FLYTECH

FLYTECH TECHNOLOGY CO., LTD.

2024

ESG Report

40th Anniversary

contents

Overview

About the ESG Report

Flytech Technology Co., Ltd. (hereinafter referred to as “Flytech” or “the Company”) issued its 6th ESG Sustainability Report, which demonstrates the Company’s ongoing efforts and performance in fulfilling corporate social responsibility. This report addresses the expectations and concerns of stakeholders, aiming to foster mutual understanding and establish long-term partnerships with customers and the broader community. Through open communication and collaborative engagement, Flytech is committed to promoting sustainable development and building an inclusive society for a better future.

Reported Period and Scope

The reported period of this report covered from January 1, 2024, to December 31, 2024, and highlights the company's practices and performance in corporate governance, corporate commitment, environmental protection, and Community Relations, as well as in response to stakeholders’ concerns. The report primarily focuses on Flytech Technology Co., Ltd. in Taiwan, and includes partial information disclosure regarding its subsidiary, Box Technologies Ltd. For additional disclosures, please refer to the “2-3 List of Material Issues, Scope and Value Chains” chapter.

Report principles and verification

This report was prepared and compiled by the company's ESG Committee and published upon approval by the Board of Directors. Its content has been developed in accordance with the 2021 GRI Standards and with reference to the SASB guidelines, TCFD recommendations, and the United Nations Sustainable Development Goals. The report took into account the results of stakeholder engagement and potential impacts on the company and identified major issues related to the value chain. It disclosed the company's strategies, principles, measures, and performance. The financial data disclosed in this report is derived from the financial statements audited and certified by independent accountants. The company compiles other information and data internally, while the performance indicators related to environmental, health, and safety are calculated based on internationally recognized methodologies. Any estimates, assumptions, or recompiled information made would be clearly indicated in the relevant chapters.

To ensure the quality of the report, we have commissioned an independent third-party verification agency, AFNOR, to conduct an external verification of the report according to the AA1000 V3 assurance standard 2018 Appendix Type 1 Moderate Level of Assurance.

Report Release Date

To promote environmental sustainability, this report is published in electronic format on the Company’s website.

- Prior edition: Issued June 2024
- Current edition: Issued June 2025
- Next edition: Scheduled to be released in June 2026

Sustainability Reports from Previous Years >

Contact Information

If there are any opinions or suggestions on this report, please feel free to contact us as follows:

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Letter from the Chairman

In 2024, Flytech celebrated its 40th anniversary, marking both a significant milestone and the start of a new phase in the Group' s transformation. At Computex Taipei, the company presented a fresh direction—moving beyond traditional hardware displays to introduce its latest AI application technologies to a global audience. With the theme "Bringing AI Innovation to Convenience," Flytech demonstrated how AI is making everyday life smarter and more convenient. By leveraging the software and artificial intelligence (AI) technologies of its subsidiaries, Flytech integrates its expertise in hardware development and manufacturing to deliver advanced, end-to-end intelligent solutions for its customers. In this year' s sustainability report, we also clearly outline our short, medium, and long-term sustainability commitments and plans, along with a summary of our progress and target tracking.

Steady Management, Continuous Sustainability

The consolidated revenue for 2024 reached NT$4.6 billion, while the parent company's net profit after tax soared to NT$1 billion. Gross profit hit a new record high of NT$2 billion, the highest since 2022. This highlights the effectiveness of recent strategic adjustments focused on deepening hardware and software integration and advancing field-specific applications.

In sustainability efforts, Flytech proactively participated in the S&P Global Corporate Sustainability Assessment (CSA) for the first time. In 2024, the company' s scores of CSA across all indicators surpassed the industry average, demonstrating Flytech' s commitment to advancing and deepening sustainable development. In terms of external recognition, the company ranked in the top 21–35% of all listed companies on the Taiwan Stock Exchange (TWSE) in the 2024 corporate governance evaluations. Additionally, Flytech was awarded 13th place in the Medium Enterprise Group of the CommonWealth Magazine 2024 Top Corporate Citizens Award. This marks the fourth consecutive year the company has received this recognition, highlighting its outstanding governance capabilities and commitment to social responsibility.

Speeding Up Delivery and Sustainable Supply Chain

To continuously optimize our customer delivery times, we have shortened lead times by implementing a planned materials preparation model for key customer models. Additionally, we have reduced inventory risks through modular product design. In the 2024 customer satisfaction survey, the score for delivery performance showed a slight improvement. In addition to our strong in-house design and manufacturing capabilities for high customization, we continue to drive product innovation and develop new products using AI-powered tools. In 2024, we launched the "AI SCO Self-Checkout Machine" and the "Smart Energy Saving Solution," making significant contributions to energy conservation and carbon reduction for our customers.

Flytech continues to strengthen sustainable supply chain management. In 2024, 84.11% of the company' s procurement spending was directed toward suppliers in Taiwan. The percentage of suppliers who signed the "Corporate Social Responsibility and Integrity Management Commitment" has steadily increased to 78.25%. New suppliers are evaluated not only on risks like pollution and occupational health and safety, but also include sustainability criteria, which make up 15% of the assessment. We are dedicated to collaborating with our supply partners to build a responsible and sustainable supply chain, working together to create a better future.

Low Carbon Management and Environmentally Friendly Approach

To achieve net-zero carbon emissions by 2050, we have been steadily implementing greenhouse gas management strategies. In 2024, we participated in the Carbon Disclosure Project (CDP) for the first time and received a B grade—the highest rating in the SME Climate category. This accomplishment reflects our strong commitment to

addressing climate change. For the third consecutive year, Flytech has achieved ISO 14064-1 organizational-level greenhouse gas verification, and our subsidiaries have started greenhouse gas inventories. In terms of energy conservation and carbon reduction, the Linkou factory has gradually replaced lighting on two floors with LED fixtures, while the Neihu headquarters has begun using renewable energy (zero-carbon green electricity). As a result, total greenhouse gas emissions for Scope 1 and Scope 2 have decreased by 11.02% compared to the 2021 baseline year, clearly demonstrating the effectiveness of our carbon management efforts.

Guided by our "Green Product Design Guidelines," we extend product lifespans through innovative modular design and reduce the number of structural components using a “less is more” approach. We have also begun replacing EPE cushioning materials with paper-based packaging and designing products that meet energy efficiency standards. Our goal is to build a "Safe, Environmentally Friendly, and Sustainable" enterprise.

Employee Care and Commitment to Charity

Flytech recognizes the importance of talent development. In 2024, the average training hours per employee increased by 31.4% compared to the previous year, reflecting the company’ s effective investment in education and training resources. We have implemented a digital learning platform, customized training programs, and flexible self-directed learning methods to promote the transformation of the company into a learning organization. In 2024, we successfully obtained the TTQS Talent Quality-management System certification for the second time.

The Flytech Foundation continues to support social charity initiatives and make a meaningful impact by leveraging Flytech’ s long-standing expertise in the industrial computing sector to actively cultivate future talent. For over nine years, the Flytech Career Camp has supported the development of 613 students, helping fresh graduates bridge the gap between school and the workforce. Design for Taiwan, which focuses on social innovation, uses design thinking to enhance young people's problem-solving skills and has successfully trained 652 students to date. In 2024, the foundation, in collaboration with Flytech employee charity clubs, organized seven charity events to support underprivileged groups and promote environmental conservation. Suppliers and former beneficiary students of the Foundation were also invited to participate, broadening the social impact.

In the face of global sustainability challenges, Flytech remains committed to its core vision of 'Strive for Excellence, Advance through Innovation.' Through the annual sustainability report, we disclose our performance and future goals and strengthen engagement with stakeholders to ensure our sustainability strategies evolve in step with the times.

Chairman

Flytech Value

Sustainability x Development

Flytech Technology keeps pursuing the corporate value of "Sustainable Innovation" to continuously find innovative ways to use in business and product development processes in order to deliver sustainability benefits across the enterprise and beyond.

Demand	Cooperation	Technology	Product	Marketing
Understand customer's needs to identify market trends.	Develop supply chain collaboration through strategic partnership.	Set smart manufacturing technologies to enhance the factory operations.	Transform product-oriented into solution-driven innovation.	Implement digital transformation into business operations and strategies.

Market & Application

HOSPITALITY
- Restaurant
- QSR
- Cinema
- Hotel & Resort
- Casino Gaming
- Pub & Club
- Stadium

RETAIL
- Convenience Store
- Grocery Store
- Unmanned Store
- Drugstore
- Fashion Retail
- Sports Betting
- Outlet Mall

HEALTHCARE
- Hospital Public Area
- Medical Cart
- Intelligent Ward
- Telemedicine
- Rehabilitation Equipment

INDUSTRIAL
- Warehousing & Logistics
- Production Management
- Factory Automation

Product & Solution

- POS Terminal
- Self-Service Kiosk
- Drive-Thru
- Kitchen Display System
- Panel PC
- Medical/Industrial Touch Computer
- Embedded Box PC
- Digital Signage
- AI Computing
- Unified Endpoint Management

Sustainability Key Performance and Awards

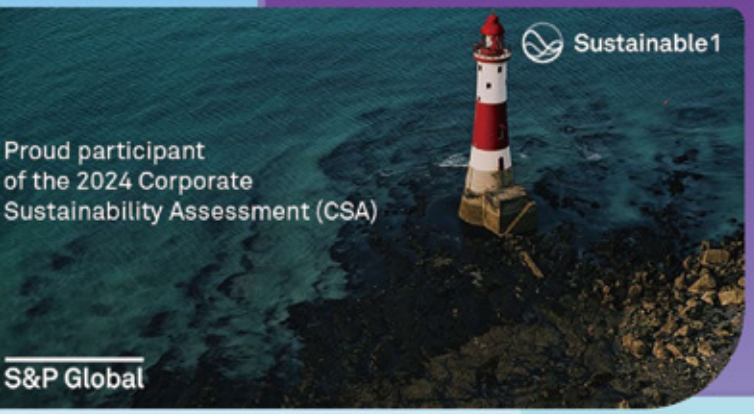
Economics

- A globally renowned benchmark in POS supply.
- Since its establishment in 1984, Flytech has maintained consistent profitability. In 2024, the company' s gross profit reached NT$2 billion, setting a new record high following its previous peak in 2022. Flytech remains committed to rewarding its shareholders, maintaining a dividend payout ratio exceeding 75% annually since 2013.

Governance

- We elected our first female board director in 2015 as part of our diversity policy.
- In the 2024 Corporate Governance Evaluation, the company ranked in the top 21% to 35% of all listed companies on the Taiwan Stock Exchange (TWSE).
- Achieved an honor in the first-ever application of the 2021 Excellence in Corporate Social Responsibility by CommonWealth Magazine, and ranked No. 13 in the Medium Enterprise Group in 2024.
- In 2024, participated in the S&P Global (CSA) evaluation for the first time, achieving above-industry-average scores across all three dimensions: governance, social, and environmental.
- In 2024, proactively participated in the international sustainability assessment, the Corporate Sustainability Assessment (CSA) by S&P Global.
  The Dow Jones Sustainability Index (DJSI) conducts an annual Corporate Sustainability Assessment (CSA) to evaluate companies' sustainability performance. The assessment covers three key dimensions: economic, environmental, and social (ESG), providing a comprehensive review of a company' s ability to operate sustainably.

  In 2024, Flytech voluntarily participated in the CSA to assess the comprehensiveness of its sustainability management against international standards. By benchmarking against top industry performers, the company aims to identify growth opportunities and achieve even better results. In 2024, Flytech' s scores in all assessment indicators exceeded the industry average, clearly demonstrating our efforts across ESG dimensions on the international stage.



Social

- No major penalties or safety and health regulations violations related to product safety, health regulations, or occupational safety laws from 2019 to 2024.
- As of the end of 2024, the proportion of female employees at Flytech was 45.7%, while female directors and supervisors accounted for 32% of the total.
- In 2024, the Flytech Foundation continued to host social charity activities for the eighth consecutive year, expanding its influence. Together with the Flytech Love Charity club, the foundation invested over NT$12.9 million in talent development and social welfare initiatives. Over 800 people participated in the activities, with seven regular charity events held throughout the year.
- In 2024, it was awarded the 'Common Health Magazine-CHR Corporate Health Responsibility Enterprise' title as one of the 'Health 99' companies.

Environmental

- No major penalties for violations of environmental protection regulations from 2019 to 2024.
- In 2024, compared to 2023, the carbon emissions per product were reduced by 23%, and the carbon emissions per thousand NT dollars in revenue decreased by 22.22%.
- Completed organizational greenhouse gas inventories for the years 2021 to 2023 in accordance with ISO 14064-1, as well as product carbon footprint assessments for three products in accordance with ISO 14067. All assessments were verified and certified by an independent third party.
- In 2024, the company participated for the first time in the international Carbon Disclosure Project (CDP) and scored an impressive result, earning a B grade (Management level), the highest rating in the global SME Climate category.

Verification

- The company has obtained management system certifications including ISO 9001, ISO 13485, ISO 14001, ISO 45001, IATF 16949, ISO 27001, as well as the Talent Quality-management System (TTQS) certification from the Workforce Development Agency, Ministry of Labor.

Sustainability Goals, Vision, and Commitment

Core Vision for Sustainability

Strive For Excellence, Advance through Innovation

Since its founding in 1984, Flytech has remained committed to its core business and upheld the principles of integrity in management. We recognize that sustainable development depends not only on our own competitiveness but also on the collective efforts of our stakeholders, including employees, suppliers, customers, investors, communities, and nonprofit organizations. As part of our commitment to responsible corporate leadership, we focus on strengthening governance, protecting the environment, and fulfilling our social responsibilities. We are dedicated to ethical business practices, strict legal and regulatory compliance, respect for human rights, environmental stewardship, public health and safety, and maintaining a zero-tolerance stance on all forms of corruption. Internally, we attach great importance to the rights and interests of employees, establish an equal and non-discriminatory system for fair promotions, and create a friendly workplace and safe environment. We offer comprehensive welfare care systems and plan professional training courses to help employees learn and grow; externally, we actively communicate with stakeholders like customers, investors, suppliers, communities, and non-profit organizations to understand their requirements to review, adjust and respond to our management policies and commitments in the fields of environmental sustainability, social engagement, and corporate governance. At Flytech, we strive not only for business success but also for the well-being of all stakeholders, as we work toward our core vision: 'Strive For Excellence, Advance through Innovation.'

Sustainable Development Policy and Implementation Guidelines

To realize the core vision of “Strive for Excellence. Advance through Innovation,” Flytech has established internal management regulations, including the Corporate Sustainability Principles, Corporate Governance Code, and Integrity Operations Code, all aligned with the laws and regulations of the ROC government as well as relevant international standards and initiatives. Flytech’s sustainable development policy is built upon five key management pillars: corporate governance and risk management, employee relations, customer service and supplier management, green operations, and social engagement. These pillars serve as the foundation for implementing sustainable development initiatives. Through comprehensive internal control systems, delegated authority management, internal audits, and board governance mechanisms, Flytech fosters a robust corporate governance environment and cultivates a culture of compliance within the organization. The company is also dedicated to responsible business conduct and fair dealings with all stakeholders, ensuring ongoing effectiveness through continuous tracking, assessment, and evaluation. Flytech expects to work with global partners to establish a sustainable and excellent enterprise and achieve "common benefit, sharing, prosperity, and common good" with all stakeholders.

Sustainable Development Tied to Senior Executive Compensation

Starting in 2024, senior executive compensation, including that of the General Manager and department heads, will be tied to their achievements in sustainable development. This move aims to encourage continuous monitoring and improvement of sustainability performance. For more details, see section 4-1-3 on the compensation system.

Sustainable Development Journey

2022

- The committee was officially renamed the ESG Committee.
- Ranked No. 11 in the Medium Enterprise Group in the CommonWealth Magazine Corporate Sustainability Award.

2023

- Ranked No. 8 in the Medium Enterprise Group in the CommonWealth Magazine Corporate Sustainability Award.
- Participated in the pledge for the Common Health Magazine Healthy Corporate Citizen Award.
- Published the company's first English-language ESG Report.
- Participated in the Tamsui River Convention, an initiative by CommonWealth Magazine.

2024

- Ranked No. 13 in the Medium Enterprise Group in the CommonWealth Magazine Corporate Sustainability Award.
- Awarded the TRIPs 1.5°C Alignment Certification.
- Participated in the CDP (Carbon Disclosure Project).
- Participated in the CSA (Corporate Sustainability Assessment).
- Recognized as one of the 99 winning companies in the CommonHealth Magazine Corporate Health Responsibility (CHR) Award.

2015

- In 2015, the Flytech Foundation was established, and the "Design For Taiwan" workshop was launched. The foundation invited renowned speakers from Taiwan and abroad to promote innovative design thinking education.

2020

- Established the Corporate Social Responsibility (CSR) Committee to promote sustainability initiatives both internally and externally.
- Published the first CSR report.

2021

- Ranked No. 8 in the Small Giant category in the CommonWealth Magazine Corporate Citizen Awards.

Sustainability Management Structure

The Board of Directors is the highest governing body responsible for Flytech' s sustainable development. It oversees the ESG Committee, which is led by the Chairman as the convener and the President as a core member, and is tasked with advancing the company' s sustainability mission. Guided by the core vision of "Strive for excellence. Advance through innovation," the promotion office analyzes market trends, regulatory and technological developments, and environmental and social issues. It collects stakeholder feedback, aligns these insights with the company' s business model, identifies key sustainability topics, develops strategic plans, and coordinates cross-functional management efforts. The office provides direction to four dedicated subgroups that formulate management policies and set performance objectives. These subgroups communicate actionable plans across departments to ensure implementation, improvement, and optimization. Regular monthly meetings support consistent tracking, communication, and consensus-building, allowing Flytech to effectively integrate sustainability into its core operations and strengthen its overall competitiveness.

The ESG promotion office periodically reports to the committee and presents the previous year' s ESG Sustainability Report to the Board of Directors in the first half of each year for approval prior to publication. In the second half of the year, the office reports on ESG performance results and stakeholder interactions. The Board also approves the key sustainability issues for the following year to ensure the ongoing fulfillment of corporate sustainability responsibilities. For the year 2024, the reporting dates were January and November.

Primary Responsibilities of the Sustainable Governance Team

1. Strengthen the functions of the board of directors (audit committee, compensation committee, and corporate governance unit).
2. Promote various corporate governance policies, uphold integrity and sustainable operations, and ensure implementation.
3. Promote internal control and audit systems, strengthen the risk management framework, and ensure implementation.
4. Safeguard stakeholder rights and enhance information transparency.
5. Establish and implement the management requirements of ISO 27001 information security management system, personal information and intellectual property management system.

Primary Responsibilities of the Corporate Responsibility Team

1. With a focus on improving employee retention, we regularly review and ensure that our salary and benefits are competitive in the market. We listen to employee feedback and care for them to provide an excellent and attractive workplace.
2. Implement the company's Human Rights Policy, and provide employees with a diverse and equal employment, salary, appraisal, reward and punishment, and promotion system. Additionally, offer friendly communication channels and grievance reporting mechanisms.
3. Arrange expert lectures and professional training courses regularly to enhance employees' professional skills and increase their competitiveness in the workplace.
4. Regularly hold employee recreational activities or gatherings, sponsor employees to set up clubs, and promote employees' physical and mental balance.
5. Implement a friendly workplace that complies with ISO 45001 occupational safety and health management standards.
6. Through systematic training and development approaches like TTQS, we offer various learning opportunities through multiple channels for employees. We provide project training and IDP to nurture potential talents and cultivate future managers.

Primary Responsibilities of the Green Operation Team

1. Establish and implement quality management systems in compliance with ISO 9001, ISO 13485, and IATF 16949 standards and continue to promote the establishment of a corporate culture in which all employees are engaged in quality control.
2. Establish and implement environmental management systems in compliance with ISO 14001 standards to maintain our policy of safety, environmental protection, and sustainability in environmental and occupational health.
3. Design green products that use environmentally friendly materials and processes from the R&D stage to establish a green supply chain, minimizing the environmental impact and reducing the environmental footprint.
4. Establish an ISO 14064-1 greenhouse gas inventory system and create a green operational environment focused on low energy consumption, water and electricity conservation, and proper waste management. Implement environmental management practices to increase resource reuse rates while complying with international standards and government regulations.
5. Establish an ISO 14067 product carbon footprint assessment procedure. Through inventory analysis, develop environmentally friendly, energy-efficient, and high-value-added new products to enhance customer satisfaction.

Primary Responsibilities of the Community Relations Team

1. Regularly organize various charity events focused on supporting disadvantaged groups and environmental protection, or sponsor social service organizations and academic activities to give back to society.
2. Collaborate with schools to organize the Flytech Career Camp, sharing industry experience and the latest technologies and knowledge to assist students in their future career planning and enhance their competitiveness.
3. Organize regular camp activities to promote technology or design innovation and invite domestic and foreign experts to give lectures to stimulate participants' innovative thinking.
4. Regularly hold the Management Trainee Program (Seed Program) to recruit outstanding talents. Through a complete training program, the seeds with great potential can grow and become outstanding talents across fields.
5. Regularly organize scholarship programs to encourage outstanding and underprivileged students from rural areas.

SDGs United Nations Sustainable Development Goals

Flytech' s core belief in sustainability is 'Strive for Excellence, Advance through Innovation.' The company remains dedicated to addressing key issues aligned with the United Nations Sustainable Development Goals (SDGs) in its sustainability efforts. Since publishing its first Corporate Social Responsibility (CSR) Report in 2021, Flytech' s ESG Committee has comprehensively reviewed its ongoing efforts in alignment with the United Nations Sustainable Development Goals (SDGs). Through this process, the Committee identified five key development areas and selected six SDGs as primary targets. To guide its sustainability commitments, Flytech has also established 16 sub-targets, which it aims to achieve by 2025.

5 Development Main Points | 6 SDGs | 16 Goals for 2025 / 2024 Performance

Chapter 3
Integrity, information-transparent corporate governance

Chapter 4
Diverse, non-discriminatory, safe, inclusive, and friendly environment

Chapter 5
Excellent customer service, support local procurement, and assist suppliers to operate with integrity and comply with environmental protection and occupational safety regulations

Chapter 6
Green and sustainable corporate value chain

Chapter 7
Education in rural areas and the cultivation of innovative talents

4 QUALITY EDUCATION

- Flytech Career Camp: 600 people / 613 people
- Scholarship: 5 million / 4.56 million
- DFT: 700 people / 652 people
- DFT startup proposal: 140 cases / 147 cases

6 CLEAN WATER AND SANITATION

- Keep the amount of wastewater discharged at 0 / 0
- Per capita water consumption is reduced by 5% compared with 2021 / reduced by 14.4%

7 AFFORDABLE AND CLEAN ENERGY

- Electricity consumption per unit of output is reduced by 5% compared with 2021 / reduced by 5.14%

8 DECENT WORK AND ECONOMIC GROWTH

- Local suppliers account for more than 80% / 84.11%
- Conduct customer satisfaction surveys annually, with an average score reaching ≧8 points or 90% / 68.72%

13 CLIMATE ACTION

- The number of colleagues (including those from subsidiaries) participating in environmental protection activities reaches 600 people annually / 264 persons
- Total Carbon dioxide emissions reduced by 5% compared to 2021 / reduced by 7.23%

17 PARTNERSHIPS FOR THE GOALS

- Suppliers that formally submitted Quality Component Acknowledgment Forms: 100% / 100%
- Suppliers that signed Declaration for Environmental Protection and Prohibition of Baneful Substances: 70% / 76.44%
- Suppliers that signed Commitment of Corporate Social Responsibility and Integrity Management (RBA Code of Responsible Business Conduct): 70% / 78.25%
- Suppliers that signed/issued Declaration for Non-use of Conflict Minerals: 70% / 77.34%
- 30% of suppliers have obtained ISO 9001, ISO 14001, ISO 45001 certifications. / 65.86%, 37.16%, 8.76%

1

About Flytech

1-1 Company Profile

Chairman Lam Tai-Seng founded Flytech Technology Co., Ltd. in 1984. In 1990, the company achieved a major milestone by developing the world' s first ultra-compact book-style computer, which won the Best Design Award at CeBIT and received international media coverage from outlets such as German broadcasters and CNN. This breakthrough laid a solid foundation for Flytech' s future growth. In 1999, Flytech revolutionized the retail, food and beverage service checkout industry with the launch of its All-in-One Touch POS system, establishing itself as a globally recognized POS solutions provider. The company went public in 2001 under the ticker symbol 6206. Its corporate headquarters in Neihu was completed in 2004, followed by the relocation of its manufacturing center to the newly built Huaya facility in Linkou in 2012, significantly expanding production capacity.

Flytech has long specialized in customized solutions, with core offerings including POS systems, self-service kiosks, and embedded panel PCs. With deep expertise across retail, food and beverage, healthcare, and industrial automation, Flytech provides end-to-end services—from motherboard and system design to manufacturing and delivery. In addition to its Taiwan headquarters, Flytech operates sales and service offices in Hong Kong, China, the United States, and the United Kingdom, firmly rooted in Taiwan while serving a global market.

Amid rapid technological advancements and evolving customer demands, Flytech continues to build on its foundation in hardware manufacturing by actively developing comprehensive solutions and fostering technological innovation. The company provides integrated hardware and software offerings, reinforcing its position as a leading global POS system manufacturer. Flytech' s solutions are widely adopted across industries, including retail, food and beverage, healthcare, and industrial automation, serving a global customer base. In an ever-changing landscape, Flytech remains committed to its core philosophy—mastering core technologies and creating product value—continuously innovating to meet the needs of each new era of technology.

Flytech actively promotes technological innovation by integrating artificial intelligence with hardware-software solutions to address the market's diverse and evolving needs. We not only focus on remote monitoring and AI-powered image recognition technologies, but are also progressively developing AI-integrated application services to deliver more comprehensive solutions. We are committed to creating a smarter, more sustainable future for our customers and society.

Flytech is an active member of various industry and professional associations, including the Taipei Computer Association, Taiwan Electrical and Electronic Manufacturers' Association, Taiwan Corporate Governance Association, Chinese Professional Management Association, Taiwan Youth Entrepreneurship Association, and the Commonwealth Sustainability League. We look forward to exerting influence to jointly improve the industry standard by participating and sharing information, knowledge, experience, and practice.

For more information on our company history >

1-2 Overview of Operations and Performance

1-2-1 Operation Location

Flytech was established in 1984. Our global headquarters and manufacturing center are located in Neihu District, Taipei City, and Taoyuan City, respectively. With over 600 employees worldwide, we have been anticipating the wave of globalization since our establishment. While initially focusing on the European and American markets, we have also established a strong presence in the Asia-Pacific, Greater China, and Taiwan. To provide better and faster service to our global customers, we have set up subsidiaries or service centers in Hong Kong, China, the United States, the United Kingdom, and other locations, offering product sales and technical support services. In terms of research and development and manufacturing, our products are designed and produced by our R&D team and manufacturing center based in Taiwan. We proudly adhere to the 100% Made in Taiwan principle to deliver 100% satisfaction to our customers. We take pride in this commitment and continue to establish our presence and pursue sustainable growth worldwide.

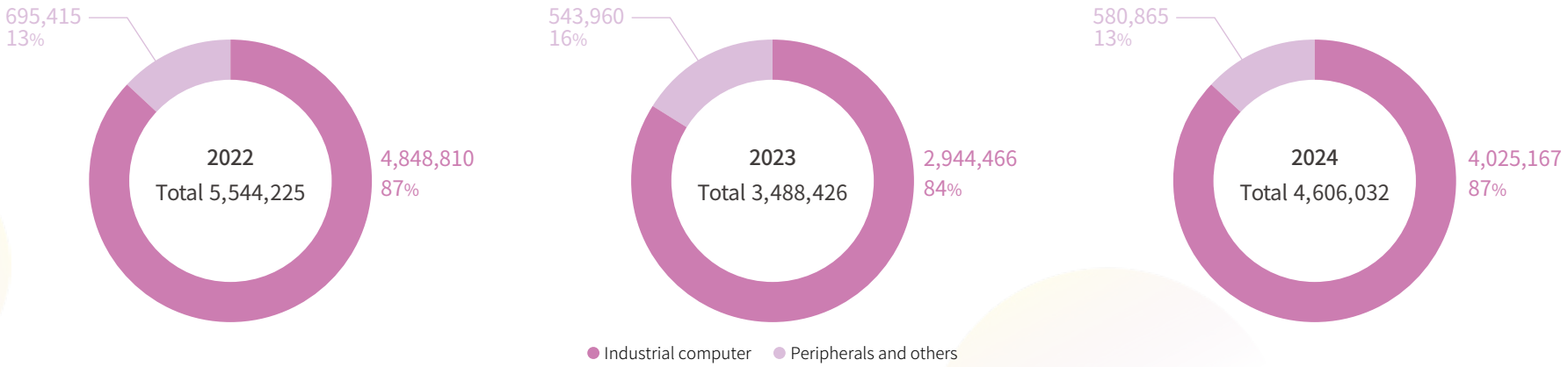
1-2-2 Revenue Overview

Navigating through the revenue decline in 2023, Flytech embraces a year of breakthrough growth in 2024. We actively facilitate technological innovation and develop solutions rooted in practical applications, continuously deepening our presence in the global F&B and retail sectors. Beyond strengthening our hardware foundation, we began cultivating emerging AI applications. In 2024, consolidated revenue reached NT$4.6 billion, with net profit attributable to the parent company totaling approximately NT$1 billion. Gross profit amounted to NT$2 billion, marking a new historical high following the record set in 2022. This achievement represents both a milestone in our mid-term development and a springboard toward our long-term goals.

Flytech is committed to providing global customers with high-quality products through a comprehensive hardware system combined with a diverse range of peripherals. The consolidated statement of the group's product and regional revenue is as follows (the financial information disclosed below is consistent with the financial report):

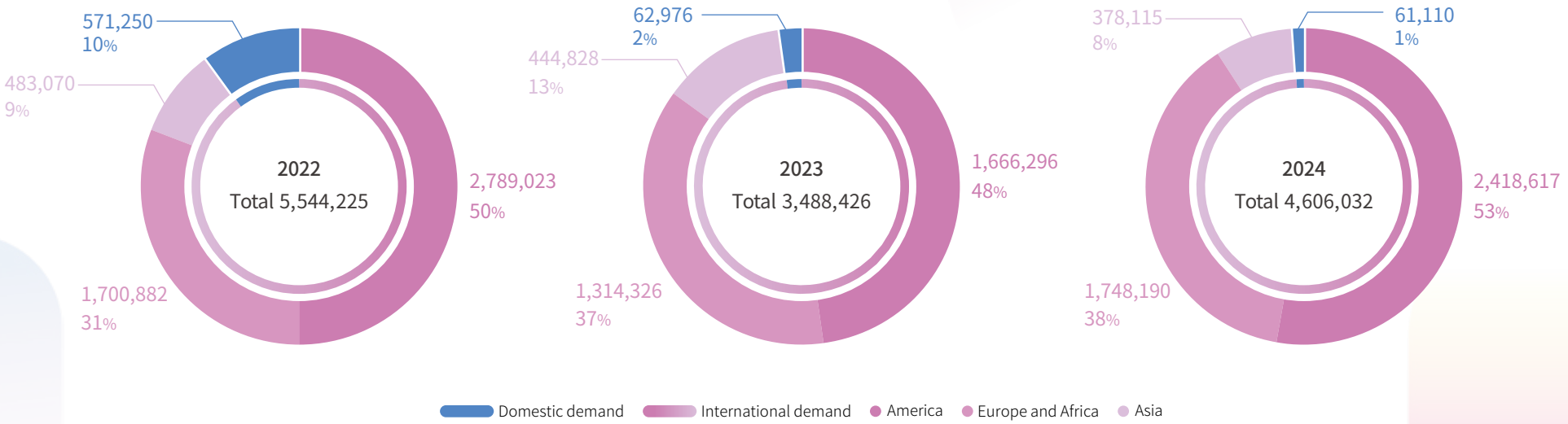
Revenue Breakdown by Product (Consolidated Financial Statements)

Unit: In Thousands of New Taiwan Dollars



Revenue Breakdown by Region (Consolidated Financial Statements)

Unit: In Thousands of New Taiwan Dollars



1-2-3 Operational Performance

To be accountable to all stakeholders, profitability and growth are the fundamental objectives of our business operations. Flytech takes pride in its robust financial structure and consistent profitability since its establishment. We continuously invest in research and development to fuel innovation, ensuring that the momentum of R&D remains constant and profitability continues to grow. Although revenue declined in 2023 due to high customer inventory levels and changes in post-pandemic market demand, we remained profitable and have seen both revenue and profit recover in 2024.

The parent company of Flytech Technology Co., Ltd. (on a standalone basis)

Unit: In Thousands of New Taiwan Dollars

Item \ Year		2022	2023	2024
Financial Revenue and Expenditure	Revenue	4,827,119	2,881,973	4,028,793
	Cost of revenue	3,138,287	1,790,033	2,298,865
	Gross profit	1,688,832	1,091,940	1,729,928
	Net income before tax	1,223,979	622,679	1,224,444
	Net profit	1,043,153	501,857	991,837
Profit	Net profit per share after tax (NTD)	7.29	3.51	6.93
Employee salaries and benefits	Total salary	468,131	380,883	454,927
	Total benefits	56,838	57,178	63,395
Payable to investors	Stockholder cash dividends (NTD)	5.5	4.0	6.0
Payable to the government	Profit-seeking enterprise income tax	180,826	120,822	232,607
R&D expenses	R&D Expenses as a Percentage of Revenue (%)	3.76 %	5.40 %	5.17 %
Community investment	Charity event costs (note)	0	0	0

Note 1: The company collaborates with the Flytech Foundation to organize public welfare activities. Please refer to Chapter 7 for details.
Note 2: The financial disclosure is consistent with the annual financial statements as published on the Market Observation Post System (MOPS).

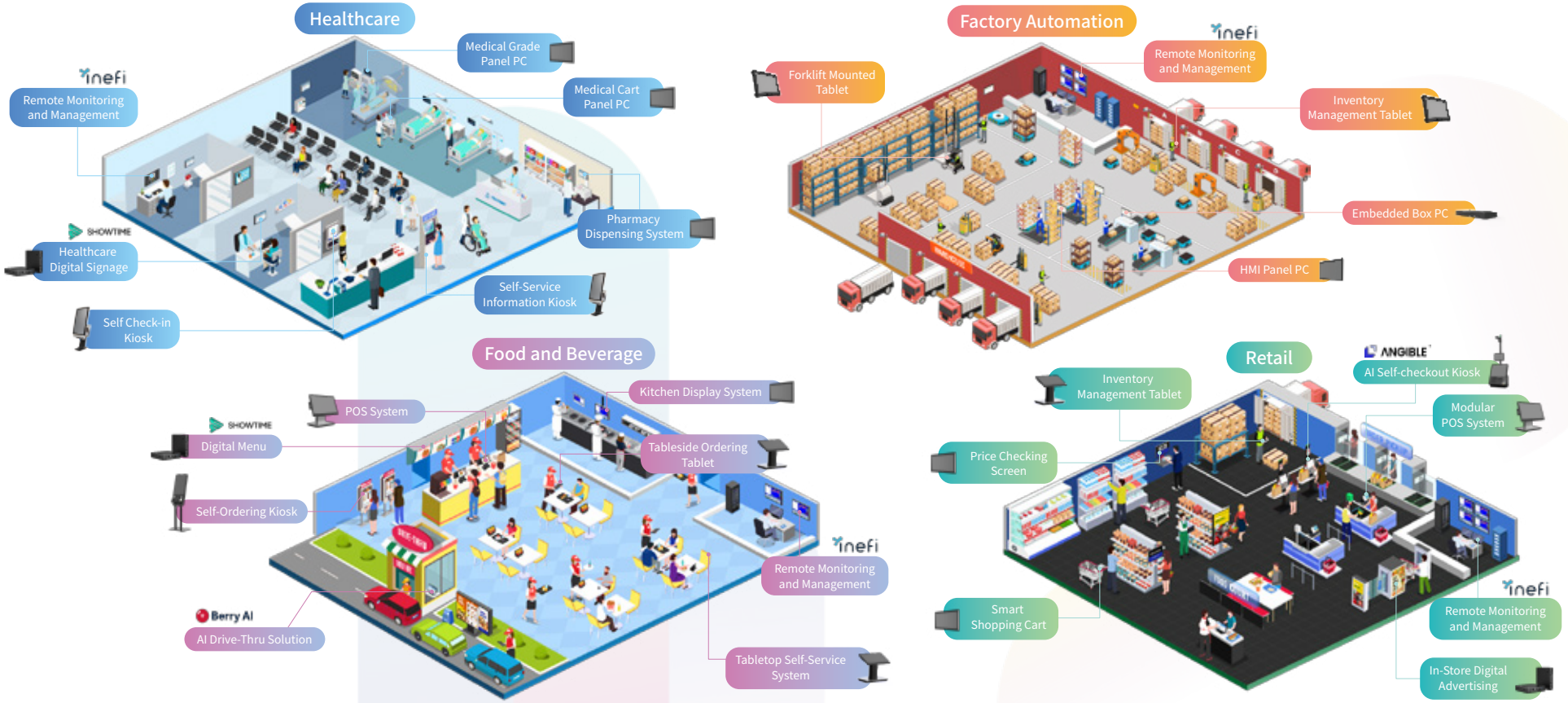
1-2-4 Management Team

Flytech's organization comprises four main centers: the Sales & Marketing Center, R&D Center, Manufacturing Center, and Corporate Center, led by General Manager Shyu, Jia Horng. For an introduction to the management team, please refer to pages 9-10 of the 2024 Annual Report.

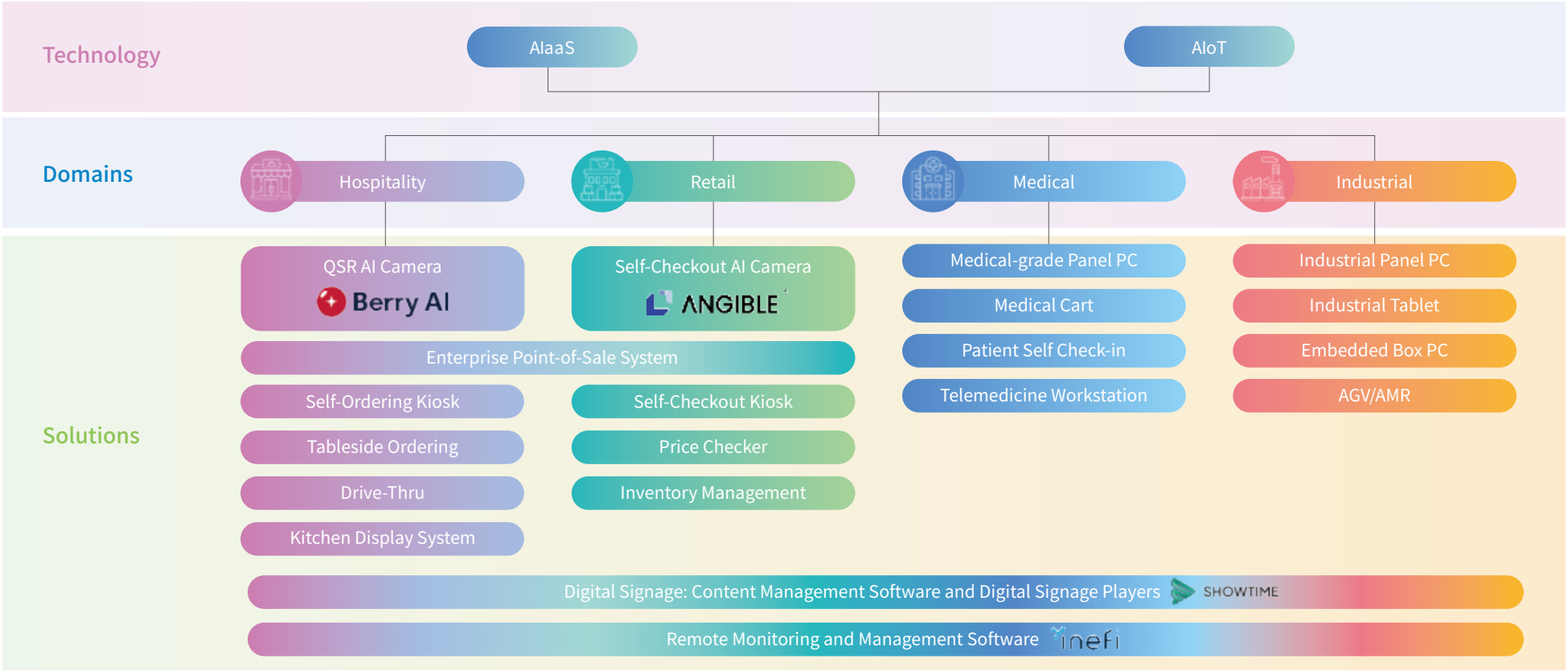
1-3 Products and Services

1-3-1 Cross-Domain Solutions Experts

In an era marked by rapid digital transformation and advancements in intelligent technologies, Flytech Technology leverages over 40 years of industry experience to deliver comprehensive intelligent solutions centered on the seamless integration of hardware, software, and artificial intelligence (AI). Our hardware research, development, and manufacturing teams oversee a complete process, from component testing and motherboard design to system assembly, ensuring that each product offers flexible configurations alongside rigorous quality control. Extending beyond hardware, our AI and software applications have been deployed in the food and beverage and retail sectors, with tailored AI-powered intelligent solutions for these industries launching in 2021 and 2023, respectively. Concurrently, we have enhanced our endpoint management software to support customers across various fields in embracing the new digital era. Today, Flytech' s solutions are widely adopted across diverse markets, including food and beverage, retail, healthcare, and factory automation. Our global customer base encompasses renowned fast-food chains, department stores, convenience stores, large shopping malls, hospitals, airports, amusement parks, fitness centers, manufacturing plants, and warehouses. Looking ahead, we remain committed to further advancing the integration of hardware, software, and AI to provide a more comprehensive intelligent ecosystem, empowering our customers to achieve operational excellence and realize business transformation.



The diagram below illustrates Flytech's professional market areas. Our primary customers include distributors, system integrators, software developers, and large enterprise users. As of 2024, we have maintained this business model without making significant changes. For a comparison of revenue figures, please refer to section 1-2-2 on Revenue Overview. For information on the upstream supply chain, please see Chapter 5-3 on Sustainable Supply Chain Management



Starting from 2024, the research and application of AI in the retail industry have been one of Flytech Technology' s key development priorities. In response to the elevated retail shrinkage rates associated with self-checkout systems, Flytech has developed AI solutions tailored for the retail sector to strengthen loss prevention management. By leveraging AI-powered image recognition and advanced computational models, these solutions effectively enhance the accuracy of self-checkout processes while reducing theft rates. This solution has been showcased at major international trade exhibitions, garnering significant attention and discussion. We look forward to collaborating with more customers in the near future to effectively address retail shrinkage challenges. In addition to retail AI, we continue to advance AI applications in the food and beverage industry, assisting operators in monitoring in-store operations and analyzing customer behavior to enhance service processes and optimize business models. This solution has been adopted by numerous internationally renowned fast-food chains, enabling them to achieve intelligent transformation. The application of AI and edge computing represents the future trend of technological development. We will continue to invest in cross-disciplinary research and development to deliver smarter and more efficient solutions to our customers.

