	Zhubei	Leap Optical	Taicang / L-Cubic	Zhuhai	Bac Ninh
Employer Contribution Rate	6%	6%	6%	16%	16%	17.5%

Parental Leave

In 2025, among employees at NienYi Group's Taiwan operations (Neihu / Zhubei / Leap Optical), 4 employees had children under the age of three, and none applied for parental leave. Mainland China and Vietnam do not have statutory provisions specifically governing parental leave of this type. In accordance with applicable local laws and regulations, the Company provides employees with maternity leave and breastfeeding leave.

Labor Practices

NienYi Group places great importance on effective labor-management communication and harmonious labor relations. The Group continuously promotes positive labor-management interaction through labor unions, labor-management consultations, and various communication mechanisms. In 2025, no strikes occurred, with zero work stoppages and zero total idle days, demonstrating that labor-management relations remained stable and harmonious.

2. Occupational Health and Safety Management

Occupational Health and Safety Policy and Implementation of the Occupational Health and Safety Management System

To safeguard employee health and safety, improve work efficiency, reduce operating costs, enhance market competitiveness, and proactively respond to applicable laws and regulations, NienYi Group has progressively established and improved its occupational health and safety management system since 2014. The Group has established an occupational health and safety policy centered on "Compliance with Laws and Regulations, Safety First, Prevention First, and Continuous Improvement". The ISO 45001 management system covers 1,584 employees and 109 non-employee workers.

In implementing its occupational health and safety policy and developing its management system, NienYi Group refers to international standards such as SA8000 and ISO 45001 and has established a series of relevant procedures to integrate the principles of the policy into daily operations. The Group also publicly discloses its Occupational Health and Safety Policy and Social Responsibility Policy through its official website, <https://www.nienyi.com>, to strengthen awareness of occupational health and safety among all employees and continuously improve overall management performance.

2025 Regional Workforce Composition of Contractors (Non-Employee Workers)

Plant	Security Services	Catering / Cleaning Services	Other Contractors	Subtotal
Taiwan Plant (Neihu / Zhubei / Leap Optical)	0	3	0	3
Taicang Plant (Taicang / L-Cubic)	10	10	0	20
Zhuhai Plant	20	15	0	35
Bac Ninh Plant	4	11	36	51
Total	34	39	36	109

Occupational Health and Safety Organization

While focusing on its core business development, NienYi places great importance on occupational health and safety and factory environmental safety. The Group upholds the principles of “Safety First and Environmental Protection as a Priority” and is committed to continuously fostering a high-quality occupational health, safety, and environmental protection culture. NienYi strengthens employees’ occupational health and safety awareness through education and training. In Taiwan, the Labor Occupational Health and Safety Committee is established in accordance with Taiwan’s occupational health and safety laws and regulations and the Procedures for the Organization and Responsibilities of the Occupational Health and Safety Committee. In Mainland China and Vietnam, the Group complies with applicable local laws and regulations and assigns sufficient occupational health and safety management personnel responsible for promoting workplace safety, preventing accidents, improving the working environment, and safeguarding employee health. The Committee holds meetings quarterly and continuously follows up on the implementation of resolutions and corrective actions until completion.

NienYi Group Occupational Health and Safety Improvement Initiatives in 2025

Within the Facilities	Suppliers / Contractors
- Health examinations and health promotion - Implement standardized safety production management and pursue a zero-accident, zero-injury workplace through safe work planning - Implement corrective actions for abnormal incidents	Strengthen and implement contractor safety management requirements

Contractor Safety Management

To improve occupational health and safety performance and reduce unforeseen risks, Nien Yi has established a “Contractor Management Procedure” and applies the same occupational health and safety standards to contractor personnel as those applicable to Company employees, with strict implementation. In addition, NienYi communicates its occupational health and safety principles to contractor personnel and requires them to sign the “Contractor Construction Environment and Safety Hazard Notification” and “Contractor Environmental, Health and Safety Control Agreement.” NienYi employees uphold the principle that “Everyone Is Responsible for Workplace Safety” and proactively identify and correct unsafe behaviors among contractor personnel to reduce occupational health and safety risks.

Hazard Identification and Risk Control Measures for Occupational Safety

NienYi places great importance on the physical and mental health of its employees. In accordance with the “Hazard Identification, Risk Assessment and Control Measures Management Procedure,” the Company

identifies and assesses occupational health and safety hazards and their associated risk levels, determines significant hazards, and implements appropriate control measures to minimize and reduce risks. Preventive and responsive measures are adopted at an early stage to safeguard employee rights and safety.

The development of risk control measures follows the hierarchy of controls in the following order: elimination, substitution, engineering controls, signage/warnings and/or administrative controls, and personal protective equipment (PPE). Priority is given first to eliminating hazards, followed by reducing risks either by lowering the likelihood of incidents or by reducing the potential severity of injury or adverse health effects. PPE is considered the final line of defense.

Based on the risk levels identified through risk assessment, risks are classified into five control levels. The high-risk items are presented in the following table:

Significant Hazards	Risk Control Measures
Work at Height	Provide safety training for personnel. A second person must be present to assist and supervise the work. Personal protective equipment (PPE), such as half-body or full-body safety harnesses, must be used. Ladders and other platforms must be properly secured and used safely. First-aid personnel and first-aid supplies are available.
Fire	Establish the “Emergency Preparedness and Response Management Procedure” and provide safety training for personnel. Install residual current circuit breakers, post evacuation diagrams and safety indicator lights, establish an emergency response organization, conduct regular fire drills, and perform weekly occupational health and safety inspections. First-aid personnel and first-aid supplies are available.
Mechanical Injury	Provide safety training for personnel and install protective guards around rotating and moving parts of machinery and equipment. Equipment must be shut down during maintenance. Install safety doors or safety interlock devices, post operating instructions, and require the use of appropriate PPE. Conduct weekly occupational health and safety inspections. First-aid personnel and first-aid supplies are available.
Electrical Leakage	Equipment must be shut down during maintenance. Provide safe-operation training, and ensure that operation, maintenance, and servicing are performed by specially trained or qualified personnel. Equip machinery with grounding or insulation devices and residual current circuit breakers. Place warning signs on hazardous energized parts. Require the use of PPE, such as insulating gloves and insulating footwear. Daily inspections are conducted by qualified electricians. First-aid personnel and first-aid supplies are available.
Dust	Install high-efficiency dust removal equipment and properly install dust collection hoods and enclosed facilities at dust-generating points to capture and control dust at the source. Establish regular equipment inspection, maintenance, and testing procedures, with particular focus on monitoring dust extraction airflow and filtration effectiveness to ensure that the system remains in good operating condition. Clear safety warning signs are installed in work areas to identify hazard types and specify required PPE. Implement the “6S” workplace management methodology to maintain a clean and orderly environment, prevent clutter and accumulation, and promptly remove accumulated dust to minimize the risk of secondary dust dispersion. Establish and maintain employees’ occupational health surveillance records.
Noise	Install acoustic enclosures on machinery generating high levels of noise. Provide qualified hearing protection to employees and ensure its proper use. Install prominent noise warning signs and protection requirement notices. Establish and maintain employees’ occupational health surveillance records.

NienYi Group conducts occupational disease hazard factor assessments for the six identified significant hazards and, based on workplace environmental monitoring results at each facility, develops targeted protection plans focusing on the two major risks of noise and dust. Guided by the principles of prevention first, comprehensive planning, site-specific management, and integrated control, NienYi has established an occupational health and safety management mechanism. Each year, the Group develops an annual EHS education and training plan that integrates internal and external training programs. Employees are assessed through written and oral examinations, and those who pass the assessments obtain external certifications or internal job qualifications according to the nature of the training. In accordance with the requirements of competent authorities, the Group also ensures that designated personnel, management personnel, and frontline workers complete refresher training as required. When employees are transferred to different positions or their work duties change, their supervisors assess their training needs and arrange appropriate on-the-job training to ensure that employees comply with position-specific safety requirements. For example, at the Taicang Plant, in accordance with the requirements of the Emergency Management Bureau, all employees participate in training and assessments every quarter through the Anzhibao platform.

The Administration Department is responsible for identifying occupational hazards associated with each position and establishing a list of positions involving hazardous factors. In accordance with applicable laws and regulations, the Company implements regular occupational health examinations for newly hired employees and personnel in special positions, including pre-placement, during-employment, and post-employment examinations. Personnel engaged in operations involving hazardous substances must complete safety protection training and pass the relevant assessment before commencing work. The Company also provides appropriate personal protective equipment (PPE) as required. In addition, the Company continuously promotes occupational health and safety awareness and provides professional training to encourage employees to develop standardized work practices and reduce human error. In strict compliance with applicable laws and regulations, the Company arranges relevant examinations for personnel engaged in operations involving special occupational hazards, thereby comprehensively preventing occupational diseases and safeguarding employee health and safety.

Crisis and Emergency Response Measures

To effectively manage emergency situations, NienYi has established an “Emergency Response Procedure.” Each business unit develops its own emergency response organization and measures based on its specific operations and environmental conditions. Regular drills are conducted to ensure that employees are familiar with emergency response procedures, thereby minimizing the escalation of incidents and reducing potential losses to personnel and equipment when emergencies occur.