1-3-2 Customer-Centric Product Design

To enhance product value and tackle the operational challenges faced by customers in diverse industries, Flytech advances its research and development in hardware, software, and AI and emphasizes seamless integration of these technologies. By offering comprehensive, one-stop intelligent solutions, we enable our customers to quickly enhance their operational efficiency and strengthen their competitive edge. Flytech' s hardware products include POS systems, Mobile POS devices, Panel PCs, Self-Service Kiosks, Box PCs, and ODM-customized systems, catering to a wide range of commercial application needs. Our software solutions include inefi Spotlight, a remote device monitoring platform, and Showtime, a CMS (Content Management System) designed for digital advertising and information display. In terms of AI applications, we have launched a range of intelligent solutions, including an AI image recognition system and a drive-thru AI monitoring system tailored for the restaurant industry, as well as an AI-powered self-checkout system for the retail sector. These advanced technologies are designed to enhance the customer experience and improve operational efficiency. AI and edge computing represent key trends in future technological development. Flytech is committed to deepening the integration of AI with hardware and software, continuing to invest in cross-disciplinary R&D, and expanding intelligent business applications across industries. Our goal is to deliver innovative smart solutions that empower global businesses and help build a more efficient, seamless digital future.

POS Terminal	Self Service Kiosk	Mobile POS	BOX PC	Panel PC	Software	AI Application
					inefi	Berry AI
					SHOWTIME	ANGIBLE

1-3-3 Products Awards and Verification

Product Design Capability

Flytech products have been recognized by world renowned awards such as iF Design Award, European Product Design Award, d&i Award and Red Dot Design Award.

Flytech's products have received international recognition and awards, a testament to our dedication to delivering on customer promises and exceeding their expectations. With this mindset, we constantly revise our design requirements and work continuously to improve. Flytech aspires to be recognized as an expert in designing related products by all parties and continues to strive tirelessly toward this goal. We hope that customers receive not only products but also the finest boutique solutions that perfectly meet their needs.

International Standards Certification and Verification

High-quality products stem from robust R&D, design, and manufacturing systems. Beyond ensuring all products meet the safety certifications required by customers' countries, we obtained ISO 9001 certification in 1999 and ISO 13485 certification in 2009. In 2021, we achieved IATF 16949 certification for the automotive industry quality management system. Through rigorous R&D and manufacturing processes, we consistently deliver superior products. In addition to the quality management system, Flytech has obtained verification for various management systems, including ISO 14001, ISO 45001, and ISO 27001. The company has also completed verification of its ISO 14064-1 greenhouse gas management report and ISO 14067 carbon footprint assessment for a product. These verifications demonstrate Flytech' s strong commitment to environmental protection, occupational health and safety, information security, greenhouse gas management, and product carbon footprint management throughout its manufacturing and operational processes, fostering a sustainable and responsible operational environment.

ISO 9001:2015	ISO 14001:2015	ISO 13485:2016	ISO 27001:2022	ISO 45001:2018	IATF 16949:2016	ISO 14064-1:2018	ISO 14067:2018
Quality Management System	Environmental Management System	Medical Quality Management System	Information Security Management System	Occupational Health and Safety Management System	Automotive Quality Management System	Organizational Level for Quantification and Reporting of GHG Emissions and Removals	Carbon footprint of products Requirements and guidelines for quantification
1996/06	2001/07	2010/04	2013/06	2020	2021/12	2022/09	2024/01

2

Communication with Stakeholders

2-1 Stakeholder Identification and Engagement

Flytech's ESG Sustainability Committee, referencing the AA1000 Stakeholder Engagement Standard (SES 2015), identified six categories of stakeholders—customers, employees, suppliers, investors/media, government/academic institutions, and community/NGOs—based on key criteria such as responsibility, influence, dependency, diverse perspectives, and tension. This identification was carried out through an analysis of both internal and external operational scopes. In addition to establishing diverse communication channels, Flytech has also published stakeholder contact information on its official website. We are committed to maintaining ongoing dialogue and engagement with stakeholders to address their needs, expectations, and concerns. These efforts include reviewing and enhancing internal management practices, providing feedback, taking appropriate actions, and demonstrating responsible corporate behavior.

Stakeholder Category	Customers	Employees	Suppliers	Investors/Media	Government/ Academic Units	Communities/NGO
Materiality	Flytech is committed to delivering innovative, high-quality products and providing prompt after-sales service, both of which are essential to building long-term, trusted partnerships with customers.	Employees are the cornerstone of Flytech. The company offers competitive compensation and benefits, prioritizes the physical and mental well-being of its employees, and provides comprehensive training and development programs to support mutual growth.	Flytech views suppliers as important partners and has established a comprehensive supplier management policy. We rigorously select manufacturers with strong reputations for quality and collaborate to drive ongoing progress in green and sustainable practices.	Support from external investors and the media is a key element of Flytech' s sustainable operations. Through prudent business strategies and a sound corporate governance structure, Flytech strives to earn greater external trust and support.	Flytech is committed to complying with relevant regulations in the regions where it operates and collaborates with local academic institutions to promote sustainable development within the community.	Recognizing the close connection between corporate growth and local development, Flytech has established a foundation to advance social development through initiatives in technology education, support for disadvantaged groups, and the promotion of arts and culture, thereby fulfilling its corporate social responsibility.
Communication Channels/ Frequency	• Customers Service Survey/Annually • Official Website Complaint mailbox/ Irregularly • Customer Meetings/ Irregularly • Phone, Email/Irregularly • Exhibitions/Irregularly • Business Visits/Irregularly • Customer Visits/ Irregularly	• Labor-Management Meetings/Quarterly • Internal Website Announcements/ Irregularly • Official Website Complaint mailbox/Irregularly • Employee Satisfaction Survey and Conference/ Annually • Department Meetings/ Weekly, Monthly • Phone, Email/Irregularly	• Supplier Evaluation/ Quarterly • Official Website Complaint mailbox/Irregularly • Supplier Meetings/ Irregularly • Phone, Email/Irregularly • Business Visits/Irregularly • Supplier Visits/Irregularly	• Shareholders' Meeting/ Annually • Official Website Complaint mailbox/Irregularly • Institutional Investor Conference/Annually • Investor and Media Gatherings/Irregularly • Phone, Email/Irregularly • Business Visits/Irregularly	• Official Correspondences/ Irregularly • Information Session/ Irregularly • Phone, Email/Irregularly • Business Visits/Irregularly • Academic Institution Interviews/Irregularly • Government Inspections/ Irregularly	• Official Correspondences/ Irregularly • Phone, Email/Irregularly • Business Visits/Irregularly • Participating in events/ Irregularly • Meetings/Irregularly • Information Session/ Irregularly

This report also serves as one of the channels for engaging with stakeholders. Each year, questionnaires are distributed to understand the sustainability topics stakeholders care about, using these topics as one of the key sources for identifying material matters. Responses are provided in the report, with the expectation that through disclosure, communication, and feedback, mutual efforts and expectations can be better understood, enabling continued progress toward a better future together.

Questionnaires Returned in 2023: 217

Customers

- Ethical Management and Transparent Financial Information
- Occupational Health and Safety
- Compliance Management
- Customer Commitment
- Product Innovation

Questionnaire responses 21

Employees

- Labor Relations and Employee Benefits
- Occupational Health and Safety
- Talent Cultivation and Career Growth
- Ethical Management and Transparent Financial Information
- Diversity, Inclusion, and Equal Opportunities

Questionnaire responses 122

Suppliers

- Compliance Management
- Customer Commitment
- Ethical Management and Transparent Financial Information
- Corporate Governance
- Risk Management
- Occupational Health and Safety

Questionnaire responses 49

Investors/ Media

- Ethical Management and Transparent Financial Information
- Economic Performance
- Corporate Governance
- Risk Management
- Labor Relations and Employee Benefits
- Diversity, Inclusion and Equal Opportunities
- Occupational Health and Safety

Questionnaire responses 18

Government / Academic Units / Communities / NGO

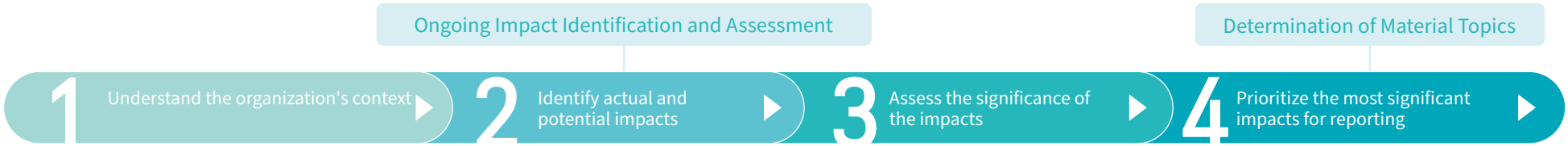
- Compliance Management
- Ethical Management and Transparent Financial Information
- Customer Commitment
- Diversity, Inclusion and Equal Opportunities Talent Cultivation and Career Growth
- Occupational Health and Safety
- Human Rights Policy

Questionnaire responses 7

Note: Due to the low number of responses, the questionnaire results from Government/Academic Institutions and Community/NGO stakeholders have been combined for statistical analysis.

2-2 Material Topics Assessment Process

The company follows GRI 3: Material Topics 2021 to guide the identification process of significant sustainability topics across the three key dimensions—economic, environmental, and social—through four essential steps.



2-2-1 Understanding the Organization' s Context

Select **18** Sustainable Topics

The ESG Sustainability Committee initiates projects on an annual basis. To ensure the traceability and improvement of material topics, beginning in 2024, the material topics identified at the end of each year will serve as the focus areas for tracking in the following year. Accordingly, the material topics disclosed in this year' s ESG report will follow those identified in the 2023 ESG report.

In the fourth quarter of 2023, the Committee' s Development Office convened representatives from various departments to gather insights on issues frequently raised by stakeholders during routine communications. The Office also reviewed Flytech' s industry characteristics, operational scope, value chain relationships, and broader sustainability context. Drawing on frameworks such as the GRI Standards, SASB Standards, TCFD Recommendations, industry trends, internal management objectives, the United Nations Sustainable Development Goals (SDGs), and past sustainability disclosures, the office consolidated 18 sustainability topics most relevant to Flytech at the beginning of 2023. Compared to 2022, when topics of different natures were presented separately and less relevant topics were excluded, this integrated approach offers a more accurate reflection of Flytech' s sustainability management outcomes.

Economic

Sustainable Operation and Corporate Governance

1. Corporate Governance
2. Risk Management
3. Ethical Management and Transparent Financial Information
4. Economic Performance
5. Product Innovation
6. Customer Commitment
7. Compliance Management

Environmental

Green Operation and Environmental Sustainability

8. Green Design and Supply Chain Sustainability Management
9. Green Operation
10. Climate Change Impact and Strategy
11. Energy Management
12. Greenhouse Gas Inventory Inspection and Product Carbon Footprint

Social

Co-prosper with Society and Friendly Workplace

13. Labor Relations and Employee Benefits
14. Diversity, Inclusion and Equal Opportunities
15. Talent Cultivation and Career Growth
16. Occupational Health and Safety
17. Human Rights Policy
18. Social Welfare

Note: For details regarding changes to material topics, please refer to Section 2-2-4 Changes in Material Issues.

2-2-2 Identifying Actual and Potential Impacts and Assessing the Significance of Reporting

Assessment of Actual/Potential Impact and Materiality

1. Positive and Negative Actual/Potential Impacts on Flytech

   The Development Office conducts assessments of sustainability risks and opportunities arising from operational activities, supply chain dynamics, and industry-specific requirements as outlined by the SASB Standards. Each sustainability topic is evaluated for its actual and potential impacts on Flytech. Positive and negative impacts are quantified separately. The assessment considers two key factors: "scale and scope" and "probability", each rated on a 10-point scale. These scores are multiplied to calculate the overall positive impact and negative impact scores for Flytech. A higher positive score or a lower (more negative) negative score indicates a greater level of impact. It is essential to note that positive and negative impact scores are treated independently and are not offset against each other.

2. Materiality to Economic, Environmental, and Social Aspects

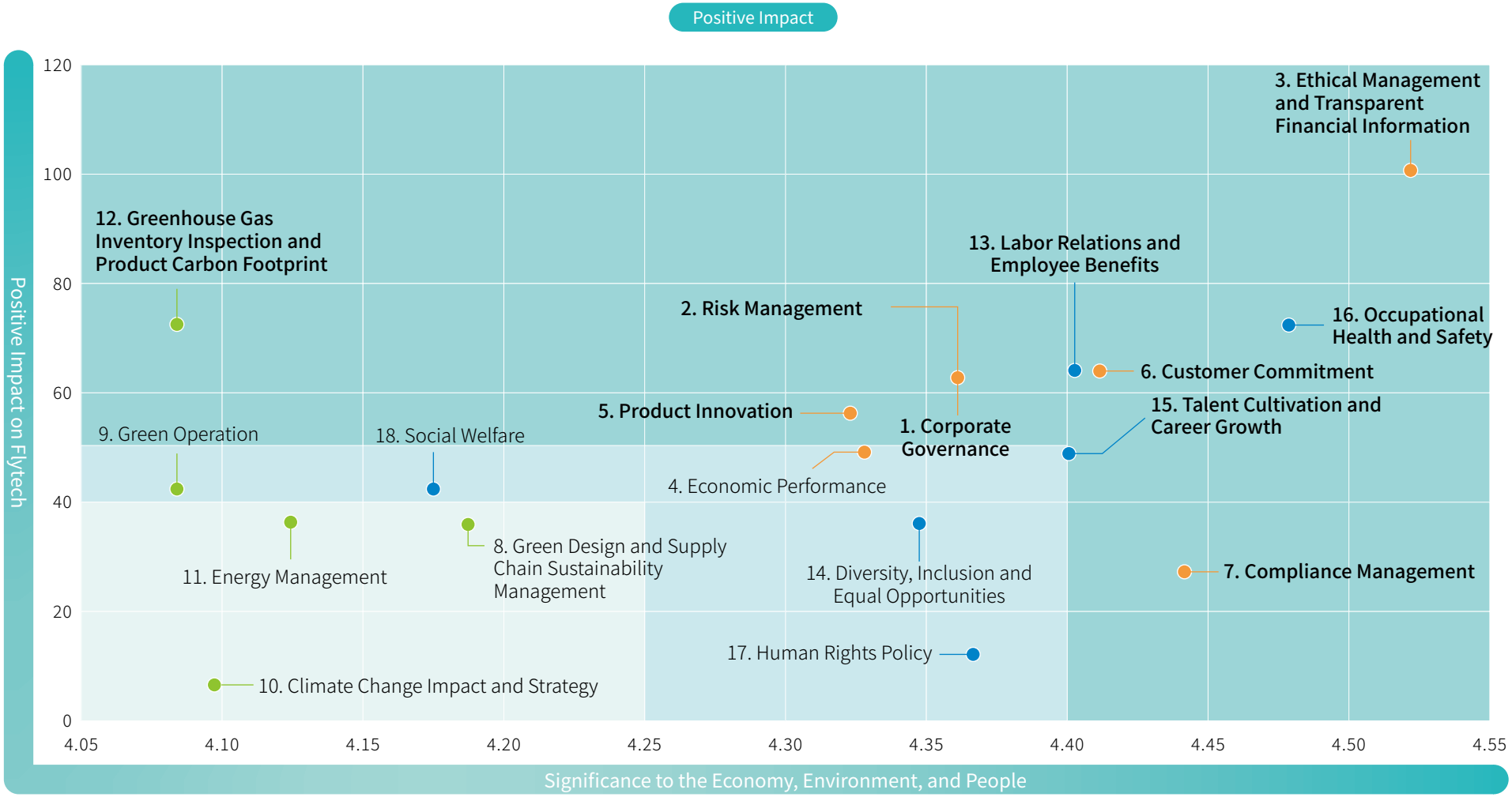
   Sustainable growth relies heavily on the support and feedback of stakeholders. Flytech incorporates stakeholder opinions as a key component in evaluating material topics. Each year, we distribute a survey on areas of concern to six major stakeholder groups. Based on the level of attention each topic receives in the responses, we assess the impact on external economic, environmental, and social aspects (including people). The average scores for each topic in the survey are weighted by stakeholder importance and then summed to derive the stakeholder-assessed materiality score, which reflects the impact on economic, environmental, and social dimensions.

2-2-3 Prioritizing the Most Significant Impacts for Reporting

11 Material Topic **2** Voluntarily Disclosed Sustainability Topics

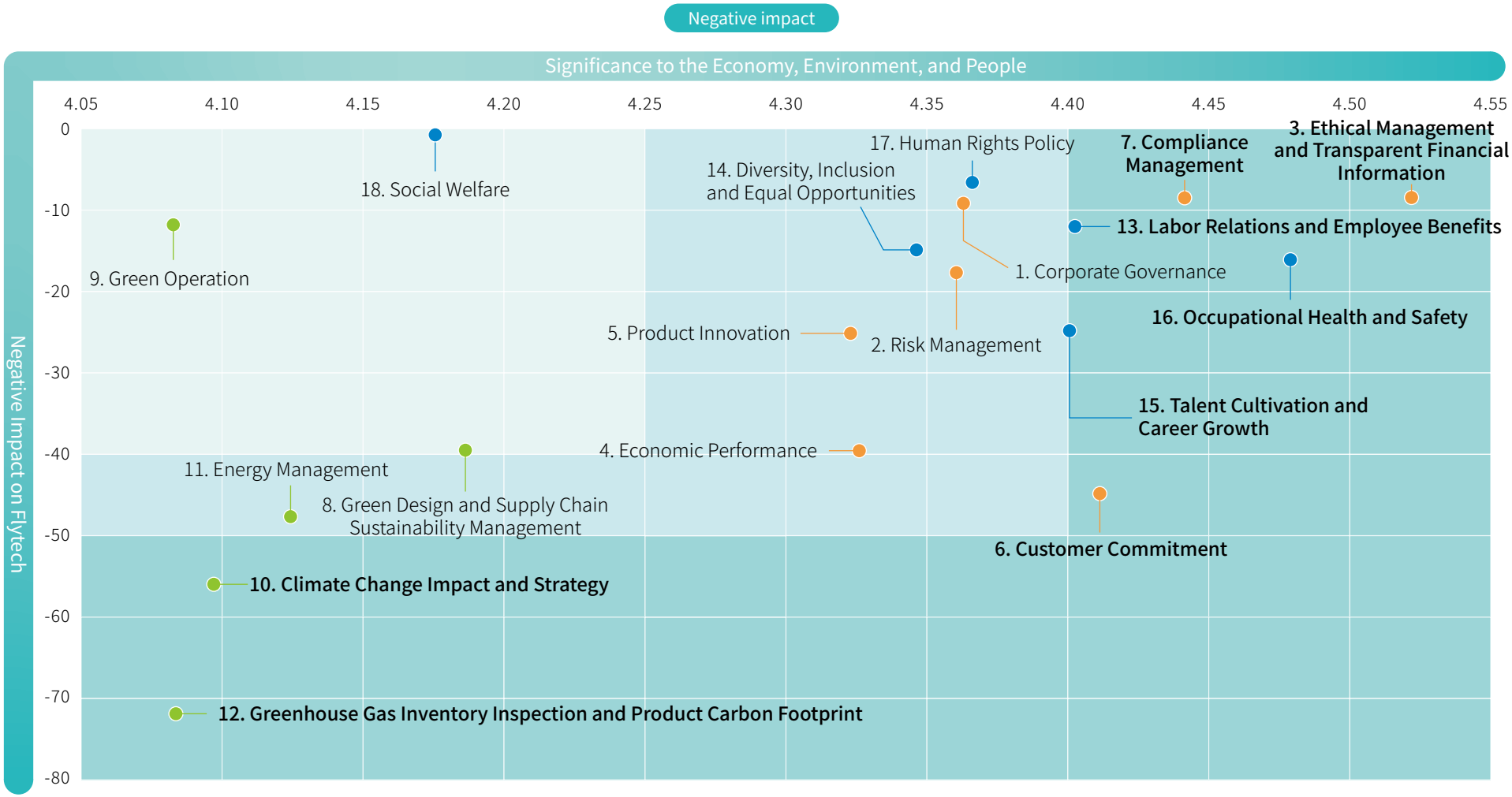
The Development Office compiled a materiality matrix based on "Flytech's positive and negative impact scores" and "stakeholders' assessments of significance to the economy, environment, and people." This matrix was submitted to the ESG Sustainability Committee for review. A topic was defined as material if it scored above 4.4 in significance, above 50 in positive impact, or below -50 in negative impact—criteria that placed it in Zone 1. Based on these thresholds, a total of 11 material topics were identified. Additionally, two non-material topics—Green Product Design, Sustainable Supply Chain Management, and Social Welfare—were selected as voluntarily disclosed topics after internal expert discussions. In January 2024, the Board of Directors formally approved a total of 13 material sustainability topics.

The matrix is divided into three zones as shown in the two charts below: Very Important, Moderately Important, and Not Important. Sustainability topics are categorized under three main dimensions: Sustainable Operations and Corporate Governance, Green Operations and Environmental Sustainability, and Co-prosper with Society and Friendly Workplace, each represented by a distinct color.



Sustainability issues:
- Sustainable Operation and Corporate Governance
- Green Operation and Environmental Sustainability
- Co-prosper with Society and Friendly Workplace

Impact level / Materiality:
- **Very Important**
- Moderately Important
- Not Important



Sustainability issues:
- Sustainable Operation and Corporate Governance
- Green Operation and Environmental Sustainability
- Co-prosper with Society and Friendly Workplace

Impact level / Materiality:
- **Very Important**
- Moderately Important
- Not Important

2-2-4 Changes in Material Topics

The ESG Sustainability Committee ultimately approved 11 material topics and 2 voluntarily disclosed sustainability topics, all of which will be comprehensively and thoroughly addressed in this report. Key management approaches and strategies have been formulated for each topic, and their effectiveness will be continuously ensured through a tracking, evaluation, and assessment process, serving as annual benchmarks for ongoing improvement.

To ensure significant topics can be tracked and improved, starting in 2024, the material topics selected at the end of each year will serve as the focus for tracking in the following year. Therefore, this year' s ESG report continues to use the material topics identified in the 2023 ESG report.

Comparison of Sustainability Topic Importance between 2023 and 2022

1. Unchanged:

   1. Corporate Governance, 2. Risk Management, 3. Ethical Business Practices and Financial Transparency, 4. Economic Performance, 6. Customer Commitment, 9. Green Operations, 10. Climate Change Impacts and Strategies, 12. Greenhouse Gas Emissions and Product Carbon Footprint, 13. Labor Relations and Employee Benefits, 14. Diversity, Equity, and Inclusion, 16. Occupational Health and Safety, 17. Human Rights Policy.

2. Changes Are as Follows:

2023		Reason for Change
Sustainable Topics	Order of Priority/Change	
5. Product Innovation	2 Moderately important Very important ↑	Considering that product innovation not only creates business opportunities but also drives company revenue, its positive impact is significant, resulting in an increased level of importance.
7. Compliance Management	2 Moderately important Very important ↑	The company has not experienced any significant regulatory violations in past years. However, responses from stakeholder questionnaires suggest a higher level of significance, thereby elevating its importance.
8. Green Design and Supply Chain Sustainability Management	1 Very important 2 Moderately important ↓	(Voluntary Disclosure) After discussions among internal experts, the positive impact was less than expected, so its importance has been lowered this year.
11. Energy Management	1 Very important 2 Moderately important ↓	The company is not a high-energy-consuming industry and has effectively implemented energy-saving management; after internal expert discussion, both positive and negative significant impacts are minimal, resulting in decreased importance.
15. Talent Cultivation and Career Growth	2 Moderately important Very important ↑	Due to recent labor shortages, stakeholder questionnaire responses indicate a higher materiality of this issue, resulting in its elevated importance.
18. Social Welfare	3 Not important 2 Moderately important ↑	(Voluntary Disclosure) Driven by growing concerns about environmental, social, and governance (ESG) issues, stakeholders are placing greater emphasis on corporate social responsibility and the company's contributions to society. After internal expert discussions, due to the recognized potential for significant positive impact, its importance has been elevated, and it has been designated as a voluntarily disclosed sustainability topic.
		(Deleted)【19. COVID-19 Pandemic Management】Given the economic slowdown resulting from the COVID-19 pandemic.

2-3 List of Material Issues, Scope, and Value Chains

The Development Office convened internal experts to evaluate each of the 11 material topics and 2 voluntarily disclosed sustainability topics. They discussed whether impacts occur within the organization or externally, and finalized the organizational boundaries for each topic as shown in the table below. The scope of impacts across the company' s value chain was assessed, and the level of impact of each of the 13 topics on Flytech and its upstream and downstream stakeholders was evaluated. The corresponding response sections are listed accordingly.

● Direct impact ○ Indirect impact ◆ Fully disclosed in this report ◇ Partially disclosed in this report

Aspect	Material Topics	Upstream Supply Chain	Flytech Operation	Downstream Customers	Social Impact	Corresponding Sections	External Subsidiary Company Box (Note)	External Suppliers
Economic Sustainable Operation and Corporate Governance	1. Corporate Governance	○	●	○	○	3-1 Corporate Governance	◆	
	2. Risk Management	○	●	○	○	3-2 Risk Management	◆	
	3. Ethical Management and Transparent Financial Information	○	●	○	○	3-1-3 Ethical Corporate Management	◆	
	5. Product Innovation		●	●		5-1-5 Value-Added/Innovative Products – Design Implementation 5-1-6 Product Innovation		
	6. Customer Commitment		●	●		5-1 Excellent Customer Service		
	7. Compliance Management	○	●		○	3-1-6 Regulatory Compliance	◆	
Environmental Green Operation and Environmental Sustainability	8. Green Design and Supply Chain Sustainability Management (Voluntary Disclosure)	●	●	○		5-3 Sustainable Supply Chain Management, 6-2 Green Products		◇
	10. Climate Change Impact and Strategy	○	●	○	○	6-4 Carbon Management and Climate Change Response		
	12. Greenhouse Gas and Product Carbon Footprint	○	●	○	○	6-4 Carbon Management and Climate Change Response		
Social Co-prosper with Society and Friendly Workplace	13. Labor Relations and Employee Benefits		●			4-1 Talent Management	◆	
	15. Talent Cultivation and Career Growth		●			4-1-5 Training and Key Talent Development		
	16. Occupational Health and Safety	○	●		○	4-2 Friendly Workplace		◇
	18. Social Welfare (Voluntary Disclosure)		●		●	Chapter 7 Social Engagement		

Note: Box Technologies Ltd. (hereinafter referred to as Box)

3

Corporate Governance and Risk Management

2024 Highlights

Ranked among the top tier in corporate governance evaluations	Ranked within 21~35% of listed companies
Outperforming the industry average	First time participating in the CSA evaluation All three dimension scores are above industry peers.
13th place	2024 "Excellence in Corporate Social Responsibility" in the Medium Enterprise group.
>75%	Stock dividend rate since 2013

3-1 Corporate Governance

Key Achievements and Management Approach

Material Topic: 1. Corporate Governance

Management Strategy

Flytech upholds the core principles of transparency, openness, efficiency, and legal compliance by maintaining a robust internal control system and relevant management regulations. A risk management framework and the "Ethical Operation Promotion Team" have been established to strengthen governance. In addition, the competencies of the Board of Directors and the corporate governance officer are continuously enhanced, while the audit system ensures the soundness of the overall governance structure.

Positive/Negative Impact

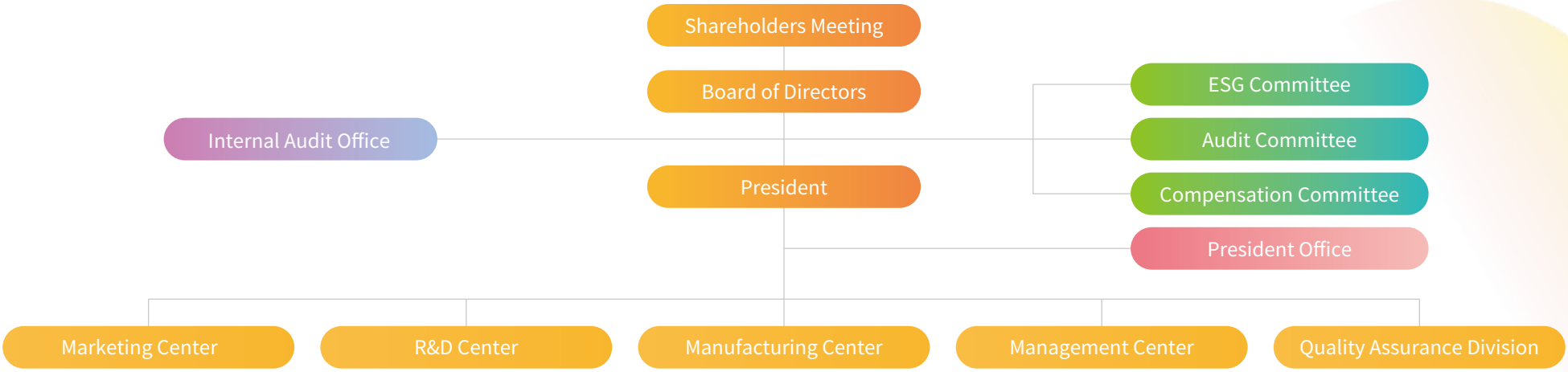
- Positive Impact: Reinforces organizational resilience and elevates corporate reputation.
- Negative impact: Imbalance in corporate governance leading to operational risks.

Stakeholder Engagement

- ESG Questionnaire.
- Market Observation Post System (MOPS).
- Official website Information and complaint mailbox.
- Investor conference.
- Shareholders Meeting.
- Visits/Meetings/Phone/Email.
- Government documents and meetings.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Maintain in the top 35% of corporate governance evaluation. • Remain committed to the principles of integrity and ethical business conduct, ensuring full compliance with applicable laws and regulations. The Company has maintained a record free of any major violations, defined as incidents involving fines exceeding NT$100,000 (or equivalent in other currencies) or legal proceedings.	• Top 21–35% in corporate governance evaluations. • Ranked 13th among Top 100 Sustainable Companies (Medium Enterprises). • First-time CSA participation outperformed the industry average across all three dimensions. • No significant violations or litigation incidents.	• Maintain top 6~20% ranking in corporate governance evaluations. • Continue recognition in the CommonWealth ESG Award and CSA rankings. • Provide 1-hour training on risk management and business integrity for subsidiaries. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Maintain top 6~20% ranking in corporate governance evaluations. • Continue to receive recognition in the CommonWealth ESG Award and CSA rankings. • External Evaluation of the Board of Directors. • Continue to promote awareness of risk management and ethical business conduct across the group. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Annual Corporate Governance Evaluation Results. • Announcement of Domestic and International Awards and Recognition results. • Completion of Group-wide awareness campaign. • No Major Violations or Litigation.

Flytech firmly recognizes that corporate governance is the cornerstone of sustainable business operations. A sound governance framework—rooted in transparency, openness, efficiency, and legal compliance—not only enables effective management but also establishes a strong supervisory mechanism that drives operational performance and enhances market competitiveness. Through the establishment and implementation of comprehensive governance systems, we are committed to safeguarding shareholder rights while balancing the interests of employees, customers, investors, suppliers, communities, and relevant non-profit organizations, thereby fostering mutually beneficial and long-term partnerships.



In alignment with the Corporate Governance 3.0 – Sustainable Development Roadmap issued by the Financial Supervisory Commission, ROC (Taiwan), Flytech has launched five key initiatives to strengthen the governance structure of both the Company and its subsidiaries. These initiatives include: enhancing information transparency and promoting sustainable operations; strengthening stakeholder communication through effective engagement channels; encouraging stewardship aligned with international standards; and fostering a culture of sustainable governance while offering diversified products and services. The Board of Directors serves as the highest governance body. To support a more comprehensive and effective governance framework, Flytech has established a Corporate Governance Officer, an Audit Committee, and a Compensation Committee, all of which assist the Board in fulfilling its oversight responsibilities.

Flytech has established an internal control system based on risk assessments, covering nine operational cycles, management regulations, accounting and budgeting systems, intellectual property and personal data management systems, ISO standard operating procedures, general SOPs, and the SAP ERP system. Through delegated authority and a hierarchical structure, employees at all levels are empowered to fulfill their responsibilities effectively. The internal audit unit monitors the implementation of internal controls. As a subsidiary, Box has defined authority limits for each operational cycle as the core of its internal control framework. To ensure transparency, Flytech maintains bilingual (Chinese and English) official websites disclosing corporate governance information, including the Board of Directors, management team, key policies and regulations, internal audit structure, financial statements, shareholder meeting materials, and conference call information. These measures support Flytech in achieving performance targets, safeguarding assets, ensuring timely and accurate financial reporting, maintaining transparency, and complying with all relevant laws and regulations—thereby promoting sound corporate governance.

Flytech's governance achievements are also reflected in the regulatory authority's Corporate Governance Evaluation results. In 2024, our company achieved a good performance ranking within the 21-35% range of listed companies. Following our impressive 8th place ranking in the Small Giant category of the 2021 CommonWealth Magazine Corporate Citizen Awards, we have continued to be honored for four consecutive years. In 2024, we were proud to be ranked 13th.

For more details regarding the Board, Ethical Operation Promotion Team, functional committees, Corporate Governance Officer, and internal audit operations, please refer to the following explanations.

3-1-1 Board of Directors

Operation of the Board of Directors

Established by the Corporate Charter, our company's Board of Directors comprises 7 members, including 3 independent directors and 1 female director. As the highest governance body, the Board plays a crucial role in our operations. For details on our selection process, please visit the "Procedure for Election of Directors" When nominating director candidates, we consider their professional skills and experience as well as the company's operational needs and future development trends. We aim to maintain a high standard of decision-making quality within the Board, benefiting all stakeholders. For detailed information on our current board members, including their diversity, expertise, independence, and collective knowledge (professional development), please refer to pages 3 to 6 and 31 of our 2024 annual report.

There are no conflicts of interest among the members of the Board of Directors

Our Chairperson does not hold any executive position within the company. The president's dual role as a Director is considered a reasonable approach for senior management to engage in board governance. The 3 independent directors hold positions in other companies with no significant financial transactions with ours. The four non-independent directors hold positions in other companies, all of which are subsidiaries within the group. Not all directors have cross-shareholding relationships with suppliers or other stakeholders. Apart from two significant company shareholders, the remaining directors do not hold controlling shares. Please refer to pages 3-6 of the 2024 Annual Report for detailed information on director shareholdings.

Regarding the system, our Rules of Procedure for Board Meetings outline procedures for directors' conflicts of interest. In 2024, the Board of Directors convened eight times. During discussions related to individual compensation allocation, the respective directors recused themselves from participation in accordance with the policy. For all other agenda items, no conflicts requiring recusal were identified.

Board of Directors Communication on Key Significant Events

Flytech's official website features a dedicated Stakeholder Section and Complaint Mailbox, providing multiple channels for communication with management (refer to Chapter 2-1: Stakeholder Identification and Engagement List). Upon receiving stakeholder feedback, management first evaluates whether the issue constitutes a material topic. Non-material topics are addressed directly or discussed internally to determine appropriate responses, with records maintained for ongoing improvement. Material topics are reported to the President and reviewed in regular strategic meetings to decide whether escalation to the Board of Directors is necessary. In 2024, communication with stakeholders remained smooth, with no significant complaints or material topics requiring escalation. A summary of stakeholder communications has been compiled for inclusion in the Board report scheduled for March 2025.

Performance Assessment

The company has established Board Performance Evaluation Methods, wherein all board members conduct self-assessments annually from the end of the year to the beginning of the following year. Additionally, the president's office conducts a comprehensive evaluation of the board's operations. The assessment results for 2024 demonstrate outstanding performance (please refer to the detailed criteria for individual director and board evaluations on page 18 of the 2024 annual report). Throughout 2024, our governance and compliance efforts continued to excel, with no significant litigation issues. These achievements will be summarized in the March 2025 Board report.

Communication Between Independent Directors, CPAs, and Internal Auditors

The company's internal audit supervisor communicates with the independent directors through quarterly regular audit committee meetings and irregular outside meetings to discuss audit plans, audit results, and other vital matters, thereby assisting independent directors in fulfilling their duties and promoting more efficient board operations. Additionally, meetings are arranged with the financial statement auditors to report on the audit results of the company and subsidiaries' financial reports, findings from internal control system audits, updates on regulations, and recommendations for compliance at least twice a year. These meetings also provide an opportunity to discuss and understand the company's operational overview and significant matters. For details on communication activities in 2024, please take a look at page 21 of the 2024 annual report.

3-1-2 Audit Committee and Compensation Committee

The company established the Audit Committee in 2018 and the Compensation Committee in 2011, both of which are composed of three independent directors. These committees operate in accordance with the company's Organizational Regulations for the Audit Committee, the Compensation Committee Charter, and relevant legal requirements. For detailed information on committee members' qualifications and their operations in 2024, please visit our official website and refer to pages 19-20 and 32-33 of the 2024 annual report.

Remuneration Policy for the Highest Governance Body and Senior Management

Compensation of Directors

The compensation of directors includes annual salaries and attendance allowances. The attendance allowance is a fixed amount. The total amount of directors' compensation is based on the principle outlined in Flytech's Corporate Charter: "If the company is profitable in a year, 3% to 15% should be allocated for employee compensation, and not more than 3% for directors' remuneration." The HR department determines the individual remuneration amounts for each director based on performance assessments completed by the President's Office in accordance with the Board Performance Evaluation Methods. According to the Compensation Committee Charter, these amounts are then submitted to the Compensation Committee and the Board of Directors for approval before disbursement. For detailed explanations of the performance assessment method, please refer to page 18 of the 2024 Annual Report.

Senior Management Level

Senior executive compensation includes fixed salaries, year-end bonuses, and employee profit-sharing. Fixed salary standards are determined by the Human Resources department based on each role' s responsibilities, in accordance with the Professional Title and Rank Management Measures, Remuneration Management Measures, and the Compensation Committee Charter. Industry benchmarks are also referenced to ensure a competitive and reasonable compensation structure. All proposals are submitted to the Compensation Committee and the Board of Directors for approval. Year-end bonuses are calculated based on a baseline of two months' salary. Employee profit-sharing is allocated based on 3% to 15% of annual profits, as previously noted. The HR department evaluates each senior executive' s performance based on annual KPI achievement. Bonus distribution is then proposed according to the Compensation Committee Charter and submitted to the Compensation Committee and the Board for final approval.

The company's compensation committee regularly reviews the reasonableness of its compensation policies, systems, standards, and structures each year. There is no involvement of external consultants or stakeholders in this process. For more details, please refer to pages 32-33 of the 2024 annual report.

3-1-3 Integrity Management

Key Achievements and Management Approach

Material Topic: 3. Ethical Management and Transparent Financial Information

Management Strategy

Flytech upholds the core principles of transparency, openness, efficiency, and legal compliance by maintaining a robust internal control system and relevant management regulations. A risk management framework and the "Ethical Operation Promotion Team" have been established to strengthen governance. In addition, the competencies of the Board of Directors and the corporate governance officer are continuously enhanced, while the audit system ensures the soundness of the overall governance structure.

Positive/Negative Impact

- Positive Impact: Enhancing information transparency and strengthening stakeholder trust.
- Negative impact: Reputational damage may affect the willingness of customers and suppliers to collaborate.

Stakeholder Engagement

- ESG Questionnaire.
- Market Observation Post System (MOPS).
- Official website Information and complaint mailbox.
- Investor conference.
- Shareholders Meeting.
- Visits/Meetings/Phone/Email.
- Government documents and meetings.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Maintain in the top 35% of corporate governance evaluation. • Remain committed to the principles of integrity and ethical business conduct, ensuring full compliance with applicable laws and regulations. The Company has maintained a record free of any major violations, defined as incidents involving fines exceeding NT$100,000 (or equivalent in other currencies) or legal proceedings.	• Maintained top 21~35% ranking in corporate governance evaluations. • Continued to rank 13th among Top 100 Sustainable Companies (Medium Enterprises). • First-time CSA participation outperformed the industry average across all three dimensions. • No significant violations or litigation incidents.	• Rank in the top 6~20% ranking in corporate governance evaluations. • Continue to receive outstanding recognition in the CommonWealth ESG Award and CSA rankings. • Provide 1-hour training on risk management and business integrity for subsidiaries. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Maintain top 6~20% ranking in corporate governance evaluations. • Continue recognition in the CommonWealth ESG Award. • External Evaluation of the Board of Directors. • Continue to promote awareness of risk management and ethical business conduct across the group. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Annual Corporate Governance Evaluation Results. • Announcement of Domestic and International Awards and Recognition results. • Completion of Group-wide awareness campaign. • No Major Violations or Litigation.

Flytech implements responsible business practices through the following four points:

1. Ethical Corporate Management Promotion Team

Since its establishment, Flytech has been committed to upholding ethical business practices, which include integrity, a focus on core operations, compliance with laws, fair trade, innovation, anti-corruption, anti-bribery, and the responsible management of intellectual property and company assets. These principles guide corporate conduct and serve as governance objectives for all subsidiaries within the group. Flytech has implemented internal regulations, including the Code for Integrity Operations, Integrity Operation Procedure, Conduct Guidelines, and Whistleblower Report Processing Guidelines. These documents detail specific rules, procedures for operations, internal education, preventive measures, performance assessment, disciplinary actions, and a complaints system, ensuring robust adherence to ethical standards.

Responsibilities and Affiliation	Subordinate to the Board's jurisdiction, responsible for regularly assessing business activities with higher integrity risks, amending, implementing, and interpreting guidelines accordingly. It provides consultation and oversight to prevent unethical behavior that could harm stakeholders' rights and the company's reputation. A regular report on the ethical business performance of the previous year is submitted to the Board in the first quarter of each year. The report for 2024 was presented to the Board in March 2025. During 2024, neither the company nor its subsidiaries experienced any significant events or fines related to violations of social and economic regulations. Furthermore, no anti-competitive behavior, anti-trust actions, or monopolistic practices were recorded. Since its establishment, the team has not encountered any significant issues impacting the company's ethical business practices.
Grievance Channel	Flytech's official website and intranet have set up a whistleblower reporting email, whistleblower@flytech.com.tw, providing a channel for stakeholders to lodge complaints. This team, led by the president, is the unit responsible for handling such reports. The administrative team manages the receipt, administration, and documentation of complaints. The initial review team conducts preliminary investigations, while the review committee, comprising the president, all independent directors, and the corporate governance officer, oversees and determines the appropriate course of action. In 2024, there were no significant complaints from internal or external stakeholders concerning the company.
Promotion and Advocacy	Regularly conducts internal promotion and advocacy to continually emphasize the importance of ethical behavior and adherence to relevant rules. In 2024, all new employees received integrity training as part of their onboarding process, while existing staff participated in an annual one-hour training session.
Commitment	All employees have signed the Integrity Declaration, achieving a 100% participation rate.

2. Financial Transparency

As a listed company, Flytech discloses monthly consolidated revenue, quarterly and annual financial reports in Chinese and English, as well as Chinese and English annual shareholder reports, in accordance with regulatory requirements. These disclosures are made available on the Market Observation Post System (MOPS) and the Company' s official website, demonstrating our commitment to transparency and providing stakeholders with sufficient and accurate information. Since our establishment, we have never restated financial reports and have never been subject to penalties.

3. Related Party Transaction Management

Flytech has established Guidelines for Transactions with Specific Companies and Related Parties, Measures for the Operation and Management of Reinvested Companies, Rules Governing Financial and Business Matters Between this Corporation and its Related Parties, (please refer to Flytech official website), Approval Authority List and Subsidiary Approval Authority List for managing subsidiaries. The management standard of the group company and the hierarchical authorization method for different transaction amounts can effectively control the transaction and operational management of the company and its subsidiaries, including Box, thereby eliminating the risk of dishonest operation.

4. Prevent Insider Trading

Flytech has established the Procedures for Handling Internal Material Information and Prevention of Insider Trading (please refer to our official website), which are applicable to directors, managers, and employees, and regulate the confidentiality firewall (people and things) of material information, information collection, countersignature, review, and release responsible units and operating procedures. This ensures that any information publicly disclosed by our company has undergone the appropriate approval procedures and is accurate, complete, and compliant with all relevant legal requirements. There were no instances of insider trading in the year 2024.

3-1-4 Corporate Governance Department and Supervisor

The Board of Directors serves as the highest governance body at Flytech. Under the ESG Sustainability Committee, the Sustainability Management Promotion Team functions as the executive unit responsible for driving sustainability initiatives. In 2019, the Board approved the appointment of the CFO as the supervisor of corporate governance. This role oversees the Sustainability Management Promotion Team, which comprises members from the Office of the President and the Administration Center. The Promotion team is responsible for managing matters related to the Board and Shareholders' Meetings, assisting directors in fulfilling their duties, formulating and promoting policies related to corporate governance, assessing potential impacts, and driving improvement plans. These efforts aim to strengthen corporate governance and integrity management. For details on responsibilities and 2024 implementation, please refer to page 27 of the 2024 Annual Report.

3-1-5 Internal Control System and Internal Audit

Internal Control System

The company has established an internal control system through a risk assessment process, which includes nine major transaction cycles and a management control cycle. In addition, there are management regulations, accounting systems, budget systems, intellectual property management systems, personal data management systems, compliance with ISO 9001/13485/14001/45001/27001/IATF 16949 procedure standards, as well as greenhouse gas inventory procedures under ISO 14064-1 and ISO 14067, SOPs, and ERP control systems. Daily operations are carried out and supervised by various departments in accordance with the regulations above and the authorization system. The effectiveness of the system is periodically evaluated through self-assessment of internal controls to ensure continuous improvement and the implementation of corporate governance.

Internal Audit

The internal audit office of the company is directly subordinate to the board of directors, and its main function is to assist various departments to understand whether their business complies with laws and regulations, company regulations and operational management performance, so as to continuously review preventive improvement measures and optimize directions, and assist the board of directors with due diligence in corporate governance.

The audit methods include regular audits and project audits. Regular audits are based on factors such as relevant laws and regulations, past audit frequency, past anomalies or deficiencies, as well as risk assessment, operational mode, and organizational status. The risk value is calculated and the audit plan is scheduled for execution. Project audits are carried out at any time for specific needs or major exceptions.

In addition to communicating with the inspected unit to confirm and discuss improvement measures, the audit results or abnormal findings should be regularly reported to the independent directors and the board of directors; the internal audit unit should also review the annual internal control self-assessment results of each operating department, and check the audit report to confirm the effectiveness of the internal control design and whether the actual operation complies with the system, and the design and implementation of the internal control system. In the year 2024, the design and implementation of the internal control system remained effective. The completion of these assessments has been reported to the relevant regulatory authorities.

3-1-6 Compliance with Laws and Regulations

Key Achievements and Management Approach

Material Topic: 7. Compliance Management

Management Strategy

Flytech upholds the core principles of transparency, openness, efficiency, and legal compliance by maintaining a robust internal control system and relevant management regulations. A risk management framework and the "Ethical Operation Promotion Team" have been established to strengthen governance. In addition, the competencies of the Board of Directors and the corporate governance officer are continuously enhanced, while the audit system ensures the soundness of the overall governance structure.

Positive/Negative Impact

- Positive Impact: Ethical business practices enhance stakeholder trust.
- Negative impact: Reputational damage and regulatory penalties.

Stakeholder Engagement

- ESG Questionnaire.
- Market Observation Post System (MOPS).
- Official website Information and complaint mailbox.
- Investor conference.
- Shareholders Meeting.
- Visits/Meetings/Phone/Email.
- Government documents and meetings.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
Continue implementing the business philosophy of integrity and honesty, abide by relevant laws and regulations, and maintain a record free of major violations (defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation).	No significant violations or litigation incidents.	Maintained a record of no significant violations (defined as fines exceeding NT$100,000 or equivalent, or litigation cases).	Maintained a record of no significant violations (defined as fines exceeding NT$100,000 or equivalent, or litigation cases).	No significant violations or litigation incidents.

Corporate operations should strictly adhere to legal regulations, forming the foundation and bottom line for sustainable management. Our company has established a Legal Affairs Department as a dedicated unit, following various corporate governance systems (please refer to sections 3-1-1 to 3-1-5 for details), which closely monitors and assists departments in their implementation. This approach aims to prevent multiple incidents, including commercial, tax, environmental, labor, trademark, and personal data issues, which could potentially impact the company. Our company defines significant violations as cases where fines exceed NT$100,000 (or equivalent in any currency) or litigation events. From 2022 to 2024, no significant violations or litigation penalties were incurred.

3-2 Risk Management

Key Achievements and Management Approach

Material Topic: 2. Risk Management

Management Strategy

Flytech upholds the core principles of transparency, openness, efficiency, and legal compliance by maintaining a robust internal control system and relevant management regulations. A risk management framework and the "Ethical Operation Promotion Team" have been established to strengthen governance. In addition, the competencies of the Board of Directors and the corporate governance officer are continuously enhanced, while the audit system ensures the soundness of the overall governance structure.

Positive/Negative Impact

Positive Impact	Reinforces organizational resilience and enhances operational performance across departments.
Negative impact	Management crises leading to operational risks.

Stakeholder Engagement

- ESG Questionnaire.
- Market Observation Post System (MOPS).
- Official website Information and complaint mailbox.
- Investor conference.
- Shareholders Meeting.
- Visits/Meetings/Phone/Email.
- Government documents and meetings.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Maintain in the top 35% in corporate governance evaluation. • Continue implementing the business philosophy of integrity and honesty, abide by relevant laws and regulations, and maintain a record free of major violations (defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation).	• Achieved top 21~35% in corporate governance evaluation. • No major violations or involvement in litigation.	• Rank in the top 6~20% ranking in corporate governance evaluations. • Continue to receive recognition in the CommonWealth ESG Award and CSA rankings. • Provide 1-hour training on risk management and business integrity for subsidiaries. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Maintain top 6~20% ranking in corporate governance evaluations. • Continue to receive recognition in the CommonWealth ESG Award and CSA rankings. • External Evaluation of the Board of Directors. • Continue to promote awareness of risk management and ethical business conduct across the group. • Ensure no major violations, defined as fines exceeding NT$100,000 (or equivalent currency) or involvement in litigation.	• Annual Corporate Governance Evaluation Results. • Announcement of Domestic and International Awards and Recognition results. • Completion of Group-wide awareness campaign. • No Major Violations or Litigation.

3-2-1 Risk Management Structure

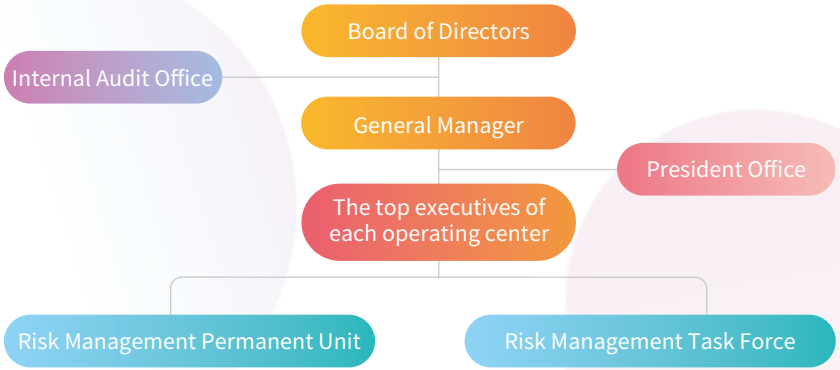
To continue monitoring various potential risks that may affect the company's operations, both internally and externally, and to establish appropriate management measures and preparedness for all stakeholders, providing adequate risk management to assist in sustaining critical business activities in the event of accidents and ensuring business continuity, the company's Board of Directors has approved the Risk Management Policy and Procedures. This policy has established a risk management framework, and the details of the risk management policy and organizational responsibilities are as follows:

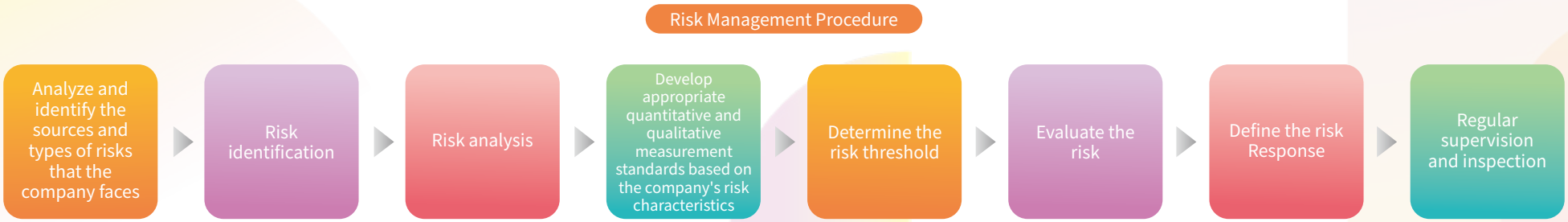
Risk Management Policy

The company's risk management policy follows the principles of "prevention, management, and improvement." The board of directors and the unit responsible for promoting and executing risk management should abide by the laws and regulations, develop domestic and international corporate risk management mechanisms and the overall operational objectives of the company, identify and analyze categories of risks and acceptable risk tolerance levels. They should formulate and implement risk management procedures and oversee their implementation to ensure the continuity of business operations and prevent potential losses, thereby achieving the goal of sustainable operation.

Risk Management Organization and Responsibilities

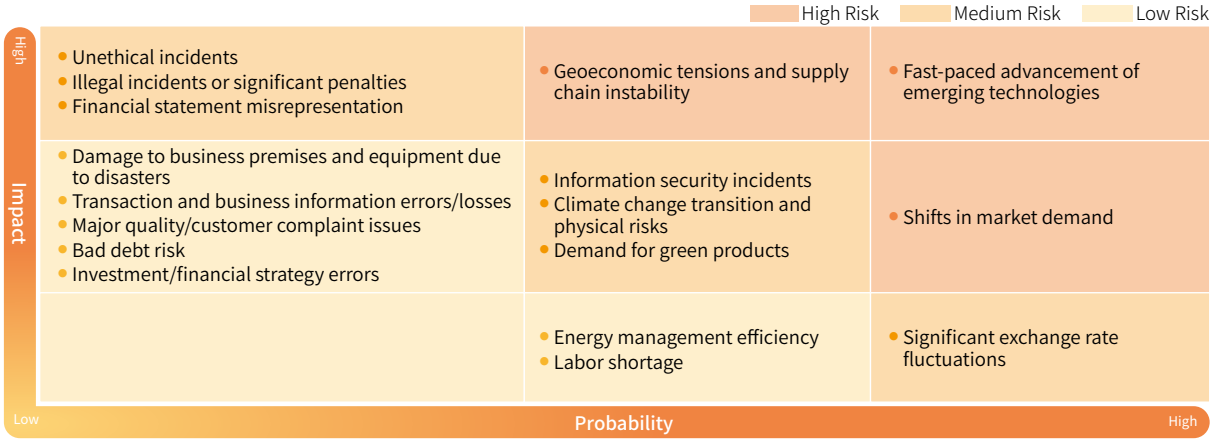
The Board of Directors, as the top governance body for risk management, is responsible for approving risk management policies, procedures, and frameworks, ensuring alignment between operational strategy and risk management policies, providing the establishment of appropriate risk management mechanisms and a risk management culture, overseeing and ensuring the effective operation of the overall risk management mechanism, allocating and assigning sufficient and appropriate resources, and bearing ultimate responsibility for the effectiveness of risk management. Considering the company's scale, business characteristics, the nature of risks, and operational activities, our company does not establish a Risk Management Committee. Instead, the roles of the Risk Management Promotion Unit and Risk Management Execution Unit are fulfilled by the president and the highest executives of each operational center, respectively. These units replace the functions of a Risk Management Committee and are responsible for planning, executing, and supervising all risk management-related matters. Permanent risk management units and project teams handle specific risk management tasks within this framework. In the event of unforeseen significant incidents, the president takes responsibility for forming a project team to execute control measures. The audit unit supervises the execution unit and the project team, providing assistance with corrective actions for any anomalies. The Audit Committee oversees this process, while the Board of Directors holds ultimate governance responsibility.





2024 Actual Operational Performance, Risk Mapping, and Response Strategies for High-Risk Items

At the end of each year, the Risk Management Promotion Unit evaluates risks based on the company' s overall business strategy and operational objectives, while analyzing changes in the domestic and international environment, including factors such as geopolitical developments, technological advances, information security, climate change, and energy transition. Led by the president and involving the standing risk management units, the risk management unit identifies the scope and impact of risks and formulates response strategies. These strategies are implemented through ongoing operational controls and adjustments. For risks with significant impact, dedicated projects are established and monitored through continuous tracking and internal audits to ensure effective execution and management. In 2024, risks were prioritized according to their severity and likelihood as follows:



- Response Strategies for High-Risk Items

Major Risk Items	Risk Description	Response Strategies
Geoeconomic tensions and supply chain instability	Changes in the international political landscape and geopolitical factors have impacted the material and manufacturing costs for exporters. Maintaining a stable and high-quality supply chain remains Flytech's top priority.	Continuously developing quality suppliers to expand sourcing channels, and maintaining stable upstream supply through strategic procurement and inventory planning.
Fast-paced advancement of emerging technologies	The rapid development of AI technology has a comprehensive impact, covering various industries and daily human life. Internally, it enables the automation of repetitive tasks to improve production efficiency; externally, in the demand market, machines integrated with AI-powered decision-making capabilities are becoming the mainstream trend.	• Internal management Simplify manufacturing and inspection processes through intelligent management, and support decision-making with big data collection and analysis. • Market development Building on the foundation of traditional hardware manufacturing, we actively innovate technologies from the perspective of field applications. By integrating hardware solutions with artificial intelligence technologies and service-oriented software, we provide customers with comprehensive, integrated hardware-software services. Additionally, we develop energy-efficient models to meet the latest market demands.
Shifts in market demand	With the rapid advancement of technology, market demand for applications has undergone a fundamental transformation. The ability to respond swiftly and deliver technologies that meet market needs is a key challenge for Flytech in expanding its market share.	

3-2-2 Financial Risk Management

In 2024, potential financial risks arising from operational activities included price volatility and other financial uncertainties. The fluctuation in raw material prices affected overall material costs. However, since Flytech primarily produces customized products, it holds a favorable position in terms of pricing and negotiations with its customers. The company also continues to work with domestic and international suppliers known for their strengths in quality, pricing, and environmental practices to maintain a stable supply chain. Through policy-driven and project-based procurement strategies, Flytech effectively manages cost fluctuations. As a result, the company delivered a strong gross profit margin in 2024. The Company has maintained effective control over credit risk, liquidity risk, foreign exchange risk, and interest rate risk. For a comprehensive disclosure of related information, please refer to pages 34 to 36 of the 2024 Standalone Financial Statements.

3-2-3 Information Security Risk Management

To establish a robust information security environment and pursue sustainable operations, Flytech implemented an ISO 27001-compliant information security policy and management system in 2013. This system encompasses organizational, personnel, physical, and technical controls as the foundation for effective information security management. It aims to prevent potential risks and damages caused by human error, malicious intent, or natural disasters. The system has been externally certified, and in 2024, Flytech adopted the latest version of ISO 27001:2022.

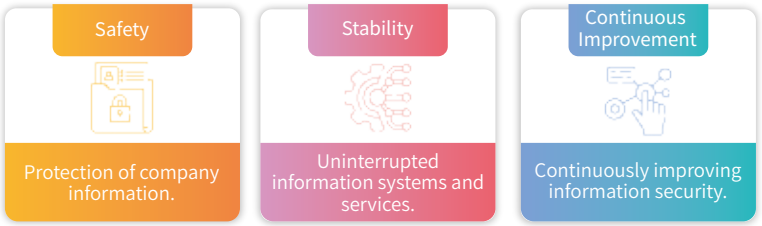
Information Security Policy

To establish a safe and reliable information system service, Flytech ensures compliance with the requirements of relevant laws and regulations, maintains continuous business operations, reduces the risk of cyber information operations, and protects the rights and interests of customers.

The company's policy is evaluated at least once a year, and the information security management situation is reported to the board of directors in the first quarter of each year.

Information Security Declaration

The purpose of promoting information security at Flytech is to establish a comprehensive information security management system. Through a process-oriented management cycle comprising establishment, implementation, review, and continuous improvement, we aim to build a practical information security framework and achieve our strategic information security objectives:



All personnel, contracted staff, outsourced vendors, and contracted maintenance vendors for hardware and software systems involved in information security management must adhere to appropriate confidentiality measures. They are expected to understand the importance of the company' s information assets and are strictly prohibited from using them for any unauthorized purposes.

If any violations of this policy or actions that jeopardize information security are discovered, they should be dealt with in accordance with the company's internal disciplinary regulations, or appropriate legal actions may be taken.

Information Security Risk Management Structure

The Chief Information Security Officer (CISO) of Flytech' s Information Security Management Committee is the President, while the head of the IT department serves as the convener of the Information Security Promotion Team. In accordance with the resolutions of the Information Security Management Committee and the Information Security Management Procedure, the team is responsible for planning, establishing, implementing, maintaining, reviewing, and continuously improving the information security management system. This ensures full compliance among all employees and effective leadership across working groups in managing information security. For more details on our related management practices, please refer to our company website.

Keeping Pace with International Standards and Best Practices

With the rapid evolution of information and communication technology, encompassing both hardware and software, as well as emerging security threats, information security management must continually adapt to address the complexities of technological environments and network risks. The latest version of the Information Security Management System (ISMS), ISO 27001:2022, was released in 2022. Compared to the 2013 version, the updated standard introduces enhanced requirements, including:

- When assessing risks, future potential risks should be considered, along with ongoing monitoring, more flexible risk response, and effective mitigation strategies
- The enhanced information security governance framework emphasizes the involvement and accountability of senior management
- Increased focus and control measures for emerging technologies such as cloud and virtual storage computing, remote work, and artificial intelligence
- Integrity of file information and traceable record management
- Third-party management controls for external services
- Compliance requirements and change management

Flytech has thoroughly reviewed the latest standards, integrated them into the company' s management system, and completed internal awareness and training programs. The company has successfully passed the external certification for the updated version. For details of the certificate, please refer to our website.

3-2-4 Climate Change Risk Management

The World Economic Forum (WEF) has released the 2025 Global Risk Report, highlighting the rankings from its Global Risk Perception Survey. Environmental risks consistently rank high on the list. In the short-term (two-year) outlook, extreme weather events remain the second most significant concern. For the long-term (ten-year) outlook, five out of the top ten risks are environmental in nature, the same as the previous year. This underscores the urgent need for collective global action to mitigate the risk of widespread disasters.

Short-term risks ranking	
2	Extreme weather events
6	Environmental pollution

Long-term risks ranking	
1	Extreme weather events
2	Biodiversity loss and ecosystem collapse
3	Significant changes in the Earth's ecosystems
4	Natural resource scarcity
10	Environmental pollution

The impacts of climate change risks include increased frequency and intensity of extreme weather events, changes in rainfall patterns, infrastructure disruption, ecosystem changes to agriculture, forestry, fishing, and livestock, and public health issues due to rising temperature and water supply challenges. Human-induced climate change is one of the most significant challenges facing our world today, with long-term impacts on businesses and communities. As a responsible corporate entity, Flytech is dedicated to minimizing greenhouse gas emissions through strategic initiatives and adaptive measures. Our efforts aim to mitigate climate change and enhance our resilience against its inevitable effects.

Flytech Climate-related Financial Disclosure Report

Flytech is committed to addressing climate change risks and opportunities while upholding the belief in sustainable growth and minimizing environmental impact. We aim to achieve these goals through the implementation of green innovation, low-carbon emission, energy-saving green design, green supply chain management, green manufacturing, and the production of green products. We also consistently practice energy management, water management, and waste management in our daily operations. We are committed to contributing to global sustainable development by reducing greenhouse gas emissions and lowering operational energy consumption. The ESG Committee at Flytech drives these efforts through the following four directions:

- Assess major climate change issues related to the company's value chain, approve mitigation and adaptation targets, and report to the board of directors on a quarterly basis.
- Convene all subordinate teams to communicate strategies and goals. Each execution team is responsible for formulating concrete management measures to achieve these goals, thereby strengthening the green competitiveness of the supply chain.
- Quantify the financial impact of climate change risks and opportunities, set performance indicators and quantified targets, and regularly evaluate results to report to the board of directors.
- Continue to focus on measuring the severity of climate change and international trends, and adjust strategies and targets in a timely manner.

Flytech's Core Elements of the Task Force on Climate-Related Financial Disclosures (TCFD)

Governance
The organization's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Risk Management
The processes used by the organization to identify, assess, and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Core Elements	Disclosures
Governance	• Flytech has established the ESG Sustainability Committee, affiliated with the board of directors. The committee consists of the chairperson and senior management. Under the supervision of the Board, it is responsible for approving the climate change vision and strategy, setting long-term targets, promoting related specific initiatives, and reporting regularly to the Board of Directors every six months. Starting from the second half of 2023, the ESG Committee has increased its reporting frequency to a quarterly basis, updating the Board on the greenhouse gas inventory plans and progress of both the company and its subsidiaries. • The ESG Development office, led by the President, oversees Green Operations. It establishes performance targets for each department aligned with the climate change response strategies and objectives approved by the Board of Directors. Regular meetings are conducted to monitor implementation progress, and ongoing assessments of risks and opportunities are reported to the management team.
Strategy	• Led by the President, Flytech' s ESG Development Office takes an active role in assessing climate-related risks and opportunities. Through ISO 14064-1 organizational greenhouse gas inventories and ISO 14067 product carbon footprint analyses, we identify key areas of energy consumption. This enables us to establish an energy management and monitoring platform, implement energy-saving and carbon reduction initiatives, and set clear short-term, medium-term, and long-term sustainability goals. • For information on the potential impacts of climate-related risks and opportunities on Flytech, please refer to section 6-4-2, "Climate Change Response and Product Carbon Footprint," for detailed explanations and tables. • In response to various climate scenarios, Flytech employs flexible strategies encompassing both mitigation and adaptation. Our mitigation efforts include purchasing green electricity, enhancing resource efficiency, optimizing production processes for energy savings, investing in energy-efficient devices and equipment, incorporating energy-saving designs and eco-friendly recycled materials into our products, and collaborating with suppliers to build a low-carbon value chain. Concurrently, our adaptation initiatives focus on strengthening the resilience of these efforts to ensure their long-term effectiveness.
Risk Management	ESG Development office • Assesses climate-related risks and opportunities within the value chain based on Flytech's Risk Management Policy and Procedures. • Collaborate across departments to coordinate efforts, evaluate the financial impacts of identified climate-related risks and opportunities, and formulate appropriate management strategies in response. • Lead the relevant departments in executing management strategies for climate-related risks and opportunities, holding regular monthly meetings to monitor progress and ensure effective implementation.
Metrics & Targets	• The ESG Committee reviews climate-related performance indicators and quantitative targets, submits them to the Board of Directors for approval, and the ESG Development office regularly monitors and reports progress during monthly meetings. • For more information on greenhouse gas emissions in Scopes 1, 2, and 3, refer to Chapter 6, Section 6-4-1 of the Green Operations. • For information on the targets and achievement levels of greenhouse gas emissions in Scopes 1, 2, and 3, refer to Chapter 6, Section 6-4 of Green Operations.

For specific climate change response measures, please refer to Chapter 6, Section 6-4-2: Climate Change Adaptation and Product Carbon Footprint.

3-2-5 Other Risk Management

To effectively manage unforeseen risks, Flytech has established ISO Response Management Procedures that outline protocols for responding to natural and accidental disasters, public infrastructure disruptions, information and network system failures, supply chain interruptions, labor shortages, and critical equipment malfunctions. Annual drills are conducted to strengthen emergency response capabilities, ensuring the resilience of core operations and enabling rapid recovery with minimal losses during disruptions.

In the event of other significant unforeseen risk incidents, the President is accountable and will establish a task force to manage the response. No such major risks were identified in 2024.

3-3 Tax Policy

Flytech has consistently adhered to the principles of financial transparency, strong corporate governance, and integrity in business operations since its founding. All operational activities are conducted in full compliance with the tax laws and regulations of the jurisdictions in which we operate, demonstrating our dedication to transparency and sustainable growth.

3-3-1 Flytech's Tax Commitment

- Committed to complying with all tax laws and their legislative intent in the countries where we operate.
- Committed to financial reporting transparency, and tax disclosures are conducted in accordance with the regulatory requirements of the countries where we operate.
- Committed to legally utilizing tax incentives in the countries where we operate and refraining from transactions conducted solely for tax avoidance purposes.
- Committed to refraining from transferring generated profits to low-tax jurisdictions.
- Committed to not using tax structures lacking commercial substance.
- Committed to conducting transfer pricing in accordance with the arm' s length principle.
- Committed to not using tax havens or engaging in tax planning solely for the purpose of tax avoidance.
- Committed to considering tax implications and conducting risk assessments whenever there are changes in tax regulations in operating locations or when the company makes significant decisions.

3-3-2 Tax Risk Management and Governance

To effectively manage tax risks and opportunities, establish a solid foundation for sustainable operations, and avoid increased tax expenses caused by regulatory changes or failure to apply preferential tax regulations that could affect the company' s effective tax rate, Flytech' s Finance Department is responsible for identifying and assessing the impact of regulatory changes on business operations according to internal control procedures and promptly seeks consultation from external experts to strengthen tax governance and control. The Audit Department is responsible for auditing and reporting to the Board of Directors, which oversees and reviews the quality and integrity of accounting systems, financial reporting, and internal controls, and holds ultimate responsibility for the effectiveness of risk management.

3-3-3 Effective Tax Rate

In 2024, Flytech paid NT$232,607,000 in profit-seeking enterprise income tax, resulting in an effective tax rate of 19%, which is lower than the statutory rate of 20% in the Republic of China. This reduction is primarily due to tax incentives obtained under the Research and Development Expenditures Investment Deduction method and the Industrial Innovation Regulations for Substantial Investment, which are applicable to undistributed surplus deductions and tax rebate applications.

4

Employee Relations

2024 Highlights

Recognised as a “Healthy 99” company	CHR Healthy Corporate Citizenship Award
Reached 32%	Percentage of Female Supervisors
Reached 815%	Training Return on Investment (ROI)
Achieved certification for the second time	Taiwan Talent Quality-management System (TTQS)
> 31.4%	2024 average education and training hours per employee

Flytech recognizes its employees as its most valuable asset and the foundation of the company's sustained excellence and innovation. We are committed to fostering a high-quality workplace environment by offering a diverse range of employee benefits and talent development programs, designed to enhance the employee experience and support career growth and development. In terms of learning and development, we provide abundant training resources through a digital learning platform, enabling employees to learn flexibly and design personalized growth paths tailored to their individual needs. This approach fosters a learning-oriented organization and strengthens the company's long-term competitiveness. Furthermore, to uphold our commitment to corporate social responsibility, the advancement of online learning contributes to reducing our carbon footprint and supports the achievement of ESG sustainability objectives.

Regarding workplace environment and employee well-being, Flytech promotes flexible working arrangements and leave policies that exceed statutory requirements. Additional supportive measures, such as Employee Assistance Programs (EAP) and stress-relief massages, are provided to foster employees' physical and mental health and maintain a healthy work-life balance. Moving forward, we will continue to conduct market salary surveys and implement compensation adjustments to ensure our pay remains competitive. Additionally, we will deepen employee competency development to nurture outstanding talent. At the same time, we will actively gather employee feedback and strengthen internal communication mechanisms, striving to create a diverse, inclusive, friendly, and safe workplace that supports sustainable, long-term growth. At the same time, we will actively gather employee feedback and strengthen internal communication mechanisms, striving to create a diverse, inclusive, friendly, and safe workplace that supports sustainable long-term growth.

4-1 Talent Management

Key Achievements and Management Approach

Material Topic: 3. Labor Relations and Employee Benefits

Positive/Negative Impact

Positive Impact

- Enhance employees' sense of belonging and loyalty to boost their motivation and overall operational performance.
- Prioritize labor-management relations and employee welfare to attract high-quality talent and establish a strong employer brand.

Negative Impact

- Talent turnover increases costs.
- Improper management of labor-management relations may lead to labor disputes, damaging the company's reputation.

Management Strategy

- With a focus on improving employee retention, we regularly review and benchmark our salary and benefits to ensure market competitiveness. We actively listen to employee feedback, prioritize their daily well-being, and strive to create an excellent and attractive workplace. Additionally, we maintain full compliance with labor regulations to prevent any labor inspection disputes.
- We offer diverse recruitment channels and foster a gender-inclusive, non-discriminatory work environment that respects human rights and accommodates individuals with disabilities. Our promotion processes are transparent and equitable, ensuring equal opportunities for all employees without discrimination.

Stakeholder Engagement

Provide diverse channels for employee communication

- Regular meetings and open dialogues between supervisors and employees.
- Employee grievance mailbox.
- Employee Satisfaction Survey.
- Internal ePortal website for employee communication and consultation.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• The seed talent retention rate for the year reached 90%. • Employee satisfaction survey scores increased by 2% compared to the previous year. • The percentage of female supervisors reached 35%. • Maintain salary levels at or above the 50th percentile (median) within the industry. • The percentage of newly hired female employees exceeds 45%. • The turnover rate of regular employees decreased by 1% compared to the previous year.	• The seed talent retention rate for the year reached 88%. • Employee satisfaction survey scores increased by 1% compared to the previous year. • The percentage of female supervisors reached 32%. • Maintain salary levels at or above the 50th percentile (median) within the industry. • The percentage of female supervisors reached 49%. • The turnover rate for regular employees was 13.2%, a 4.3% decrease compared to the previous year.	• The seed talent retention rate for the year reached 90%. • Employee satisfaction survey scores increased by 1% compared to the previous year. • The percentage of female supervisors increased by 1% compared to the previous year. • Maintain salary levels at or above the 50th percentile (median) within the industry. • The percentage of newly hired female employees exceeds 48%. • The turnover rate of regular employees decreased by 1% compared to the previous year.	• The seed talent retention rate for the year reached 90%. • Employee satisfaction survey scores increased by 1% compared to the previous year. • The percentage of female supervisors (both junior and senior levels) is 35%. • The percentage of women in STEM-related positions increased by 1%. • Maintain salary levels at or above the 50th percentile (median) within the industry. • The percentage of newly hired female employees exceeds 48%. • The turnover rate of regular employees is below 15%.	• Employee Satisfaction Survey. • Personnel Turnover Statistics. • Salary Survey.

4-1-1 Positive Labor Relations-Employment Overview

Employees are Flytech' s most important assets. We adhere to a policy of diversity and non-discrimination in the hiring of employees, prioritizing job performance over factors such as age, education, race, and gender.

Our workforce primarily consists of full-time employees, with part-time staff hired on an as-needed basis to meet the demands of special projects. Due to the industry characteristics, the male-to-female ratio is higher for males, accounting for 54% and 46%, respectively. As of the end of 2024, the total number of employees at Flytech's parent company reached 455, representing a 12.1% increase compared to the same period last year.

2024 Employee Structure **Total 455**

Category	Group	Male		Female		Group total	
		Number of employees	Percentage of Total in This Group (%)	Number of employees	Percentage of Total in This Group (%)	Number of employees	Percentage of Total Employees (%)
Operating Location	Neihu Headquarters	124	55%	101	45%	225	49%
	Linkou Plant	123	53%	107	47%	230	51%
Employee Classification	Full-time	241	55%	197	45%	438	96%
	Part-time	6	35%	11	65%	17	4%
Type of Employment Contract	Indefinite-Term Contract	241	55%	197	45%	438	96%
	Fixed-Term Contract	6	35%	11	65%	17	4%
Position	R&D	76	67%	38	33%	114	25%
	Marketing	17	33%	35	67%	52	11%
	Management	34	50%	34	50%	68	15%
	Manufacturing	120	54%	101	46%	221	49%
Age	Age under 30	51	48%	55	52%	106	23%
	Age 31-49	138	56%	108	44%	246	54%
	Age over 50	58	56%	45	44%	103	23%

Category	Group	Male		Female		Group total	
		Number of employees	Percentage of Total in This Group (%)	Number of employees	Percentage of Total in This Group (%)	Number of employees	Percentage of Total Employees (%)
Education Level (Note 3)	PhD degree	0	0%	0	0%	0	0%
	Master' s degree	59	69%	27	31%	86	20%
	Bachelor' s degree	91	58%	67	42%	158	36%
	Associate degree	38	58%	27	42%	65	15%
	High school or below	53	40%	78	60%	131	29%
Nationality	Republic of China (R.O.C.)	211	57%	160	43%	371	81.6%
	Vietnam	34	42%	47	58%	81	17.8%
	The Netherlands	1	100%	0	0%	1	0.2%
	France	1	100%	0	0%	1	0.2%
	Indonesia	0	0%	1	100%	1	0.2%

Note 1: Flytech does not employ employees without guaranteed working hours.
Note 2: Regarding non-employee workers, in 2024, there were 13 contractor personnel at the Neihu and Linkou locations (including 9 males and 4 females), comprising security guards, cleaning staff, and catering personnel. Before collaboration, contracts are signed with contractors to ensure that all labor conditions comply with regulatory requirements.
Note 3: The education statistics do not include 15 part-time student workers hired for project-based roles.
Note 4: Overseas regions include the Netherlands, France, Indonesia, Vietnam, and others.

Status of New Hires and Employee Turnover in 2024

- New Hire Rate:

Category	Item	Male		Female		Group total	
		Number of employees	Percentage (%)	Number of employees	Percentage (%)	Number of employees	%Combined proportion (%) of both groups
New hires	Age under 30	31	53%	28	47%	59	50%
	Age 31-49	25	45%	30	55%	55	47%
	Age over 50	3	75%	1	25%	4	3%

Note 1: In 2024, Flytech hired 118 new employees, including 38 foreign colleagues working in Linkou and 15 project-based student interns
Note 2: The average recruitment cost for the year was NT$9,290. Average recruitment cost=Total recruitment expenses for new hires in the year / Total number of new hires
Note 3: Percentage of positions filled by internal candidates: 4%

- Employee Turnover Rate:

Category	Item	Male		Female		Group total	
		Number of employees	Percentage (%)	Number of employees	Percentage (%)	Number of employees	%Combined proportion (%) of both groups
Departing employees	Age under 30	14	47%	16	53%	30	42%
	Age 31-49	22	61%	14	39%	36	50%
	Age over 50	3	50%	3	50%	6	8%

Note: During the year, a total of 72 employees departed, including 12 foreign employees who returned to their home countries after completing a three-year contract. The number of departures does not include employees who left during their probation period or retired.

Labor Relations

Flytech has established the "Labor-Management Meeting Implementation Guidelines" to provide a formal mechanism for labor-management negotiations. The company employs a flat organizational structure, allowing managers and employees to engage in two-way communication through regular meetings or one-on-one discussions during daily operations. Since its establishment, the company has maintained a harmonious labor-management relationship with no labor disputes. The company has not established a labor union (collective bargaining agreement).

If there are any significant operational changes affecting employee rights, the company will provide the shortest possible notice period in accordance with Article 16, Paragraph 1 of the Labor Standards Act, notifying employees in advance of the contract termination date. Since its establishment, Flytech has not experienced any significant operational changes that affect employee rights.

Flytech' s Employee Welfare Committee regularly organizes various activities, clubs, and welfare benefits to support and care for employees. In 2024, a total of eight Employee Welfare Committee meetings were held. Besides discussing and deciding on various activities, the committee actively responded to employee suggestions and promoted related improvements, such as optimizing the travel registration process and adjusting the schedule of annual events to enhance participation convenience and overall experience. Our internal control system and management regulations clearly define the responsibilities and entitlements of employees at all levels across departments. Through biannual performance evaluations for all employees, we provide incentives such as bonuses, dividends, salary adjustments, and promotions, thereby offering greater security and benefits.

Listening Strategies

Performance Appraisal Interview	Flytech encourages managers and supervisors to communicate openly with their team members. The company' s flat organizational culture fosters regular and effective interactions. Furthermore, biannual self-assessments and performance evaluations enable managers and employees to align expectations and discuss work progress.
Employee Satisfaction Survey	In 2024, we continued to conduct an employee satisfaction survey for all staff to better understand their views on the company, work, supervisors, and peers. The survey covered areas including work environment, compensation and benefits, job fulfillment and work-life balance, and career development. The satisfaction survey was anonymously distributed to all employees via the 104 system. The survey results showed a PR44 score, ranking at the 44th percentile compared to industry peers. Issues raised by employees are directly addressed by senior executives during the town hall meeting, who personally respond to anonymous questions submitted by employees. Among the feedback received in 2024, employees reported that the factory air conditioning was insufficiently cool. This issue has been included in the 2025 factory improvement budget. The company will continue to regularly conduct anonymous surveys to listen to employees' voices. Feedback and suggestions will be used as references for adjusting company measures and revising policies and regulations.
Town Hall Meeting	In July 2024, Flytech celebrated its 40th anniversary with a factory event and a town hall meeting, during which senior executives shared the company' s operational vision and strategic direction. They also proactively responded to anonymous questions collected from employees in advance, fostering open and direct communication between staff and management.
Plant Regular Meeting	A monthly plant-wide meeting is held, during which supervisors share work updates and inform employees about the current production status. Employees are also encouraged to ask questions on-site, providing a regular opportunity for open feedback and communication. Outstanding employees are also publicly recognized during the meeting. This not only fosters a sense of appreciation and motivation but also encourages interdepartmental recognition and communication among employees.
Grievance Channel	The grievance procedures are published on the company' s internal website. All employees may submit feedback, raise concerns, or file complaints via the grievance mailbox at hr@flytech.com or through the online anonymous feedback form. Feedback is received by the HR unit and undergoes periodic review.

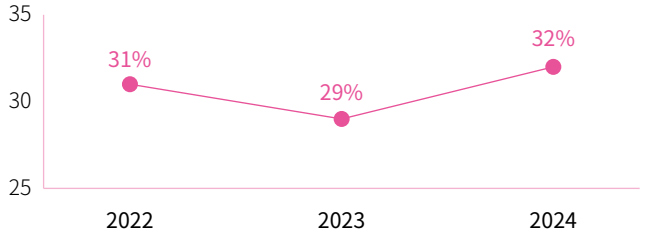
4-1-2 Diversity Hiring and Inclusion

Gender-friendly

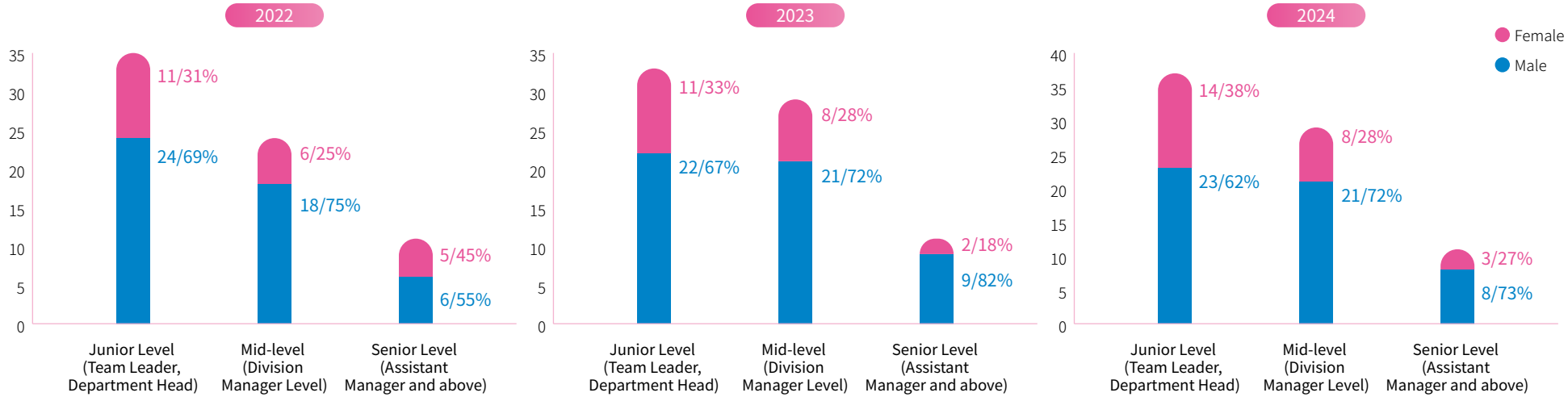
1. A dedicated nursing and lactation room is provided for employees, and breastfeeding support policies are encouraged and upheld.
2. Maternity Grant: We provide childbirth bonuses to convey care and best wishes, fostering a family-friendly corporate culture.
3. We offer diverse, non-discriminatory, fair, and transparent promotion channels. As of the end of 2024, the percentage of female supervisors reached 32% (2022: 31%).

Over the past three years, the percentage of female supervisors has remained relatively stable at approximately 30% each year. In 2024, the percentage of female supervisors increased by 3% compared to 2023.

Proportion of Female Supervisors



Unit: Number of employees / Percentage



Flytech is committed to fostering an equitable and diverse workplace, ensuring that there are no gender-based differences in compensation or opportunities for advancement. At all levels (excluding senior), the percentage of female supervisors has increased year over year.