NienYi has also established the “Nonconformity, Incident Investigation, Corrective and Preventive Action Procedure.” In the event of an accident, in addition to personnel from the unit where the incident occurred, relevant professionals participate in the incident investigation. Investigation findings are communicated to employees, and corrective actions are continuously tracked through various audits and management review meetings to prevent recurrence.

Labor Conditions, Health and Safety

1.TC-ES-320a.1: For (a) direct employees and (b) contract employees: (1) Total Recordable Incident Rate (TRIR) and (2) Near-Miss Frequency Rate (NMFR).

A near miss is defined as an unplanned or uncontrolled event, or a series of events, that does not result in a recordable injury, illness, physical damage, or environmental damage, but could have resulted in one or more of these outcomes under different circumstances. NienYi Group manages near-miss incidents in accordance with the NYP6810 Injury and Occupational Disease Management Control Procedure. By encouraging the reporting of near-miss incidents, the Group can better identify and control potential accident risks and reduce the likelihood of accidents through proactive preventive measures.

(1) Total Recordable Incident Rate (TRIR):

In 2025, NienYi Group recorded no occupational injuries among direct employees or contract employees, resulting in a TRIR of 0.

(2) Near-Miss Frequency Rate (NMFR):

In 2025, NienYi Group recorded no near-miss incidents, resulting in an NMFR of 0.

Occupational Health Services

To systematically manage occupational health risks and safeguard employee rights, the Company strictly implements the following **occupational health surveillance and monitoring system**:

Management Approach	Measures
Regular Monitoring and Health Surveillance	Regularly monitor various occupational hazard factors present in the workplace and provide comprehensive medical surveillance for employees exposed to hazards such as dust and noise. This includes pre-placement health examinations, regular occupational health examinations during employment, and occupational health examinations upon job transfer or prior to retirement.
Job Fitness and Occupational Contraindication Management	Employees who have not completed the required occupational health examinations may not engage in work involving exposure to occupational hazards. Employees identified as having occupational contraindications through health examinations shall be transferred from the positions for which they are medically unsuitable and shall not continue to perform work involving the relevant hazards.
Occupational Disease Diagnosis and Reporting Mechanism	For employees suspected of having an occupational disease, the Administration Department promptly provides information on their occupational exposure history and workplace occupational health conditions and assists them in seeking diagnosis and treatment at institutions qualified to diagnose occupational diseases.

Statistics and Analysis of Occupational Diseases and Work-Related Injuries

NienYi Group implements the “Work-Related Injury and Occupational Disease Management Control Procedure” to control and eliminate work-related injury and occupational disease hazards, strengthen the management of work-related injuries and occupational diseases, protect employees’ health and rights, and enhance the management and prevention of occupational hazard factors arising from production processes. The Group is committed to improving employees’ working environment and reducing or eliminating occupational hazards.

In 2025, no occupational injuries or occupational diseases were reported.

Health Promotion and Well-being

Building on its occupational health surveillance system, NienYi Group regularly organizes general health examinations for employees and continuously promotes occupational health and safety awareness through educational communications and workplace notices. In addition, the Group periodically invites healthcare professionals from hospitals to its facilities to provide employees with health education and guidance.

In 2025, the Group officially established self-service blood pressure monitoring stations, enabling employees to proactively monitor their blood pressure as part of their daily health management rather than relying solely on figures reported in written health examination reports.

Through these measures, NienYi Group fulfills its responsibility for occupational health protection and ensures that employees’ health rights are comprehensively safeguarded. All information relating to employees’ individual health is strictly maintained by the Administration Department, with confidentiality protected in accordance with applicable laws and regulations.

Work-Related Injuries to Workers

Year	Worker Type	Total Hours Worked (H)					Work-Related Injury Statistics						
		Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/ L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total	Fatalities	Fatality Rate	Number of Severe Work-Related Injuries	Rate of Severe Work-Related Injuries	Rate of Severe Work-Related Injuries	Recordable Work-Related Injury Rate (TRIFR)	Type of Injury
2025	Employees	113,088	480,000	1,232,000	1,621,136	3,446,224	0	0	0	0	0	0	N/A
	Non-Employees	5,952	40,00	70,000	36,240	152,192	0	0	0	0	0	0	N/A

Notes:
Work-related injuries: refer to accidental injuries sustained by workers while performing work-related duties or at the workplace. The statistical scope excludes commuting accidents occurring during travel to and from work.
Total hours worked: Estimated for the full year based on 8 hours per day × the standard number of working days, covering all employees and non-employee workers (contractors).
Severe work-related injuries: Injuries resulting in disability or preventing the affected worker from recovering to their pre-injury state of health within six months due to a work-related injury, excluding fatalities.
Fatality Rate = (Number of fatalities resulting from work-related injuries / Total hours worked) × 1,000,000.
Rate of Severe Work-Related Injuries = (Number of severe work-related injuries / Total hours worked) × 1,000,000.
Total Recordable Injury Frequency Rate (TRIFR) = [Number of recordable work-related injuries, including severe work-related injuries, fatalities, and other recordable work-related injuries / Total hours worked] × 1,000,000.

Work-Related Ill Health

Year	Worker Type	Total Hours Worked (H)					Occupational Disease Statistics			
		Taiwan Plant (Neihu / Zhubei / Leap Optical)	Taicang Plant (Taicang/ L-Cubic)	Zhuhai Plant	Bac Ninh Plant	Total	Number of Recordable Cases of Work-Related Ill Health	Number of Deaths Resulting from Work-Related Ill Health	Work-Related Ill Health Fatality Rate	Main Types of Work-Related Ill Health
2025	Employees	113,088	480,000	1,232,000	1,621,136	3,446,224	0	0	0	None
	Non-Employees	5,952	40,00	70,000	36,240	152,192	0	0	0	None

Notes:
1.Total Hours Worked: Estimated for the full year based on 8 hours per day × standard number of working days, covering all workers and non-employee workers (contractors).
2.Work-Related Ill Health Fatality Rate = (Number of deaths resulting from work-related ill health / Total hours worked) × 1,000,000.

Product Environmental, Health and Safety Management

Product environmental, health, and safety management is a core component of corporate social responsibility and directly affects consumer trust and brand reputation. NienYi continuously implements quality, environmental, and occupational health and safety management system certifications, as well as product safety, environmental, and quality testing and certifications, to ensure effective environmental, health, and safety management throughout the entire product life cycle, including product design, raw material procurement, manufacturing and processing, testing, packaging and protection, customer use, and end-of-life disposal. The raw materials used in products must comply with applicable environmental testing requirements in the European Union, United States, Japan, and other countries and regions, such as RoHS, REACH, Proposition 65, and JIS. Product safety must comply with applicable customer requirements and local safety laws and regulations, including relevant standards and certifications such as IEC, UL, ETL, CE, PSE, and CCC (3C).

3. Customer Privacy Management

Putting Customer Needs First

NienYi Group conducts a customer satisfaction survey once a year. The survey is administered to the Group's top 10 major customers by transaction value, covering five key areas: quality, price, delivery, technical support, and service. In 2025, the average overall customer satisfaction score was 99.73, exceeding the annual target of 99.65 and successfully achieving the annual customer satisfaction target.

2025 Average Customer Satisfaction Score Distribution Table

Evaluation Item	Quality	Price	Delivery	Technical Support	Service	Average Satisfaction
2025	99.83	99	100	99.83	100	99.73

Information Security Risk Management

Enhancing customer value is one of NienYi's objectives for sustainable business operations. NienYi recognizes the importance of properly protecting customer information and related data. Accordingly, the Group implements information security training and promotes an Information Security Compliance (Obligation Compliance) culture in accordance with the "NYP2301 Information Operations Procedure", thereby strengthening information security awareness and ensuring that NienYi's professional services continue to enhance customer value.

Specific Information Security Management Measures

Category	Control Mechanism Description
Management Basis	Implement a systematic information security management framework in accordance with the "Information Operations Procedure."
Annual Frequency	Conduct two network penetration tests and two disaster emergency response drills annually.
Scope of Control	Network security, system availability, and customer data privacy.
Purpose	Ensure the effectiveness of information security protection mechanisms, enhance disaster response capabilities, and safeguard customers' personal data and privacy.
Improvement and Follow-up Mechanism	Incorporate the results of tests and drills into continuous improvement plans, with the Information Security Team responsible for monitoring implementation effectiveness.
Expected Benefits	Strengthen information security resilience, reduce the risk of data breaches, and ensure compliance with applicable laws and regulations and customer requirements.

Information Security Management Structure

To ensure the security of information assets belonging to NienYi and its customers, NienYi integrates internal resources to implement various information security control measures and provides annual information security awareness training for employees. The NienYi Security Management Committee convenes meetings every six months to review and determine information security and information protection policies and guidelines, thereby ensuring the effective implementation of information security management measures.