Item	2022	2023	2024
Percentage of Female Employees	44.5%	44.8%	45.7%
Percentage of Female Supervisors	31%	29%	32%
Percentage of Female Senior Executives	45%	18%	27%

Item	2022	2023	2024
Percentage of Female Managers in Marketing-related Departments	42%	43%	50%
Percentage of Female in STEM-related Positions	21%	24%	23%

Note: STEM refers to jobs related to science, technology, engineering, and mathematics

Analysis of Average Annual Salary Differences by Gender

The company's employee compensation is determined based on education, experience, job performance, industry standards, and market conditions. There is no discrimination based on gender or marital status. Salary determination and adjustments comply with local labor laws and are conducted in accordance with the Company's internal management regulations, including the "Professional Title and Rank Management Measures," "Remuneration Management Measures," and "Performance Appraisal Management Measures." The table below shows the average salary differences between male and female employees across various job grades in 2024. The male average salary is set as 1, and the female average salary is presented as a ratio relative to males:

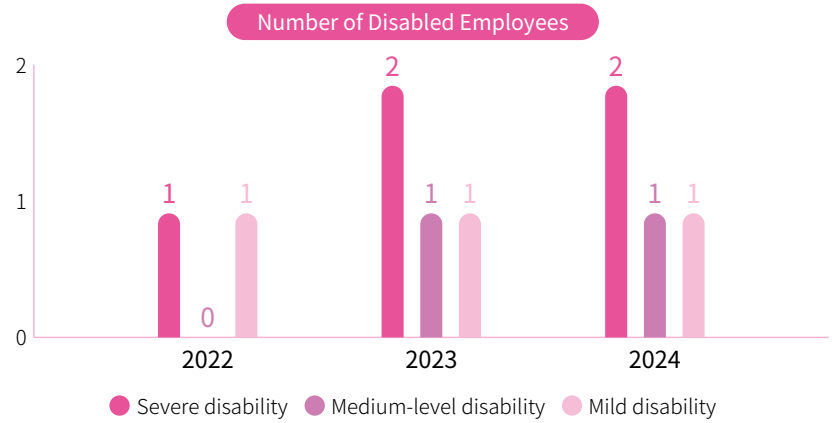
Average Salary Difference Between Genders	Basic Salary		Bonus/Incentive		Salary, Bonuses, and Benefits	
	Male	Female	Male	Female	Male	Female
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
Senior executives (Assistant General Manager level and above)	1	45.7%	1	33.5%	1	39.8%
Mid-level managers (Department Head level)	1	85.3%	1	83.9%	1	84.8%
Junior Level Manager/Deputy Manager Level Supervisor	1	83.5%	1	82.8%	1	83.3%
General employees	1	85.9%	1	88.7%	1	86.6%
Total	1	72.9%	1	58.0%	1	68.1%

Note 1: Among senior executives, there are more males in business-related roles. Since business-related positions receive higher additional compensation, the total remuneration for males is consequently higher than that of females.

Note 2: Salaries for research and development engineers are higher than those for administrative support staff. R&D engineers are predominantly male, while administrative support roles are mainly occupied by females. The larger number of R&D personnel and the gender concentration in these job categories contribute to a slightly greater average salary difference between males and females.

Employees with disabilities

Flytech is committed to supporting socially disadvantaged groups and, in compliance with regulations, provides employment opportunities for people with disabilities. In 2024, the Neihu headquarters and Linkou plant are mandated to employ a quota of six individuals with disabilities, including two with severe disabilities (counted as four under the quota), one with a moderate disability, and one with a mild disability. In accordance with the People with Disabilities Rights Protection Act, Flytech is required to employ a mandated quota of four individuals with disabilities. The actual number of employees hired has exceeded this legal requirement for two consecutive years. One of the employees is a visually impaired massage therapist who provides free relaxation massage services to staff at both the Neihu and Linkou locations. Moving forward, Flytech will continue to evaluate job content and create suitable positions to support the integration of people with disabilities into society.



Protecting employees' human rights and interests

Human Rights Policy

Flytech has developed its Human Rights Policy for the company and group enterprises with reference to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, to prevent any acts of human rights violations or infringements. In addition to providing a safe and reasonable workplace, the company also ensures that current employees are treated fairly and with dignity.

Human Rights Issues Identification

To ensure the protection of human rights, Flytech conducts the identification, analysis, and remediation of human rights issues through the following processes.

Understanding the Latest Developments
- Refer to domestic and international standards and guidelines
- Identify and monitor relevant legal and regulatory changes

Establishing the Scope of Self-Assessment
- Define self-assessment criteria
- Ensure diversity and inclusiveness of issues

Conducting Human Rights Impact Assessment
- Ensure the comprehensiveness of self-assessment content
- Carry out due diligence

Analyzing and Identifying Risks
- Identify potential human rights risks
- Analyze the scope of human rights risks

Risk Avoidance, Improvement, and Implementation
- Set improvement objectives
- Supervise implementation

Disclosure
- Accurately disclose the results

Key Issues and Areas of Concern

Through the human rights issues identification process, Flytech has identified key human rights issues and areas of concern. Following internal discussions, the corresponding measures were developed as follows:

Provide a safe, healthy, and inclusive work environment while preventing sexual harassment

Ensure a secure working environment for employees through ISO 45001 audits and verification.
A Labor Safety and Health Committee has been established, staffed with professional nursing personnel. Regular safety, health, and fire prevention training sessions are conducted, and necessary preventive measures are implemented to avoid occupational hazards and reduce risks in the work environment.
Support employees' freedom of assembly and association, and fully recognize the right to collective bargaining.

Eliminate unlawful discrimination

In matters related to employment, compensation and benefits, training opportunities, promotion, termination, or retirement, Flytech ensures that neither employees nor job applicants are subjected to unfair treatment based on race, social class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, zodiac sign, blood type, or any other discriminatory factors.

Prohibition of Child Labor

To ensure compliance with corporate social responsibility and ethical standards, the company strictly prohibits the use of child labor, defined as any individual under the age of 15, below the compulsory education age, or under the minimum employment age specified by the relevant country or region, in all manufacturing processes and workplace environments.

Prohibition of Forced Labor and Bullying/Violence

The company's regulations regarding employees' daily and weekly regular working hours, overtime, leave, special leave, and other types of leave fully comply with legal requirements. No individual shall be forced or coerced to perform labor against their will.

Physical and Mental Health and Work-Life Balance

Provide venues and sponsorship funding to encourage employees to participate in health-related activities. Employee-initiated clubs foster camaraderie and strengthen bonds among colleagues through club events. Organizes annual year-end banquets and other occasional social events to promote employee well-being and strengthen team cohesion.

Human Rights Protection and Improvement Measures

To ensure the effective implementation of key human rights issues and their corresponding measures, the company has established relevant management policies, including the Labor Safety and Health Committee Charter, Sexual Harassment Prevention and Management Measures, Guidelines for Preventing Workload-Related Brain and Heart Diseases, Maternal Health Protection During Work Guidelines, Workplace Prevention of Human Factors Hazards Guidelines, Management Measures for Preventing Workload-Related Brain and Heart Diseases, Basic Service Regulations, and the Code of Ethics for Integrity Management, among other related policies. The company ensures that human rights protection is effectively implemented through the following training programs:

Pre-employment Training

New employees are required to undergo mandatory compliance training starting in 2023. The training covers topics including sexual harassment prevention, anti-discrimination, anti-harassment, work hour management, ensuring humane treatment, and maintaining a safe and healthy work environment. This training aims to help employees develop a proper understanding of human rights and gender equality, recognize and respond to workplace sexual harassment and bullying, and enhance awareness of safety and respect in the workplace. In 2024, the new recruits (indirect employees) achieved a 100% training completion rate.

Occupational Safety On-the-Job Training

Annual training programs include safety and health education, fire safety training, emergency response, and first aid personnel training.

On-the-Job Training

Through educational campaigns and official announcements, employees are made aware of their responsibility to help prevent unlawful workplace violations during their duties and are informed about the available channels for reporting and filing complaints.

Integrity and Ethical Conduct Education

Annual programs encompass the Code for Integrity Operations, Integrity Operation Procedure and Conduct Guidelines, Code for Moral Conduct, and the company's corporate culture. These initiatives focus on educating and guiding employees based on daily behaviors and ethical standards to foster a healthy and positive workplace environment. In 2024, a two-hour course titled "Corporate Human Rights, Integrity Management, and Protection of Labor Rights" was conducted, featuring a professional lawyer as the instructor. A total of 95 employees participated and successfully passed the assessment.

Flytech maintains open and effective channels for labor-management communication and strictly complies with labor laws. The company prohibits any actions that infringe upon employee dignity, human rights, or involve any form of discrimination, with the aim of continuously enhancing both employee welfare and the company's competitive advantage. In 2024, through audit mechanisms and grievance channels (including the whistleblower email: whistleblower@flytech.com.tw), no incidents related to discrimination were reported. Additionally, none of the company's operational sites presented significant risks of employing child labor or engaging in forced or compulsory labor. Flytech has established separate grievance channels for reporting workplace bullying and sexual harassment:

Person in Charge

Michael

Workplace Bullying

Consultation and Complaint Channels

- Complaint Email：michaellee@flytech.com
- Complaint Helpline：(02)8791-4988 #6230/(03)272-9688 #8510

Person in Charge

Isabel

Workplace Harassment

Consultation and Complaint Channels

- Complaint Email：isablellam@flytech.com
- Complaints Fax Line：(02)2795-2635
- Complaint Helpline：(02)8791-4988 #6080

4-1-3 Fair Compensation System

Compensation System

1. President and Vice President

The compensation details of Flytech' s senior management (President and Vice Presidents) for 2024 were disclosed on page 14 of the 2024 Annual Report. The compensation standards—including salary, bonuses, and employee profit-sharing—are determined in accordance with the Corporate Charter, which stipulates: "If the Company generates profit, 3% to 15% shall be allocated for employee compensation, and no more than 3% for directors' compensation." In addition, the Company follows the Professional Title and Rank Management Measures, Remuneration Management Measures, and Compensation Committee Charter, referencing industry benchmarks to establish a fair and reasonable remuneration structure. Final compensation is determined after evaluating each executive' s individual KPI achievement in relation to the Company' s overall performance, and is reviewed and approved by the Compensation Committee and the Board of Directors. In addition, the Compensation Committee conducts an annual review of the reasonableness of the Company' s compensation policies, systems, standards, and structures. In 2024, the total compensation of the President and Vice Presidents accounted for 2.17% of the Company' s net income after tax, which is considered reasonable. This information is disclosed on page 14 of the 2024 Annual Report.

2. General employees

Flytech adheres to the Professional Title and Rank Management Measures, Remuneration Management Measures, and Performance Appraisal Management Measures to ensure that employee compensation is based on academic background, work experience, job performance, industry standards, and market conditions. Discrimination based on gender, age, race, religion, political affiliation, or marital status is not tolerated. In addition, Flytech has established a salary verification system to determine appropriate compensation based on a candidate' s education, experience, interview performance, and potential. The company also conducts regular benchmarking through external salary surveys to ensure alignment with market levels. At the Taiwan headquarters, all employee salaries exceed legal requirements and are higher than the living wage standards announced by the local government. Every year, we offer incentives such as salary raises, bonuses, and rewards to outstanding employees based on the results of their regular performance appraisals, the year's profit, and market conditions.

Median Annual Compensation of Full-Time Non-Managerial Employees:

Item/Year	2,022	2,023	2,024
Average Compensation	1,006,219	840,924	956,593
Ratio of Average Compensation to Government-Mandated Basic Salary	3.32	2.65	2.90
Median Compensation	738,366	670,708	755,881
Ratio of Median Compensation to Government-Mandated Basic Salary	2.44	2.12	2.29
Government-Mandated Annual Basic Salary for the Year (Basic Salary*12)	303,000	316,800	329,640

Retirement Pension

To ensure proper care for employees' post-retirement lives, Flytech has established retirement and severance management regulations in accordance with the Labor Standards Act and formed the Labor Retirement Reserve Supervisory Committee. In 2023, to support employees under the previous retirement system, the company preserved their cumulative years of service and original benefit conditions, and additionally provided a 10% bonus to encourage early settlement of the old system' s retirement pension. Currently, except for a small number of professional foreign employees who are subject to the old retirement pension system by law, the majority of employees are covered under the new retirement pension scheme. For the aforementioned foreign employees subject to the old retirement pension system, 2% of their total monthly salary is contributed to the retirement reserve fund. These funds are deposited into a dedicated account at the Central Trust of China under the name of the Labor Retirement Reserve Supervisory Committee. The committee manages and utilizes the funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. As of December 31, 2024, the balance in the company' s Labor Retirement Reserve account at Taiwan Bank stood at NT$19,238. For overseas subsidiaries that adopt defined benefit retirement plans, retirement contributions are made to the relevant pension management institutions in accordance with local laws and regulations.

Since the implementation of the new Labor Retirement System on July 1, 2005, employees covered under this system receive retirement benefits through monthly contributions equal to 6% of their monthly salary, which are deposited into individual labor retirement accounts. Employees may also voluntarily make additional contributions of up to 6% of their monthly salary at any time.

Performance Appraisal

Strategy Formulation

- Senior leadership holds strategic meetings to set the direction and goals for the coming year.
- Department heads communicate these goals clearly to their teams.

1

Individual Goal Setting

- Develop personal KPIs.
- Submit for managerial approval to serve as execution targets.

2

Performance Evaluation

- Employees conduct self-assessments (for production line staff, evaluation is based on daily performance).
- Supervisors hold performance review meetings with employees to provide feedback and listen to their suggestions.

3

Application of Performance Results

- Evaluation outcomes are linked to bonuses, incentives, salary adjustments, and promotions.
- Strengthening the connection between performance and rewards to enhance employee motivation.

4

Linking sustainability performance to senior management compensation

To incentivize senior management and all employees to prioritize long-term comprehensive performance, uphold integrity in operations, comply with laws and regulations, manage risks effectively, address climate-related risks, and advance net-zero initiatives for sustainable business development, the company links its sustainability strategy to long-term incentive compensation as follows:

Senior executives	Performance Indicators	Material Topics/Voluntary Disclosure Topics*
General Manager	Sustainability performance accounts for 1–10% of the annual performance evaluation	Sustainability strategy, planning, overall sustainability management execution, and customer commitment
R&D Center Manager	Green product innovation and sustainable procurement performance account for 1-10% of annual performance	Product innovation, green design, and sustainable supply chain management
Manufacturing Center Manager	Low-carbon manufacturing transformation and occupational safety and health performance account for 1–10% of the annual performance evaluation	Climate Change Impact and Strategies, Greenhouse Gas Emissions and Product Carbon Footprint, Occupational Safety and Health
Management Center Manager	Sustainable development goals and execution, as well as risk management performance, account for 1-10% of annual performance	Corporate Governance, Risk Management, Integrity and Financial Transparency, Regulatory Compliance, Labor Relations and Employee Benefits, Talent Development and Career Growth, Social Welfare

In 2024, 100% of all employees underwent performance evaluations, conducted differently based on employee category. Indirect employees were assessed twice annually—mid-year and year-end; direct employees were evaluated monthly based on output, quality yield, and attendance, with performance bonuses awarded accordingly. All employees completed their performance assessments by the designated deadlines.

Performance appraisal completion for indirect employees, categorized by job type, is as follows:

Categories	Male		Female		Total	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Overall Percentage
R&D	76	67%	38	33%	114	41%
Marketing	17	33%	35	67%	52	19%
Management	28	53%	25	47%	53	19%
Manufacturing	39	66%	20	34%	59	21%

Promotion and Retention

Flytech offers a transparent promotion system and opportunities to support talent development, ensuring sustainable growth alongside the company. We uphold a fair and objective principle, promoting outstanding talent based on individual abilities and diversity. Every year, based on performance appraisal results, recommendations from supervisors, talent information analyzed during manpower inventory and functional tests provided by the HR department, a list of candidates for promotion is prepared for review by senior management. Regular promotion announcements are made yearly to ensure that outstanding talents receive appropriate rewards, encouraging retention and fostering a mutually beneficial future with Flytech. In 2024, a total of 46 employees were promoted.

4-1-4 Happy Enterprise

Since its establishment, Flytech has always adhered to the principle of putting employees first, considering them as valuable assets of the company, and placing great importance on communication and coordination between labor and management. We provide comprehensive welfare benefits and care deeply about our employees' physical and mental well-being. We have established the "Employee Welfare Committee," composed of welfare representatives elected by employees themselves, who regularly plan and organize various welfare activities each year. Together with the company, they work hand in hand to realize the commitment to employee care, continuously striving to create a happy workplace where employees enjoy their work.

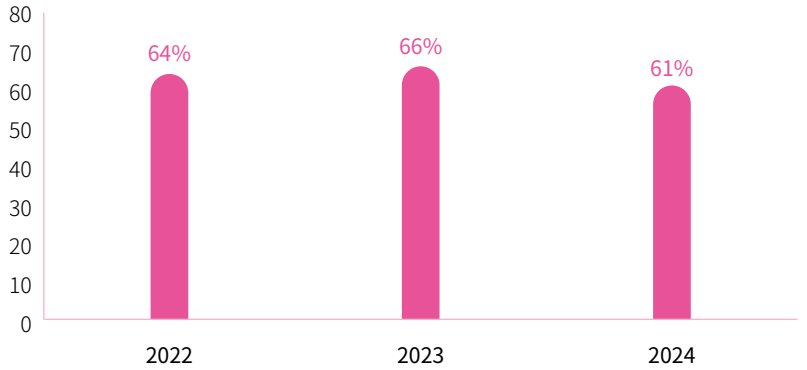
Comprehensive Welfare Program

Friendly workplace environment

- Flexible working hours: The Neihu headquarters implements a one-hour flexible start time
- Paid leave exceeding labor law requirements: Employees are entitled to 10 days of paid leave after completing three months of employment
- Paid natural disaster leave exceeding labor law requirements
- Labor insurance, health insurance, and group insurance: providing employees with comprehensive work protection
- Factory group meal lunch subsidies and dinner provided for overtime staff

Diverse work incentives

- Annual Year-End Bonus: Distributed before the Lunar New Year each year based on employees' performance from the previous year and the company's business performance
- Annual Employee Bonus from Profits: After the annual shareholders' meeting each year, 3% to 15% of the annual profits is allocated as employee bonus remuneration
- Performance Achievement Bonus: When the quarterly gross profit target is met, a performance achievement bonus is distributed to all indirect employees in the second month of the following quarter. In 2024, the actual amount disbursed totaled NT$11,438,000
- Employee Stock Ownership Trust: Employees may allocate a fixed amount from their monthly salary to purchase company shares, with the company matching the contribution on a one-to-one basis To reward long-serving employees, we provide a stock trust that offers full payment based on the employee's length of service (including the company's equivalent contribution amount). Over the past three years, more than half of the employees have participated in the Employee Stock Ownership Trust program



Note: The participation rate in the Employee Stock Ownership Trust (ESOT) is calculated as the number of participants in a given year divided by the number of employees eligible to join

- Seniority Awards: Employees who have served for 5, 10, 15, or 20 years are publicly recognized and presented with commemorative coins
- Patent Awards: Employees who submit patent applications and pass the relevant reviews are eligible to receive patent bonuses. In 2024, a total of 48 patent applications were filed and 13 were approved. Three employees received the Annual Special Contribution Award

Work-life balance

- Domestic Travel (Annually), Overseas Travel (Every Two Years)
- Club Activity Subsidies
- Department Gathering Subsidies
- Regular Health Checkups
- On-site Doctor/Nurse Consultation
- Maternity Allowance
- Birthday Gifts
- Marriage, Funeral, and Celebration Subsidies/Gifts
- Gifts for the Three Major Festivals and May Day (Labor Day)

Continuous learning and development

- External Training Subsidies
- External digital learning platforms to support personalized and flexible learning management
- Flytech library: Provides a diverse collection of books and magazines for borrowing

Safeguarding Physical, Mental, and Spiritual Health

- Employee Stress-Relief Massage:

  Professional massage therapists are hired to provide on-site massages for employees at both the Neihu and Linkou locations. After making an appointment, employees can enjoy a stress-relieving massage during work hours to release tension and fatigue before returning to their duties. In 2024, a total of more than 800 individuals used this service

- Employee Assistance Program (EAP):

  In collaboration with a professional counseling center, certified psychologists offer free and diverse online counseling services covering career development, work-related stress, interpersonal communication, emotional issues, depression, and anxiety, as well as family and parenting topics. Available to all employees, with the consultation process and content kept completely confidential.

In 2024, the Welfare Committee carefully planned a series of exciting activities, providing employees with rich and enjoyable experiences filled with warmth and joy. From staff trips to Christmas banquets, from department gatherings to club events, each activity reflects Flytech's heartfelt care and commitment to its employees.

Happy Hour

In 2024, Happy Hour events were held quarterly, giving employees opportunities to unwind after work and strengthen their connections with one another. While enjoying delicious food, employees participate in engaging games that promote critical thinking and collaboration, fostering a sense of team spirit and creating an enjoyable afternoon together.

Employee trips

In 2024, domestic employee trips were organized with varying subsidy amounts based on employees' years of service. Two travel options were offered: package tours and hotel stay (free travel), catering to the diverse preferences of our staff. Whether traveling with family or colleagues, everyone created wonderful memories together.

Year-end Dinner Gathering

The Welfare Committee provides subsidies, enabling each department to plan their own exclusive gatherings. Everyone gathers together to enjoy delicious food and a joyful atmosphere, strengthening bonds through relaxed and pleasant interactions, marking a wonderful end to the year and welcoming a hopeful new one.

Christmas party

At year-end, warm Christmas parties were held separately at the Linkou and Neihu locations. A sumptuous feast was prepared on-site, along with fun activities and a lucky draw, allowing participating employees to fully enjoy the festive and joyful atmosphere.

Club Activities

Club activities are sponsored by the Welfare Committee, providing employees with resources to pursue their interests and talents. Various clubs attract enthusiastic participation from many employees, helping them relax and expand their social connections. The clubs cover a wide range of interests, including Aerobic Boxing, Badminton, Table Tennis, Softball, Golf, Basketball, Baking, Yoga, and Board Games.

4-1-5 Training and Talent Cultivation

Key Achievements and Management Approach

Material Topic: 15. Talent Cultivation and Career Growth

Management Strategy

- Through a systematic training and development approach, such as TTQS, courses are offered at Flytech Academy based on company goals and competency requirements. A variety of channels are used to deliver classes, allowing employees to learn at any time and from anywhere. Targeted project-based training and Individual Development Plans (IDP) are conducted for high-potential talents, focusing on cultivating future managers.
- Provide regular, non-discriminatory, and fair promotion opportunities while fostering an environment that supports talent development and career advancement.

Positive/Negative Impact

Positive Impact
- Enhance employee capabilities to strengthen corporate competitiveness.
- Increase career growth opportunities to promote internal talent succession within the company.

Negative impact
- Internal talent pipeline depletion.
- Increased talent turnover rate.

Stakeholder Engagement

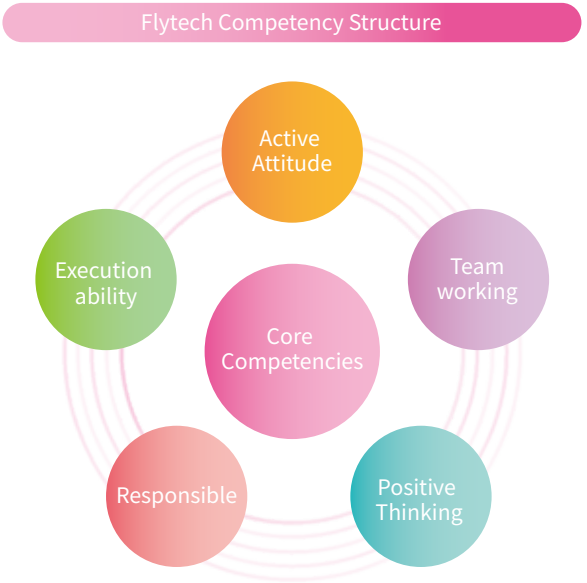
- Regularly assess employee performance.
- Provide various talent retention and development methods, as well as career development plans.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/Evaluation Mechanism
• Continuously promote ESG-related training to strengthen sustainable development competitiveness. • Implement competency-based training programs with a completion rate of at least 80% among five or more employees. • Among participants in the leadership development program, 50% have been promoted or undergone job rotation. • Participation in TTQS certification. • Average training hours per employee reach 18 hours.	• Conducted 15 sessions of the "ESG" systematic training courses, with a total of 636 participants. • A total of 38 employees achieved a completion rate of over 80% in competency-based training. • The promotion rate for participants in the leadership training program reached 40%. • Achieved TTQS certification. • Average training hours per employee reached 18.5 hours.	• Continued promotion of ESG-related training courses with two sessions held, totaling 50 participants' attendance. • Provide competency-focused education and training programs, with an 80% completion rate among over 50 colleagues. • Achieve a 30% promotion or job rotation rate among Management Associate Program participants. • Achieved 19 hours in the average education and training hours per employee.	• Provide education and training based on competencies, with at least half of the indirect employees participating, and achieve an 80% completion rate. • Achieve a 30% promotion or job rotation rate among Management Associate Program participants. • Achieve 20 hours in the average education and training hours per employee.	• Education training data statistics. • ESG KPI monthly meeting tracking. • Evaluate training effectiveness using Kirkpatrick’ s Four-Level Training Evaluation Model.

Flytech Academy – Training and Development Framework

Flytech has consistently committed to cultivating an internal learning organization by establishing a comprehensive training system. This system encompasses activities such as consensus-building workshops to deepen employees' understanding of corporate culture, development programs for core and managerial competencies, enhancement of department-specific expertise, and a variety of soft-skill lecture courses. Through these initiatives, employees are provided with abundant and diverse resources to support their continuous learning and professional growth.

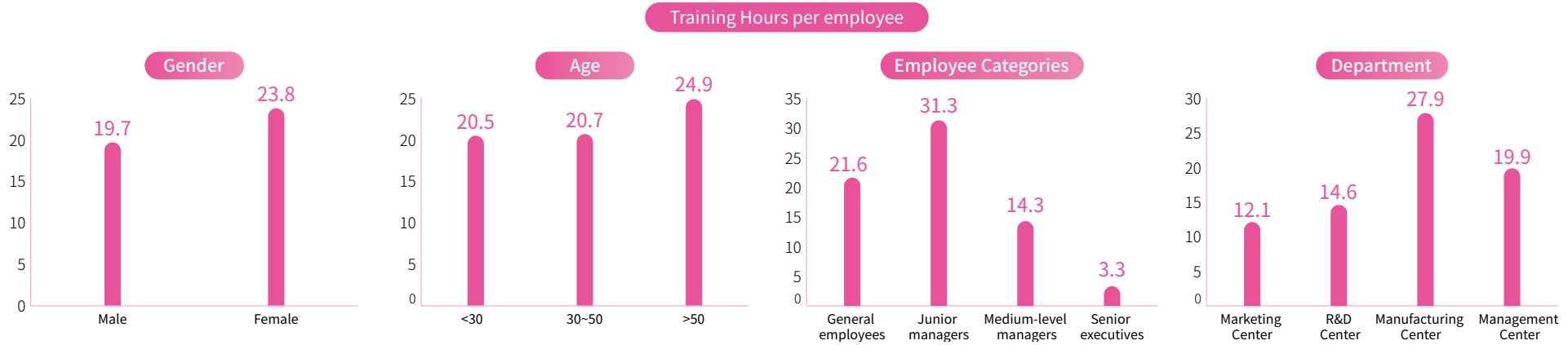
Competency Framework



Through interviews with senior executives, Flytech has identified the core competencies required of all employees, as well as the management competencies necessary for each management level, serving as the foundation for its talent development initiatives. Since 2022, the company has incorporated core competencies into its recruitment evaluation criteria. Regardless of the position, competency-based behavioral interviews are conducted to identify candidates whose values align with the company's core principles and who are committed to growing together with us. Starting in 2023, core competencies have been further integrated into the performance appraisal process. Employees select the competency behaviors they wish to improve based on Flytech's core competencies, then assess the gap between their current abilities and performance goals to identify key areas for enhancing work effectiveness.

Employee Training Hours in 2024

The average training hours per employee this year reached 21.5 hours, representing a 31.4% increase compared to the previous year. By enhancing training programs, Flytech demonstrates its commitment to employees' professional growth, fostering team skill development, and continuous knowledge renewal. We aim to further enhance our employees' work efficiency, professional skills, and teamwork capabilities to effectively respond to an increasingly complex and dynamic environment.



- **Overall Training Performance**

  To better understand and systematically track the correlation between training effectiveness and operational performance, the company began adopting the Kirkpatrick Four-Level Training Evaluation Model combined with Return on Investment (ROI) in 2024 to assess training outcomes as follows:

Evaluation Levels	Item		2024
Level 5 Return on Investment	Training Return on Investment (ROI) (Net Profit / Training Cost)		815%
Level 4 Results	Revenue Contribution per Employee (Million Revenue per Headcount)		10.1
	Revenue Contribution per Employee (Million Net Profit per Headcount)		2.1
Level 3 Behavior	Annual Turnover Rate of Indirect Employees	Male	8.6%
		Female	7.3%
Level 2 Learning	Average Assessment Score		90.7
Level 1 Reaction	Overall Satisfaction Rate		4.3

Note: The maximum assessment score is 100 points; the highest possible rating for overall satisfaction is 5 points.

- **Taiwan Talent Quality-management System (TTQS)**

  In line with our commitment to sustainable talent development, Flytech once again passed the Talent Development Quality Management System (TTQS) certification by the Workforce Development Agency of the Ministry of Labor in 2024. This recognition affirms our ongoing efforts in enhancing the planning, execution, and effectiveness of employee training. In the future, we will further strengthen our learning and development mechanisms to cultivate competitive talent and promote mutual growth between the company and its employees.

2024 Training and Development Implementation and Results

Key Talent Development

Implementation and Investment

- We conduct in-depth training programs targeted at our key internal talents. Through competency assessments and individual interviews, we precisely identify each participant’ s current capabilities and development needs, ensuring that the training content effectively meets both personal and organizational growth objectives.
- Training resources include competency assessments, individual evaluation result analysis, career development interviews, and study groups, among other diverse learning methods, to help participants strengthen their professional skills and build long-term career plans.

2024 Outcomes/Benefits

- A total of 15 employees participated in the training, achieving a 100% retention and completion rate for the year.
- Four in-person study group sessions totaling 16 hours.
- Training satisfaction score: 4.2

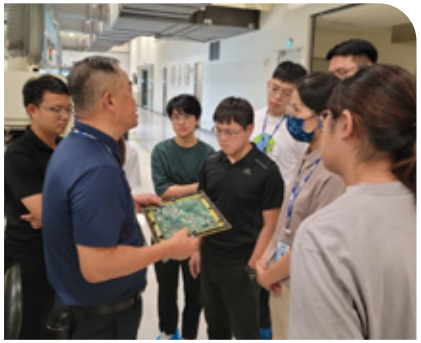
Seed Talent (Management Associate) Training

Implementation and Investment

- In the first month of onboarding, new seed employees undergo intensive and high-frequency general training courses designed to rapidly build foundational knowledge of Flytech.
- In the second month, participants engage in cross-functional or inter-subsidiary job rotations to become familiar with upstream and downstream contacts and operational processes, laying a solid foundation for future work execution.
- After completing the job rotation, participants begin to deepen their expertise in a specific professional field, accumulating practical experience and developing into subject matter experts.
- After three years, a customized career development plan is implemented based on each individual's interest in either a managerial or technical career path, providing tailored development programs accordingly.

2024 Outcomes/Benefits

- All eight newly hired seed employees completed both the training program and job rotation with a 100% completion rate. Before officially joining their respective departments, they each presented a completion report.
- The annual assessment pass rate and retention rate reached 88% for the year.
- Training Hours: 31 hours. (general courses only; excludes on-the-job training during the rotation period)



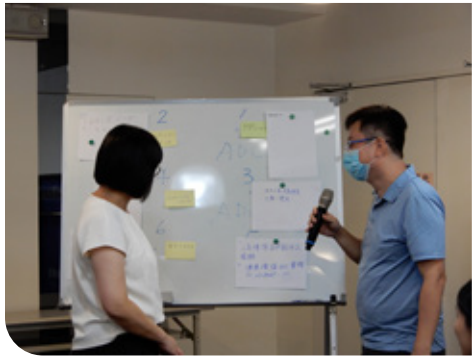
Competency Development

Implementation and Investment

- After the full implementation of the competency framework in 2023, competencies were incorporated not only as a key element in performance evaluations but also mandated as annual required training. Both in-person and digital courses have been utilized to support employees in developing diverse competencies.
- In collaboration with the management consulting unit, we launched the “Problem Analysis and Resolution” course to strengthen analytical thinking competencies.

2024 Outcomes/Benefits

- 35 Participants
- Average satisfaction rating: 4.4



Knowledge+

Implementation and Investment

- “Knowledge+” soft-skill seminars are held periodically on an irregular basis, featuring external experts who share their professional insights. Course topics mainly include industry insights and trends, investment and finance, legal insights, healthy living, and motivational content for personal development.
- The course topics encompass a diverse range of subjects, including industry insights and trends, investment and financial management, basic legal knowledge, health management, and motivational inspiration. This approach ensures that learning extends beyond work-related skills to also support personal development and practical life applications.
- In 2024, a total of four courses were conducted:
  - “Lifetime Wealth Management: Mindset, Tools, and Methods”
  - Mastering Healthy Eating
  - The Brain Is a Wonderful Thing
  - Eat for Health: Say Goodbye to the Three Highs

2024 Outcomes/Benefits

- Participants: 243
- Average satisfaction rating: 4.4

New Employee Training

Implementation and Investment

- To help new employees quickly integrate into the company culture and familiarize themselves with the work environment, a comprehensive onboarding training program is arranged. This ensures that every newcomer at Flytech can smoothly adapt to the team atmosphere, understand organizational operations, and acquire essential workplace knowledge from the very beginning of their employment.
- New employee training programs include:
  - Organizational structure
  - Company basic regulations
  - Promotion of internal control systems and management policies
  - ISO standard awareness
  - Information security policies
  - Legal knowledge and more
- A half-day onboarding training session is also held quarterly, offering more in-depth courses to strengthen new employees' understanding of organizational operations. These sessions provide a valuable opportunity for cross-departmental interaction among new hires from the same intake, fostering stronger team cohesion and connection throughout the company. All new employees are required to complete a minimum of eight hours of mandatory courses within 90 days, in addition to other elective courses.

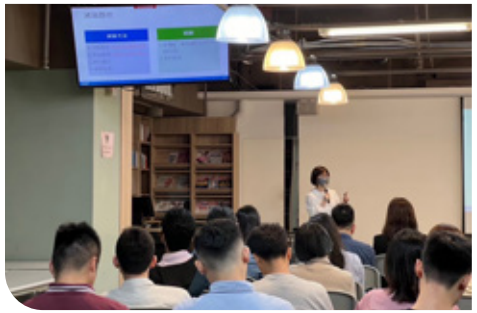
2024 Outcomes/Benefits

- A total of 58 new employees participated in onboarding training, followed by a post-training assessment, achieving a pass rate of 91%.

ESG training

Implementation and Investment

- To enhance employees' awareness and engagement in sustainability issues, the company launched the "ESG Training Series" in 2024, integrating sustainability principles into the corporate culture. The training program covers the three core pillars of ESG—Environmental Sustainability (E), Social Responsibility (S), and Corporate Governance (G)—to help employees understand the definition of ESG and related professional knowledge. It also includes a guided reading of the Flytech ESG Report to strengthen employees' practical understanding and application of sustainability concepts.



2024 Outcomes/Benefits

- Conducted 15 sessions of the "ESG" systematic training courses
- A total of 636 participants

Digital Transformation Training Series

Implementation and Investment

- To enhance the company's overall digital literacy, digital tools training was conducted in 2024 to help employees acquire the key skills needed to navigate the wave of digital transformation. The training sessions are primarily lecture-based, supplemented with hands-on exercises to reinforce learning outcomes.
- Exploring Copilot for Microsoft 365: Understanding how to collaborate with Copilot while using Microsoft Office applications in daily tasks to enhance operational efficiency. Hands-on practice sessions were provided after the training to enable employees to move beyond theoretical knowledge and experience firsthand the collaborative capabilities of Copilot AI in real-world applications.
- Advanced Power BI: Learning to plan and design permission frameworks and data security architectures based on user roles and responsibilities, to deliver efficient data analysis and visualization capabilities.

2024 Outcomes/Benefits

- Training Duration: 13.5 hours (instructional hours only, excluding post-training hands-on practice)
- A total of 179 participants attended the sessions
- Over 90% of participants provided positive feedback, demonstrating strong overall approval of the training program.

Established a digital learning platform

Implementation and Investment

- An external digital learning platform was implemented to provide all indirect employees with rotational access. A diverse and customized range of quality learning resources is provided to support employees in enhancing both their soft and hard skills.
- Paired with action plan activities, employees are encouraged to apply their online learning in practical settings, while also gaining self-awareness of their learning application, thereby enhancing their capacity for autonomous learning.

2024 Outcomes/Benefits

- A total of 76 users participated, with an average training duration of 11.2 hours per person.

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Implementation and Investment

- To foster team cohesion and cultivate the spirit of Flytech People, we organize the Flytech Team Building Camp annually, where the Chairman, senior executives, middle-level managers from various departments, and new employees participate together. Strengthen cross-functional collaboration by organizing informal outdoor activities that promote mutual understanding among employees and cultivate a sense of unity through shared experiences.
- In 2024, the "Sun Moon Lake Challenge Team Building Camp" was held, during which participants accomplished the following over three days and two nights:

2024 Outcomes/Benefits

- A 35-kilometer walking challenge

4-2 Friendly Workplace

Key Achievements and Management Approach

Material Topic: 16. Occupational Safety and Health

Management Strategy

- Annually identify significant environmental impacts and establish environmental, safety, and health (ESH) objectives, while reviewing progress toward their achievement.
- Continuously implement occupational safety and health (OSH) education and awareness programs.
- Conduct emergency response drills.
- Prioritize employee health.

Positive/Negative Impact

Positive Impact	Effectively protecting workers' health and safety reduces the risk of workplace accidents and occupational illnesses. Providing a safe and healthy work environment helps enhance employee efficiency and productivity.
Negative impact	Failure to ensure employee safety may lead to occupational accidents and negatively affect labor-management relations.

Stakeholder Engagement

- Maintain annual certification of ISO 45001, reinforcing occupational safety and health awareness among employees through training and monthly meetings.
- Conduct regular monitoring of the working environment, with occupational safety professionals appointed in compliance with regulations.
- Participate in the CHR Healthy Corporate Citizen Award program and obtain certification.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Maintain annual certification of the ISO 45001 Occupational Health and Safety Management System, covering both internal and external personnel. • Maintain a record of no major disciplinary matters or disputes. • The recordable occupational injury rate among employees remains below 1.2%. • Employee health screening rate reaches 90%. • Participate in the CHR Awards organized by CommonWealth Magazine under the Commonwealth Group.	• No major non-conformities were identified in the ISO 45001 audit. • No major penalties or litigation cases were recorded. zero cases. • The recordable occupational injury rate for 2024 was zero cases. • Employee health screening rate reached 99%. • Recognized as one of the "Healthy 99" companies in the 2024 CHR Healthy Corporate Citizen Awards.	• Maintain annual certification of the ISO 45001 Occupational Health and Safety Management System, covering both internal and external personnel. • Sustain a record of no major penalties or litigation cases. • Keep the recordable occupational injury rate (excluding commuting accidents) below 1.1%. • Participate in the CHR Awards organized by CommonWealth Magazine under the Commonwealth Group.	• Continue to maintain the record of no major occupational safety and health incidents. • Continue to maintain the record of no major disciplinary matters or penalties. • Recordable occupational injury rate (excluding commuting accidents) is less than 1. • Employee health screening rate reaches 100%. • Participate in the CHR Awards organized by CommonWealth Magazine under the Commonwealth Group.	• Undergo third-party external audits for ISO 45001 annually to ensure the management systems run smoothly. • Hold ESG monthly meetings to review if the KPIs are being met.

To provide employees with a safe and orderly work environment, we obtained ISO 14001 environmental management system certification in 2001, and further achieved ISO 45001:2018 occupational health and safety management system certification in 2020. Through these internationally recognized standards, we continuously enhance our control measures to reduce the risk of occupational injuries and illnesses. We are committed to building a workplace that is safe, environmentally responsible, and sustainable. Maintaining a record free of major occupational health and safety incidents, penalties, or litigation remains a key strategic management priority.

4-2-1 Occupational Health and Safety Management System

Flytech obtained ISO 45001 Occupational Health and Safety Management System certification in 2020. The company offers training and awareness programs for all employees and implements hazard identification and risk control measures tailored to the specific working environment. These efforts aim to establish a comprehensive occupational health and safety management system. Annual audits are conducted to ensure the continued validity of the certification. For more details, please refer to the certificate on our official website.

Scope of Workers, Activities, and Workplaces Covered by the System

The ISO 45001 system covers all Flytech employees, contractors, and occupational health professionals (doctors and nurses), with a total of 470 individuals included in the audit and certification scope (455 employees and 15 external personnel). The covered workplaces are limited to Flytech' s facilities under direct organizational control, specifically the Neihu headquarters and the Linkou factory. Activities encompassed within the system include research and development, design, manufacturing, as well as contracted services such as cleaning and security. Currently, there are no workers performing duties outside of these designated workplaces.

	Work Under Organizational Control	Percentage	Work Not Under Organizational Control	Percentage
Workplace Under Organizational Control	Flytech employees Neihu: 225 Linkou: 230	47.87% 48.94%	Doctor (Single Individual) Neihu & Linkou: 1	0.21%
	Contractors (Security, Cleaning, and Catering Personnel): Neihu: 5 (3+2) Linkou: 8 (5+2+1)	1.07% 1.7%	Nurse (Single Individual) Neihu & Linkou: 1	0.21%

Appointment of Occupational Safety Professionals

Categories	Location	Fire Safety Manager		First Aid Personnel		Occupational Health and Safety Personnel		Forklift Operator
		Regulatory Requirements	Appointed by Flytech	Regulatory Requirements	Appointed by Flytech	Regulatory Requirements	Appointed by Flytech	
Number of Appointed Personnel	Neihu	1	3	5	7	Class A occupational safety and health executive: 1 Occupational Safety and Health Supervisor: 1	Class A occupational safety and health executive: 1 Occupational Safety and Health Supervisor: 1	0
	Linkou	1	2	5	6	Class A occupational safety and health executive: 1 Occupational Safety and Health Supervisor: 1	Class A occupational safety and health executive: 2 Occupational Safety and Health Supervisor: 1	5

All meet or exceed regulatory requirements

Continuous Improvement of the System

Flytech follows the PDCA (Plan-Do-Check-Act) cycle management approach as outlined in the ISO 45001 system. Based on the results of hazard identification, occupational health and safety objectives are established annually at year-end. Improvement plans are developed and implemented by referencing the evaluation results from hazard assessments as well as requirements from government laws and regulations. In addition to undergoing annual audits by third-party verification bodies (external audits), the Quality Assurance department also formulates an internal audit plan each year. Internal auditors are required to complete at least six hours of regulatory training before conducting audits. These audits serve to review the performance of occupational health and safety (OHS) objectives, verify the implementation of hazard control measures and safety equipment inspections, and ensure that all actions are carried out as scheduled. Audits also reinforce compliance with government regulations to protect workers' rights. Finally, a management review meeting is held to assess the achievement of OHS goals and confirm the effectiveness of corrective actions.

4-2-2 Environmental Health and Safety Committee

Worker Participation

The Environmental, Safety, and Health Committee holds quarterly meetings to discuss regulatory compliance and related issues. Additionally, a dedicated messaging group is established to facilitate real-time communication, ensuring that workers' feedback is addressed promptly and effectively.

Routine Procedure

1. Hazard Identification

To ensure effective prevention of occupational hazards, Flytech has established the "Safety and Health Hazard Identification, Risk, and Opportunity Assessment Management Procedure." Every April, designated risk assessors from each department conduct safety and health hazard identification and risk assessments covering the work environments, processes, activities, and products at the Neihu and Linkou plants. Risk assessors are required to complete at least three hours of occupational health and safety training and be familiar with on-site workers. When necessary, they should consult with worker representatives during the assessment process.

The severity and probability of risks are assessed and scored. Items identified as high or critical risks are classified as unacceptable risks. The responsible department heads must identify appropriate and effective control measures to reduce these hazards to a moderate risk level or lower. These findings are then discussed at the Environmental, Safety, and Health Committee meetings and presented during management review sessions for further evaluation. In 2024, hazard identification revealed no high-risk items. Two items were assessed as medium risk, but after implementing control measures, they have been reduced to low risk. Since implementing ISO 45001 in 2020, Flytech has not experienced any major incidents.

2. Routine Inspections

Flytech has established the "Self-Inspection Management Procedure" and conducts routine inspections based on the inspection plan. This approach enables early detection of abnormalities, helps prevent potential hazards in the work environment, and enhances workplace safety and hygiene, thereby reducing the risk of accidents. Any hazards or potential hazards identified during routine inspections must be recorded in the self-inspection checklist. Occupational safety and health personnel are responsible for classifying and managing these issues based on the severity of the hazard, as well as tracking the progress of corrective actions. If an imminent danger is identified, operations must be halted immediately and relevant departments notified to implement corrective measures. The issue is then linked to the Hazard Identification, Risk, and Opportunity Assessment form and monitored until the hazard is fully eliminated.

3. Access Control

To ensure employee safety and control access, card-based access control systems are installed at entrances to each floor and freight elevator areas. Access to specific areas is restricted based on personnel authorization levels. All employees are required to wear identification badges within the facility for easy identification. Detailed records of visit time, purpose, and number of visitors are maintained for customers, suppliers, and other relevant guests. Access is restricted to designated areas only. If access to the manufacturing area is required, prior approval from the plant manager must be obtained. This procedure not only ensures the safety of on-site employees but also guarantees that visitors enter the area under safe conditions and with full escort at all times.

Flytech maintains a 24-hour security team operating on rotating shifts. Security personnel conduct day and night patrols of both internal and external facility areas to monitor visitors and employees working overtime, inspect vehicle access, and enforce traffic safety controls.

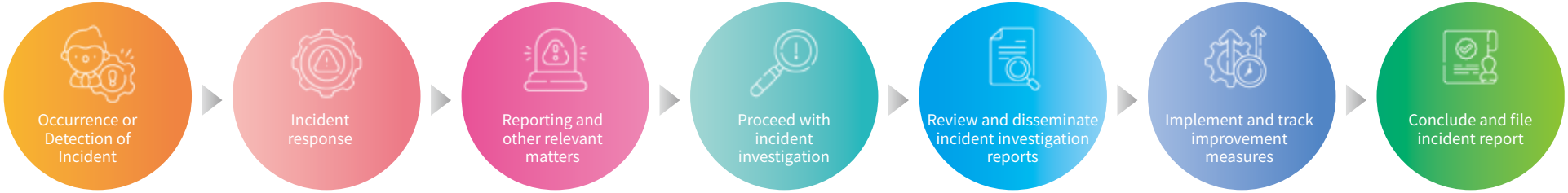
Non-Routine Procedures

1. Environment, Health, and Safety Changes

   Flytech has established the "EHS Change Management Procedure." For any changes involving process facilities, utilities, production equipment, equipment operating procedures, worker workflows, or work environment monitoring that may impact worker health, the requesting department must complete a change control form. This change is then incorporated into hazard identification assessments to evaluate its potential environmental, safety, and health impacts. For significant changes, worker consultation or discussion at the Environmental, Safety, and Health Committee is required. Changes may only be implemented after the evaluation is complete. For any environmental impacts or health risks to workers resulting from the change, relevant personnel must be notified, and appropriate training should be provided to reduce the risks associated with the modified operations.

2. Accident Investigation and Handling

   Flytech adheres to its Safety and Health Incident Investigation and Handling Procedure, identifying potential injuries and illnesses related to operational activities. The company verifies facts and circumstances, determines root causes, and implements effective corrective actions to prevent the recurrence of injuries and illnesses. In the event of an accident, the person who discovers the incident or the involved party shall take necessary measures to prevent the spread of the hazard and avoid secondary incidents. The on-site supervisor or the contractor' s supervisor must provide the injured person with appropriate medical assistance. Any occupational injury or near-miss incident occurring at the workplace must be incorporated into the hazard identification and risk assessment process. From 2022 to 2024, no major occupational incidents or safety incidents occurred; only one near-miss event was reported.



Incident Categories	Reporting Deadline/Responsible Unit		Incident investigation
Common Occupational Incident	Within 1 hour of the incident	Report to the Corporate Center supervisor and HR	Investigate and analyze improvement measures within 24 hours
Serious Occupational Accident	Within 8 hours	Report to labor inspection agency	
Contractor incident	-	Report to Corporate Center	
Near-miss incident	-	Report to Corporate Center	The employee involved in the incident, or their delegate, is required to complete a Near-Miss Incident Investigation Report

Occupational Injury Statistics:

Year		2022		2023		2024	
Item	Data	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Work Hours (Note 4)	Hours	850,584	15,936	805,504	23,808	910,000	26,000
Occupational injury-related fatalities	Number of Cases	0	0	0	0	0	0
	Rate	0	0	0	0	0	0
Major Occupational Injuries (Excluding Fatalities)	Number of Cases	0	0	0	0	0	0
	Rate	0	0	0	0	0	0
Recordable Occupational Injuries (Note 1 and Note 3)	Number of Cases	7	0	5	0	0	0
	Rate	1.65	0	1.24	0	0	0
Occupational Diseases	Number of Cases	0	0	0	0	0	0
Absenteeism rate	Rate%	0	0	0	0	0	0

Year	2022		2023		2024	
Types of occupational injuries	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
Laceration	4	0	3	0	0	0
Abrasion	3	0	2	0	0	0

Year	2022	2023	2024
Number of Employees (Note 2)	427	406	455
Number of Non-Employees (Note 5)	8	12	13
Calendar working days	249	248	250

Note 1: Commuting accidents to and from work have been excluded. The number of such incidents in 2024 was zero.
Note 2: Employee count is based on the total number of employees as of year-end.
Note 3: Recordable occupational injury rate is calculated as: (Number of recordable injuries/Total hours worked) x 200,000
Note 4: Total working hours are calculated as: total number of employees × total working days × 8 hours.
Note 5: Definition of non-employees: Contractors permanently stationed at the company (including cleaning, security, and catering personnel).

3. Exposure Monitoring

Flytech commissions a third-party testing company every six months to monitor the working environment for employees. This monitoring includes chemical factors (methanol, isopropanol, and carbon dioxide concentrations) and physical factors (noise levels and controlled airflow). All results have been within normal limits.

4. Policy and Procedures for Protecting Workers from Disciplinary Action

Flytech explicitly outlines a policy to protect workers from disciplinary action in its "Occupational Safety and Health Incident Investigation and Management Procedures." Workers have the right to refuse or stop work that is deemed unsafe or unhealthy. If a worker believes that a work situation could result in injury or illness to themselves or others, they may immediately leave the area. The company is not permitted to impose any disciplinary measures in response. At the same time, workers are required to promptly notify their supervisor after leaving their workstation. The supervisor will then assess whether the incident was a false alarm or an occupational hazard. The situation will be incorporated into the hazard identification process for further evaluation of associated risks and opportunities.

4-2-3 Occupational Safety Training

Occupational Safety Communication and Elimination of Language Barriers

To ensure all employees understand their rights, Flytech has established various communication channels for awareness promotion. Enhanced communication measures are also in place for foreign employees, including:

- The Plant Affairs Department distributes Environment, Health, and Safety (EHS) pocket cards to all employees. These cards contain Flytech's EHS policies and commitments in both Chinese and Vietnamese, and include the company's hotline for reporting sexual harassment.
- At the beginning of each month, safety information is communicated during the factory's monthly meeting, including guidance on how to reduce workplace hazards. Multilingual support is provided on-site by several foreign employees who are fluent in Chinese and assist with translation. Large visual aids are also used to help overcome language barriers.
- Each month, during non-working hours, the agency reinforces occupational safety reminders and life management guidance to foreign workers, aiming to ensure they can work with peace of mind during shifts and travel safely after work.
- Flytech regularly invites occupational safety instructors to the company to promote the principles and requirements of ISO 45001. Additionally, government awareness materials—covering topics such as fire safety, typhoons, electrical equipment usage, and the company's environmental health and safety policies—are broadcast via video walls and the company intranet. These efforts help ensure that employees maintain a constant awareness of potential risks and protect themselves from exposure to hazards.

Occupational Safety and Health Training Practices

The company provides new employees with a 3-hour general occupational safety and health training upon onboarding. The training covers an overview of relevant occupational safety and health regulations, fundamental concepts of workplace safety and health, safety and health work guidelines, as well as self-inspection procedures before, during, and after operations, and standard operating procedures.

On-the-job worker training encompasses essential courses, including fire safety training, continuing education for active employees, general environmental health and safety training, and recertification training for occupational safety professionals.

1. Fire Drill

   The company has an emergency response organization. Training courses cover the organization's responsibilities, types of fires and corresponding response measures, fire equipment awareness, evacuation procedures, and the company's ISO-related protocols. In addition to the annual inspections by the Fire Department, Flytech conducts fire safety awareness sessions every six months. These include fire evacuation drills and exercises on using fire extinguishers tailored to various scenarios.

2. Occupational Safety and Health Education and Training

   The inspections cover internal access and entry safety and hygiene at the facility, as well as the company's related occupational safety and health management policies and regulations. The Labor Inspection Office conducts two routine labor inspections annually, and the Taoyuan City Government performs one public safety building inspection each year. In 2024, a one-hour on-the-job occupational safety and health training session was conducted, with 470 participants.

3. General Affairs and Environmental Safety

   The course covers the company' s environmental, safety, and health policies, as well as related ISO procedures and management guidelines. It also informs participants of abnormality handling steps and emergency response procedures.

4. Recertification Training for Occupational Safety Professionals

   Professional personnel are regularly scheduled for on-the-job training to ensure they stay informed of newly amended government laws and policies, as well as to maintain the validity of their certifications.

Item		Recertification Training Duration	2022	2023	2024
Fire Safety Manager	Once every 3 years	6 hours	2	1	1
First Aid Personnel	Once every 3 years	3 hours	1	2	4
Class A Occupational Safety and Health Supervisor	Once every 2 years	6 hours	1	-	2
Occupational Safety and Health Officer	Once every 2 years	12 hours	-	2	1
Hazardous Operations Supervisor	Once every 3 years	3 hours	-	-	1
Forklift operator	Once every 3 years	3 hours	1	-	4

Occupational Safety and Health Training for External Suppliers

In addition to distributing the Environmental, Health, and Safety (EHS) survey to raw material suppliers annually to emphasize the importance of occupational safety and health issues, we also focus on ensuring contractor safety during maintenance and cleaning activities at Flytech' s workplaces. For example, Flytech requires contractors to complete a "Supplier Environmental and Safety Management Assurance Form" after contract signing to ensure compliance. Contractors must also submit a general construction application form at least three days prior to commencing work. During on-site operations, the General Affairs or Plant Affairs departments inform contractors of workplace hazards and maintain records. Before daily work begins, contractors are required to hold toolbox talks to thoroughly communicate relevant hazards, corresponding countermeasures, and necessary tools and equipment. These measures enhance contractors' awareness of workplace risks and help prevent and mitigate potential negative impacts and hazards.

4-2-4 Employee Health

Employee Health Checkup

Flytech places great importance on employee health and well-being by providing domestic employees with health checkups more frequent than those required by labor health protection regulations. All employees undergo a health check-up once every two years, conducted by a certified health screening center onsite during working hours. Health examination reports are securely maintained by the Human Resources department in accordance with the company' s personal data management policies and are not used as a basis for promotion, job transfer, or employment decisions. In 2024, the health screening participation rate at the Neihu headquarters and Linkou factory reached 99%. For foreign employees, health screenings are conducted in accordance with the Ministry of Health and Welfare' s "Regulations on Health Examinations for Employed Foreign Nationals." The agency assists by escorting employees to designated hospitals for their health checkups. If any abnormalities are found in the examination results, the agency is notified to follow up on the employee' s health status. Flytech conducts regular health screenings and follows up on any abnormalities to safeguard employee health. Through these efforts, the company fosters a safe and secure work environment, fulfilling its commitment to occupational safety and health.

Health Care

Flytech has appointed contracted physicians and nurses at its Neihu headquarters and Linkou factory. Physicians visit six times annually, while nurses are onsite six times per month to provide health consultations and conduct employee physical assessments and evaluations. Employees may seek consultations during working hours. In addition, the company conducts preventive management and risk assessments for all employees' physical conditions. Beyond the biennial regular health checkups, a comprehensive evaluation is performed to determine workload levels (low, medium, high). Based on this, employees are screened and recommended for interviews or further consultation.

Following the 2022 health examinations, a total of 116 employees were identified and arranged for on-site consult ations with occupational health physicians. For workers in high-risk groups, medical personnel conduct targeted interviews and guidance to prevent occupational hazards. Using four major survey programs, health interviews have been conducted with all employees, with 133 interviews completed by 2024. Medical personnel adjust the timing, shorten durations, or modify work tasks based on the assessed risk levels. They continuously conduct rolling adjustments and further follow-ups through ongoing health examinations and effectiveness evaluations. The company reported zero cases of occupational diseases among employees from 2022 to 2024.



Workplace Environmental Hygiene

Flytech contracts cleaning companies to clean the interiors regularly and the surrounding areas of the Neihu headquarters and Linkou factory. Additionally, robotic vacuum cleaners and cordless vacuum cleaners are placed on each floor of the Neihu headquarters to encourage employees to maintain a clean environment proactively. Professional service providers are also scheduled to perform comprehensive indoor and outdoor disinfection of the entire building every six months, annual air-conditioning cleaning and maintenance, and quarterly bacterial testing of drinking water equipment to ensure the safety of employee drinking water. Creating a safe, hygienic, and healthy work environment.

Health Support Initiatives

Flytech annually organizes a series of soft-topic lectures related to health promotion. Professional instructors are invited to deliver practical and engaging courses that enhance employees' physical and mental well-being, while also providing health education. Psychological counselors periodically hold lectures and engage with employees during the sessions, fostering close interaction that helps employees achieve emotional release and mental well-being. The lectures held during the 2022–2024 period are as follows:

Date	Topic	Number of Participants
2022/02/12	Midlife Crisis, a Turning Point in Self-discovery	49
2022/07/12	Toxin-free Living	61
2022/08/25	Ways to Cope with Work Stress	51
2023/01/13	How to break free from emotional blackmail in the name of love?	58
2023/10/26	Medication Safety and What You Should Know About Health Supplements	80
2024/09/12	Mastering Healthy Eating	65
2024/10/17	The Brain Is a Wonderful Thing	61
2024/12/19	Eat for Health: Say Goodbye to the Three Highs	47

CHR Healthy Corporate Citizenship Award by CommonHealth Magazine

Employees are an essential part of the company. To promote and enhance employee health, Flytech participated for the first time in 2023 in the "CHR Healthy Corporate Citizenship" initiative organized by Common Health Magazine and was recognized as one of the "Healthy 99" companies in 2024.

We are committed to promoting exercise, weight loss activities, and healthy eating campaigns while providing incentives for various competitions. These efforts aim to raise employees' health awareness, enhance communication and collaboration among staff, and strengthen team cohesion. In 2022, the average BMI of employees undergoing health examinations was 25.92. By 2025, we aim to reduce the average employee BMI to within the normal range (<24).

Through the "No Shortcut to Health, Let's Move Together" wellness program, Flytech demonstrates its commitment to employee health and well-being. This initiative fosters a strong internal culture of health, reduces health risks among employees, and enhances their sense of identification with and belonging to the company.

2024 Health Program

- Subsidized participation fees for the "2024 Taipei Technology Run," with 20 employees successfully completing the race.
- The 2nd "Restart Your Life" Weight Loss Competition featured 42 individual participants with an average weight loss of 5.9%, and 11 teams with an average weight loss of 4.6%, totaling 75 participant entries.
- The Golf Club organized six seasonal tournaments in 2024, with a total participation of 83 entries.
- Prior to health examinations, a health survey questionnaire was distributed. Professional medical staff analyzed individual health concerns and recommended appropriate follow-up health screenings. A total of 159 employees participated.

Flytech regards promoting physical activity as a top priority in health management and actively strives to increase overall employee participation in exercise. We plan to launch various employee sports competitions and health initiatives annually to encourage active involvement. These efforts not only support weight loss and physical fitness but also effectively prevent illnesses and reduce the incidence of chronic diseases.

5

Customer Service and Supplier Management

2024 Highlights

High Level Customization	Order Processing / Design / Production
Comprehensive Customer Service System	Fast Delivery / Superior Quality / Taiwan-Based Design and Manufacturing / Comprehensive After-Sales Service
146 patents, representing an 11% annual growth	Total Number of Patents and Growth
84.11%	2024 local procurement amount

Customer service and supplier management have always been among Flytech's top priorities. In terms of customer service, we not only listen attentively to our clients' feedback and needs but also strive for continuous improvement across four key product dimensions: technology, quality, delivery, and service. By doing so, we deliver innovative, high-quality products that remain competitive in the market. Moreover, we continually expand our certifications across various management systems to provide our customers, who trust our professionalism, with the highest level of service. Over the years, Flytech has consistently enhanced its management systems for quality, information security, environmental protection, and occupational safety. We have obtained credible external certifications, including the fundamental ISO 9001 Quality Management System, ISO 13485 Medical Device Quality Management System tailored to healthcare environments, ISO 27001 Information Security Management System for electronic data protection, ISO 14001 Environmental Management System for standardized waste and environmental practices, and ISO 45001 Occupational Health and Safety Management System to safeguard labor welfare. Additionally, in 2021, we successfully passed the rigorous IATF 16949 Automotive Quality Management System certification, specifically applicable to the automotive and vehicle-mounted sectors.

5-1 Excellent Customer Service

Key Achievements and Management Approach

Material Topic: 6. Customer Commitment

Management Strategy

- Obtain diverse quality management system certifications to meet customer expectations and deliver products of superior quality.
- Continuously monitor and reduce the repair rate while overseeing and ensuring the implementation of MTBF standards.
- Continuously pursue innovative technologies and collaborate with customers in research and development to create high-value-added products for diverse applications, thereby deepening partnerships and fostering mutual growth.

Positive/Negative Impact

Positive Impact

Enhance the company's reputation, strengthen customer trust and loyalty, and increase repeat purchase rates.

Negative impact

Customers may leave negative feedback on social media or review platforms, potentially damaging the company's reputation. There is a risk that customers may choose to switch to competitors, resulting in the loss of high-value clients.

Stakeholder Engagement

- Maintain annual certification for ISO 9001, ISO 13485, and IATF 16949 to ensure the management systems remain effective and continue to meet customer requirements.
- Continuously monitor repair rates and quality stability to achieve customer satisfaction.
- Conduct an annual customer satisfaction survey.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Continue to implement ISO 9001, ISO 13485, and IATF 16949 quality management systems every year. • Repair rate AFR < 0.9% • Continue developing new products, including Touch POS, Hybrid POS, Panel PCs, Box PCs, KIOSKs, and other customized system solutions. • Conduct an annual customer satisfaction survey, aiming for at least 80% of respondents to rate an average score of 8 or above, while continuously striving to improve customer satisfaction scores.	• ISO 9001 and ISO 13485 audits showed no major non-conformities; all critical and four minor non-conformities identified in the IATF 16949 audit have been addressed and resolved. • Repair rate AFR at 0.28% • Customer satisfaction survey results show an average score ≥ 8 achieved by 77.62% of respondents.	• Continue to implement ISO 9001, ISO 13485, and IATF 16949 quality management systems every year. • Zero customer complaints from batch issues caused by OBA inspection omissions, with a repair rate AFR < 0.5%. • Continue developing new products, including Touch POS, Hybrid POS, Panel PCs, Box PCs, KIOSKs, and other customized system solutions. • Conduct an annual customer satisfaction survey, aiming for at least 80% of respondents to rate an average score of 8 or above, while continuously striving to improve customer satisfaction scores.	• Continue to implement ISO 9001, ISO 13485, and IATF 16949 quality management systems every year. • Zero customer complaints from batch issues caused by OBA inspection omissions, with AFR < 0.5% consistently maintained. • Conduct annual customer satisfaction surveys, with 85% of respondents rating an average score ≥ 8, and continuously strive to improve satisfaction scores.	• ISO 9001, ISO 13485, and IATF 16949 management systems undergo annual external audits by third parties to ensure effective and continuous operation. • Conduct monthly ESG meetings to review whether KPIs are being met. • Annual customer satisfaction survey results.

Flytech began with an ODM business model, building market presence through customer collaboration and gaining strong expertise in customization and product design.

5-1-1 High-Quality Customized Services

Meeting customers' highly customized design and made-to-order production requirements

1. Delivering tailor-made products that combine functionality and design, offering high added value and strong market competitiveness.
2. Providing modular product designs that allow easy assembly, disassembly, and maintenance, enabling customers to flexibly select from a wide range of compatible peripheral options for various applications. This approach achieves semi-customization at a lower cost through highly versatile configurations.

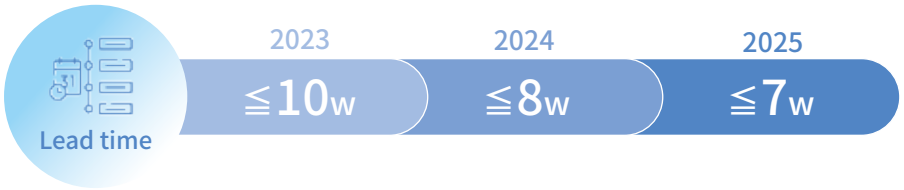
5-1-2 Fast and Reliable Delivery Lead Times

Maintaining excellent product quality while ensuring fast delivery lead times

All Flytech products are developed and manufactured entirely in Taiwan by the company's headquarters-based R&D team and in-house production facilities. From design and motherboard production to final assembly and delivery, the fully integrated process ensures rapid lead times while delivering high-quality, customized, and highly reliable products and services.

In 2025, we will continue to optimize our delivery performance by evolving from our traditional make-to-order production and material preparation model. Following a strategic shift in 2024, we have begun implementing a planned inventory approach for key AAA customer models, establishing safety stock levels for AA customer models, and stocking an additional month's worth of key components for S-tier growth customers. This strategy aims to meet the delivery goal of fulfilling key customer orders within ≤ 7 weeks, with an overall achievement rate of over 70%. Moving forward, the standardization of modular product designs will help reduce the risk of planned inventory, significantly shorten lead times, and enhance both speed and flexibility, maximizing competitiveness for both the company and its customers through customized solutions.

2025 Target: Achieve an overall fulfillment rate ≥ 70% for customer orders and product models with lead times ≤ 7 weeks



2024 Delivery Lead Time Achievement Rates: 49% achieved within 7 weeks; 65% achieved within 8 weeks

Year	Percentage of orders fulfilled within ≤ 8 weeks	Percentage of orders fulfilled in ≥ 8 weeks	Average Delivery Lead Time
2023	49%	51%	10W
2024	65%	35%	8W

Note: Orders of 30 units or fewer (including trial samples) in 2025 are excluded from the statistics. Additionally, orders with lead times ≤ 7 weeks are not included in the calculation

5-1-3 Comprehensive After-Sales Service

Prompt, Reliable, and Thorough service

Established a professional customer service and repair team, along with diverse and efficient communication channels, to ensure prompt and real-time assistance in resolving customer issues. When customers have inquiries regarding market trends, technical matters, or applications, our customer service team proactively engages to understand their needs and collaborates with cross-functional teams to provide comprehensive support and the highest level of service.

DOA & RMA Policies

Flytech's DOA (Dead on Arrival) and RMA (Return Merchandise Authorization) policies commit to providing repair or replacement services for products found defective or non-compliant within the warranty period, provided the issues are not caused by customer mishandling. If customers require extended warranty coverage, paid extension services are also available.

EOL Product Discontinuation and Spare Parts Management

Flytech follows standard product life cycles or customer-specific requirements to execute product discontinuation procedures. Once a product discontinuation is decided, Flytech proactively communicates with customers and issues an EOL (End-of-Life) letter. We assist customers in completing their final full system purchase (last buy) within six months and support planning for service material needs after discontinuation.

Product Labeling Specifications

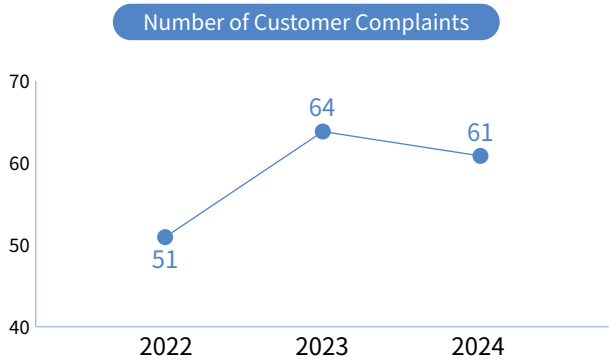
To comply with labeling regulations across different regions, Flytech implements strict internal controls. After product requirements are identified by the product department, labels and warnings are applied to packaging only after laboratory or third-party testing confirms compliance with relevant standards. In 2024, no violations of product labeling regulations were recorded.

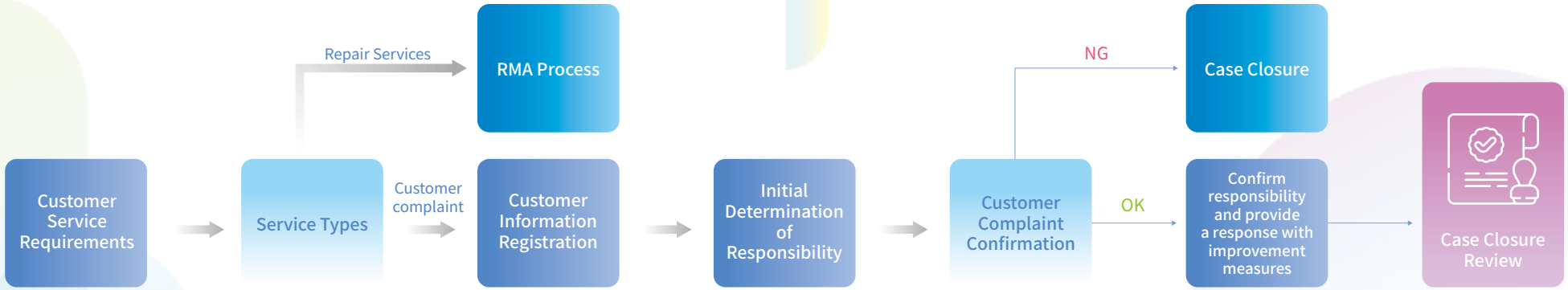
Customer Complaint Handling

When a customer complaint arises, a project team is promptly activated following the complaint workflow outlined below. The team conducts a thorough analysis of the issue, from the customer's site to the 5M1E factors (Man, Machine, Material, Method, Environment, and Measurement). We actively replicate the defect to trace the root cause and, if necessary, perform on-site inspections and repairs to ensure the best possible support and service for our customers. Additionally, if any concerns related to labeling, health and safety, or hazardous substances are identified, they are addressed through the complaint handling process.

Due to a significant increase in shipments in 2022 and frequent material substitutions caused by supply shortages, the number of customer complaints rose by 13 cases in 2023.

Shipment volumes slowed down in 2023, and several improvement measures were strengthened in 2024. First, regular bi-weekly meetings are held with the factory to identify and implement corrective actions for recurring issues. Additionally, we proactively investigate customer-reported incidents and system serial numbers to detect any batch-related problems and develop preventive measures in advance. As a result, the number of customer complaints in 2024 decreased by 3 cases compared to the previous year.





5-1-4 Customer Service Survey and Feedback

Flytech conducts its annual customer satisfaction survey in January, with the Product Development and Customer Service departments distributing the "Customer Satisfaction Survey Form" to key customers. The survey aims to assess customer satisfaction across five areas: delivery time, quality, design, service, and products. The results of the customer satisfaction survey are established as one of the key performance indicators for relevant departments. For areas receiving lower ratings, the respective departments are required to develop improvement plans, which are then monitored by the Customer Service team to ensure timely completion of corrective actions.

From 2022 to 2024, the customer satisfaction surveys targeted clients accounting for over 70% of annual revenue. In 2022, 79.79% of customer ratings met or exceeded the target score of 8. In 2023, this figure was 77%, and in 2024, it slightly improved to 77.62%. Although the overall goal of an average score above 8 has not yet been fully achieved, there has been a modest improvement compared to 2023, with stability maintained over the two years. Among the five key survey categories, satisfaction with "delivery time" showed a slight increase compared to the previous year; however, scores still fell short of the target of 8. Significant room for improvement remains internally, and efforts to enhance this area will continue. For detailed improvement measures, please refer to Section 5-1-2.

Note: Starting in 2024, the customer satisfaction survey methodology was revised to encompass data collected from January to December of the previous year.

- Customer Satisfaction Survey Results

Year	2022	2023	2024
1. Percentage of Annual Revenue from Surveyed Customers	77.6%	79%	70%
2. Surveyed customer satisfaction (satisfaction target is ≥ 8 points)	79.79% ≧ 8 points	77% ≧ 8 points	77.62% ≧ 8 分

- Average Scores for Customer Satisfaction Survey Subcategories (Out of 10 Points)

Year	Quality	Delivery Time	Services	Design	Product
2022	8 ↓	8.7 ↑	8 ↓	8 ↓	8 ↓
2023	8.8 ↑	7.4 ↓	8.2 ↑	7.8 ↓	7.9 ↓
2024	8.7 ↓	7.7 ↑	8.8 ↑	7.8 -	8.2 ↑

Future Target: To steadily improve customer satisfaction each year and maintain an average satisfaction score of 8 or above.
Satisfaction Score ≥ 8 Target: 2024 > 80%, 2025 > 80%

5-1-5 Value-Added / Innovative Products - Implemented Designs

Key Achievements and Management Approach

Material Topic: 5. Product Innovation

Positive/Negative Impact

Positive Impact

Innovative products enhance competitiveness by attracting consumers and meeting market demands, driving sales growth, and enabling the company to expand into new markets. At the same time, they improve production efficiency and reduce costs.

Negative impact

Innovation requires substantial investment and entails market risks, technical challenges, and internal pressures. Additionally, rapid imitation by competitors may erode the company's competitive advantage.

Management Strategy

Continuously pursue innovative technologies and collaborate with customers in research and development to create high-value-added products for diverse applications, deepen partnerships, and foster mutual growth.

Stakeholder Engagement

- Discuss innovative selling points and product specifications with customers in the early stages of product development.
- Technical exchanges with suppliers on recycled plastics and new materials.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Introduction of a modular main system product innovation framework incorporating Slim POS and Touch Monitor. • A total of six new models.	The modular main system product innovation framework has been implemented with Slim POS and Touch Monitor, encompassing a total of 16 new models, which have been developed and are now available for sale.	In 2025, development will continue with shared function boards and the introduction of new mainboard modules, applied to endpoint All-in-One computers, Panel PCs, Medical PCs, industrial computers, self-checkout machines, and smart multimedia self-service kiosks, covering a total of 16 models.	Continue product innovation and develop new products incorporating AI smart tools, targeting 10% of total revenue.	• Conduct an annual customer satisfaction survey. • Track the number of innovative products developed annually.

Flytech possesses advanced in-house capabilities for highly customized design and manufacturing. Our comprehensive process encompasses every stage—from product planning and mechanical and electronic design, to system verification, scenario-based usage and installation testing, material procurement, quality control, manufacturing, and after-sales service. Each step is rigorously governed by our five-tier development framework, established in accordance with ISO 9001, ISO 13485, and IATF 16949 standards. Only after confirming that both the design and quality of our products meet the highest standards do we deliver them to our customers.

Tailor to Your Needs

Industry Experts

HOSPITALITY | RETAIL | MEDICAL | INDUSTRIAL

100% In-House Design

CUSTOMIZATION PROCESS


Understanding Needs


Conceptualization


Product Design


Prototyping & Testing


Production


After Sales Support

Planning	Design Development	Validation & Verification	Production	Service
• Taskforce forming • Specification study&IDproposal • Project cost evaluation • Project schedule evaluation	• Initiate schematics design • Placement & layout design • ID approval • Reliability simulation • Gerber out	• Mockup sample test • T1 sample test • Sample running in factory • Sample run/EVT/DVT reports	• Critical parts risk order • EMC ready • Safety ready • Packing ready	• RMA services • Technical support

The process from design to mass production

Design Concept Confirmation

Before initiating the design phase, Flytech adopts a user-centric approach by stepping into the customer' s shoes to thoroughly understand their needs, anticipated application scenarios, and the competitive landscape. We then conduct a comprehensive feasibility assessment to tailor the most suitable product specifications and conceptual solutions, delivering a fully customized and integrated development plan that meets the client' s objectives.

Prototype design

During the prototype system design phase, Flytech integrates risk and feasibility assessments related to both product quality and future mass production, including tooling considerations. When presenting the prototype for market promotion, we assemble a dedicated project team composed of experts from mechanical, electronic, and software departments. This cross-functional team ensures that all market feedback is promptly collected and analyzed, enabling timely and effective design improvements.

Design Verification

Flytech conducts rigorous testing and validation on assembled prototype systems, including high- and low-temperature tests, drop tests, and vibration tests. Any design flaws identified during this process are reviewed and addressed through mold evaluations. Only after confirming the integrity of the product design does the system proceed to the pilot production stage.

Trial Production Verification

To ensure optimal production efficiency, Flytech conducts comprehensive process optimization, encompassing both manufacturing and testing procedures. For products intended for specialized application environments, we also conduct batch-level stress and environmental testing. This dual approach guarantees that products not only meet the stringent requirements for high quality and stability but are also ready for rapid mass production.

Mass Production

Flytech' s Linkou factory is equipped with three 24-hour SMT (Surface-Mount Technology) lines and six automated system assembly lines. In April 2023, we further enhanced our production capabilities by introducing a new high-speed SMT line, which increased our annual motherboard output by 30%. With these upgrades, the factory is capable of assembling up to 660,000 units per year. Once a product passes pilot production validation, it moves into full-scale mass production. Flytech' s robust manufacturing capacity ensures that we can reliably meet customer demands within the required timeframes.

Manufacturing Capability

PCBA

Shifts / 24 HRS

Monthly Output

Plan	Panasert
70000 pcs	18000 pcs
Current	**Yamaha Line**
27000 pcs	9000 pcs


High Speed SMT Line*1


Middle Speed SMT Line*2


Stencil Cleaner*1


AOI*2


Wave Soldering *2


Solder Thickness Measurement*1


Baking Oven*1


Vacuum Packing Machine*1

SYSTEM

Shifts / 10 HRS

Monthly Output

Plan	Current	Daily Output
66000 units	22000 units	400 units/Line


Auto Packing*4


Free Flow Line*6


Clean Room *2


Burn In Room*2

5-1-6 Product Innovation

Since its founding, Flytech has placed great emphasis on research, development, and product innovation. We are deeply committed to driving innovation through customer-centric services and solutions, continually exploring new application scenarios. Building on our expertise in endpoint computing, we have expanded into new frontiers, including the Outdoor IoT Controller sector.

Outdoor IoT Controller Products (2020–2021)

Since 2020, Flytech has been developing Outdoor IoT Controller products, including a smart pool monitoring system that has received positive feedback following its deployment in North America. Leveraging IoT technology, this solution enhances the overall home pool experience—covering swimming pools, spas, and decorative ponds—by enabling more efficient, real-time maintenance. It helps users manage operations in a timely, energy-saving, and cost-effective manner. In 2023, Flytech introduced a second-generation smart pool monitoring system with enhanced safety control features. This upgraded model features a more streamlined design, a significantly smaller and more compact form factor, and markedly reduced power consumption, delivering greater efficiency without compromising performance.

In 2023 Deepening Development in "Smart Digital Signage Systems"

Flytech also began intensifying its development of "Smart Digital Signage Systems". To maximize the effectiveness of precision marketing, we not only apply deep learning for data analysis and prediction but also integrate various components—including hardware systems, content software, plug-ins, and operational services—into a comprehensive IoT architecture that combines both software and hardware capabilities. In 2023, Flytech developed a series of self-checkout systems powered by AI algorithms. By conducting in-depth research and simulation of user checkout behaviors, and integrating advanced 3D imaging and sensing technologies, we introduced a comprehensive software solution designed to prevent missed scans and enhance the overall accuracy and efficiency of the checkout process. The integration of smart digital signage with a cloud-based control platform aligns with future core technological transformations. By combining these two systems, Flytech significantly enhances the value, scalability, and practical applications of its product offerings, paving the way for broader development and innovation potential.

2023–2024 Introduction of Modular Design Concept

Flytech implemented a modular design approach using standardized box modules that integrate key components, including the motherboard, CPU, memory, and storage. These modules can be flexibly applied across multiple products, enhancing design efficiency, reducing mold development costs through shared tooling, and simplifying RMA servicing with easy disassembly and replacement. In 2024, Flytech continued to advance its modular design strategy by developing shared function boards and introducing new motherboard modules across newly developed product lines. This approach enabled diverse application combinations and was fully implemented in endpoint devices, including All-in-One PCs, Panel PCs, Medical PCs, Industrial PCs, self-checkout kiosks, and smart multimedia self-service machines. It significantly improved maintenance efficiency and centralized inventory management, supported planned production to shorten lead times, and extended product lifecycle, contributing to a low-carbon, circular economy.

Through Modular Design:

- Significantly improves maintenance efficiency and centralized inventory management
- Enables planned production and shortens product lead time
- Extends the lifecycle of the core product architecture
- Advances toward a low-carbon, circular economy

In 2024, Flytech introduced its modular innovation into ultra-slim endpoint computers, promoting them to clients and initiating sample deliveries and sales. The company aims to achieve strong revenue performance from this product line in 2025.

Number of Product Models Developed with Modular Innovation

2024 Targets	2024 Achievements	2025 Targets	2026 Targets
• 6 Models of Ultra-Thin Endpoint Computers • 6 Models of Panel PCs • 2 Models of Kitchen Display Systems for Restaurants • 2 Models of Self-Checkout Systems	• 5 Models of Ultra-Thin Endpoint Computers • Panel PC- 7 models • 2 Models of Kitchen Display Systems for Restaurants • 2 Models of Self-Checkout Systems	• 2 Models of Medical Panel PCs • 2 Models of Self-Checkout Systems • 2 Models of Smart Multimedia Self-Service Systems • 7 Models of All-in-One Endpoint Computers	• 3 Models of Ultra-thin Panel PCs • 2 Models of Self-Checkout Systems with Payment Functionality • 2 Models of Smart Multimedia Self-Service Systems • 2 Models of AI Edge Computing Devices

Note: Originally, six models of ultra-thin endpoint computers were planned for 2024. However, one model was redesigned as a Panel PC in response to specific customer requirements.

Key R&D Highlights of Newly Developed Models

From low-power endpoint computers and recyclable packaging materials to upgradeable modular hardware designs, our newly developed products not only meet current environmental standards but also align with global market demands for sustainable solutions. By focusing on low-carbon design, utilizing eco-friendly materials, and recycling waste and packaging, we have achieved a clear competitive edge in green technology and sustainability. These innovations and design strategies have laid a strong foundation for meeting future market demands. (For detailed information, please refer to Section 6-2-1 Green Design of this report.)

Ultra-Thin Endpoint Computers	Panel PC	Kitchen Display Systems for Restaurants	Self-Checkout Systems
• Low-Carbon and Green Design: Adopts low-power design and energy-efficient components to reduce energy consumption and carbon emissions. • Eco-Friendly Material Selection: Uses recyclable, sustainable materials while minimizing plastics and non-recyclables. • Modular Design: Enables easy upgrades and maintenance, extending product lifespan.	• Eco-Friendly and Recyclable Materials: Uses recyclable materials and optimized packaging design to reduce excess packaging. • Lead-Free Design: Utilizes lead-free soldering technology in compliance with RoHS standards. • Energy Efficiency Improvement: Incorporates low-power components and efficient cooling systems to minimize energy waste.	• Durability and Eco-Friendly Design: Fanless design prevent grease buildup and incorporates environmentally friendly materials. • High-Efficiency Thermal System: Develops advanced cooling technology to ensure stable operation and reduce energy consumption. • Recycling and Reuse: Designed for easy disassembly to facilitate recycling and reuse of components.	• Versatile and Green Payment Systems: Supports multiple payment methods, promoting e-payments and paperless transactions. • Energy-Saving Design: Employs low-power processors and efficient power management systems to reduce energy consumption. • Modular Hardware: Modular design allows easy maintenance and upgrades, reducing electronic waste.

2024 AI-powered Self-Checkout (SCO) systems

As part of retail innovation, AI-powered self-checkout systems improve efficiency, reduce paper usage, and lower energy consumption, providing strong support for carbon reduction and advancing sustainability goals.

1. Reducing Paper Consumption:
   Self-checkout systems enable digital receipts, significantly reducing paper use and associated carbon emissions compared to traditional printed receipts.
2. Improving Operational Efficiency:
   Customer-led checkout reduces reliance on manual cashiers, thereby enhancing overall workforce efficiency. This not only accelerates the checkout process but also reduces the operating time of in-store lighting and checkout equipment, leading to lower energy consumption.
3. Reducing Customer Wait Time:
   Self-checkout systems improve checkout efficiency, shorten queues, and allow for reduced usage of lighting, air conditioning, and other in-store systems—enabling more efficient energy management.
4. Promoting Digital Payments:
   As digital payments become more widespread, reliance on cash transactions declines—improving transaction efficiency and reducing carbon emissions associated with cash production and transportation.

5-1-7 Patent and Intellectual Property Management

Flytech is committed to technological innovation and aims to be a leader and pioneer in the era of intelligence. In 2017, we established an intellectual property management system aligned with the TIPS (Taiwan Intellectual Property Management System) standard. This system is based on the ISO 9001 Plan-Do-Check-Act (PDCA) cycle and is designed to strengthen internal IP governance, enhance employees' awareness of intellectual property rights, and ensure the protection of the company's IP assets. By integrating IP management with our business goals and long-term vision, Flytech reinforces its foundation for sustainable growth and innovation. To ensure a continuous flow of innovation within the company, Flytech encourages employees to apply for patents and actively build a portfolio of valuable intellectual assets. In alignment with intellectual property regulations, we have also established the Trade Secret Information Management Regulations, which define the scope of confidential business assets and specify management procedures to ensure the proper protection of trade secrets.