NienYi establishes its information security management framework based on three key approaches: “Establishing a Dedicated Information Security Organization,” “Securing Senior Management Support,” and “Ensuring Full Employee Participation.” Through these approaches, NienYi implements various information security management measures, including information security policies, management procedures, and operational guidelines, with the aim of safeguarding the information assets and interests of both NienYi and its customers.

Dedicated Information Security Organization

NienYi has established a Security Management Committee, comprising the following functions:

Convener: Responsible for establishing information security policies and objectives, ensuring alignment with the organization’s strategic direction, and promoting continuous improvement.

Information Security Team: Responsible for planning and implementing various information security activities.

Document Control Center: Responsible for document issuance and related document control activities.

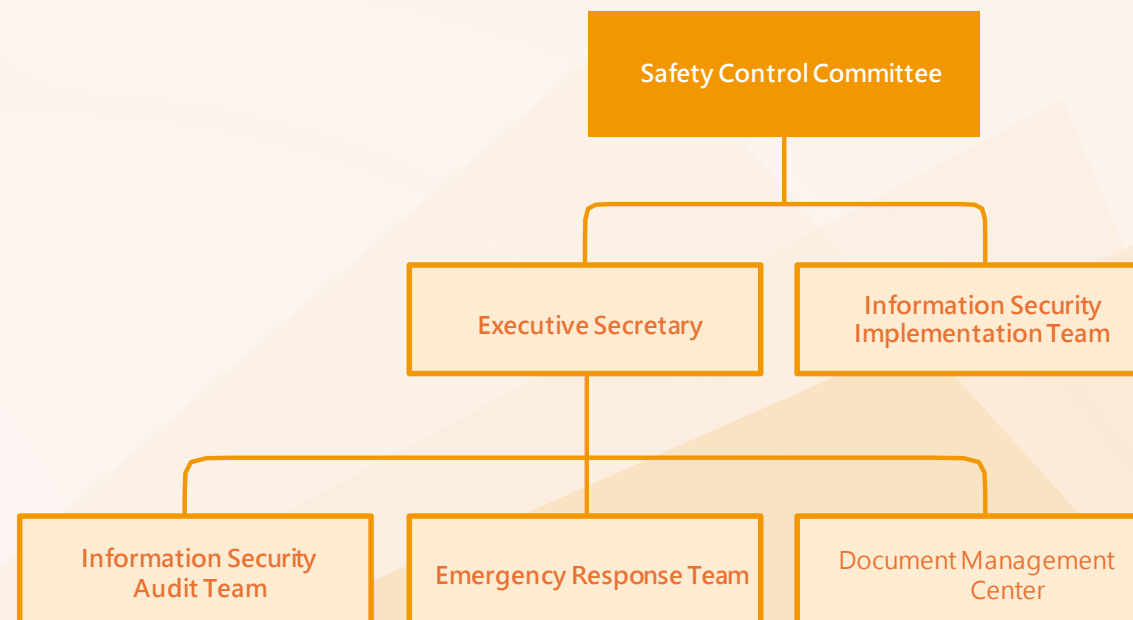
Senior Management Support

The Security Management Committee is chaired by Chang Yeou-Jen , with department-level managers serving as security committee members. The Committee convenes at least once every six months to review internal and external information security issues and to deliberate and determine information security measures and policies.

Full Employee Participation

NienYi promotes and strengthens information security awareness among all employees through information security education and training programs, as well as regular drills and exercises, ensuring that information security practices are effectively integrated into daily operations.

NienYi Security Management Committee Organizational Structure



Communicating Information Security Messages and Implementing Information Security Training

To strengthen NienYi's information security protection capabilities, the Group not only adopts information security tools, simulation exercises, and management controls to prevent potential threats, but also places strong emphasis on developing and enhancing employees' information security awareness. Through ongoing communication and training, NienYi strengthens employees' understanding of information security risks and enhances the Group's overall information security resilience.

Information Security Operations Management

NienYi 2025 Information Security Technical Measures

The following information security technical measures were implemented by NienYi in 2025:

- Network Security Controls
- Internet Security and Access Controls
- Anti-Virus and Anti-Hacking Measures
- Blocking Access to Entertainment, High-Risk, and Low-Credibility Websites
- Prohibiting Unauthorized File Transfers
- Information Asset Management
- Asset Management Controls
- Account and Access Management
- Prohibiting the Use of Personal Devices
- Email Security
- Physical and Environmental Security
- Physical Security Protection
- Establishment of Security Personnel Operations Management Procedures for Factory Entrances and Exits
- Deployment of Surveillance and Access Control Systems in Relevant Areas
- Access Control Security
- Account and Network Access Control
- Procedures for Account Creation, Modification, and Removal
- Password Management Policy
- Privileged Account Access Control

2025 Information Security Measures and Implementation Results

To safeguard customers' privacy rights and interests, Nien-Yi Group strictly complies with applicable personal data protection regulations and adheres to the principles of legality and compliance in collecting customer information. The Group implements transparent management throughout the entire process of data collection, use, and protection. Without customers' consent, the Group does not disclose or misuse customers' personal data without authorization. If there are any changes to information protection policies or management measures, the Group promptly communicates and notifies customers accordingly. Through comprehensive control mechanisms, the Group received no complaints related to customer privacy violations or data loss during 2025.

Chapter 5 Supplier and Contractor Management

- 5.1 Supplier Management
- 5.2 Contractor Management

05 Supplier and Contractor Management

Material Topics	2025 Management Approach	2025 Achievements	2026 Goals	Mid-to-Long Term Goals
Supplier Social Assessment	Through the Supplier and Contractor Management Procedure, new suppliers are subject to selection and important suppliers are subject to regular evaluations.	1. 100% of new suppliers signed the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties, the ISO 14001 Interested Party Environmental Conditions Questionnaire, the ISO 45001 Interested Party Occupational Health and Safety Conditions Questionnaire, and the SA8000 Interested Party Social Responsibility Conditions Questionnaire. 2. Conducted on-site audits of 16 suppliers.	1. Require 100% of new suppliers to sign the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties. 2. Conduct on-site audits of suppliers among the Top 10 suppliers by procurement value and those with relatively high risk levels, in accordance with the SA8000 Interested Party Social Responsibility Conditions Questionnaire. 3. Implement zero-conflict minerals procurement for key materials. 4. Promote the signing of the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties by contractors.	Medium Term: 1. Promote ESG disclosure among key suppliers. 2. Increase the proportion of Tier 1 suppliers obtaining SA8000, RBA, or SMETA certification. Long Term: 1. Increase the proportion of suppliers implementing ESG disclosure. 2. Achieve 100% signing of the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties by contractors. 3. Expand the proportion of Tier 2 suppliers obtaining SA8000, RBA, or SMETA certification.

1.Supplier Management

{Supplier and Contractor Management Policy}

Nien-Yi Group is committed to sustainable business development and promotes sustainable supply chain management in accordance with its Sustainable Procurement Policy. Environmental protection, social responsibility, and corporate governance (ESG) principles are incorporated into its procurement and supplier management processes. The Group works closely with suppliers and contractors to jointly establish a responsible and sustainable supply chain system, thereby reducing operational risks and enhancing supply chain resilience and sustainable competitiveness.

Nien Yi Industrial Co., Ltd.
Sustainable Procurement Policy

To fulfill our corporate social responsibility and uphold the principles of sustainable business development, Nien Yi Industrial Co., Ltd. is committed to promoting sustainable procurement management by incorporating environmental protection, social responsibility, and corporate governance (ESG) principles into its procurement and supply chain management processes. We work closely with suppliers to jointly establish a responsible and sustainable supply chain system, thereby reducing operational risks and creating long-term value.

I. Compliance with Laws and Regulations and Ethical Business Conduct

Comply with applicable laws, regulations, and international standards, and uphold the principles of integrity, fairness, and transparency in procurement. Prohibit all forms of corruption, bribery, fraud, and improper benefits to maintain an ethical procurement environment. Establish fair and impartial supplier selection and management mechanisms to safeguard the legitimate rights and interests of both parties.

II. Promoting Green and Low-Carbon Procurement

Give priority to the procurement of raw materials, equipment, and products that meet environmental protection, safety, and energy-efficiency requirements. Encourage suppliers to reduce energy consumption, greenhouse gas emissions, and environmental pollution, and jointly promote the development of a low-carbon supply chain. Support resource circularity and the reduction of packaging waste to minimize environmental impacts.

III. Respecting Labor Rights and Social Responsibility

Require suppliers to comply with labor laws and regulations and international human rights principles, and prohibit child labor, forced labor, and all forms of discrimination. Pay attention to suppliers' occupational health and safety management and strive to ensure a safe and healthy working environment. Encourage suppliers to respect employee rights and interests, promote talent development, and foster a culture of diversity and inclusion.

IV. Strengthening Supply Chain Management

Establish supplier evaluation and audit mechanisms and regularly assess suppliers' performance in quality, environmental protection, and social responsibility. Encourage suppliers to continuously improve their sustainability management practices and jointly enhance supply chain resilience and sustainable competitiveness. Establish long-term partnerships with suppliers and work together to advance sustainable development goals.