In the past three years (2022 to 2024), Flytech's patent applications have focused not only on innovations in product functionality and performance, but have also incorporated green product design considerations. These include innovations such as modular product architecture, AI-powered energy-saving solutions, and AI self-checkout systems and services. (For details, please refer to Section 6-2-2: Green Design Achievements.)

Green Products Design Concept	Taiwan	U.S.	EU	China	UK
Innovative modular design	4	4	4	4	4
AI-powered energy management solutions in products	4	3	3	3	3
AI self-checkout systems and solutions	4	4	4	4	4
				Total	56

Note: The above patent figures are based on the number of applications filed in various countries between 2022 and 2024

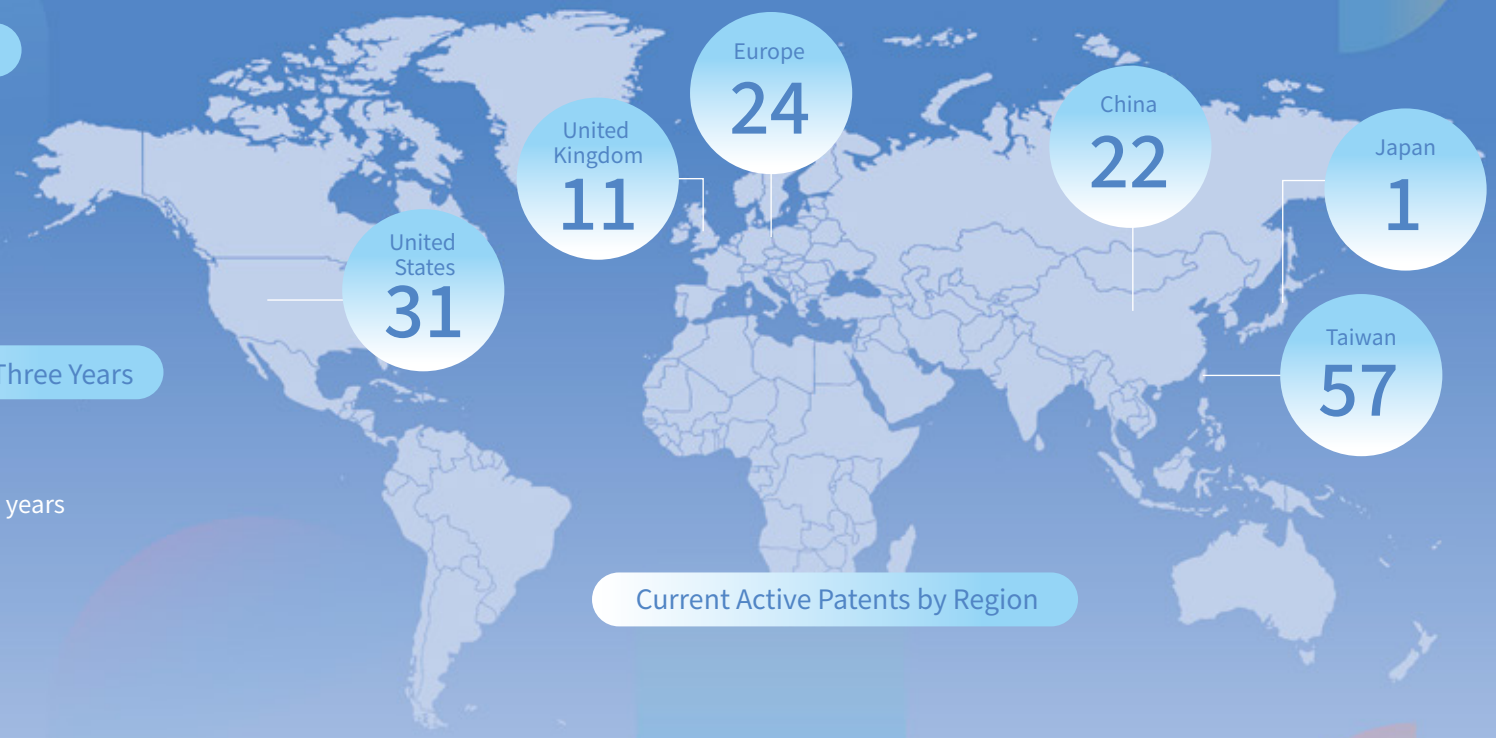
Total Active Patents Worldwide

currently holds **146** active patents globally

representing an **11**% increase compared to the previous year

Patent Applications Over the Past Three Years

Flytech has filed a total of **72** patent applications during the past three years



Current Active Patents by Region

5-1-8 Institutionalized Privacy Protection

To safeguard the personal privacy of both employees and customers, Flytech established a personal data protection system in 2018, aligned with the Personal Data Protection Act (PDPA) of Taiwan and the EU General Data Protection Regulation (GDPR). This system is tailored to the company' s business model, ensuring that all personal data is collected, processed, and used through lawful means. It prevents internal and external threats while upholding the rights of data subjects. Ongoing internal awareness campaigns are conducted to reinforce data protection practices. As Flytech operates primarily under a B2B model, the scope of personal data collected mainly involves employees, job applicants, and participants in company-organized activities. On the customer side, data is limited to contact persons engaged through website inquiries and business communications.

In 2024, Flytech recorded no incidents of employee or customer complaints, nor any breaches of customer privacy.

Key Features of Flytech' s Personal Data Protection Framework

1. Flytech has established a bilingual (Chinese and English) Privacy Policy Statement, which is publicly available on the company' s official website.
2. The collection, processing, and use of personal data must be for a specific purpose and accompanied by clear notification to the data subject regarding the retention period and intended use. Appropriate security measures must be implemented to ensure the safe handling of personal data.
3. If a data subject requests to stop the collection, processing, use, or deletion of their personal data, or requests to opt out of automated decision-making, Flytech will verify the request and notify the data subject upon confirmation.
4. All relevant departments are responsible for properly managing the approved "Personal Data Inventory," including maintaining data records, usage logs, access trails, and evidence of compliance.
5. Regular personal data audits and risk assessments are conducted to ensure the ongoing effectiveness of the data protection system. Identified deficiencies are continuously addressed through corrective and preventive actions.

5-2 Quality Commitment

After adopting internationally recognized quality management systems—ISO 9001, ISO 13485, and IATF 16949—Flytech has fostered a culture of quality commitment through ongoing education, internal audits, and self-monitoring mechanisms. Believing that high-quality products earn customer recognition and trust, Flytech integrates quality principles from the early stages of product development and design. Preventive measures and corrective mechanisms are established to ensure quality control throughout the process. This includes incoming material inspection, factory automation, multi-functional testing stations, and electronic systems for tracking quality anomalies. Flytech' s commitment to quality extends beyond in-house manufacturing systems to encompass comprehensive after-sales service. By offering warranty policies tailored to customer needs, Flytech delivers a complete and flexible quality assurance promise, reinforcing long-term customer satisfaction and trust.

5-2-1 Quality Planning

Quality Policy "Pursuit of Excellence"

The quality policy was established by Flytech' s Chairman and President. With a commitment to doing things right the first time, our R&D team conducts comprehensive evaluations during the design and development phase to ensure high product quality. We strictly adhere to ISO standards and industry-specific quality guidelines, applying standardized procedures to maintain product consistency. This approach enables us to continuously deliver high-quality products and achieve the goal of enhanced customer satisfaction.

5-2-2 Quality Management

Each year, Flytech conducts internal audits and undergoes third-party audits in accordance with ISO quality management systems. Through both internal and external oversight, as well as management review meetings involving senior leadership, the company ensures the effective implementation and continuous improvement of its quality management system, aligning documented procedures with actual practices.

PDCA-Based Quality Management

The quality management system is initiated and implemented by the Quality Assurance Department and continuously improved based on the PDCA (Plan-Do-Check-Act) cycle. Each year, comprehensive internal audits and third-party certification audits are conducted in accordance with the annual plan. When nonconformities are identified, corrective actions and improvements are implemented, and their effectiveness is closely monitored and reviewed to ensure recurrence is fully prevented.

International Quality Certifications ISO 9001, ISO 13485, IATF 16949

Flytech adopts ISO 9001 as the foundation of its quality management system, continuously refining and maintaining its robust implementation. To enhance hardware manufacturing capabilities and expand into the medical equipment market, Flytech obtained ISO 13485 certification for medical device quality management systems in 2009, demonstrating the company' s capability to produce products that meet medical regulatory standards. After years of effort and technological advancement, Flytech successfully entered the automotive market in 2021 by obtaining IATF 16949 certification for automotive quality management systems. The company has since adopted automotive-grade management practices, continuously enhancing its quality management through more rigorous and structured processes. For certification details, please refer to the official website.

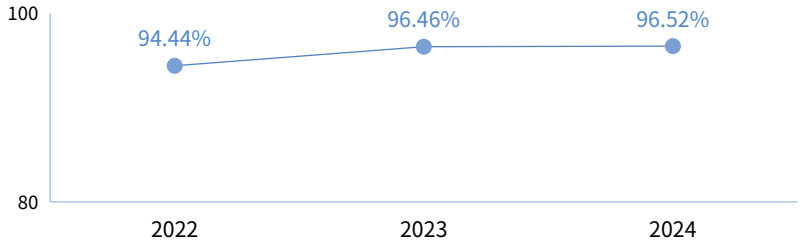
5-2-3 Quality Control

To implement the ISO quality management system and prevent quality issues, Flytech's R&D team considers stakeholder input and incorporates Design for Manufacturing (DFM) principles during the product design and planning stage. For medical products with higher quality requirements, the team also conducts Design and Manufacturing Failure Mode Analysis to reduce the risk of anomalies in subsequent production processes. In addition, the Linkou factory has established 5M1E (Man, Material, Machine, Method, Measure, Environment) standards in the manufacturing process to reduce the frequency of quality issues. Each production station is assigned specific goals, including a target First Pass Yield (FPY) of over 97%. Although this target has not yet been fully achieved, continuous improvements are being made.

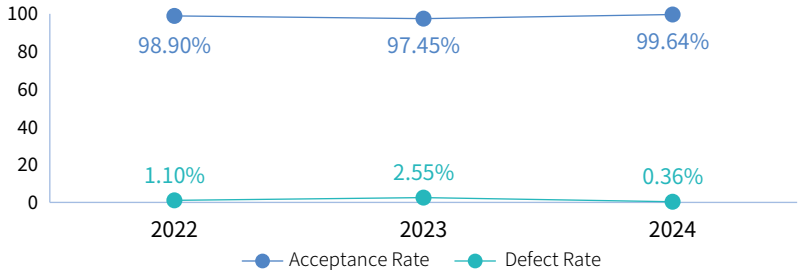
Strengthen Incoming Material Inspection

Flytech continues to strengthen its incoming inspection mechanism. Inspection criteria are automatically adjusted based on each supplier's delivery quality and transaction frequency, enabling flexible control over inspection stringency. In 2024, the company further increased external inspection coverage to enhance quality control at the source, effectively managing raw material nonconformities at the supplier level. As a result, the overall incoming material nonconformity rate dropped significantly by 2.19% compared to the previous year. In cases of nonconformance, the company follows its product anomaly handling process and Section 5-3-2 on supplier management to implement ongoing improvements, ensuring supply chain quality remains stable.

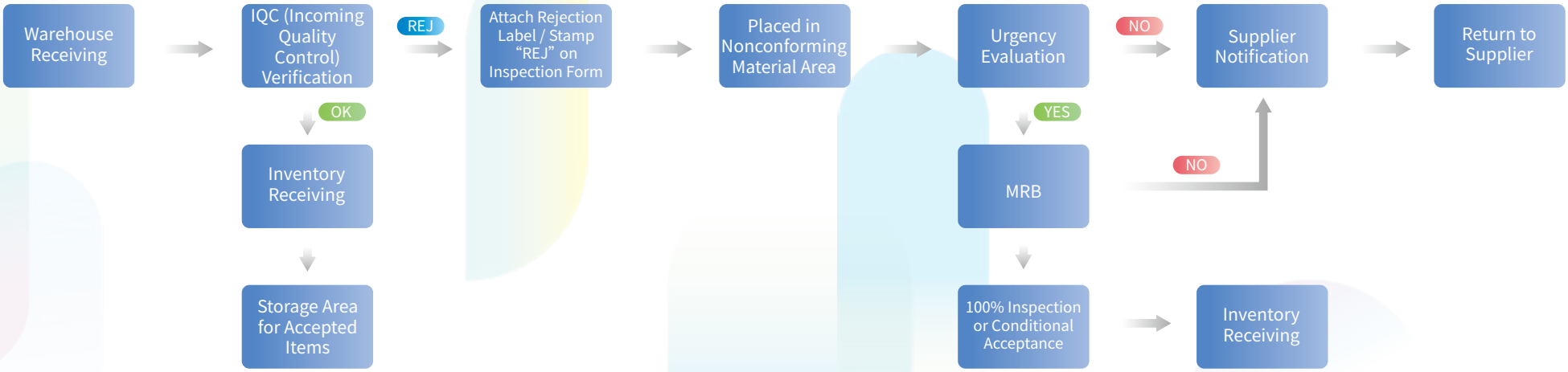
First Pass Yield (FPY)



Incoming Inspection Statistics Over the Past Three Years

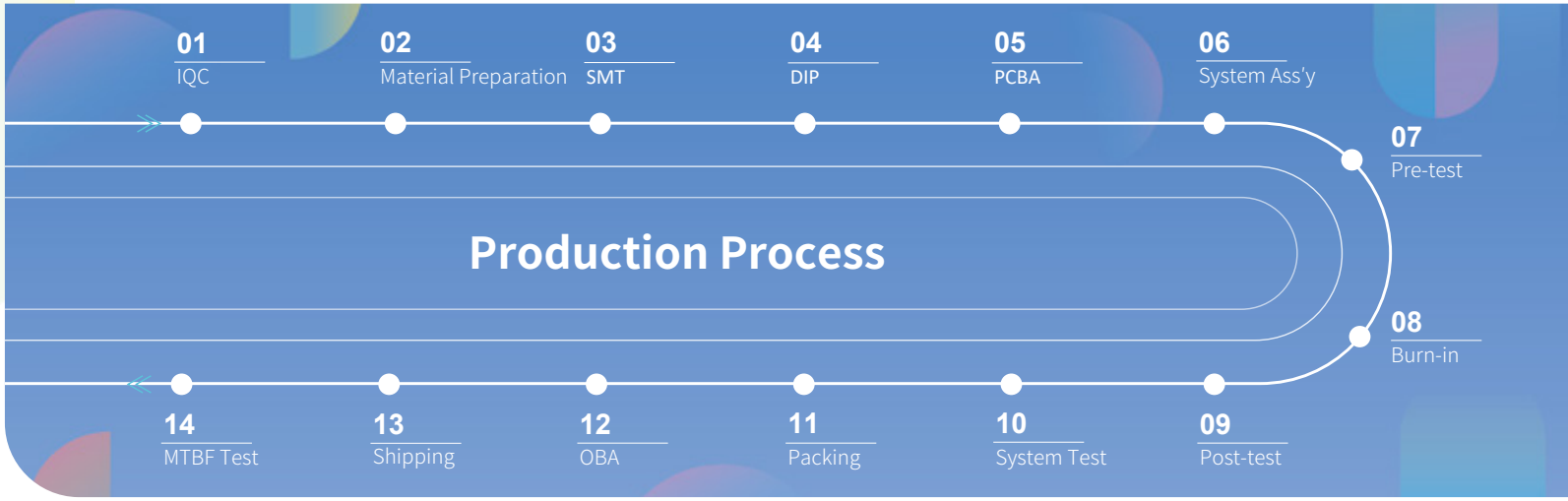


Incoming Inspection Procedure



Process Control

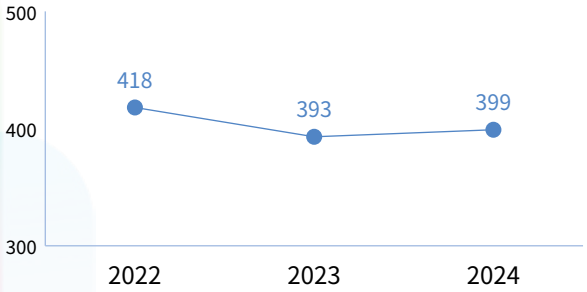
Flytech' s production process includes both PCBA and system assembly. Throughout the manufacturing process, multiple inspection stages and 100% functional testing are conducted. From PCB mounting and board-level testing to system testing, pre-test, burn-in, final test, and Out-of-Box Audit (OBA), each stage incorporates layered quality control checkpoints to ensure that the final products meet the highest standards and earn customer trust.



Abnormality Handling

Flytech' s ERP system features automated detection, triggering email alerts when recurring quality issues occur or yield rates fall below set thresholds. The Quality Assurance team reviews ERP-logged events, First Pass Yield (FPY), quality anomalies, and incoming inspection results in weekly meetings, implementing and tracking corrective actions as needed. Applying the PDCA methodology and rolling 5M1E controls, Flytech ensures stable quality and on-time delivery. Over the past three years, quality issues have declined steadily, while the number of finished products per year (FPY) has improved, demonstrating the effectiveness of the company' s quality management system.

Number of Quality Issues



Initiate the Quality Issue Handling Process

5-3 Sustainable Supply Chain

Key Achievements and Management Approach

Material Topic: 8. Green Design and Supply Chain Sustainability Management (Voluntary Disclosure)

Management Strategy

- Support local procurement to reduce transportation-related carbon emissions.
- Through supplier evaluation, performance tracking, and annual EHS surveys, ensure that suppliers prioritize environmental sustainability and comply with relevant environmental regulations and policies.
- Increase the signing rate of supplier commitment letters to promote ethical business practices and encourage active fulfillment of corporate social responsibility.

Positive/Negative Impact

Positive Impact	Maintain long-term, collaborative partnerships with suppliers to create mutual benefits and strengthen sustainable development.
Negative impact	Lack of transparency in the supply chain increases labor and resource management costs.

Stakeholder Engagement

- Conduct supplier EHS (Environmental, Health, and Safety) surveys and require the signing of commitment/declaration forms.
- Distribute supplier questionnaires related to the product carbon footprint.
- Continuously promote Flytech' s environmental policy and sustainability values, ensuring alignment with applicable regulations.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Local supplier procurement rate between 80% and 90%. • 75% of suppliers have signed the Declaration for Environmental Protection and Prohibition of Baneful Substances, the Commitment of Corporate Social Responsibility and Integrity Management, and the Declaration for Non-use of the Conflict Minerals. • A total of over 80 supplier EHS surveys were distributed and collected.	• Local supplier procurement accounted for 84.11% of total procurement spending. • Suppliers completed signing the related commitment/ declaration forms: 76.44% have signed the Declaration for Environmental Protection and Prohibition of Baneful Substances, 78.25% have signed the Commitment of Corporate Social Responsibility and Integrity Management, and 77.34% have signed the Declaration for Non-use of the Conflict Minerals. • 85 suppliers EHS survey forms were collected with a 100% response rate.	• Local supplier procurement rate between 80% and 90%. • 80% of suppliers signing the Declaration for Environmental Protection and Prohibition of Baneful Substances, the Commitment of Corporate Social Responsibility and Integrity Management, and the Declaration for Non-use of the Conflict Minerals. • Collect over 100 supplier EHS survey forms with a 100% response rate.	• Local supplier procurement rate between 80% and 90%. • Continue to increase the supplier signing rate of ESG-related commitment/ declaration forms to over 85%. • 60% of suppliers are certified with ISO 9001; 30% are certified with ISO 14001 or ISO 45001.	• Annual local procurement percentage. • Annual supplier EHS survey to support effective EHS policy implementation and management. • Supplier signing rate of relevant commitment/declaration forms.

In supplier management, Flytech adopts a cross-strait optimization strategy to ensure fast delivery, flexible pricing, and a mutually beneficial approach between Taiwan and mainland China. The company adheres to a long-term and stable procurement principle by strategically allocating resources to achieve maximum advantage. First, it continues to support Taiwan' s local supply chain, maintaining local procurement at over 80%. Second, it collaborates with selected mainland suppliers that align with the company' s long-term development goals, particularly in mold and technical development. In 2024, the proportion of procurement from domestic suppliers reached 84.11%.

We further encourage suppliers to comply with government environmental and occupational health and safety (EHS) regulations. An annual supplier EHS survey is conducted to promote proper waste recycling or reuse, ensure adherence to relevant environmental policies and regulations, and drive continuous improvement toward achieving environmental protection and workplace safety goals. In addition, Flytech is committed to building a green supply chain by incorporating ISO 9001 and ISO 14001 certifications into the evaluation of new suppliers, ensuring effective source management. Qualified suppliers are also required to submit hazardous substance restriction reports to comply with international environmental regulations and to provide conflict minerals disclosure forms in alignment with global human rights trends.

In response to the globally prioritized issue of climate change, Flytech launched a dedicated project in late 2021 to establish a greenhouse gas (GHG) inventory and management system. In 2022, the company obtained third-party verification under ISO 14064-1. This reflects Flytech' s commitment to proactive participation and self-governance as a responsible corporate citizen. We will continue to promote supplier certification in quality, environmental, and occupational health and safety systems, and collaborate on low-carbon materials, processes, and transport to build a sustainable Flytech value chain.

5-3-1 Sustainable Supply Chain

Vision: Building a green supply chain for mutual benefit and shared success

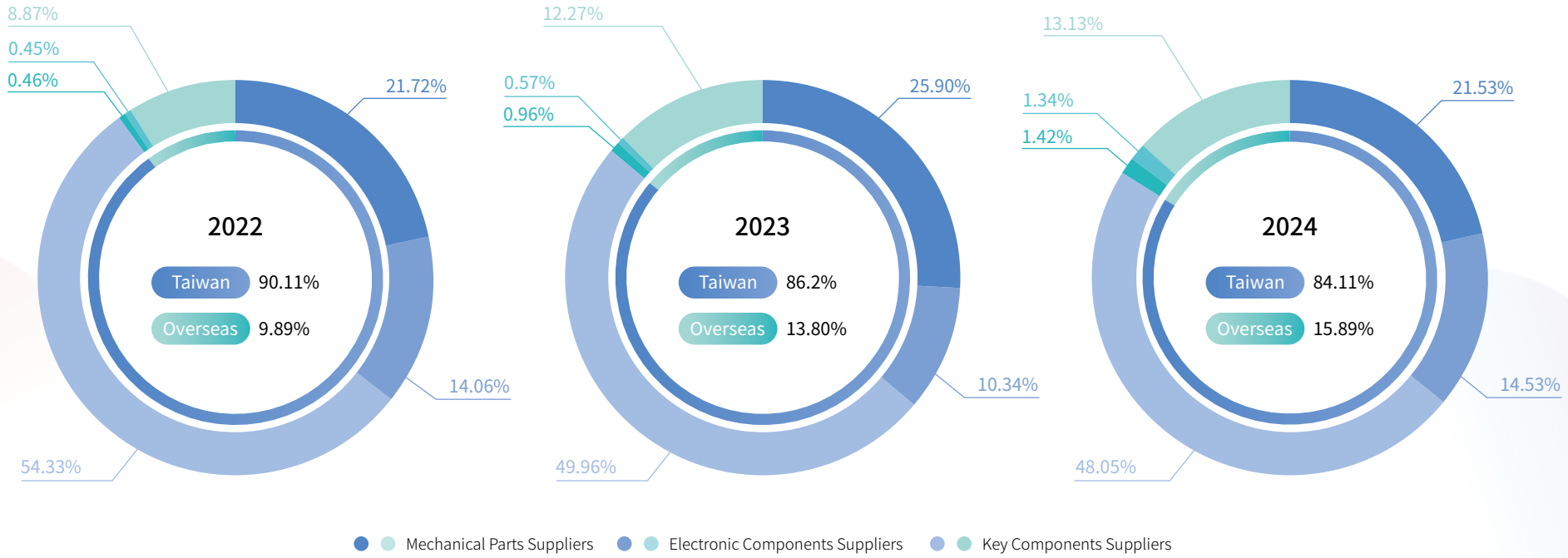
Flytech recognizes that, while creating profits and delivering value to shareholders, it must also fulfill its responsibilities to stakeholders, including workers, consumers, and the environment. To pursue excellence in environmental protection, social responsibility, and economic performance, we actively communicate sustainability expectations and goals to our suppliers through various channels. To enhance supplier awareness of ESG and promote sustainable practices, we assist suppliers in adopting ISO 14064-1 for GHG inventory and ISO 14067 for product carbon footprint verification. We have also established a Supplier Code of Conduct (available on our website).

2025 Target: Achieve an 80% supplier signing rate for commitment and declaration forms		
Commitment of Corporate Social Responsibility and Integrity Management	Since 2021, the Company has adopted the "Commitment of Corporate Social Responsibility and Integrity Management," based on version 7.0 of the Responsible Business Alliance (RBA) Code of Conduct. Suppliers are required to sign and comply with the commitment, working together to promote environmental sustainability, fulfill corporate social responsibility, adhere to the RBA Code, and follow international human rights standards. The commitment includes provisions such as protecting workers' legal rights, prohibiting discrimination, and banning child labor.	As of 2024, a total of 331 suppliers had signed the commitment, representing 78.25% of all suppliers From 2022 to 2024, no incidents of integrity violations or corruption were identified
Supplier Environmental, Health and Safety (EHS) Survey	An annual EHS survey is conducted for suppliers with delivery records, including those with factories. It promotes compliance with local environmental regulations and communicates Flytech' s commitment to sustainability. We will continue to enhance EHS policy implementation and expand survey coverage over time.	In 2024, all 85 survey forms were collected; two violations were identified and rectified within the year
Declaration for Environmental Protection and Prohibition of Baneful Substances	In terms of environmental protection, suppliers are required to submit a 100% complete Component Approval Sheet, including RoHS 2.0 compliance test reports, prior to product delivery. They are also progressively signing the Environmental Protection and Restricted Substances Commitment Statement. This ensures that, while engaging in commercial activities, suppliers also evaluate their practices and products for compliance with environmental regulations and refrain from using materials that are harmful to the environment.	In 2024, 76.44% of suppliers had signed the statement
Declaration for Non-use of the Conflict Minerals	The Conflict-Free Minerals Declaration aims to ensure that suppliers do not use tin (Sn), tantalum (Ta), tungsten (W), gold (Au), cobalt (Co), or mica sourced from conflict-affected areas controlled by armed groups in the Democratic Republic of the Congo (DRC) and its neighboring countries. However, the use of conflict-free minerals from these regions is not excluded, in support of responsible mining practices in the area. The supplier commitment signing rate target for 2024 is 75%	In 2024, 77.34% of suppliers had signed the declaration

Raw Material Usage and Local Procurement

Flytech primarily focuses on the design and manufacturing of industrial computers. Its products mainly consist of key components (such as panels and touch modules), mechanical parts (including metal, plastic, and die-cast components), and electronic parts (such as PCBs and ICs). In 2024, Flytech' s total procurement amounted to NT$2,050,412 thousand, with 290 qualified suppliers having actual transaction records. Flytech has long been committed to local procurement, supporting local suppliers to foster shared revenue growth and job creation. This approach not only facilitates on-site audits of supplier quality and environmental practices, but also helps reduce carbon emissions associated with transportation. Additionally, it enables greater flexibility in design and delivery schedules. An analysis of raw material procurement over the past three years reveals that in 2024, 84.11% of procurement spending was allocated to Taiwanese suppliers. Moving forward, Flytech will continue to prioritize high-quality local suppliers to support regional development and foster long-term, mutually beneficial partnerships aimed at sustainable growth.

Annual Procurement Ratio



Use of Environmentally Sustainable Materials

In 2024, Flytech expanded the use of eco-friendly packaging by adopting 100% recycled corrugated paper and molded pulp. Four models have entered mass production, with one in the mold development stage. More models will adopt this packaging in the future.

Additionally, Flytech is testing samples that utilize recycled aluminum and plastics in mechanical components for low-carbon products. We continue to collaborate with suppliers to promote sustainability and contribute to environmental responsibility.

Supplier GHG and product carbon footprint assessments

To support Taiwan' s 2050 net-zero emissions goal, have been initiated. Under FSC regulations, external GHG verifications for parent companies and consolidated subsidiaries are required by 2028 and 2029, respectively. Flytech took early action by completing its 2021 GHG inventory and obtaining ISO 14064-1 third-party verification in 2022. Training for subsidiary inventories has also begun. In Q4 2022, Flytech launched a Carbon Management Project to assess raw material and supplier transportation footprints, as well as equipment energy consumption, to calculate product-level emissions. By 2024, partial product carbon footprint assessments were completed, and two products received third-party ISO 14067 certification. In parallel, we are developing a carbon management information system to identify high-emission hotspots and drive energy-saving improvements. We are also surveying carbon footprint data related to supplier materials and transportation, with the goal of advancing sustainability throughout the Flytech supply chain. (See Section 6-4-2: Climate Action and Product Carbon Footprint)

Beginning in late 2024, we implemented a new raw material qualification process in partnership with our suppliers, mandating the disclosure of full carbon footprint data for all raw materials.

ESG Awareness Initiatives

We promote sustainability awareness among our suppliers through ongoing communication and advocacy. At the same time, we encourage suppliers to adopt international standards such as ISO 9001, ISO 14001, ISO 45001, and ISO 14064-1 to strengthen their sustainability management practices.

5-3-2 Supplier Management

New Supplier Qualification Process

Flytech conducts supplier qualification reviews for raw material vendors through a cross-functional evaluation team composed of R&D, Quality Assurance, and Procurement departments. The team conducts a comprehensive assessment across multiple dimensions based on their respective areas of expertise. For suppliers whose production facilities are located overseas, or for local agents representing foreign manufacturers, ISO certifications for quality and environmental management systems from the original manufacturer may be submitted for review. All other suppliers are subject to both document review and on-site audits by the cross-functional team. The evaluation covers compliance with ISO 9001 standards, and suppliers are also encouraged to obtain ISO 14001 and ISO 45001 certifications.

When onboarding new suppliers, Flytech uses an Environmental, Health and Safety (EHS) survey form to assess risks related to pollution and occupational safety and health. Sustainability-related criteria account for 15% of the evaluation (see Flytech' s Supply Chain Sustainability Management Policy). Only suppliers that meet Flytech' s EHS standards may be included in the approved vendor list.

Annual EHS audits are conducted to reinforce environmental protection and pollution prevention, enhance workplace health and safety, and reduce negative environmental impacts. These efforts reflect Flytech' s commitment to environmental sustainability and its corporate social and environmental responsibilities.

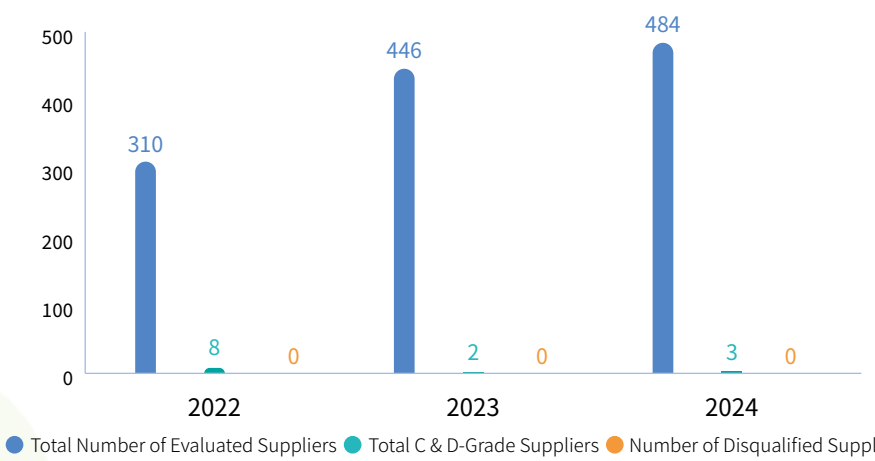
New suppliers are required to sign the Declaration for Non-use of the Conflict Minerals, the Declaration for Environmental Protection and Prohibition of Baneful Substances, and the Commitment of Corporate Social Responsibility and Integrity Management, with a target signing rate of 100%. For existing suppliers, phased targets have been set to reach 85% by 2027, with gradual annual increases. These measures aim to reduce supplier risk, enhance sustainability performance, ensure stable supply, promote a safe and healthy environment, and minimize environmental and social impacts.

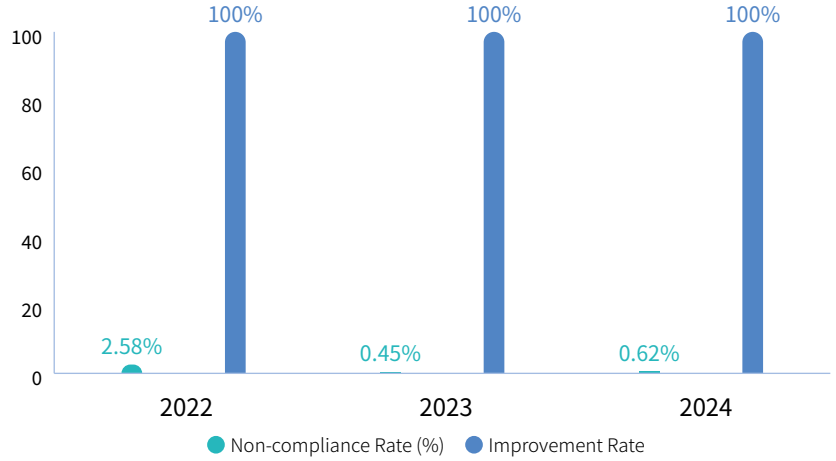
Supplier Evaluation and Performance Tracking

Flytech conducts supplier evaluations and performance tracking in accordance with ISO 9001 procedures. Each quarter, all qualified suppliers with actual transactions are assessed based on four key criteria: quality, price, delivery, and cost. The total scores are then categorized into four performance levels, from A to D. Suppliers rated C or D are subject to on-site process audits conducted by designated departments. These audits aim to identify abnormal process points and verify the effectiveness of corrective and preventive actions proposed by the suppliers. Such suppliers are designated as key observation targets in the following quarter' s evaluation cycle.

In 2024, three suppliers did not meet qualification standards but completed corrective actions with support from Flytech' s dedicated teams.

Supplier Evaluation Results





Note 1: The total number of participating suppliers in the evaluation is the sum of all suppliers assessed across the four quarterly evaluations.
Note 2: The non-compliance rate is calculated as the number of suppliers rated C or D divided by the total number of suppliers participating in the evaluation.
Note 3: The improvement rate is calculated as the number of suppliers that implemented corrective actions divided by the total number of suppliers rated C or D.

6

Green Operation

2024 Highlights

↓ 5.14%	Reduced energy consumption compared to the 2021 baseline year
↓ 11.02%	Reduced Scope 1 and Scope 2 greenhouse gas (GHG) emissions compared to the 2021 baseline year
Successfully verified for three consecutive years	Conducted organizational-level greenhouse gas inventory in accordance with ISO 14064-1
Started using green energy in 2024	Carbon Management
Two products successfully passed third-party verification	Product Carbon Footprint Assessment in accordance with ISO 14067

Flytech upholds the principle of coexisting harmoniously with the natural environment. Guided by the policy of "Safety, Environmental Protection, and Sustainability," we integrate green practices into both daily operations and product development. Although we are not part of a high carbon-emitting or water-intensive industry, Flytech has committed to sustainable development by initiating an organizational-level greenhouse gas (GHG) inventory in accordance with ISO 14064-1 in 2021. In 2023, we further expanded our efforts by conducting product carbon footprint assessments under ISO 14067. Based on the results of these inventories, we have implemented energy-saving and carbon-reduction measures. Additionally, Flytech participates in the "Tamsui River Accord" initiative, demonstrating our corporate responsibility in protecting water resources.

Our commitment to sustainability extends beyond operations to the product level. We actively promote a green supply chain and develop energy-efficient, environmentally friendly products. Measures such as reducing packaging, using recycled and recyclable materials, adopting modular design, and incorporating energy-saving components help our customers lower their carbon footprints. Our goal is to achieve partial product carbon neutrality by 2030.

6-1 Environmental Protection Policy

Flytech upholds “Safety, Environmental Protection, and Sustainability” as its core policy. In addition to a compliant EHS management system, we promote environmental awareness internally through training, internal communications, and goal management. Externally, we engage suppliers through policy advocacy, onboarding assessments, and regular evaluations. These efforts aim to build trust among all stakeholders, including employees, customers, suppliers, investors, and regulators. We continue to obtain international ISO certifications to ensure the effective implementation of our policies and strengthen our environmental sustainability management performance.

Flytech incorporates green design, eco-friendly materials, and lead-free manufacturing processes from the product development stage to minimize environmental impact. We also implement waste sorting and disposal management to further reduce our environmental footprint. The company conducts semi-annual reviews of relevant regulations and recorded no violations of environmental or occupational safety laws from 2022 to 2024.

2020	Flytech obtained ISO 14001 environmental management certification in 2001 and has since integrated it with ISO 45001 to establish a comprehensive EHS (Environment, Health, and Safety) management system, certified under both standards.
2022	In compliance with Taiwan’ s disclosure schedule for listed companies, which mandates external GHG verification by 2028, Flytech completed its first organizational GHG inventory and third-party verification for the 2021 reporting year—six years ahead of the regulatory deadline.
2023	Completed ISO 14067 product carbon footprint verification for the first product.
2024	Completed ISO 14067 product carbon footprint verification for two products.

For certification details, please refer to our website.

6-2 Green Products

Key Achievements and Management Approach

Material Topic: 8. Green Design and Supply Chain Sustainability Management (Voluntary Disclosure)

Positive/Negative Impact

Positive Impact

- Establishing a shared green commitment with partners and suppliers.
- Effectively mitigating environmental and climate risks by complying with environmental regulations and implementing management standards.
- Reducing greenhouse gas emissions, strengthening green operations, and responding to climate change.

Negative Impact

- Rising operational costs.
- Increased variability in material specifications.
- Higher inventory levels.

Management Strategy

Environmental impact and energy efficiency are assessed from the design phase, with a focus on using recyclable and sustainable materials, while integrating energy-saving designs and software-enabled innovations into new product development.

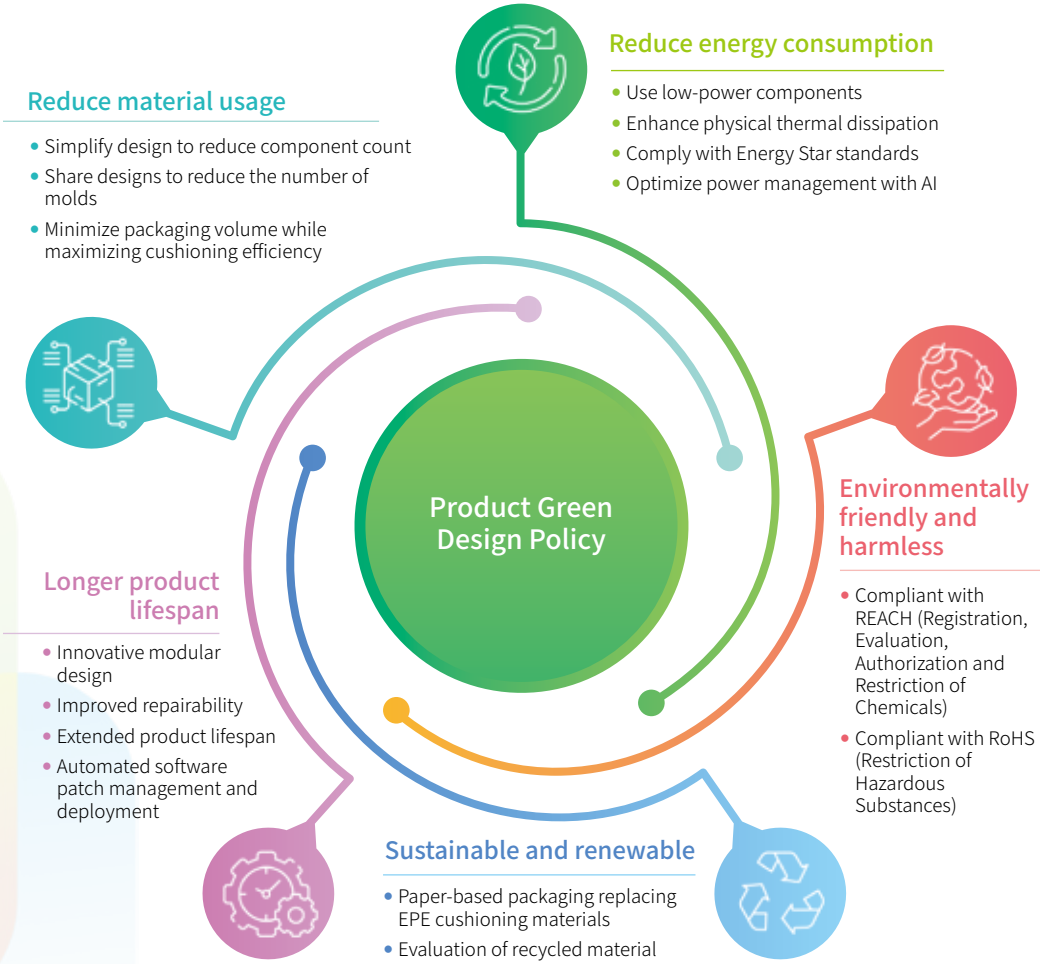
Stakeholder Engagement

- Company exhibitions.
- Official website.
- Customer Site Visits.
- New product development meeting.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Two newly developed motherboards designed in compliance with the Energy Star 8.0 standard. • Two models designed with fully paper-based cushioning packaging to reduce plastic use and enhance recyclability.	• Two newly developed motherboards designed in compliance with the Energy Star 8.0 standard. • Two models designed with fully paper-based cushioning packaging to reduce plastic use and enhance recyclability.	• New motherboard designs are 100% compliant with Energy Star 8.0 standards (with exceptions for special models). • New BOX models feature packaging designs that use 100% paper-based cushioning materials. • Launched 10 new product models featuring paper-based cushioning in their packaging. • Launched a low-carbon product featuring recycled die-cast and plastic components, along with paper-pulp packaging, FSC-certified suppliers, and environmentally friendly ink printing.	• Expand the use of renewable materials, aiming for 65% paper-based cushioning or 100% recycled materials. • Continuously innovate products to reduce power consumption and carbon emissions, extend product lifespan and repairability, and minimize material waste.	• New motherboard models compliant with Energy Star 8.0 or higher standards. • Product models featuring cushioning packaging made entirely of recyclable paper pulp and paper materials.

6-2-1 Green Design

Product Green Design Policy



Environmental Impact Assessment

To reduce environmental impact, Flytech adheres to its Product Green Design Policy as a core principle. During the initial design phase, the design team applies the Environmental Ecological Design Efficiency Evaluation Form to assess the potential environmental impact of new products. This evaluation considers whether the design concept supports environmental sustainability and examines the selection of materials to ensure alignment with green design and eco-friendly objectives. It covers the entire product lifecycle—from production and manufacturing to transportation, consumer use, recycling and reuse, and end-of-life disposal—ensuring that environmental impacts are minimized at every stage. The process also ensures compliance with international regulations and customer requirements, driving the development of innovative and environmentally friendly products.

Hazardous Substance Management

Flytech effectively manages hazardous substances and assists customers in handling end-of-life electronic waste. To date, there have been no violations of health and safety regulations or voluntary compliance standards.