V. Continuous Improvement and Sustainability Commitment

Nien Yi Industrial Co., Ltd. will continuously improve its sustainable procurement management system and work together with its corporate sustainability strategy and supply chain partners to promote environmental protection, social responsibility, and ethical governance, thereby building a responsible and sustainable supply chain system.

【Sustainable Procurement KPIs】

Item	2025 Target	2025 Performance
ESG Document Signing Rate for New Suppliers	100%	100%
ESG Commitment Letter Signing Rate for Category A Suppliers	100%	100%
Audit Rate of Top 10 High-Risk Suppliers	100%	100%
Supplier Corrective Action Completion Rate	100%	100%
Conflict Minerals Declaration Return Rate	100%	100%

【Sustainable Procurement and Supply Chain ESG Management】

To deepen sustainable supply chain governance and strengthen supply chain resilience, Nien Yi has fully integrated ESG principles into its procurement policy and supplier management system. In addition to traditional assessments of quality, cost, delivery, and technical capabilities, the Company also incorporates environmental protection, occupational health and safety, labor and human rights, business ethics, and regulatory compliance into supplier qualification and partnership evaluation criteria. The Company gives priority to selecting partners that demonstrate environmental responsibility, compliance and safety, and strong social responsibility, and works with them to promote energy conservation and carbon reduction, pollution prevention, the use of green materials, and resource circularity, thereby reducing environmental and social risks across the supply chain at source.

We have established the Sustainable Procurement Policy and require suppliers to sign the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties, which serves as an implementation guideline for all suppliers.

Going forward, Nien Yi will continue to expand the scope of ESG management to cover more suppliers and contractors. Guided by the principle of creating shared value, we will work with our partners to build a robust, responsible, low-carbon, and sustainable value chain network and proactively address potential supply chain risks arising from globalization.

TC-ES-320a.2

Percentage of (1) the entity's facilities and (2) Tier 1 supplier facilities that have been audited under the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) or an equivalent assessment, disaggregated by (a) all facilities and (b) high-risk facilities.

(1) Entity's Facilities

In 2025, the Bac Ninh and Zhuhai facilities underwent SMETA audits.

(a) All Facilities:

Nien Yi has a total of six operating units: Neihu, Zhubei, Leap Optical Taicang (including L-Cubic), Zhuhai, and Bac Ninh. Among these, the Zhuhai and Bac Ninh facilities underwent SMETA audits in 2025. Accordingly, the percentage of the entity's facilities audited under the RBA VAP or an equivalent assessment was 33.33%.

(b) High-Risk Facilities:

No high-risk facilities were identified.

(2) Tier 1 Supplier Facilities

(a) All Facilities:

A social responsibility assessment was conducted for all qualified suppliers. One Tier 1 supplier had obtained RBA certification. Accordingly, the percentage of Tier 1 supplier facilities audited under the RBA VAP or an equivalent assessment was not separately quantified based on the available supplier facility data.

(b) High-Risk Facilities:

Suppliers were assessed using the SA8000 Interested Party Social Responsibility Conditions Questionnaire. All assessed suppliers achieved an overall score of more than 85% and were therefore not classified as high-risk suppliers.

TC-ES-320a.3.

(a) Priority nonconformances and (b) other nonconformances:

(1) the rate of nonconformances identified through the Responsible Business Alliance (RBA) Validated Assessment Program (VAP) or an equivalent assessment process, and (2) the rate of associated corrective actions, disaggregated by (i) the entity's facilities and (ii) Tier 1 supplier facilities.

(i) Entity's Facilities:

Facility	Number of CARs	Closure Rate
Vietnam (SMETA) Audit	Minor:3	100%
Zhuhai (SMETA) Audit	Minor:4	100%

(ii) Tier 1 Supplier Facilities:

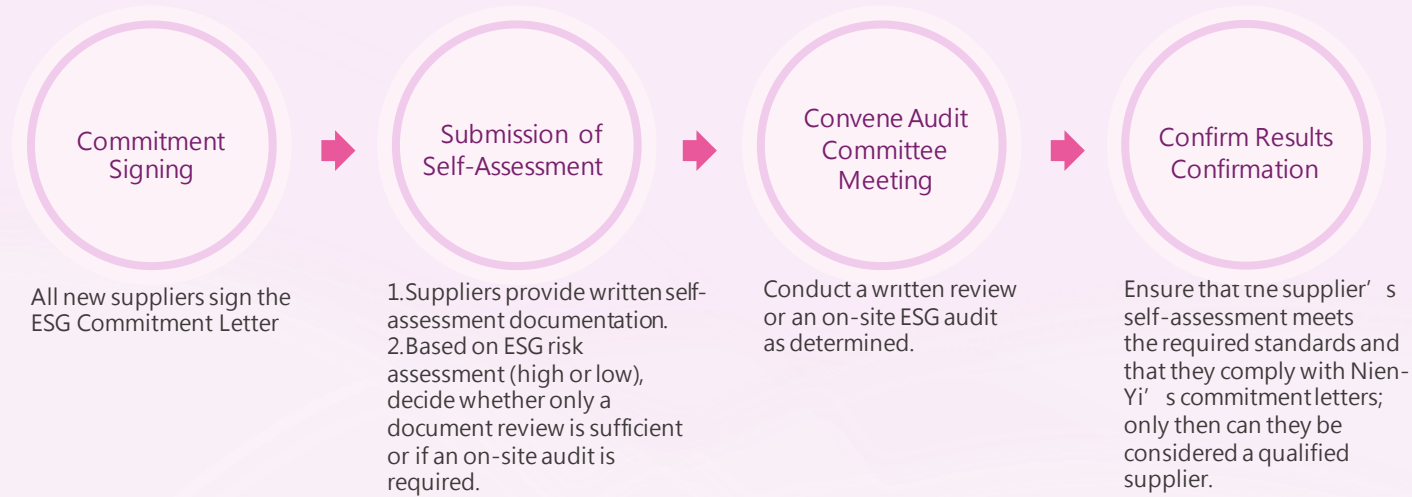
The Tier 1 supplier facilities underwent an RBA assessment, achieving a score of 169.2, with an overall rating of Silver.

【Supplier ESG Management and Annual Audits】

New Supplier Selection

When selecting new suppliers, Nien Yi Procurement follows the Supplier and Contractor Management Procedure and reviews suppliers against the relevant requirements of ISO 14001, ISO 45001, and SA8000. Suppliers and contractors with good performance are selected, while those with unsatisfactory performance are eliminated. This approach encourages all suppliers to take measures to improve their environmental, occupational health and safety, and social responsibility performance, while ensuring that they impose equivalent social responsibility requirements on their own suppliers. Before becoming qualified suppliers, all new suppliers are required to sign the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties and complete the ISO 14001 Interested Party Environmental Conditions Questionnaire, ISO 45001 Interested Party Occupational Health and Safety Conditions Questionnaire, and SA8000 Interested Party Social Responsibility Conditions Questionnaire for evaluation. Suppliers must commit to complying with applicable local laws and regulations, as well as the requirements of the ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and SA8000 Social Responsibility Management System. High-risk suppliers are also required to undergo on-site assessments. In 2025, Taicang added 2 new suppliers, Zhuhai added 12 new suppliers, the Vietnam Plant added 4 new suppliers, and Leap Optical added 1 new supplier. The signing and document return rate for all new suppliers was 100%.