- RoHS Compliance

  All in-house products are compliant with the EU RoHS Directive (Restriction of Hazardous Substances). Flytech performs substance analysis and inventories by product category to ensure conformity.

- REACH Compliance

  Regarding the SVHC (Substances of Very High Concern) under REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), Flytech sends final products to third-party accredited laboratories for chemical analysis. The results are incorporated into the product development review process to minimize chemical risks to human health and the environment.

End-of-Life Product Recycling and Disposal

Flytech complies with the EU WEEE Directive (Waste Electrical and Electronic Equipment). All final products undergo 100% third-party disassembly analysis to identify recyclable components. These reports are incorporated into the product development review process to support sustainable design. Since Flytech's products are not consumer-facing end products, recycling and reuse are carried out by our enterprise customers. Flytech provides customers with WEEE disassembly reports, enabling them to implement proper recycling and disposal procedures.

For example, in the case of the POS PB15D16 model, a WEEE disassembly analysis was conducted by the Taiwan Testing and Certification Center (TTCC). The results significantly exceeded WEEE directive standards, with a reuse and recycling rate of over 98.7% (standard ≥ 55%) and a recovery rate of over 99.8% (standard ≥ 75%). These results demonstrate the product's ability to substantially reduce waste generation at end-of-life.

Integrated Hardware and Software Solutions

In addition to green hardware design and evaluation, Flytech successfully developed its first software service product in 2021 and began official promotions to customers in 2022. This solution offers a fully integrated approach that combines hardware manufacturing, application development, and software management. Beyond integration, Flytech also explores how software services can contribute to energy conservation and carbon reduction, providing added environmental value.

In 2023, the software service product made significant progress with the introduction of an intelligent energy-saving solution at the software level. This solution delivers energy efficiency and carbon reduction features, helping customers transition to more sustainable operational models.

Eco-Friendly Materials and Low-Carbon Manufacturing

In terms of material sourcing, Flytech is expanding partnerships with sustainable material suppliers and prioritizing the use of eco-friendly and renewable materials in its products. Product designs are increasingly aligned with environmental standards to reduce their overall footprint. Flytech has also enhanced its modular design approach, improving component reusability and replaceability to reduce resource consumption and waste generation.

Moreover, energy efficiency monitoring and process optimization have been strengthened. The company has adopted higher-efficiency production equipment and technologies, while optimizing material utilization to reduce carbon emissions. Particularly in the selection of electronic components, Flytech increasingly adopts low-power components that meet energy efficiency standards, further advancing its goals in energy conservation and carbon reduction.

6-2-2 Green Design Achievements

AI-Driven Energy-Saving Solutions

Through the integration of innovative hardware and software technologies, Flytech has developed high-performance AI-based energy-saving solutions to help enterprises achieve their green and sustainable development goals in alignment with ESG strategies. Flytech continues to invest in the integration of AI and cloud-based management technologies to support more customers in realizing intelligent energy savings and shared carbon reduction objectives.

- Full deployment of AI-powered optimization algorithms.
- Comprehensive implementation of AI-based energy consumption analysis systems across major product lines.
- Dynamic adjustment of power consumption for energy-intensive components (e.g., processors, displays) based on predictive models.
- Energy efficiency improved by over 15%, significantly reducing energy waste.

Expansion of Inefi Spotlight Cloud Platform

- The unified endpoint management (UEM) platform introduced several new automated energy-saving modules in 2024.
- Deployment has been expanded to more enterprise clients and overseas markets, enabling real-time remote energy monitoring and optimization.
- On-site maintenance needs have been significantly reduced, with an estimated annual reduction of over 100 metric tons of CO_2 emissions from transportation.

Equipment Upgrades and Green Design

- Building on Flytech's low-power motherboard transformation that began in 2019, the company completed the third phase of its green hardware upgrade initiative in 2024.
- The new generation of devices adopts more energy-efficient embedded system architectures, further reducing operational energy consumption.

Green Products Design

Each year, Flytech selects specific products for evaluation and design optimization. For newly developed models—those requiring new structures and motherboard designs—a green design assessment is conducted during the development phase. During trial production, a comprehensive Environmental Ecological Design Efficiency Evaluation is conducted to verify and confirm the environmental benefits of the product design.

Innovative Modular Design

This approach applies to products such as Touch POS systems, Panel PCs, Tablets, and PC Boxes. When customers need system upgrades or next-generation replacements, the modular "plug-and-play" design allows for direct replacement of the motherboard or common modules without replacing the entire device. This extends product life, promotes resource efficiency, and reduces unnecessary waste. Going further, Flytech has restructured its product architecture using a modular system that supports diverse product configurations. Core components—including CPU, memory, and storage—are integrated into a box module, which can be assembled into different products for a variety of applications. This enables shared mold usage, enhances serviceability, and supports product longevity and low-carbon circularity. In 2024, Flytech completed the development of 5 models of ultra-slim endpoint computers, 7 models of Panel PCs, 2 models of kitchen display systems for restaurants, and 2 models of self-checkout systems. (For details, refer to Section 5-1-5: Value-added/Innovative Products – Practical Design Implementation)

"Less is More" Design Concept

Without compromising product reliability or performance, Flytech's mechanical design team has minimized the number of structural components. This drastically reduces material costs, assembly time, and tooling costs—achieving maximum functionality with minimal resources. This approach significantly lowers carbon emissions associated with supplier tooling and component production.

Compliance with Energy Star 8.0

Flytech's product portfolio, primarily consisting of industrial computers, is built around in-house designed and manufactured motherboards. Since 2021, Flytech has leveraged its R&D capabilities to replace older CPU platforms with next-generation high-efficiency CPUs gradually. For example, motherboards based on the Bay Trail platform are being phased out and replaced with newer Elkhart Lake platform motherboards, which have been incorporated into a range of Touch POS systems. This supports customers in upgrading legacy systems, increasing new orders, and enhancing overall energy efficiency during use.

In 2023–2024, Flytech focused on improving energy efficiency to meet Energy Star 8.0 standards and successfully developed two new compliant motherboards. By 2025, the company aims to develop six or more motherboards that meet these standards. Based on the number of new energy-saving motherboards installed in 2022 and estimated product lifecycles, the transition has resulted in approximately 469,194 kWh of energy savings for customers. This contributes significantly to customer-side energy management and cost savings, while also delivering measurable external environmental benefits.

Flytech continuously aligns its thinking with the practical needs of customers, prioritizing usability and sustainability. Environmental protection and sustainability are embedded in our product design philosophy—not as slogans, but as a core part of Flytech's long-term business strategy !

Green Packaging Design

- Minimizing Packaging Volume While Maximizing Protective Performance:

  Flytech is committed to optimized packaging that reduces volume, enhances shipping efficiency, and maximizes transport capacity. Starting with key European export models (e.g., K737, POS337N2), we reduced the use of cushioning materials while maintaining compliance with ISTA transport standards. This ensures product protection while achieving environmental benefits, waste reduction, and logistics efficiency.

- Paper-Based Packaging Replacing EPE Foam:

  While packaging optimization has already delivered clear benefits in terms of waste and carbon reduction during transport, EPE (expanded polyethylene) foam, due to its low recyclability, remains a key concern. In response, Flytech has begun developing cushioning materials made of paper, a more natural, harmless, and environmentally friendly material that is also easier to recycle. Paper-based packaging reduces storage space, simplifies waste sorting, and improves recyclability. However, matching EPE' s protective performance remains challenging. To overcome this, Flytech introduced molded paper-pulp cushioning for products under 6 kg, with two models now in mass production. We also adopted folded paper cushioning for three ultra-compact industrial PCs launched in 2024, further enhancing overall packaging recyclability. We have also initiated a supplier survey to review the inks and raw packaging materials used, ensuring that they comply with international certifications. Looking ahead, we plan to collaborate with our supply chain partners to obtain FSC (Forest Stewardship Council) certification, thereby supporting the development of sustainable forestry practices.

6-2-3 Waste Management

Since 2021, Flytech has classified industrial and general waste separately. Industrial waste and commercial waste are mainly packaging and production scrap,varies with order volume. In 2024, overall waste increased due to higher demand; however, hazardous solder dross decreased thanks to a new motherboard design that routes components directly through SMT, thereby bypassing the DIP process.

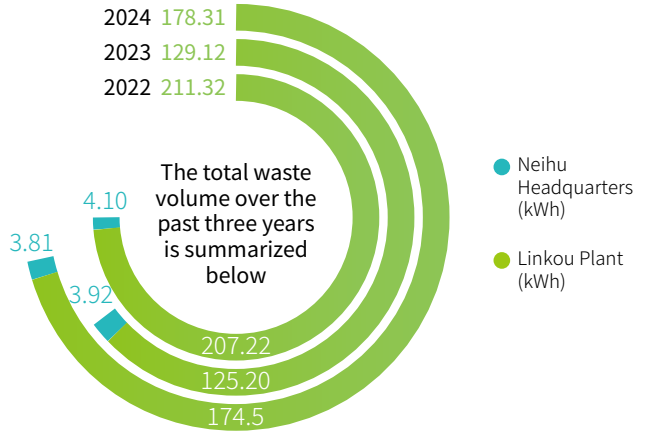
1. Flytech entrusts licensed waste disposal contractors and ensures that all final treatment is carried out legally, as follows:

Classification	Waste Type	Description	On-site	Treatment Method	Off-site	Final Treatment Method
Household Waste	PET bottles	Plastic Bottles	Non-hazardous	Outsourced recycling	Non-hazardous	Recycled and reused
	Aluminum & Steel Cans	Beverage containers	Non-hazardous		Non-hazardous	
	Waste Paper	Newspaper/magazine/photocopying paper/carton, etc.	Non-hazardous		Non-hazardous	
	Household Waste	General waste	Non-hazardous		Non-hazardous	Landfill or incineration
	Others	Toner Cartridges	Non-hazardous	Collected by copier service provider	Non-hazardous	Reused through closed-loop system
Commercial Waste	Recyclable Commerical Waste	Waste plastic, scrap metal parts	Non-hazardous	Outsourced recycling	Non-hazardous	Metal extraction and reuse
	General Commercial Waste	PCB scrap, electronic components, solder dross	Non-hazardous	Treated by licensed contractors	Hazardous	
	Industrial waste	Packaging Materials	Non-hazardous	Treated by licensed contractors	Non-hazardous	Landfill or incineration

2. Flytech tracks and manages waste statistics based on weight records, shipping documents, and invoices provided by waste disposal contractors. The total waste volume over the past three years is summarized below (in metric tons):

Neihu Headquarters			2022	2023	2024	Annual Increase (Decrease) %
Household Waste	Non-hazardous	General waste	4.10	3.92	3.81	-2.81%
Linkou Plant			**2022**	**2023**	**2024**	**Annual Increase (Decrease) %**
Household Waste	Non-hazardous	General waste (Note)	8.81	7.25	9.27	27.86%
	Non-hazardous	Resource Recycling	165.39	101.90	136.7	34.15%
Commercial Waste	Non-hazardous	Industrial waste (Note)	29.31	13.70	25.72	87.74%
	Hazardous	General Commercial Waste	2.02	1.06	1.92	81.13%
	Hazardous	Solder Dross Recycling	1.69	1.29	0.89	-31.01%
Total Waste from Linkou Plant (metric tons)			207.22	125.20	174.5	39.38%

Note: Since 2021, industrial waste and general household waste have been classified separately.



Neihu Headquarters+Linkou Plant		2022	2023	2024	Annual Increase (Decrease) %
Non-recyclable waste	Non-hazardous (Note)	42.22	24.87	38.80	56.01%
	Hazardous	-	-		-
Recyclable waste	Non-hazardous	165.39	101.9	136.7	34.15%
	Hazardous	3.71	2.35	2.81	19.57%
Total (metric tons)		211.32	129.12	178.31	38.10%
Total Waste per Revenue (metric tons / NT$1,000 revenue)		0.000044	0.000045	0.000044	-2.22%
Total Waste per Unit Produced (metric tons/unit)		0.001007	0.000897	0.000877	-2.23%
Non-Recyclable Waste per Revenue (metric tons / NT$1,000 revenue)		0.000009	0.000009	0.0000096	6.67%
Non-Recyclable Waste per Unit Produced (metric tons/unit)		0.000201	0.000173	0.000191	10.40%

Note: Non-hazardous waste includes the total of general and industrial waste.

Year	2022	2023	2024
Annual Production Volume (units)	209,741	143,966	203,272
Annual Revenue (in thousands of NTD)	4,827,119	2,881,973	4,028,793

3. Waste Reduction Targets and Achievements

Year	Annually	2024	2025	2030
Reduction Targets	1%	4%	5%	10%
Performance Compared to the 2021 Base Year – Increase (Decrease) %	-	7.75%	-	-

6-3 Energy and Water Management

6-3-1 Energy Use

Electricity Consumption

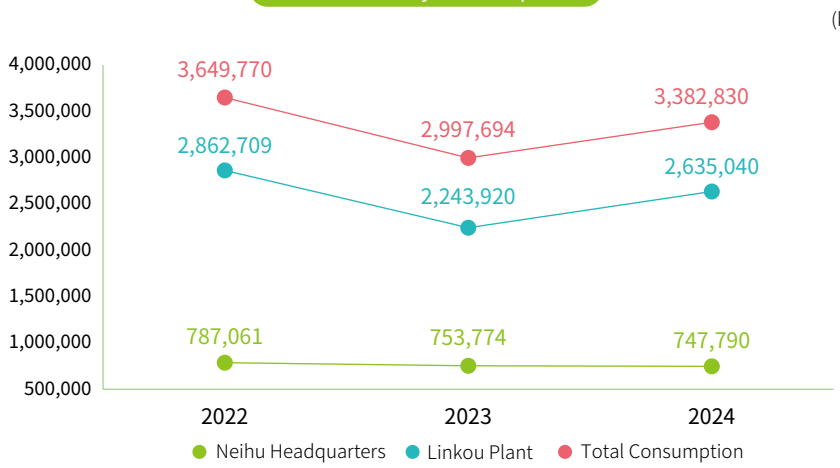
1. In 2024, Flytech's electricity usage increased compared to the previous year due to a rise in customer demand and order volume, which led to extended working hours, greater equipment operation, and longer durations of air conditioning use. As a result, electricity consumption per capita increased. However, when measured against revenue or production output, electricity usage decreased.

   To effectively manage electricity consumption and promote energy conservation and carbon reduction, Flytech has implemented several measures. At the Linkou plant, in addition to installing motion-sensor lighting in the parking area to reduce electricity waste when no vehicles are present, the company invested NT$2.5 million in 2023 to install an independent variable-frequency air conditioning system. In 2024, an additional NT$430,000 was allocated to replace LED lighting on B3 and the 6th floor, which is expected to reduce daily electricity consumption by approximately 72 kWh. Furthermore, starting from the second half of 2024, Flytech's Neihu Headquarters began purchasing low-carbon green electricity to reduce emissions, marking a shift toward renewable energy. By the end of the year, a total of 3,408 kWh of green power had been used.

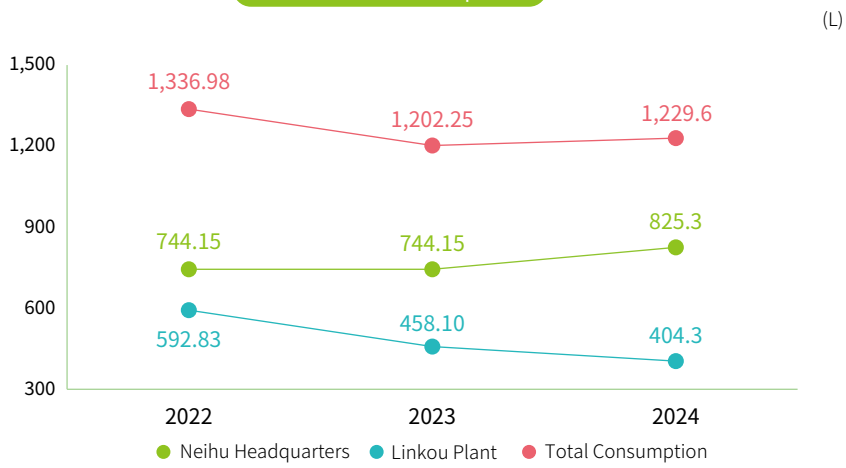
2. Flytech compiles and manages electricity consumption data based on Taipower electricity bills, emergency generator inspection records, and generator equipment checklists. The following table presents a comparison of electricity consumption at the Neihu headquarters and Linkou plant over the past three years.

Energy Types	Annual Total Consumption by Facility	2022	2023	2024	Annual Increase (Decrease) %
Electricity Consumption	Neihu Headquarters (kWh)	787,061	753,774	747,790	-0.79%
	Linkou Plant (kWh)	2,862,709	2,243,920	2,635,040	17.43%
	Total electricity consumption (kWh)	3,649,770	2,997,694	3,382,830	12.85%
Diesel	Neihu Headquarters (L)	744.15	744.15	825.3	10.91%
	Linkou Plant (L)	592.83	458.10	404.3	-11.74%
	Total Consumption (L)	1,336.98	1,202.25	1,229.6	2.27%

Total Electricity Consumption



Total Diesel Consumption



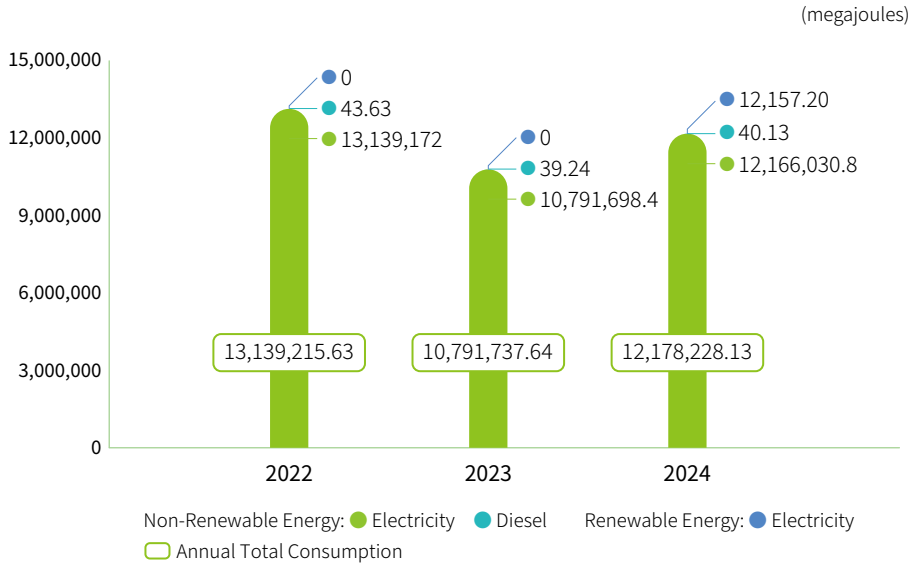
3. Total Energy Consumption Comparison Over the Past Three Years

Energy Types		2022	2023	2024	Annual Increase (Decrease) %
Non-Renewable Energy	Electricity (megajoules)	13,139,172	10,791,698.4	12,166,030.8	12.74%
	Diesel (megajoules)	43.63	39.24	40.13	2.27%
Renewable Energy	Electricity (megajoules)	0	0	12,157.20	100%
Annual Total Consumption		13,139,215.63	10,791,737.64	12,178,228.13	12.85%
Energy Consumption per Unit of Revenue (MJ / NT$1,000 Revenue) [Note]		2.72	3.75	3.02	-19.47%
Energy Consumption per Unit of Output (MJ/unit) [Note]		62.65	74.96	59.91	-20.08%
Per Capita Energy Consumption (MJ/person) [Note]		30,771	26,581	27,063	1.81%

Note:

Year (All figures below represent parent company data)	2022	2023	2024
Annual Production Volume (units)	209,741	143,966	203,272
Annual Revenue (in thousands of NTD)	4,827,119	2,881,973	4,028,793
Year-End Headcount	427	406	455

1. Energy Conversion Factors: Electricity 1 kWh = 3.6 MJ; Diesel 1 L = 32,635.2 J (7,800 kcal); Gasoline 1 L = 35,145.6 J (8,400 kcal)
2. Calorific Values: Greenhouse Gas Emission Factor Management Table, Version 6.0.4



4. Energy Reduction Targets and Performance

Year	Annually	2024	2025	2030
Reduction Targets	1%	4%	5%	10%
Performance Compared to the 2021 Base Year – Increase (Decrease) %		-5.14%		

6-3-2 Water Resources

Flytech' s Neihu Corporate Headquarters serves as the center for R&D, marketing, and management, while the Linkou plant functions as the manufacturing hub, primarily engaging in assembly processes. These are dry processes that generate no industrial wastewater. The main source of wastewater is domestic sewage from employees. In 2024, the number of employees increased by 12%, leading to a corresponding rise in water consumption. All domestic wastewater is treated at the science park's centralized wastewater treatment facility. Since obtaining ISO 14001 certification in 2021, Flytech has had no violations of environmental regulations and no instances of wastewater discharge impacting the natural environment.

To conserve water, Flytech has implemented a policy to effectively control water usage and actively promotes water conservation awareness. At the Linkou plant, rainwater is collected and reused for the irrigation of the surrounding greenery. Both the Neihu Headquarters and Linkou plant have installed water-saving devices and reduced faucet flow rates to further minimize water consumption, continuing the company' s efforts to protect environmental resources.

Water Resource Usage

Flytech calculates water consumption based on water usage data from utility bills issued by the water company. A dedicated department regularly reviews and manages usage data.

1. Water Consumption Comparison – Neihu Headquarters

Year	2022	2023	2024	Annual Increase (Decrease) %
Annual Total Water Consumption	3,079	3,159	3,170	0.35%
Per Capita Water Consumption [Note]	15.95	16.80	14.09	-16.13%
Per Capita Water Consumption (Liter)	15,953	16,803	14,089	

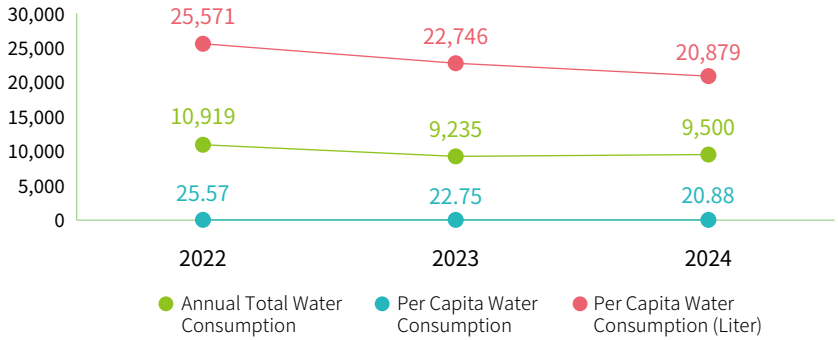
2. Water Consumption Comparison – Linkou Plant

Year	2022	2023	2024	Annual Increase (Decrease) %
Annual Total Water Consumption	7,840	6,076	6,330	4.18%
Per Capita Water Consumption [Note]	33.50	27.87	27.52	-1.26%
Per Capita Water Consumption (Liter)	33,504	27,872	27,522	

3. Total Water Consumption Comparison – Neihu Headquarters and Linkou Plant Combined

Year	2022	2023	2024	Annual Increase (Decrease) %
Annual Total Water Consumption	10,919	9,235	9,500	2.87%
Per Capita Water Consumption [Note]	25.57	22.75	20.88	-8.22%
Per Capita Water Consumption (Liter)	25,571	22,746	20,879	

Unit：unit of water(cubic meter)；liter



Note:

Year	2022	2023	2024
Neihu Headcount	193	188	225
Linkou Headcount	234	218	230
Total Headcount	427	406	455

4. Per Capita Water Reduction Targets and Performance

Year	Annually	2024	2025	2030
Reduction Targets	1%	2%	5%	10%
Performance Compared to the 2021 Base Year – Increase (Decrease) %	-	-23.24%	-	

Participation in the CommonWealth Magazine Tamsui River Accord Initiative

Flytech's key operational sites are located within the Tamsui River Basin, which spans four major cities—Taipei, New Taipei, Keelung, and Taoyuan. With Taiwan's rapid economic development, the river's water quality has increasingly come under pressure. By 2020, nearly 6% of the Tamsui River Basin had reached a level of severe pollution. To raise public awareness about river conservation, Flytech actively joined the Tamsui River Accord Initiative launched by CommonWealth Magazine in 2023. Through meaningful actions, we aim to do our part in protecting this vital waterway.

2024 Initiative Related Activities:

Commitment	Implementation	Description
1. Organize annual beach and river cleanups, inviting subsidiaries and suppliers to participate	Annual cleanup activities conducted	4 Tamsui River environmental protection events held, with 144 total participants (including 9 supplier partners); 494.09 kg of waste removed.
2. Promote employee awareness on water conservation, reuse rainwater, and commit to zero discharge of toxic wastewater	Use of eco-labeled hand soap and cleaning agents	Eco-labeled hand soap adopted: • Neihu – updated on 1F • Linkou – 100% usage
	Conserve water and reuse rainwater at factory; no toxic wastewater is discharged	1. Water conservation (baseline year: 2021 per capita consumption): • Neihu – 16.92% reduction • Linkou – 24.77% reduction 2. 222 m^3 of rainwater collected and reused for landscape irrigation at the Linkou site. 3. Zero Toxic wastewater discharge: The Linkou Plant discharges only domestic wastewater, which is treated through the Hwa-Ya Technology Park's centralized wastewater treatment facility.
3. Implementation of Resource Recycling and Waste Reduction Flytech is committed to environmental protection in collaboration with suppliers through	Effective waste reduction management and the selection of qualified waste disposal contractors.	1. Waste Reduction (Baseline Year: 2021, by Total Volume) • Neihu: 7.94% reduction • Linkou: 13.51% increase 2. All waste is handled by certified waste collection and disposal providers.
	Promotion of Eco-Friendly Tableware	Neihu: Advocate the use of eco-friendly tableware Linkou: Fully adopted eco-friendly tableware In December, during the 2024 Flytech Christmas Party organized by the Welfare Committee, employees were asked to bring their own utensils
	Suppliers are required to sign the "Commitment of Corporate Social Responsibility and Integrity Management" and the "Environmental Protection and Restricted Substances Commitment Statement".	2024 Supplier Signing Progress: 1. Commitment of Corporate Social Responsibility and Integrity Management: 78.25% 2. Environmental Protection and Restricted Substances Commitment Statement: 76.44%
4. Compliance with Environmental Regulations and Ongoing ISO 14001 Certification	Continues to maintain ISO 14001 certification	1. No violations of environmental regulations were recorded. 2. ISO 14001 recertification has been successfully completed.

6-4 Carbon Management and Climate Change Response

Key Achievements and Management Approach

Material Topic: 12. Gas Inventory and Product Carbon Footprint, 10. Climate Change Impact and Strategy

Management Strategy

Establish a greenhouse gas (GHG) management platform, system, and reduction plan.

- Conduct annual GHG inventories in accordance with ISO 14064-1 to effectively manage emissions and improve energy efficiency, progressively expanding the scope to include subsidiaries.
- Assign the Board of Directors as the highest governance body to oversee the implementation of climate change response strategies.
- Introduce a GHG management platform to gradually increase the coverage and accuracy of ISO 14067 product carbon footprint data collection and calculation.
- Invest in renewable energy sources.

Stakeholder Engagement

- Conduct annual greenhouse gas (GHG) inventories.
- Disclose and monitor carbon emissions annually through the Market Observation Post System and the ESG Report.

Positive/Negative Impact

Climate Change Impact and Strategy

Positive Impact

- Mitigate environmental and climate deterioration by strictly implementing environmental management protocols in compliance with environmental regulations.
- Reduce greenhouse gas emissions and the impact of climate change by promoting GHG inventory and verification, thereby strengthening green operations.

Negative impact

- The increasing frequency of extreme weather events driven by climate change poses risks such as damage to buildings, equipment, information security, transportation systems, and personnel safety, potentially leading to operational disruptions.

Greenhouse Gas Inventory and Product Carbon Footprint

Positive Impact Enables achievement of annual carbon reduction targets.

Negative impact Requires additional costs for the purchase of carbon credits.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
• Continued annual GHG inventory and verification in accordance with ISO 14064-1 to ensure effective emissions management. • Completed carbon footprint assessments for 10 products under ISO 14067 and obtained third-party verification for one product. • Invested in green electricity to reduce GHG emissions. • Total annual electricity consumption decreased by 4% compared to the 2021 base year. • GHG emissions (Scope 1 and 2) reduced by 4% compared to the 2021 base year.	• Completed the 2023 ISO 14064-1 inventory and verification in September. • Supported all domestic subsidiaries in conducting organizational GHG inventories. • Completed carbon footprint assessments for seven products in accordance with ISO 14067, with two products receiving third-party verification. • Initiated green electricity purchases. • GHG emissions (Scope 1 and 2) reduced by 11.02% compared to the 2021 base year.	• Continue conducting annual GHG inventory and third-party verification in accordance with ISO 14064-1 to ensure effective emissions management and improve energy efficiency. • All domestic subsidiaries completed 2024 GHG inventories in compliance with ISO 14064-1. • Completed carbon footprint assessments for 15 products based on ISO 14067, with third-party verification obtained for 2 products. • Continued purchasing green electricity to reduce reliance on high-carbon power sources. • GHG emissions (Scope 2) decreased by 4.5% compared to the 2021 base year. • GHG emissions (Scope 1 and 2) decreased by 5% compared to the 2021 base year.	• Continue annual external verification of ISO 14064-1 GHG inventories. • Complete ISO 14064-1 external verification for all subsidiaries included in the consolidated financial report. • Conduct ISO 14067 product carbon footprint assessments for 10–30 products, with third-party verification for 1–5 of them. • Declare carbon neutrality for selected products. • Achieve a 20% reduction in GHG emissions compared to the 2021 base year. • Reduce total annual electricity consumption by 10% compared to the 2021 base year.	• ISO 14064-1 external verification. • Board Meeting Minutes. • Complete carbon footprint self-declaration and ISO 14067 external verification. • GHG reduction and energy saving achievement. • Self-declaration of carbon neutrality. • Monthly ESG KPI Tracking Meeting.

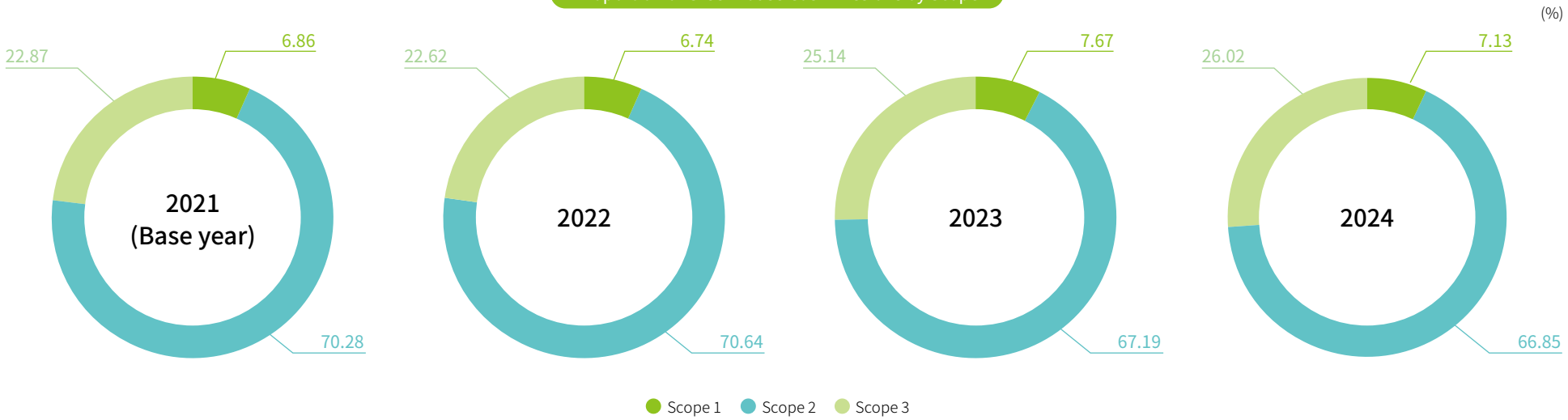
6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory

In 2021, Flytech established a greenhouse gas (GHG) inventory system in accordance with ISO 14064-1, designating 2021 as the base year. The inventory encompasses both the Neihu headquarters and the Linkou plant, with third-party verification conducted annually. According to the inventory results, the majority of GHG emissions from Flytech' s operations fall under energy indirect emissions (Scope 2), with a smaller portion attributed to refrigerant leakage from air conditioning systems (Scope 1), and emissions from diesel combustion due to business travel and transportation, as well as upstream electricity generation, paper consumption, and waste incineration (Scope 3). The calculations shown in the figure below are based on emission factors sourced from the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report, the Taiwan EPA' s Greenhouse Gas Emission Factor Management Table v6.0.4, the Product Carbon Footprint Information Platform, and the Bureau of Energy, Ministry of Economic Affairs. Flytech has been making every effort to mitigate the impact of climate change, upholding its commitment to reducing environmental impact and promoting environmental sustainability.

In accordance with EPA regulations, Flytech's greenhouse gas inventory includes seven types of greenhouse gases: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3). HFCs regulated under the Montreal Protocol are excluded. The inventory also includes other substances announced by the central competent authority.

Greenhouse gas emissions are primarily calculated using the emission factor method which involves two calculation methods: (1) multiplying activity data by emission factor by global warming potential (GWP) to get CO_2e, or (2) using the mass balance method to determine the consumption of direct materials and calculating greenhouse gas emissions through mass balance.

Proportion of Greenhouse Gas Emissions by Scope

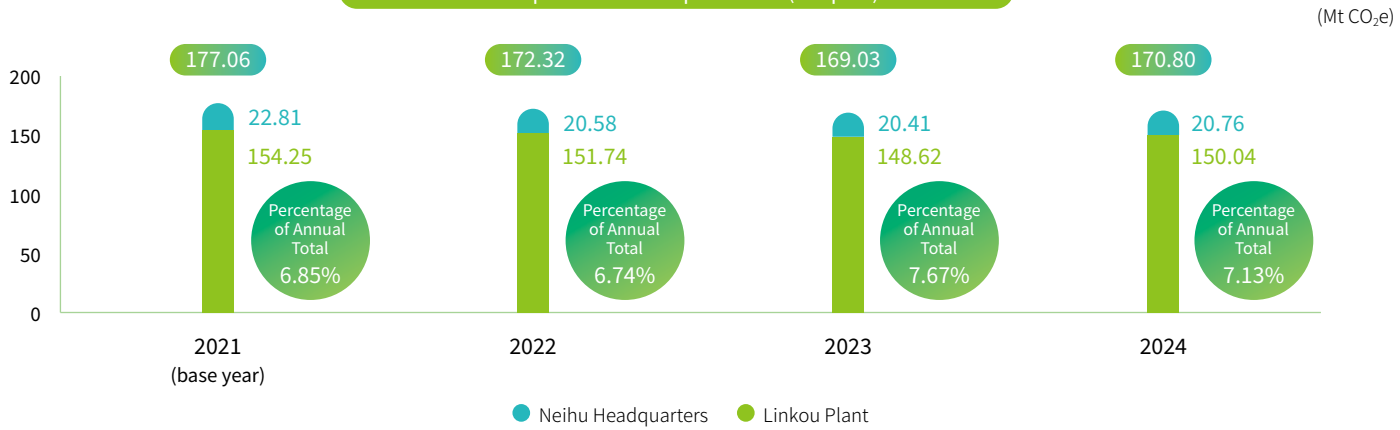


Note: The 2023 figures were revised based on data verified in the second half of 2024.

Scope 1: Direct Emissions

Flytech's (Scope 1) emissions inventory covers direct emissions from sources owned or controlled by the Neihu headquarters and Linkou plant. These sources include four categories: stationary combustion, mobile combustion, process emissions, and fugitive emissions. The primary contributor is the release of HFCs (hydrofluorocarbons) from air conditioning systems. The table below presents a comparison of (Scope 1) emissions over the past three years.

The table below presents a comparison of (Scope 1) emissions



Note: The 2023 figures were revised based on data verified in the second half of 2024.

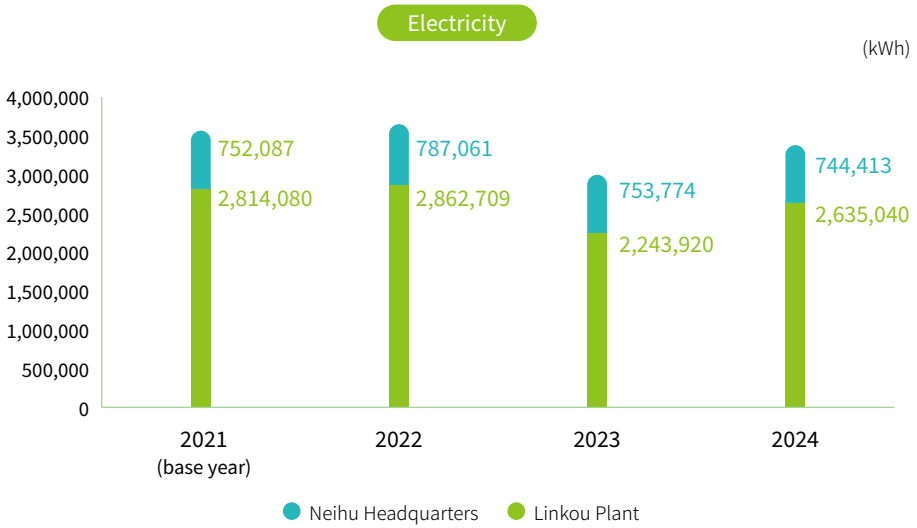
Scope 2: Indirect Emissions

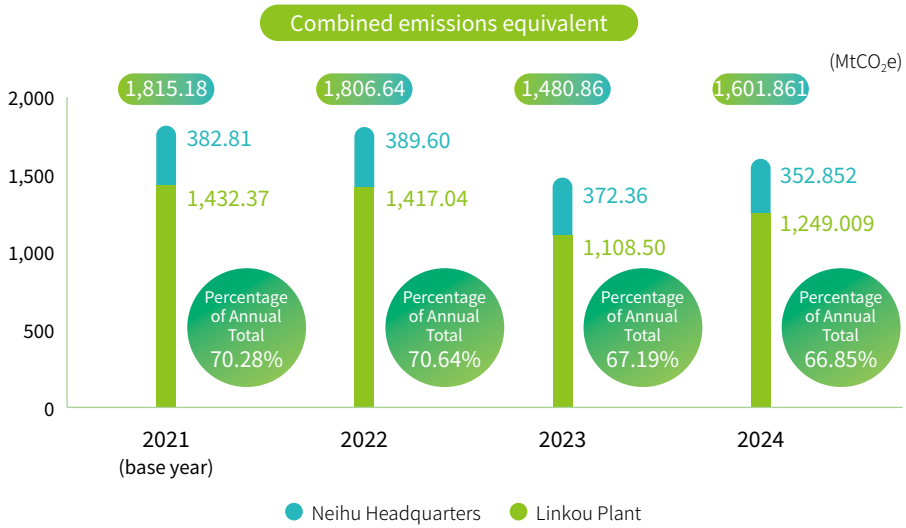
Flytech' s (Scope 2) greenhouse gas emissions, primarily from purchased electricity, account for the highest share of the company' s overall emissions.

According to statistics, in 2024, the Neihu headquarters consumed 744,413 kWh of electricity and purchased 3,377 kWh of green power, while the Linkou plant consumed 2,635,040 kWh. Based on the 2025 carbon emission factor for electricity—0.474 kgCO_2e per 1,000 kWh—announced by the Bureau of Energy, the calculated emissions were 352.852 metric tons CO_2e for the Neihu headquarters and 1,249.009 metric tons CO_2e for the Linkou plant. Due to increased order demand in 2024, total emissions rose by 8.17% compared to 2023. Flytech' s (Scope 2) greenhouse gas emissions are shown in the table below.

Year	2021 (base year)		2022		2023		2024		Annual Increase (Decrease) %
Operational Site	Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	
Electricity Consumption (kWh)	752,087	2,814,080	787,061	2,862,709	753,774	2,243,920	744,413	2,635,040	-
$MtCO_2e$	382.81	1,432.37	389.60	1,417.04	372.36	1,108.50	352.852	1,249.009	-
Green Power (kWh)	-		-		-		3,377	0	-
$MtCO_2e$	-		-		-		0	0	-
Total Emission Equivalents ($MtCO_2e$)	1,815.18		1,806.64		1,480.86		1,601.861		8.17%
Percentage of Annual Total	70.28%		70.64%		67.19%		66.85%		-

Scope 3: Value Chain Emissions





Note: The 2023 figures were revised based on data verified in the second half of 2024.

Scope 3: Value Chain Emissions

Flytech' s (Scope 3) greenhouse gas emissions primarily arise from municipal waste incineration, vehicle exhaust from shuttle buses, employee commuting, and business travel.

1. Waste Treatment

   In the 2021 base year, the Neihu headquarters outsourced the treatment of 11.75 metric tons of general waste, while the Linkou plant processed 29.53 metric tons of waste (including general and industrial waste). In 2024, the Neihu headquarters outsourced 3.81 metric tons of general waste, and the Linkou plant handled 34.99 metric tons of waste (general + industrial). Emissions were calculated using emission factors for diesel waste collection trucks provided by the Product Carbon Footprint Information Platform.

2. Employee Commuting and Business Travel Emissions

   Flytech provides daily shuttle bus services between Taipei Main Station and the Linkou plant on weekdays, covering a one-way distance of 21.3 kilometers. These services are outsourced to Scania buses operated by UBus, with emissions calculated based on the actual number of trips. Since 2022, Flytech has expanded the commuting emissions inventory to include travel by train, electric vehicles, electric scooters, and hybrid vehicles, as well as business travel. In 2024, due to a significant increase in business volume, emissions from business travel increased by 40.81 metric tons CO_2e compared to 2023, based on emission factors from the Product Carbon Footprint Information Platform.

3. Upstream Electricity, Paper Consumption, and Waste Incineration

   Flytech' s (Scope 3) greenhouse gas emissions for the past three years were calculated using emission factors from the Product Carbon Footprint Information Platform. The upstream electricity emission factor was 0.0000923 in 2021, adjusted to 0.0000882 in 2022, and revised to 0.0000973 in 2023. In 2024, due to increased demand for orders, emissions rose by 13.88% compared to 2023. (Scope 3) Emissions are shown in the table below.

Year		2021 (base year)		2022		2023		2024		Annual Increase (Decrease) %
Operational Site		Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	Neihu Headquarters	Linkou Plant	
1. Waste treatment	Subtotal ($MtCO_2e$)	0.23	1.98	0.08	3.46	0.08	1.73	0.07	3.02	-
	Total ($MtCO_2e$)	2.21		3.54		1.81		3.09		70.86%
2. Employee commuting and business travel	Total ($MtCO_2e$)	240.53		234.64		248.72		274.81		10.49%
3. Upstream electricity, paper, and waste incineration emissions	Subtotal ($MtCO_2e$)	75.74	272.16	73.23	267.12	76.94	226.53	75.80	269.80	-
	Total ($MtCO_2e$)	347.9		340.35		303.47		345.60		13.88%
Total emission equivalents ($MtCO_2e$)		590.64		578.53		554.00		623.51		12.55%
Percentage of Annual Total		22.87%		22.62%		25.14%		26.02%		-

Note 1: The 2023 figures were revised based on data verified in the second half of 2024.
Note 2: The 2024 figures are based on internal inventory results and are scheduled for third-party verification in the second half of the year.