New Supplier ESG Management and Assessment Flowchart

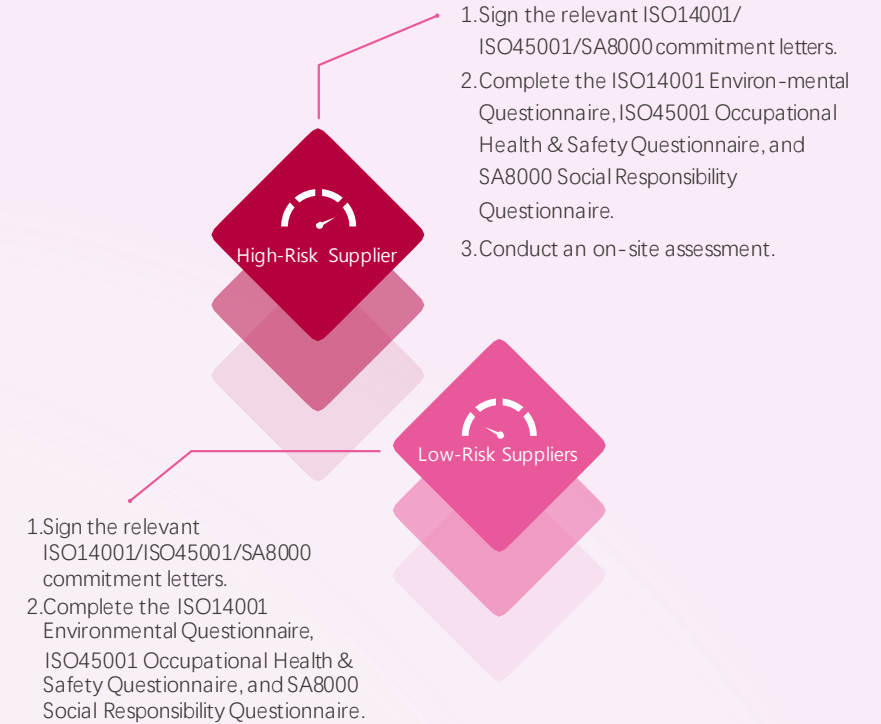


【SA8000 Supplier Social Responsibility Questionnaire】 11 inspection items

DISTRIBUTION OF 11 INSPECTION ITEMS

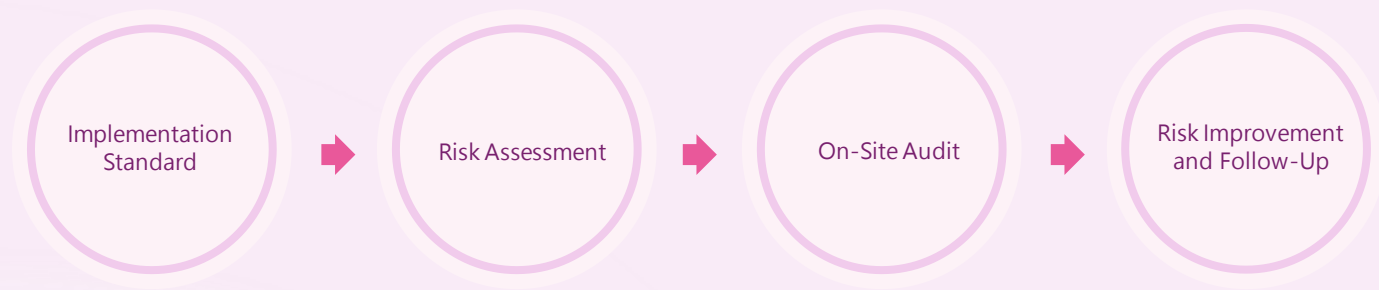


New Supplier ESG Risk Assessment Requirements



Note: Based on the SA8000 Supplier Social Responsibility Questionnaire, a composite score >85% indicates low risk; 70%–85% indicates high risk.

Supplier Regular Management



In accordance with the "Supplier and Subcontractor Management Procedures", major raw material suppliers are required to complete and return the SA8000 Social Responsibility Questionnaire.

Suppliers are evaluated as high- or low-risk based on the Supplier and Subcontractor Management Procedures.

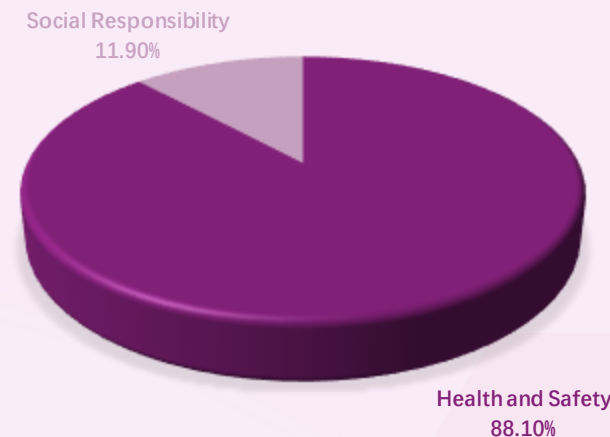
Considering the Top 10 suppliers by transaction value and their risk levels, an audit plan is established and on-site audits are conducted.

Corrective and preventive actions are implemented and monitored according to NYP4901: Non-Conformance Investigation and Corrective/Preventive Action Procedure.

According to Nien Yi's Supplier and Contractor Management Procedure, in 2025, 100% of new suppliers of major raw materials completed and returned the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties, the ISO 14001 Interested Party Environmental Conditions Questionnaire, the ISO 45001 Interested Party Occupational Health and Safety Conditions Questionnaire, and the SA8000 Interested Party Social Responsibility Conditions Questionnaire.

In addition, suppliers ranking among the Top 10 by Group procurement value and suppliers with relatively high risk levels were required to undergo on-site audits in addition to completing the above documents. A total of 16 suppliers underwent on-site audits, including 1 in Leap Optical 6 in Zhuhai, 5 in Taicang, and 4 in Vietnam. During the year, on-site audits were conducted based on the 11 inspection items specified in the SA8000 Interested Party Social Responsibility Conditions Questionnaire. A total of 42 Corrective and Preventive Action Requests (CAPAs) were issued. Of these, 37 cases (88.10%) were related to environmental, health and safety (EHS), while 5 cases (11.90%) were related to social responsibility. All suppliers completed corrective actions within the prescribed timeframe. The Quality Assurance Department verified the effectiveness of the improvements, and all cases were subsequently closed. Going forward, Nien Yi will continue to strengthen audits related to environmental, health and safety (EHS). Where nonconformities are identified, suppliers are required to implement continuous improvement measures. Depending on the severity of the nonconformities, Nien Yi may reduce procurement volumes or, in serious cases, terminate the business relationship. In 2025, no qualified supplier had its business relationship terminated.

PROPORTION OF AUDIT FINDINGS



【Sustainable Procurement and Supply Chain ESG Management】

The major raw materials required for Nien Yi Group's production include copper materials, plastics, electronic materials, and connectors. Both copper materials and plastics have the potential for recycling and reuse. Nien Yi has established an internal recycling and reuse mechanism for plastic sprue materials, thereby putting the principles of resource circularity into practice.

To further strengthen sustainable supply chain management, Nien Yi has systematically integrated ESG principles into its procurement policy and the full life-cycle management process for suppliers. In supplier selection and partnership evaluations, in addition to traditional business performance indicators such as quality, cost, delivery, and technical capabilities, the Group also incorporates non-financial performance dimensions including environmental protection, occupational health and safety, labor and human rights, business ethics, and regulatory compliance, with the aim of building a responsible and low-carbon sustainable supply chain.

To actively promote sustainable raw material management, Nien-Yi Group is committed to adopting a life-cycle approach to mitigate the environmental and social impacts associated with raw materials throughout their various stages, from extraction, production, and transportation to use. At the same time, the Group will work closely with supply chain partners to promote resource recycling initiatives and strive to build a resilient and sustainable raw material value chain.

Specific commitments are as follows:

1. Life-Cycle Management:

Incorporate environmental and social impact assessments throughout the entire life cycle of raw materials, prioritizing the selection of low-carbon, renewable, and recyclable materials.

2. Promoting Resource Circularity:

Continuously expand the procurement and application of recycled raw materials and increase the proportion of recycled materials within the supply chain.

3. Supply Chain Collaboration:

Encourage upstream and downstream suppliers to implement energy conservation and carbon reduction, pollution prevention and control, and resource circularity, jointly reducing the environmental footprint associated with raw materials.

4. Building Supply Chain Resilience:

Strengthen the long-term resilience of the supply chain in responding to resource and environmental challenges through sustainable procurement, supplier capability development, and risk management and control.

Nien-Yi Group will continue to review and optimize this policy to ensure that its sustainable raw material management objectives are effectively implemented.

Looking ahead, the Group will take two key measures. First, it will organize specialized sustainable procurement training for personnel in procurement, engineering, and other relevant functions to enhance awareness and capabilities regarding sustainable procurement. Second, it will gradually expand the procurement and application of recycled raw materials, while extending ESG management requirements to more suppliers and contractors, thereby comprehensively strengthening the sustainability and resilience of the supply chain.

【Critical Materials】 (TC-ES-440a.1)

Critical materials are materials that are essential to production operations and may be subject to potential supply shortage risks. Nien-Yi Group has identified copper materials, plastics, electronic materials, and connectors as critical materials within the scope of its critical materials management.

To strengthen supply chain resilience, the Group requires at least two qualified suppliers for each critical material to reduce the risk of dependence on a single source of supply. Nien Yi actively promotes supplier diversification, the development and introduction of alternative materials, and the establishment of comprehensive warehouse and inventory management systems. The Group also implements storage controls to ensure the quality and inventory levels of stored materials, mitigate the risk of supply disruptions, and strengthen sustainable supply chain management.

【Green and ESG Procurement Policy】

Nien Yi actively incorporates green and energy-efficient principles into its procurement strategies. In daily operations and equipment procurement, the Company gives priority to products that carry environmental labels, energy-efficiency labels, or comply with international low-energy-consumption standards, thereby reducing energy consumption at source.

Purchased materials must comply with the requirements of the Nien Yi Prohibited Substances Non-Use Guarantee, including applicable requirements such as RoHS, REACH, California Proposition 65 (Prop 65), SONY SS-00259, and the prohibition of red phosphorus and yellow phosphorus flame retardants. Energy conservation and environmental protection considerations throughout the various stages of the material life cycle, including recycling and reuse, are also taken into account. Nien Yi works together with suppliers to fulfill their environmental protection, energy conservation, and emissions reduction responsibilities. Preference is given to locally produced products and environmentally responsible suppliers to promote the development of a green supply chain.

【Conflict Minerals Procurement Policy】

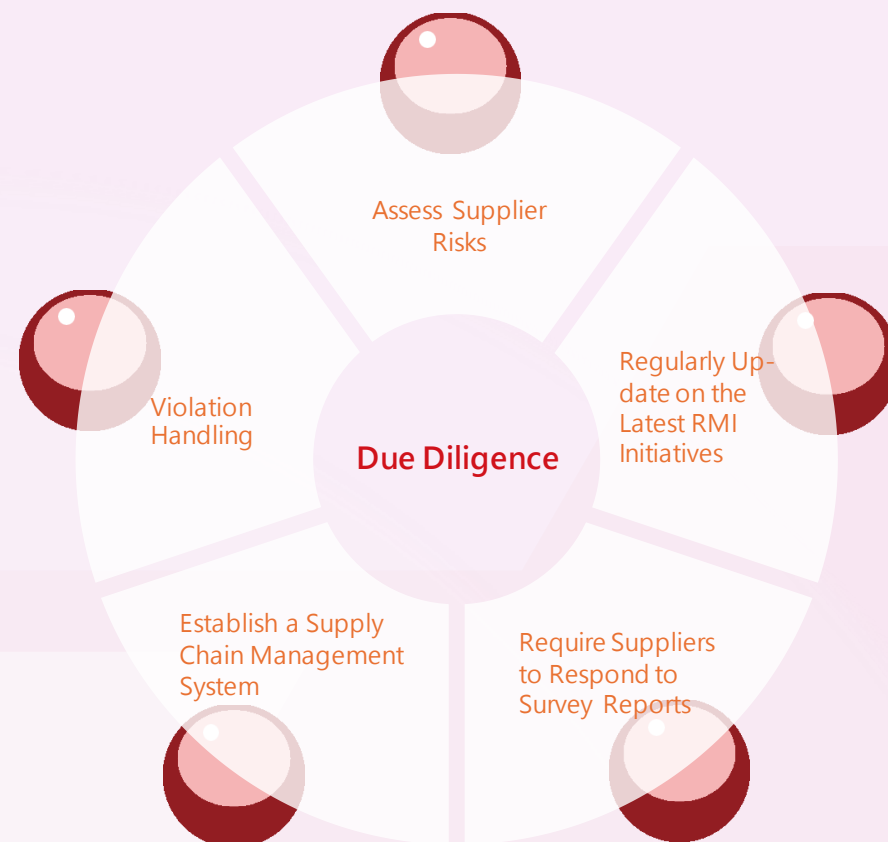
Based on the principle of respecting and protecting human rights, Nien Yi recognizes that its products contain metals such as gold, nickel, and tin. If these minerals are sourced from conflict-affected areas, they may expose Nien Yi to reputational risks. Therefore, Nien Yi places strong emphasis on responsible mineral sourcing and follows the guiding principles of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The Group has also established the internal Conflict Minerals Control Procedure to implement a responsible mineral sourcing due diligence framework.

In addition to communicating the prohibition of the use of conflict minerals, Nien Yi conducts due diligence to identify and assess whether the raw materials and components provided by suppliers contain conflict minerals. Raw material suppliers are required to sign a Conflict Minerals Non-Use Declaration, confirming that the tantalum (Ta), tin (Sn), tungsten (W), gold (Au), cobalt, mica, copper, natural graphite, lithium, and nickel contained in their products are sourced from qualified smelters and refiners listed on the official website of the Responsible Minerals Initiative (RMI). Suppliers are likewise required to comply with the prohibition on the use of conflict minerals as a prerequisite for qualification as approved suppliers.

Nien Yi adopts the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) developed by the Responsible Minerals Initiative (RMI) to conduct due diligence on conflict minerals, including tin, tungsten, tantalum, gold, cobalt, mica, copper, natural graphite, lithium, and nickel, thereby ensuring that the mineral raw materials used in its products are sourced from smelters, refiners, or countries recognized by the RMI.

In accordance with the Conflict Minerals Control Procedure, in 2025, 100% of Nien Yi's raw material suppliers signed the Nien Yi Conflict Minerals Procurement Policy and the Conflict Minerals Non-Use Declaration, and completed the CMRT (Conflict Minerals Reporting Template) and EMRT (Extended Minerals Reporting Template). 100% of Nien Yi's suppliers reported the use of smelters recognized by the RMI, helping ensure that Nien Yi does not directly or indirectly use or contribute to the financing of metals and minerals associated with armed conflict, human rights abuses, or illegal mining.

Conflict Minerals Management System



2. Contractor Management

Nien Yi Group's contractors include security services, cleaning services, catering services, engineering contractors, and other service providers. All contractors entering Nien Yi's facilities are required to undergo the Company's site-entry safety training to ensure their safety and protect their legitimate rights and interests.

Nien Yi requires suppliers and contractors to commit to strictly complying with the Company's ESG requirements, including ethical business conduct. During the course of normal business transactions with Nien Yi, suppliers and contractors shall not, for the purpose of facilitating business dealings, make any commitments, demands, promises, or arrangements involving bribery or the provision of any other improper benefits to Nien Yi employees or their related parties. They shall also not induce, lobby, or offer improper benefits to Nien Yi employees to act in violation of their duties or their fiduciary obligations to the Company.

Nien-Yi Group currently has 13 active contractors, of which 6 have signed the ISO 14001/ISO 45001/SA8000 Commitment Letter for Interested Parties, representing a 46% signing rate. Going forward, the Group will continue to promote the completion of the commitment letter signing process by the remaining contractors, thereby comprehensively implementing environmental, occupational health and safety, and social responsibility management requirements.

Catering Service Personnel Management

In accordance with the Canteen Hygiene Management Procedure, catering personnel are subject to systematic management measures. First, the Group ensures qualification compliance by requiring personnel to work with valid food service permits and health certificates. Second, training and process controls are strengthened through food safety training and strict implementation of environmental maintenance and food sample retention procedures. Third, a routine supervision mechanism is established to continuously inspect food ingredients and food processing procedures, thereby comprehensively ensuring food safety.

Security Personnel Management

In accordance with the Security Management Operating Procedure, security personnel are subject to standardized management. The measures include:

1. Strictly observing discipline and job responsibilities and performing duties in accordance with established requirements.
2. Strictly controlling the entry and exit of personnel and vehicles to ensure traceability.
3. Conducting regular patrols of key areas throughout the facilities and maintaining records.
4. Immediately reporting emergencies and assisting with emergency response and handling to comprehensively safeguard facility security.

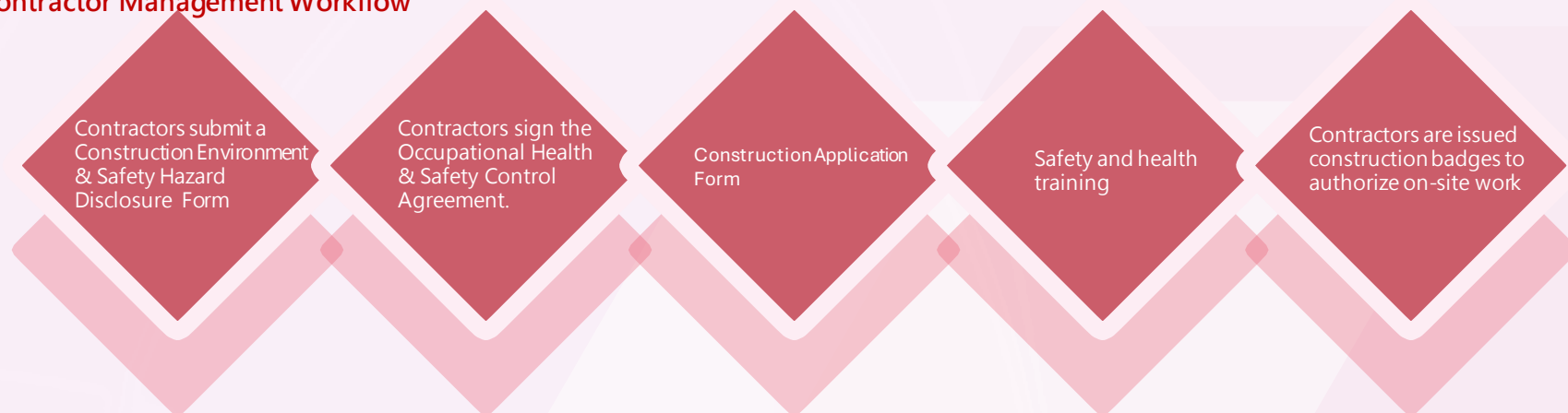
Cleaning Personnel Management

Cleaning personnel are required to undergo pre-job safety training, with particular emphasis on the proper use of cleaning agents, dilution ratios, and prohibited operating practices. Mixing different cleaning agents is strictly prohibited. The Group also strengthens warning procedures for wet and slippery work areas and conducts daily area inspections to ensure continuous quality and safety monitoring.

Engineering Contractor Management

In accordance with the Contractor Management Operating Procedure, engineering contractors are managed through a controlled process. Contractors are first required to complete the Contractor Construction Environment and Safety Hazard Notification Form, followed by the Contractor Environmental, Health and Safety (EHS) Control Agreement and the Construction Application Form. Contractors must then receive occupational health and safety training and wear a valid construction permit before entering the facility to carry out construction activities.

Contractor Management Workflow



In summary, when implementing supply chain management, Nien Yi considers not only efficiency and cost, but also the performance of its business partners across environmental, social, and governance (ESG) dimensions. Through regular assessments, the Group continuously monitors suppliers' operational status and enhances mutual sustainability capabilities. Nien Yi also encourages suppliers to integrate ESG principles into their corporate management and operations. These efforts strengthen the overall supply chain's ability to withstand and respond to unexpected incidents, enabling Nien Yi to continuously provide professional services to customers and ensuring supply chain resilience.

Chapter 6 Appendix

- Appendix I: GRI Sustainability Reporting Standards
- Appendix II : Climate-Related Financial Disclosures (TCFD) Cross-Reference Table
- Appendix III: SASB Electronics Manufacturing Services & Original Design Manufacturing Cross-Reference Table
- Appendix IV: SASB Activity Metrics
- Appendix V: Third-Party Independent Verification Report

06 Appendix

Appendix I: GRI Sustainability Reporting Standards

Statement of use		Nien-Yi has reported the information cited in this GRI content index for the period from January 1, 2025 to December 31, 2025 with reference to the GRI Standards.								
GRI 1 Use		GRI 1: Foundation 2021								
Applicable GRI Sector Standards		None								
GRI Standards / Source		Disclosure of GRI Standards		Chapter		Page No.		Note		
								Om it	Reason	Explanation
General Disclosures										
GRI 2 : General Disclosures 2021	2-1 Organizational details			About the Report , Chapter 2		5 , 34				
	2-2 Entities included in the organization’ s sustainability reporting			About the Report ,Chapter 1		5 , 26				
	2-3 Reporting period, frequency and contact point			About the Report		5 , 6				
	2-4 Restatements of information			About the Report		6				
	2-5 External assurance			About the Report		5				
	2-6 Activities, value chain and other business relationships			About the Report		5 , 26 , 39				
	2-7 Employees			Chapter 2Chapter 4		34 , 91				
	2-8 Workers who are not employees			Chapter 2Chapter 4		34 , 98				
	2-9 Governance structure and composition			Chapter 1Chapter 2		11 , 35 , 45				
	2-10 Nomination and selection of the highest governance body			Chapter 2		45				
	2-11 Chair of the highest governance body			Chapter 1		10				
	2-12 Role of the highest governance body in overseeing the management of impacts			Chapter 1		12				
	2-13 Delegation of responsibility for managing impacts			Chapter 1		12				
	2-14 Role of the highest governance body in sustainability reporting			Chapter 1		12				
	2-15 Conflicts of interest			Chapter 2		45 , 47				

GRI Standards / Source	Disclosure of GRI Standards Chapter	Page No.	Note			
			Om it	Reason	Explanation	
General Disclosures						
GRI 2 : General Disclosures 2021	2-16 Communication of critical concerns	About the Report Chapter 2	6 , 12		No ESG related complaints were received from stakeholders during the reporting period.	
	2-17 Collective knowledge of the highest governance body	Chapter 2	45			
	2-18 Evaluation of the performance of the highest governance body	Chapter 1	12			
	2-19 Remuneration policies	NA	NA	V	NA	As a non-publicly listed company, the Company considers compensation information for directors and senior management to be confidential internal information. Due to considerations of commercial confidentiality and personal privacy, detailed information on individual compensation policies is not disclosed in this Report. The Company has established relevant compensation management systems, under which the Board of Directors or authorized management personnel review and approve compensation based on responsibilities, performance, and market benchmarks.
	2-20 Process to determine remuneration	NA	NA	V	NA	The Company's compensation determination process is an internal management mechanism. Due to considerations of commercial sensitivity and information confidentiality, the relevant details are not disclosed in this Report.
	2-21 Annual total compensation ratio	NA	NA	V	NA	As a non-publicly listed company, the Company has not disclosed the ratio between the total annual compensation of the highest-paid individual and the median annual total compensation of all employees, or changes in this ratio, due to considerations of individual privacy and corporate confidentiality.
	2-22 Statement on sustainable development strategy	Chapter 1	8			
	2-23 Policy commitments	Chapter 1	9			
	2-24 Embedding policy commitments	Chapter 1 Chapter 2	9			
	2-25 Processes to remediate negative impacts	Chapter 1 Chapter 2	24 , 47			
	2-26 Mechanisms for seeking advice and raising concerns	About the Report Chapter 2	6 , 47			
	2-27 Compliance with laws and regulations	Chapter 1	13			
	2-28 Membership associations	Chapter 2	41			
	2-29 Approach to stakeholder engagement	Chapter 1	14			
	2-30 Collective bargaining agreements	Chapter 4	87			

GRI Standards / Source	Disclosure of GRI Standards	Chapter	Page No.	Note		
				Om it	Reason	Explanation
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter 1	13			
	3-2 List of material topics	Chapter 1	25			
GRI 201: Economic Performance 2016						
	3-3 Management of material topics	Chapter 1 Chapter 2	14 , 33			
GRI 3: Material Topics 2021	201-1 Direct economic value generated and distributed	Chapter 2	38			
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 3	59 , 71			
	201-3 Defined benefit plan obligations and other retirement plans	Chapter 4	98			
GRI 205: Anti-corruption 2016						
	3-3 Management of material topics	Chapter 1 Chapter 2	14 , 33			
GRI 3: Material Topics 2021	205-1 Operations assessed for risks related to corruption	Chapter 2	46			
	205-2 Communication and training on anti-corruption policies and procedures	Chapter 2	47			
	205-3 Confirmed incidents of corruption and actions taken	Chapter 2	47			No relevant incidents occurred in 2025.
GRI 206: Anti-competitive Behavior 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 2	14 , 33			
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Chapter 2	46			

GRI Standards / Source		Disclosure of GRI Standards	Chapter	Page No.	Note		
					Om it	Reason	Explanation
GRI 103: Energy 2025							
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1,Chapter 3	14 , 50				
	103-1 Energy policies and commitments	Chapter 3	67				
	103-2 Energy consumption and self-generation within the organization	Chapter 3	67				
	103-4 Energy intensity	Chapter 3	70				
	103-5 Reduction in energy consumption	Chapter 3	71				
GRI 303: Water and Effluents 2018							
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1,Chapter 3	14 , 50				
	303-1 Interactions with water as a shared resource	Chapter 3	75				
	303-2 Management of water discharge-related impacts	Chapter 3	77				
	303-3 Water withdrawal	Chapter 3	75				
	303-4 Water discharge	Chapter 3	77				
	303-5 Water consumption	Chapter 3	77				
GRI 101: Biodiversity 2024							
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1,Chapter 3	14 , 50				
	101-1 Policies to halt and reverse biodiversity loss	Chapter 3	78				
	101-2 Management of biodiversity impacts	Chapter 3	79				
	101-3 Access and benefit-sharing	--	--	Not applicable. The Company does not conduct research and development involving genetic resources.			
	101-4 Identification of biodiversity impacts	Chapter 3	79				
	101-5 Locations with biodiversity impacts	Chapter 3	83				
	101-6 Direct drivers of biodiversity loss	Chapter 3	82				
	101-7 Changes to the state of biodiversity	Chapter 3	82				
	101-8 Ecosystem services	Chapter 3	83				

GRI Standards / Source	Disclosure of GRI Standards	Chapter	Page No.	Note		
				Om it	Reason	Explanation
GRI 102: Climate Change 2025						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 3	14 , 50			
	102-1 Transition plan for climate change mitigation	Chapter 3	51			
	102-2 Climate change adaptation plan	Chapter 3	51			
	102-3 Just transition	Chapter 3 Chapter 4	51 , 98			
	102-4 GHG emissions reduction targets and progress	Chapter 3	60			
	102-5 Scope 1 GHG emissions	Chapter 3	63			
	102-6 Scope 2 GHG emissions	Chapter 3	63			
	102-7 Scope 3 GHG emissions	Chapter 3	63			
	102-8 GHG emissions intensity	Chapter 3	66			
	102-9 GHG removals in the value chain	--	--			No relevant carbon removal activities.
	102-10 Carbon credits	--	--			No relevant carbon credits.
GRI 306: Waste 2020						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 3	14 , 50			
	306-1 Waste generation and significant waste-related impacts	Chapter 3	73			
	306-2 Management of significant waste-related impacts	Chapter 3	72			
	306-3 Waste generated	Chapter 3	72 , 73			
	306-4 Waste diverted from disposal	Chapter 3	73			

GRI Standards / Source	Disclosure of GRI Standards	Chapter	Page No.	Note		
				Om it	Reason	Explanation
GRI 401: Employment 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 4	14 , 86			
	401-1 New employee hires and employee turnover	Chapter 4	92 , 93			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 4	94			
	401-3 Parental leave	Chapter 4	98			
GRI 403: Occupational Safety and Health 2018						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 4	14 , 86			
	403-1 Occupational health and safety management system	Chapter 4	98			
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 4	99 , 100			
	403-3 Occupational health services	Chapter 4	101			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 4	99			
	403-5 Worker training on occupational health and safety	Chapter 4	100			
	403-6 Promotion of worker health	Chapter 4	101			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 4	100			
	403-8 Workers covered by an occupational health and safety management system	Chapter 4	98			
	403-9 Work-related injuries	Chapter 4	102			
	403-10 Work-related ill health	Chapter 4	102			

GRI Standards / Source	Disclosure of GRI Standards	Chapter	Page No.	Note		
				Om it	Reason	Explanation
GRI 406 : Non-discrimination 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 4	14 , 86			
	406-1 Incidents of discrimination and corrective actions taken	Chapter 4	89			
GRI 414: Supplier Social Assessment 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 5	14 , 107			
	414-1 New suppliers that were screened using social criteria	Chapter 5	108			
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 5	110			
GRI 418: Customer Privacy 2016						
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 1 Chapter 4	14 , 86			
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 4	105			

Appendix II – Climate-Related Financial Disclosures (TCFD) Cross-Reference Table

No.	TCFD Recommended Disclosure	Chapter	Page No.
Governance			
TCFD 1(a)	Board oversight of climate-related risks and opportunities	Chapter 3.1	52
TCFD 1(b)	Management' s role in assessing and managing climate-related risks and opportunities	Chapter 3.1	52
Strategy			
TCFD 2(a)	Identified short-, medium-, and long-term climate-related risks and opportunities	Chapter 3.1	54--57
TCFD 2(b)	Climate-related risks and opportunities' impact on the organization' s business, strategy, and financial planning	Chapter 3.1	58
TCFD 2(c)	Organization' s strategic resilience considering different climate-related scenarios (including 2° Corollary severe scenarios)	Chapter 3.1	59
Risk Management			
TCFD 3(a)	Processes for identifying and assessing climate-related risks	Chapter 3.1	53
TCFD 3(b)	Processes for managing climate-related risks	Chapter 3.1	53
TCFD 3(c)	Integration of climate-related risk identification, assessment, and management into the organization' s overall risk management	Chapter 3.1	52
Metrics and Targets			
TCFD 4(a)	Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Chapter 3.1	60--61
TCFD 4(b)	Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and related risks	Chapter 3.1	63--65
TCFD 4(c)	Targets used to manage climate-related risks and opportunities, and performance in achieving those targets	Chapter 3.1	60--61

Appendix III – SASB Electronics Manufacturing Services & Original Design Manufacturing Cross-Reference Table

Topic	Standard Code	Disclosure Item	Chapter	Page No.
Water Management	TC-ES-140a.1	(1) Total water withdrawal, percentage in areas with high or extremely high baseline water stress; (2) Total water consumption, percentage in areas with high or extremely high baseline water stress	Chapter 3.4	75
Waste Management	TC-ES-150a.1	(1) Hazardous waste generated in manufacturing; (2) Recycling rate	Chapter 3.3	73
Labor Practices	TC-ES-310a.1	(1) Number of work stoppages; (2) Total idle days	Chapter 4.1	98
Labor Conditions, Health and Safety	TC-ES-320a.1	(a) Direct employees and (b) contract employees: (1) Total Recordable Incident Rate (TRIR); (2) Near-miss Frequency Rate (NMFR)	Chapter 4.1	100
	TC-ES-320a.2	(1) Company sites; (2) Tier 1 supplier sites audited under RBA Validated Audit Process (VAP) or equivalent, by (a) all sites and (b) high-risk sites	Chapter 5.1	108
	TC-ES-320a.3	(a) Priority nonconformances and (b) other nonconformances: (1) Nonconformance rate under RBA VAP or equivalent; (2) Corrective action rate, by (i) company sites and (ii) Tier 1 supplier sites	Chapter 5.1	108
	TC-ES-410a.1	Weight of end-of-life products and e-waste recycled; recycling percentage	No recycling or reuse is conducted; the recycling and reuse rate is 0%.	123
Materials Sourcing	TC-ES-440a.1	Description of risk management related to critical materials	Chapter 5.1	111

Appendix IV: SASB Activity Metrics

Topic	Standard Code	Disclosure Item	Content	Corresponding Section	Page No.
Number of Manufacturing Sites	TC-ES-000.A	Nien-Yi Group’ s manufacturing sites include the Taicang Plant, Zhuhai Plant, Bac Ninh Plant, and Leap Optical Plant.	Nien-Yi Group Manufacturing Sites consist of four units: Taicang Plant, Zhuhai Plant, Bac Ninh Plant, and Leap Optical Plant.	Chapter 2.1	34
Manufacturing Site Area	TC-ES-000.B	Disclosure of Manufacturing Site Areas (Taicang Plant, Zhuhai Plant, Bac Ninh Plant, Leap Optical Plant)	Manufacturing Site Areas (unit: square meters, (m²) Taicang Plant: 72,000 m² Zhuhai Plant: 36,000 m² Bac Ninh Plant No. 1 : 12,600 m² Bac Ninh Plant No. 2: 23,000 m² Leap Optical Plant:1,000 m²	Chapter 3.5	82
Number of Employees	TC-ES-000.C	Disclosure of Headcount by Location: Nei hu, Zhubei, Leap Optical , Taicang/C-Lubic, Zhuhai Plant, Bac Ninh Plant	Headcount by Location: Taiwan Facilities (including Nei hu, Zhubei, and Leap Optical): 57 employees Taicang Plant / L-Cubic: 240 employees Zhuhai Plant: 616 employees Bac Ninh Plant: 671 employees	Chapter 4.1	91

Appendix V: Third-Party Independent Verification Report



Independent Assurance Statement

To the Management and Stakeholders of Nienyi Industrial Corp.

DQS has been engaged by Nienyi Industrial Corp. ("Nienyi") to provide independent assurance over the Sustainability Report 2025. The engagement took place in Jun. 2026.

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance and standards

The assurance encompassed the entire sustainability report and focused on all figures, statements and claims related to sustainability during the reporting period from January 2025 to December 2025.

The assurance engagement was performed with reference to the AA1000 Assurance Standard (AA1000 AS v3) and GRI Standards 2021 of Global sustainability standard board (GSSB), which consists of:

- Evaluating Nienyi's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000 AP 2018).
- Evaluating the quality of the reported sustainability performance information – Economy, Environment and People (including Human Rights), the period from 1 January 2025 to 31 December 2025.
- The scope of assurance is consistent with the scope of disclosure in Nienyi Group related to Nienyi Industrial Corp./Nienyi Vietnam Industrial Co., Ltd./ Taicang Nienyi Technology Electronics Co., Ltd. (including L-Cubic Electronics Technology Co., Ltd./ Nienyi Technology (Zhuhai) Co., Ltd./LEAP Optical Technology Corp. Reference to the requirements of GRI Standards 2021.
- Nienyi is responsible for the issuance, response, performance data, case studies and the information related to management sustainability related data and information systems.
- The report is with reference to the requirements of GRI Standards 2021 and Sustainability Accounting Standards Board (SASB) Electronic Manufacturing Services & Original Design Manufacturing sector and Task Force on Climate-related Financial Disclosures (TCFD).

Level of assurance

A Type 1 Moderate Level of assurance under AA1000AS v3 was provided. Information and performance data subject to assurance is limited to the scope described above.



Limitations

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

The assurance engagement is not a compliance audit and does not assess or evaluate compliance with applicable laws and regulations.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report or have they been associated with Nienyi sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com.

The management of Nienyi was responsible for the preparation of the sustainability data.

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000 AS and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.
3. Carrying out interviews with key functional managers and data owners at Nienyi office in No. 89, Beijing Rd., Taicang Economy Development Area Jiangsu Province, China.
4. Assessing the collected information and providing recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity – People should have a say in the decisions that impact them

Nienyi has effectively identified its key stakeholders using the AA1000SES framework and has gathered and analyzed relevant sustainability topics. The report successfully highlights the primary concerns of these stakeholders, presenting them as material impacts.



Materiality – Decision makers should identify and be clear about the sustainability topics that matter

The sustainability data included in the scope of the assurance engagement consists of sustainability performance indicators for sustainability topics that are considered material, through a materiality assessment. For future reports, Nienyi should enhance both the depth and scope of its supply chain due diligence and oversight. Greater emphasis should be placed on outlining specific implementation measures and detailing the outcomes of its due diligence efforts.

Responsiveness – Organizations should act transparently on material sustainability topics and their related impacts

Nienyi is responding to those issues that it has identified as material and demonstrates this in ESG performance indicators. Including more medium- to long-term, measurable, and quantitative objectives in the next report was recommended for improvement.

Impact – Organizations should monitor, measure and be accountable for how their actions affect their broader ecosystems

Nienyi has established systems to track and evaluate its economic, environmental, and social impacts, including aspects related to human rights. These efforts are guided by selected performance indicators aligned with GRI standards and include reporting on relevant ecological impacts.

Conclusion

On the basis of AA1000AS v3 type 1 moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the disclosures within the scope of this assurance engagement are materially misstated. The processes for collecting and consolidating the data are structured in such a way as to enable independent verification.

On behalf of the assurance team

June 21, 2026

Taiwan

Bob Chen

Managing Director
DQS Taiwan Inc.