Annual Total Greenhouse Gas Emissions Inventory

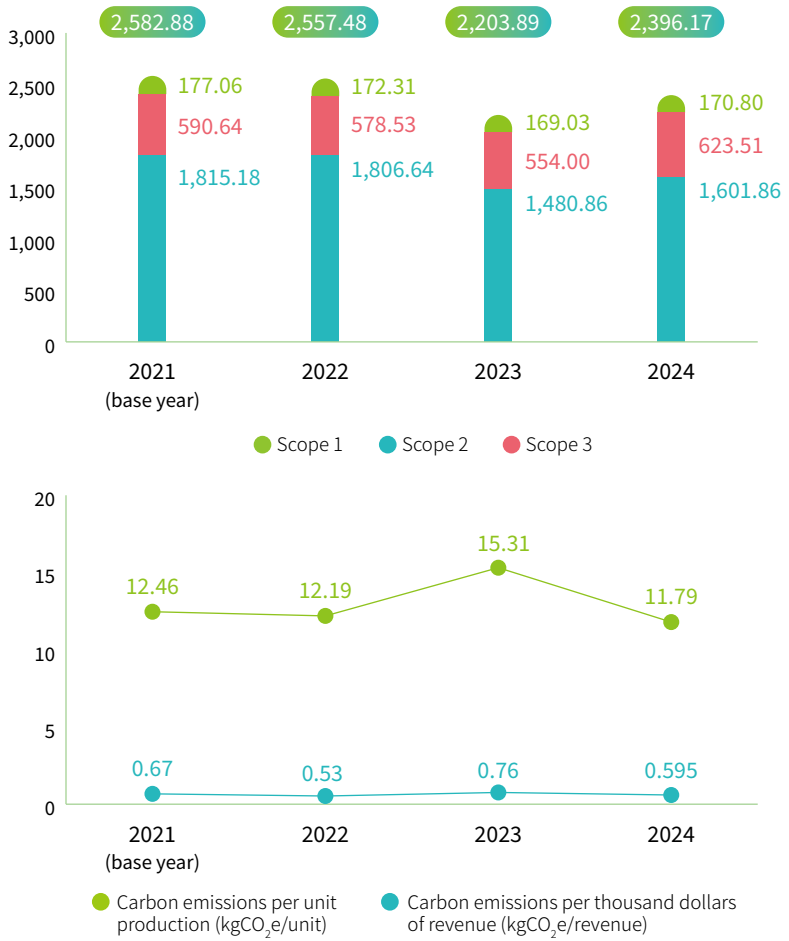
In 2024, the average GHG emissions ($kgCO_2e$) increased by 8.72% compared to the previous year, primarily due to rising customer demand, which directly drove higher emissions. Flytech' s main source of emissions is indirect electricity consumption under (Scope 2), and weekday electricity usage represents an unavoidable operational baseline. However, when calculated per unit of production, emissions decreased by 23% year-over-year, and emissions per unit of revenue declined by 22.22%.

1. Greenhouse gas emissions are calculated in terms of carbon dioxide equivalent (CO_2e), as illustrated in the chart below.

Year	2021 (base year)	2022	2023	2024	Annual Increase (Decrease) %
Scope 1	177.06	172.31	169.03	170.80	1.05%
Scope 2	1,815.18	1,806.64	1,480.86	1,601.86	8.17%
Scope 3	590.64	578.53	554.00	623.51	12.55%
Total emission equivalents ($MtCO_2e$)	2,582.88	2,557.48	2,203.89	2,396.17	8.72%
Carbon emissions per unit production ($kgCO_2e$/unit) (Note)	12.46	12.19	15.31	11.79	-23.00%
Carbon emissions per thousand dollars of revenue ($kgCO_2e$/revenue) (Note)	0.67	0.53	0.76	0.595	-22.22%

Note:

Year (all data below pertain to the parent company)	2021	2022	2023	2024
Annual Production Volume (units)	207,244	209,741	143,966	203,272
Annual Revenue (in thousands of NTD)	3,846,939	4,827,119	2,881,973	4,028,793



2. Greenhouse Gas Reduction Targets and Performance

Year	2024	2025	2026	2030
Reduction Target (Scope 2)	[Note]	4.5%	5.5%	20%
Compared to the base year 2021, increase (decrease) %	-11.75%	-	-	-

Note: Scope 2 reduction targets have been set starting in 2025.

Year	2024	2025	2030	2050
Reduction Targets (scope 1+2)	4%	5%	20%	Net Zero Carbon Emissions
Compared to the base year 2021, increase (decrease) %	-11.02%	-	-	-

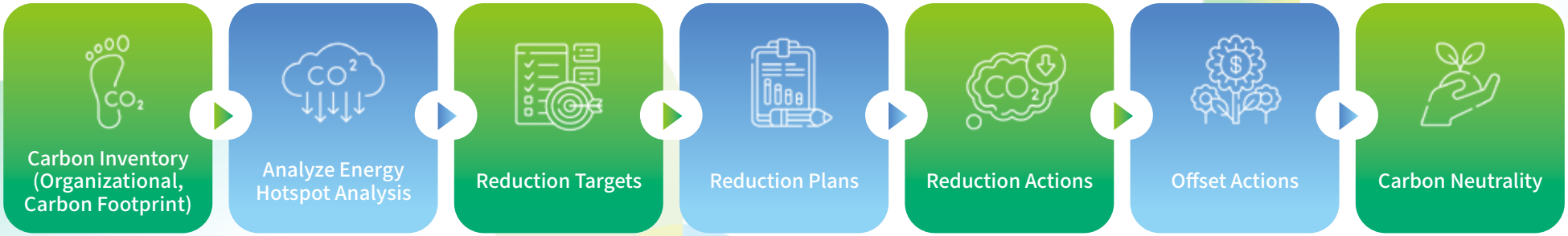
Reduction Measures

The Linkou Plant has initiated a phased replacement of LED lighting fixtures. In 2024, a total of NT$430,000 was invested to replace lighting on the 6F and B3 levels. The project is expected to save approximately 17,781 kWh/year, reducing indirect (Scope 2) greenhouse gas emissions by approximately 8.428 metric tons CO_2e/year.

To reduce its reliance on high-carbon electricity, the Neihu headquarters began using renewable energy on selected floors in the second half of 2024. By purchasing zero-carbon green electricity, the company reduced its carbon footprint. As of the end of the year, a total of 3,377 kWh of green power had been consumed, resulting in a reduction of 1.6 metric tons of CO_2e.

6-4-2 Climate Change Mitigation and Product Carbon Footprint

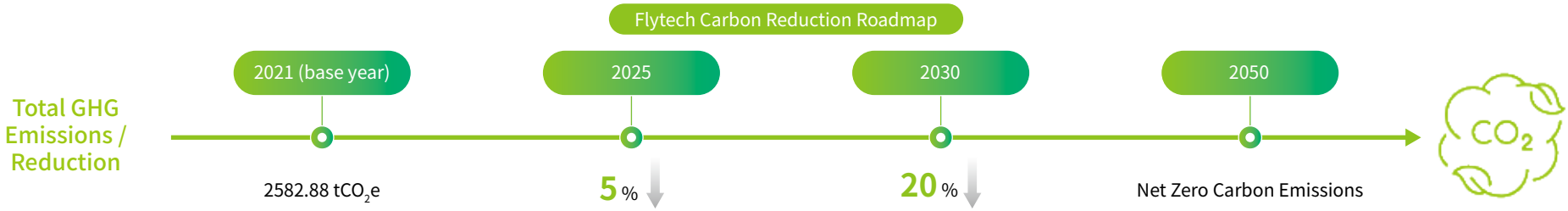
Climate Change Mitigation Planning



Climate change poses a critical challenge that demands attention and action from both humanity and the business sector to ensure sustainable development. From the Kyoto Protocol in 2000 to the Paris Agreement in 2021, which set ambitious global emission reduction targets, and the COP26 UN Climate Summit's call to limit global warming to within 1.5° C, greenhouse gas (GHG) reduction has become a pressing global issue. Governments worldwide have introduced various regulatory frameworks and pricing mechanisms in response, such as the EU' s Carbon Border Adjustment Mechanism (CBAM), the UK carbon tax, and the carbon fee announced by Taiwan' s Ministry of Environment. Although Flytech is not classified as a high-emission entity subject to the first wave of carbon fees, we proactively align with international trends in GHG reduction and embrace our corporate social responsibility by implementing early-stage energy-saving and carbon-reduction initiatives. In addition to reducing emissions from our operations, we are also committed to developing energy-efficient products to support our customers in implementing sustainable energy solutions. These efforts aim to mitigate climate-related risks while also creating market opportunities. For details on our climate-related risks, opportunities, and response strategies, please refer to the table below.

	Impact Level	Impact Timeframe	Climate Risks	Potential Financial Risks	Climate Opportunities	Potential Financial Opportunities	Response Plans and 2024 Actions
Transition Risks	Medium	Mid-term	**Policy and Regulatory Risks** • EU CBAM Implementation • Carbon Fee Implementation in the United States • Carbon Fee Implementation in Taiwan • Internal Carbon Pricing • Increase in Energy Tariffs • Energy Usage Restrictions	• Verification costs for greenhouse gas emissions and product carbon footprint assessments • Rising Energy Costs • Cost of Implementing Carbon Pricing • Price negotiation pressure from US and EU Customers • Revenue Loss Due to Production Capacity Reduction from Energy Restrictions	• Promotion of Low-Energy, Low-Carbon Green Manufacturing • Equipment Upgrades to Improve Energy Efficiency • Government energy-saving subsidies	• Reducing costs through electricity and water conservation • Applying for energy-saving subsidies to increase non-operating income	**Plans** • Ongoing analysis of energy consumption hotspots and development of GHG reduction plans to minimize resource waste **Actions** • Completed ISO 14064-1 greenhouse gas inventory and third-party verification for 2023 • Utilized a carbon management platform to identify operational emission hotspots and develop corresponding energy-saving plans and actions • Initiated green power purchases and obtained three Renewable Energy Certificates (RECs) issued by the National Renewable Energy Certification Center for July–December • Phased replacement of LED lighting fixtures at the Linkou Plant
	Medium	Short-term	**Technology Risk** • Cost of Transition to Low-Carbon, High-Efficiency Technologies • Replacing Existing Products and Services with Low-Carbon, High-Efficiency Alternatives	• Premature Retirement of Existing Equipment • Increased Operating Costs from Procurement of Energy-Efficient Equipment • Rising R&D Costs for New Technology Development	• Developing Low-Carbon, Energy-Saving Green Products through AI Integration • Enhancing Energy Efficiency through Green Manufacturing Processes and Energy-Saving Operations • Upgrading Supplier Environmental Standards to Build a Low-Carbon, Green Supply Chain	• Creating Differentiation through Low-Carbon Green Products to Attract Customers and Increase Revenue • Energy-Efficient Products Enhance Value Proposition and Drive Customer Revenue Growth	**Plans** • Investments in new equipment and technologies to establish green operations and manufacturing processes, accelerate green product development, and implement green supply chain engagement programs. **Actions** • Completed two ISO 14067 product carbon footprint assessments and obtained third-party verification. • Utilized a carbon management platform to identify product carbon emission hotspots, incorporated energy-saving designs during the development phase, and adopted environmentally friendly materials. • The Linkou Plant plans to replace aging equipment in 2025 by purchasing a smart air compressor with adjustable operating parameters. • Guide suppliers in strengthening environmental sustainability practices to help reduce Flytech' s value chain carbon footprint. • Ongoing development of high-performance motherboards and new energy-saving product models.
	High	Short-term	**Market Risks** • Increasing customer demand for low-carbon, energy-efficient products • Competitors gaining market share by launching low-carbon, energy-efficient products • Rising raw material costs	• Rising R&D Costs for New Technology Development • Verification costs for greenhouse gas emissions and product carbon footprint assessments • Revenue loss due to customer order shifts • Price negotiation pressure from US and EU Customers • Increase in material costs	• Developing low-carbon, energy-efficient green products through AI integration to attract customers and enhance competitiveness • Providing product carbon footprint data to help customers offset carbon taxes, thereby strengthening competitive advantage	• New low-carbon, green products to create highlights that attract customers • Enhancing product value with energy-efficient features to increase customer appeal • Expanding into New Markets	**Plans** • Developing new products with a competitive edge in energy efficiency and carbon reduction **Actions** • Completed two ISO 14067 product carbon footprint assessments and obtained third-party verification. • Onoging development of high-performance motherboards and energy-efficient new models, providing measurable data to assist customers in energy-saving planning. • Collaborated with suppliers through project-based procurement strategies to control costs.
	High	Mid-term	• Rising carbon taxes in customer countries				

	Impact Level	Impact Timeframe	Climate Risks	Potential Financial Risks	Climate Opportunities	Potential Financial Opportunities	Response Plans and 2024 Actions
Transition Risks	High	Short-term	**Reputational Risk** • Shifts in market preferences • Growing attention from stakeholders	• Increased demand for low-carbon, energy-efficient products leads to poor sales of legacy models	• Developing low-carbon, energy-efficient green products through AI integration to attract customers and enhance competitiveness	• New low-carbon, green products to create highlights that attract customers • Enhancing product value with energy-efficient features to increase customer appeal • Expanding into New Markets	**Plans** • Implement energy-saving and carbon reduction measures to obtain third-party verification **Actions** • Completed ISO 14064-1 organizational greenhouse gas inventory and third-party verification • Guided domestic subsidiaries in conducting organizational GHG inventories • Completed a second ISO 14067 product carbon footprint assessment and obtained third-party verification • Continued reducing GHG emissions from operations and products, fostering a sustainability culture that prioritizes climate change, and enhancing corporate image • Participated in the international Carbon Disclosure Project (CDP) and achieved a Management Level “B” rating, the highest tier among global SMEs, with ongoing efforts
Physical Risks	High	Short-term	**Acute** • Typhoons and floods	• Rising energy costs • Damage to company facilities • Loss of inventory and equipment • Production disruptions affecting delivery • Impact on labor deployment • Supply chain disruptions • Rising infrastructure costs • Increased asset insurance expenses	• Promoting electricity conservation • Promoting water conservation • Improving energy efficiency • Implementing water resource recycling and reuse	• Effectively managing energy to save water and energy while reducing expenses • Water resource recycling to reduce water expenses • Identifying and selecting high-quality, timely, and environmentally responsible suppliers	**Plans** • Continuously assess and analyze physical facilities, enhance security measures, and invest in new equipment and technologies to strengthen resilience and improve efficiency. **Actions** • Completed ISO 14064-1 organizational greenhouse gas inventory and third-party verification for 2023, and implemented energy-saving initiatives based on reduction targets, strategies, and KPIs • Continued to select excellent suppliers through ISO qualification process • Used a carbon management platform to analyze operational emission hotspots, and developed and implemented energy-saving plans for operations and manufacturing processes • The Linkou Plant plans to replace aging equipment in 2025 by purchasing a smart air compressor with adjustable operating parameters. • Comply with ISO 9001 standards by regularly calibrating, maintaining, and servicing equipment. • Adopted rainwater harvesting to reduce tap water usage • Reduced faucet water flow to lower water consumption • Maintained safety stock levels and established backup suppliers to ensure supply chain continuity
	High	Long-term	**Chronic** • Rising electricity costs • Water resource shortages • Unstable energy supply (power outages, water rationing) • Rising average temperatures • Increase in the number of extreme heat days				



Note: 2021 (base year) includes Scope 1 to Scope 3 emissions

In alignment with the national 2050 Net Zero emissions target, Flytech has initiated phased climate change mitigation actions:

Phase 1

Flytech began with carbon inventory work. In 2021, the "ESG Sustainability Committee" launched the establishment of an organizational greenhouse gas inventory system aligned with ISO 14064-1. As of the publication date of this report, three years of greenhouse gas inventory reports (2021–2023) have been completed and verified by a third party.

Phase 2

In late 2022, the Committee launched a Carbon Management Project aligned with ISO 14067 to assess product carbon footprints and establish a platform for tracking both operational and product-level emissions. The platform supports energy-saving planning by recording machine-level carbon data and identifying high-emission processes, equipment, and products through a visual dashboard. It enables management to set reduction targets and continuously monitor energy performance. As of this report, carbon footprint assessments have been completed for seven models, with third-party verification obtained for three products: K737 F34, PC42 F91U, and P337N2 F34. In addition to internal assessments and reduction measures, Flytech is also working with suppliers of raw materials to jointly reduce energy use and emissions across the value chain. (See Section 5-3-1 on Sustainable Supply Chain for details.)

Phase 3

Flytech is currently in the third phase of its climate action plan. Key measures include a phased replacement of LED lighting fixtures at the Linkou Plant, procurement of a smart air compressor with adjustable operating parameters and other equipment in 2025, and the adoption of zero-carbon green electricity at the Neihu headquarters. The company has also joined the international Carbon Disclosure Project (CDP) SME evaluation to assess and demonstrate its emission reduction targets and plans (refer to Sections 6-4 and 6-4-4). Flytech will continue to monitor organizational greenhouse gas emissions, expand product carbon footprint assessments, and regularly evaluate the impact of climate change in order to improve reduction initiatives. The goal is to achieve carbon neutrality for selected products by 2030.

2024 CDP SME Climate Category Rating: B

The Carbon Disclosure Project (CDP) is one of the most widely used international tools for environmental data disclosure, helping companies evaluate risks and opportunities related to climate change.

Flytech participated in the CDP SME (Small and Medium Enterprise) version for the first time in 2024 and received a "B" rating—the highest possible score for SMEs in the climate category—demonstrating robust climate management and strong performance outcomes.

6-4-3 Greenhouse Gas Emission Reduction Measures in Daily Operations

Using Green Energy and Promoting Carbon Reduction Initiatives in Daily Operations

Since 2024, Flytech has begun purchasing zero-carbon green electricity to gradually reduce its reliance on high-carbon power sources. Inventory results indicate that purchased electricity is the company' s largest source of carbon emissions, primarily from air conditioning and equipment usage. To effectively lower emissions, Flytech continues to optimize electricity usage, improve energy efficiency, and implement energy-saving measures.

Energy-Efficient Building Design

Flytech' s Neihu headquarters, completed in 2004, features energy-saving triple-pane glass, sunshades, and circulation fans to reduce the cooling load. In 2021, NT$15 million was invested to upgrade all air conditioning systems at the Neihu site, significantly improving energy efficiency. The upgrade also included switching to R410-A, a high-performance, non-toxic, and environmentally friendly refrigerant. At the Linkou Plant, energy efficiency has been improved by adjusting the operating temperature and timing of the chilled water system. In 2023, an independent inverter air conditioning system was added to the SMT process floor to avoid using the full-site system for limited nighttime operations.

Precision Carbon Management and Low-Carbon Office Operations

In 2022, Flytech launched the Carbon Management Project to monitor electricity usage at the equipment level, identify high-emission hotspots, and replace outdated systems with energy-efficient alternatives. Key actions in recent years include the phased replacement of lighting with LED fixtures at the headquarters and Linkou Plant, as well as the planned purchase of a smart air compressor in 2025 to improve energy efficiency and extend equipment lifespan. In daily operations, Flytech promotes energy conservation through measures such as energy-saving modes on office machines, lights-off during lunch breaks, fixed indoor temperatures, online meetings, digital forms, and awareness videos on power and water saving displayed on screens throughout the office. Additional efforts include advocating reusable tableware, organizing energy-saving competitions, and promoting proper waste sorting and recycling—embedding sustainability into both corporate culture and employee habits.

6-4-4 Product-Based Greenhouse Gas Reduction Measures

Hardware Design

In addition to operational emissions reduction efforts, Flytech integrates green design into new product development. (For more details, refer to Sections 5-1-5 Value-Added/Innovative Product Design and 6-2-2 Green Design Achievements.)

1. Modular Innovation

   Flytech has adopted a modular architecture by designing core motherboards and key components into standardized shared box modules. These can be flexibly assembled into various product combinations across different product lines. In 2024, Flytech launched ultra-thin endpoint PCs with this shared concept, improving design efficiency and reducing mold development costs. This approach also enhances repair and RMA efficiency, streamlines material inventory management, and extends the lifecycle of core product structures through planned production cycles, supporting low-carbon circularity.

2. Improving Motherboard Energy Efficiency

   Flytech designs and manufactures its own core component—motherboards. Since 2021, older CPU platforms have gradually been replaced by next-generation high-performance models that meet the Energy Star 8.0 efficiency standard. New motherboards use high-efficiency, energy-saving components to improve system energy performance. Performance data is provided to help customers plan energy-saving applications.

3. Less-is-More Design & Recycled Materials

   Without compromising product reliability, performance, or structural integrity, Flytech strives to achieve maximum impact with minimal cost. In addition to replacing EPE cushioning with paper-based packaging, we have also begun evaluating the use of recycled plastics and recyclable materials. These green materials help reduce carbon emissions associated with mold development and component manufacturing by suppliers.

Software Services

Software plays a key role in enabling sustainability across hardware systems. Building on its manufacturing capabilities, Flytech actively drives innovation through AI integration to offer complete product solutions with smart software services, delivering both hardware efficiency and digital intelligence.

1. Subsidiary inefi Incorporation developed a cloud-based unified endpoint management platform, inefi Spotlight, using a subscription model. The platform provides high-value remote monitoring software that reduces the need for onsite hardware diagnostics, significantly lowering associated carbon emissions.
2. Since 2023, Flytech has integrated AI algorithms to analyze device energy usage and optimize performance. This deep AI–energy integration enables businesses to reduce energy waste and contribute to emission reduction through intelligent software.

Flytech integrates low-carbon design into the full product lifecycle—from hardware development to intelligent software services. This comprehensive approach enables synergy across hardware manufacturing, customer applications, and software management, driving GHG reductions throughout the value chain—from upstream materials to downstream product use.

7

Social Engagement

2024 Highlights

> NT$ 12 million	Organized social engagement activities
7,502 participants	Flytech Foundation Total Number of Beneficiaries
2,894 hours	Corporate Volunteering
9 Years ↑	Ongoing Public Welfare Initiatives and Expanding Impact

Key Achievements and Management Approach

Material Topic: 18. Social Welfare (Voluntary Disclosure)

Positive/Negative Impact

Positive Impact

- Leverage core business resources to promote design thinking education and industrial PC industry knowledge, giving back to society while fostering well-rounded industrial PC talent to support the long-term sustainability of the industry.
- Organize social welfare and community engagement activities, encouraging employee participation in addressing social issues and cultivating a culture of volunteerism as a way to give back to society.

Negative impact

- Increased budget allocation for program activities.
- Increased volunteer workforce support.

Management Strategy

Activities under the two key themes—Talent Empowerment and Social Care—were implemented as scheduled, ensuring the steady engagement of internal corporate volunteer resources. Participation continued to grow, reflecting Flytech' s commitment to giving back to society and fulfilling its corporate social responsibility.

Stakeholder Engagement

- Promotional content via official foundation website.
- Social media outreach (IG, Facebook).
- Campus information fairs and expos.
- Official government communications/email outreach.

2024 Targets	2024 Achievements	2025 Targets	2030 Targets	Effective Tracking/ Evaluation Mechanism
Talent Development • Promoted design thinking education and industrial PC industry knowledge, reaching a cumulative total of 2,200 youth trained by 2024 (since 2021).	**Talent Development** • In 2024, a cumulative total of 2,148 youth received training, achieving 98% of the annual target.	**Talent Development** • Promoting design thinking education and industrial PC industry knowledge, with a cumulative total of 2,700 youth trained from 2021 to 2025.	**Talent Development** • Promoting design thinking education and industrial PC industry knowledge, with a cumulative total of 6,200youth trained by 2030 (starting from 2021).	• Activity Satisfaction Survey Results. • KPI Monthly Tracking.
Social Care and Community Engagement • Organized public welfare and volunteer activities; in 2024, a cumulative total of 2,230 internal and external volunteers received training; 200 beneficiary instances were recorded that year.	**Social Care and Community Engagement** • In 2024, a total of seven public welfare activities were held, with a cumulative total of 1,894 internal and external volunteer training participants (achievement rate: 85%); 218 beneficiary instances were recorded that year (achievement rate: 109%).	**Social Care and Community Engagement** • Organized public welfare and volunteer activities; in 2025, the cumulative number of internal and external volunteer training participants is expected to reach 2,830, with 200 beneficiary instances projected for the year.	**Social Care and Community Engagement** • Organized public welfare and volunteer activities; in 2030, the cumulative number of internal and external volunteer training participants is expected to reach 5,830, with 200 beneficiary instances projected for the year.	

7-1 Social Engagement: Vision, Strategy, and Impact Assessment

Vision

Centering on nurturing Taiwan’ s future generations, we aim to connect corporate volunteers and stakeholders to implement social engagement and care, working hand-in-hand to build a more compassionate and thriving society.

Strategic Actions

Talent Empowerment

Develop comprehensive training programs tailored for different age groups. Equip the next generation with the skills to thrive in a rapidly changing world while emphasizing the values of empathy and social responsibility.

Social Care

From caring for the young and elderly to environmental preservation, Flytech employees and foundation alumni are encouraged to engage in community service across various sectors, making social good simple and accessible for all.

Talent Development Initiatives

- Design for Taiwan
- Flytech Career Camp
- Flytech Scholarship

Target Groups:
High school students, university students, rural schools, non-profit organizations Social Engagement

Social Engagement Initiative

- Flytech Charity Day

Target Groups:
Disadvantaged groups (e.g., elderly living alone, underprivileged children), environmental conservation efforts

In March 2015, Flytech established the Flytech Foundation, with the mission of nurturing Taiwan’ s next generation. By connecting corporate volunteers with stakeholders, the foundation embodies Flytech’ s commitment to social care and giving back to the community, working together to build a better, more compassionate society. The foundation actively leads a variety of community-focused initiatives aimed at supporting underserved groups and empowering the next generation in Taiwan. Its core programs are built around two pillars: Talent Development and Community Care.

Talent Development

A range of comprehensive programs is offered for different age groups, including: "scholarships" and "Corporate Study tours" for high school students to broaden their perspectives; “Design For Taiwan,” a year-long initiative that promotes interdisciplinary collaboration, innovative thinking, and social awareness; and “Flytech Career Camp,” an industry exploration program designed to bridge the gap between academia and industry by helping students better understand the workplace. Through these initiatives, Flytech aims to equip the next generation with the skills needed to navigate an ever-changing world while instilling the values of empathy and social responsibility.

Social Care and Community Engagement

Flytech Foundation organizes the “Flytech Charity Day” initiative, which involves implementing various public welfare projects each year in response to current needs. The foundation also collaborates with professional nonprofit organizations to address social issues. From caring for the elderly and youth to environmental protection, Flytech employees are encouraged to participate in community service across different areas, making public welfare more accessible and inspiring more employees to give back to society.

For more details on these activities and their outcomes, please visit the Flytech Foundation's official website (QR code below). Students, members of the public, and nonprofit organizations are welcome to participate.

7-1-1 Key Inputs and Outcomes

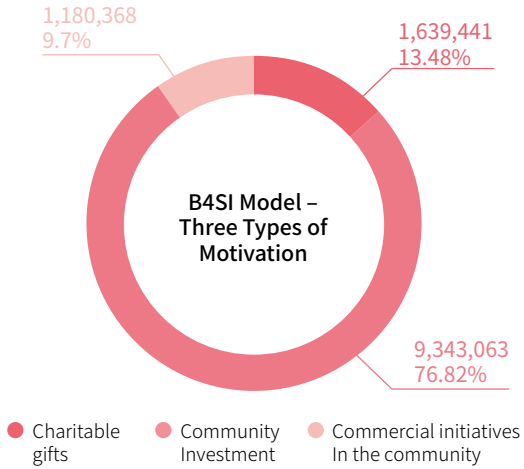
Strategic Focus	Talent Development	Social Welfare
Target Groups	• Economically disadvantaged and outstanding high school students • University/graduate students • Schools in rural areas • Nonprofit organizations / social enterprises / startup teams	• Disadvantaged groups • Social welfare organizations • Environmental conservation groups
Strategic Objectives	• Provide scholarships; enhance students' exposure to industry and broaden their perspectives • Reduce the gap between academia and industry, and cultivate industrial computing talent • Promote innovative thinking education and develop youth in social innovation	Connect volunteer services to give back to society
Action Plans	• Flytech Scholarship • Flytech Career Camp /Career Exploration Camp • Design for Taiwan	Flytech Charity Day
Key Inputs	• Expenses: NT$11,558,045 • Participants: 616 person-times • Hours Contributed: 2,286 hours	• Expenses: NT$604,827 • Participants: 236 person-times • Hours Contributed: 608 hours
Key Results	• A three-day, two-night "Corporate Study Tour", along with scholarships sponsored for 19 outstanding high school students from Taitung. • Two sessions totaling 10 days of industrial PC industry experience camps, training 142 university/graduate students • Nine 2–3-day workshops and ten lectures held under Design For Taiwan, with 416 student participants learning to use design thinking to address social issues. • A four-day exhibition featuring 11 student teams and 22 nonprofit teams, attracting over 6,000 visitors, promoting social issues through design thinking displays	• Flytech Charity Day activities engaged 236 volunteers and directly benefited 218 individuals. • Raised NT$104,000 in donations for nonprofit organizations or underprivileged groups. • Conducted three environmental conservation activities, collecting 97 kilograms of trash and removing 45 invasive fish.

7-1-2 Impact Assessment

To ensure that resources are effectively contributing to public benefit, since 2022 we have referenced the London Benchmarking Group (LBG) B4SI model to evaluate the impact of our social engagement initiatives. Each project is categorized by motivation—Business Promotion, Community Investment, or Charitable Donation—and by type of input: In-Kind Contributions, Cash Contributions, Time Contribution, and Management Costs.

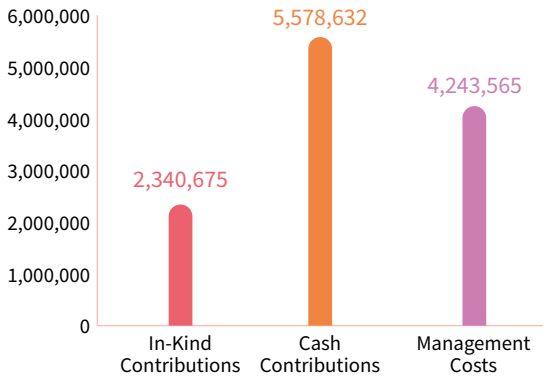
In 2024, Flytech and the Flytech Foundation invested a total of NT$12,162,872, with over 260 Flytech employees contributing 680 hours to social welfare activities. Though funding is limited, all activities are personally planned, promoted, and executed by Flytech and foundation staff. This hands-on approach ensures both the quality and the impact of the programs delivered to students and community groups.

B4SI Model – Three Types of Motivation



B4SI Model – Four Types of Input

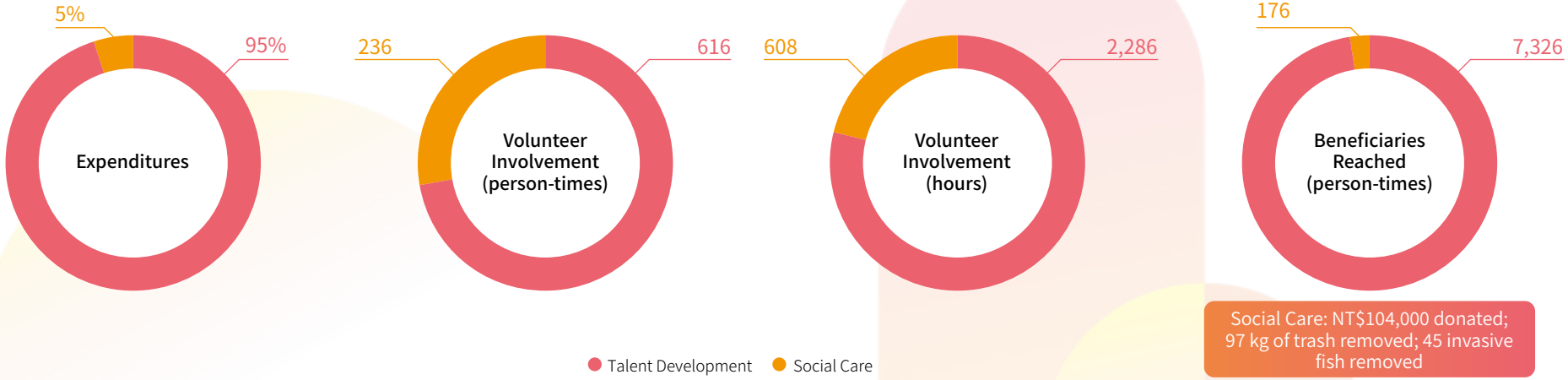
Unit: New Taiwan Dollars



Time Contribution: 852 person-times; 2,894 hours

Note: The above community investment figures are estimates and have not been verified by a certified public accountant.

Cost Allocation by Strategic Focus



Social Care: NT$104,000 donated; 97 kg of trash removed; 45 invasive fish removed

7-2 Charity Event Achievements

Talent Development

7-2-1 Flytech Career Camp/Career Exploration Camp

10 years Held consecutively

613 Student Cultivation Over Time

98% of participants expressed satisfaction with the training camp

97% believed the program helped them better understand and plan their future career paths

82% indicated they are now more willing to consider the tech industry as a future career option

Top two takeaways as reported by participants:

93% Interacting with peers from diverse backgrounds

72% Gaining industry knowledge

Problem Solving

Since its founding in 1984 and long-term dedication to the tech industry, Flytech has observed that many fresh graduates entering the workforce often require considerable time to understand job roles and company operations. Misalignment between expectations and actual job content frequently leads to employee turnover or extended training periods.

Project Approach

Bridging the Gap Between Academia and Industry X Cultivating Talent for the Industrial PC Sector

To address this issue, the Flytech Education Foundation launched the Flytech Career Camp (7-day program) and Career Exploration Camp (3-day program), held once each during the summer and winter breaks. These camps gather students from diverse regions, fields, skill sets, and backgrounds to learn and grow together. Through intensive training, students not only gain an understanding of industrial PC business models, products, and simulated job experiences across departments, but also develop valuable cross-disciplinary collaboration and networking skills. The program aims to bridge the academic-industry gap, cultivate well-rounded industrial PC talent, and attract more young professionals to the sector.

- The Flytech Career Camp is a 7-day training program; The Flytech Career Exploration Camp runs for 3 days.
- Each session admits 30–35 undergraduate or graduate students, regardless of academic background.
- The curriculum centers on: Real-world corporate operations, factory production line visits, user observation and experience-based learning.
- Students participate in team projects to foster collaboration with peers from diverse backgrounds and to build future networks.
- Upon completion, all participants join the Flytech Alumni Network, where they continue to learn through cross-disciplinary interactions, participate in volunteer service, and attend lectures and seminars.

Camp Curriculum Design

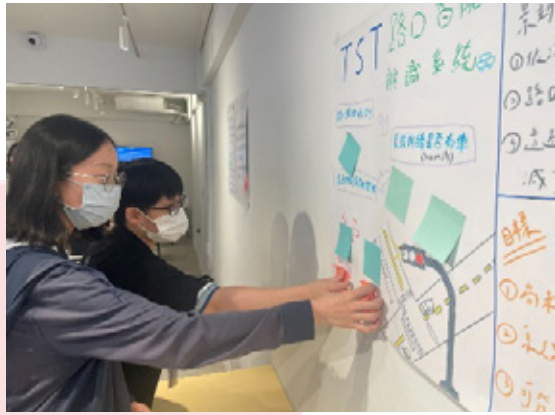



1. Corporate Operations in Practice

   Senior executives and outstanding team leaders share real-life experiences from various departments—examples that students may have only encountered in textbooks or case studies. These firsthand stories are intended to close the gap between academic theory and real-world business practice.

2. Manufacturing Process Walkthrough

   To provide students with a full understanding of the industry value chain, factory visits are arranged. These visits allow students to experience how a quality product must go through rigorous processes before reaching the customer. Students also gain insights into Flytech' s core design philosophy: designing for quality, manufacturability, and service.

3. User Observation Activity

   Innovation is the driving force of business growth. A key to innovation lies in sharpening one' s ability to gather insights from the external world. Students are assigned to conduct field observations in different environments to test their observational skills and stimulate diverse thinking within teams. By encouraging cross-disciplinary collaboration, the activity fosters a more well-rounded and innovative mindset.

   On the first day of each camp, students are given a group assignment based on future trends. The aim is to help them integrate what they learn over the course of the camp and apply it in a meaningful way. In turn, Flytech often gains fresh perspectives from students' ideas, creating a cycle of inspiration and feedback that fuels continued innovation.

2024 Program Impact

By the end of 2024, the Flytech Career Camp has been held for ten consecutive years, totaling 19 sessions and attracting over 1,000 junior and senior university students. To date, it has trained more than 613 students. In 2024, the 19th session was held during the winter break. In the summer, the Flyer Discovery Camp was launched for the first time as a 3-day camp, allowing even more youth to participate. The programs attracted 58 students from nearly 20 universities. A total of 54 employees served as instructors, and two Flytech Alumni events were held, with a total of 84 attendees.

Participant Feedback

1. Participant from the first Flytech Career Exploration Camp
   - Through real-life examples and hands-on experiences, I gained a deeper understanding of the various job roles.
   - Witnessing the operations of a high-tech manufacturing environment firsthand expanded my perspective and helped me better understand the future and challenges of the tech industry.

2. Participant from the 19th Flytech Career Camp
   - During the seven-day training, I not only learned knowledge beyond my engineering background but also made friends from diverse fields. From being unfamiliar with one another to working as a united team to complete a project, we also had the opportunity to talk with senior executives. This gave me a better understanding of the qualities that companies look for in talent. The insights and connections I gained are truly invaluable.
   - Participating in the Flytech Career Camp was not just a chance to gain professional knowledge, but a profound experience of personal growth. Within just seven days, I gained deep insights into POS manufacturing processes and industry knowledge. More importantly, I learned how to communicate and collaborate effectively in a diverse team.

2024 Event Highlights Video

2024 Participant Testimonial Video


Flytech Alumni Activities


Participant Feedback

Lasting Impact

In 2024, we conducted a follow-up survey with alumni from the past 18 sessions. As of now, 116 responses have been collected. Even among those who completed the training over two years ago:

- 72.5% said the knowledge and skills gained from the camp have been helpful in their current jobs
- 85% found the skills acquired during the Flytech Career Camp to be highly useful
- 95% agreed that participating in the Flytech Career Camp was helpful in planning their career path

Top takeaways include:

- 71% Future networking opportunities
- 55% Greater clarity in career planning
- 48% Understanding the industrial PC industry

7-2-2 Design For Taiwan

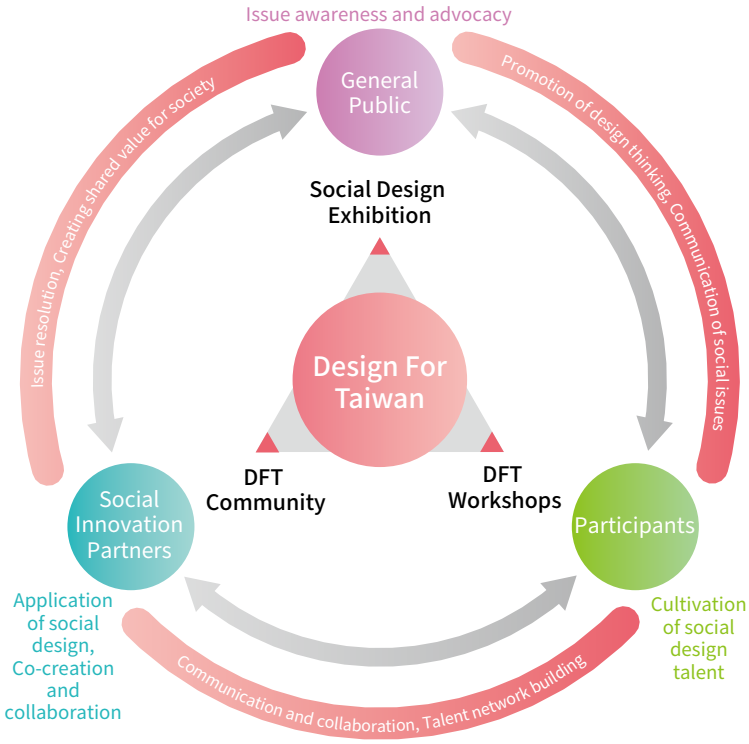
9 years	Held consecutively
652	Student Cultivation Over Time
23	A total of 9 workshops were held with 329 participants, resulting in 23 proposals (11 from the 8th Design For Taiwan and 12 from the 9th).
6,390	A five-day exhibition was held at Songshan Cultural and Creative Park, featuring 11 Design For Taiwan teams and attracting a cumulative number of visitors.
23,189	21 nonprofit organizations and social enterprises were invited to exhibit (free of charge), helping raise funds through onsite fundraising.
8 organizations	Led 8 students to visit and engage with local organizations/ social enterprises/ startups in Thailand to promote DFT.

Background

Flytech began as an industrial PC product design company and has spent the past 40 years developing user-centered solutions that meet customer needs. With over 200 patents to date, Flytech has secured a solid position in the POS market. Chairman Lam, Tai Seng hopes to give back to the younger generation by leveraging the company' s core strength in innovative design, using good design to continuously address social challenges and drive societal progress.

Project Approach

In 2016, Flytech officially launched the "Design For Taiwan" (DFT) program, tailored to Taiwan' s educational environment. With a focus on “innovative education” and “local engagement,” the program employs design thinking to spark students’ creativity and guide them in developing meaningful designs, proposals, and solutions to address social issues. Student teams from universities across Taiwan are invited to tackle various challenges through their own initiatives. Starting from the 7th edition, participation has also been opened to working professionals, allowing for a more diverse and open exchange of ideas. From the beginning, DFT was intentionally designed without prescribing specific topics. Each team is encouraged to independently observe and identify pressing issues in their communities to address through design. Unlike typical short-term workshops, DFT adopts a year-long format, allowing teams to deeply engage with their target communities, conduct field research, test ideas, and continuously iterate on their solutions. While promoting innovative education, the program also encourages young students to develop a deeper awareness and concern for the environment in which they grow up.



Through DFT, which is grounded in design thinking, we hope to build a platform for students, the general public, and social innovation partners. The program aims to cultivate talent in social design through a year-long workshop, with the goal of addressing pressing social issues in Taiwan. These issues are also presented and advocated for in our annual Social Design Exhibition, allowing impactful ideas to be seen, design thinking to be promoted, and dialogue around key topics to continue. Over the past nine years, we’ ve found that many social innovation partners also hope to apply design thinking to improve or optimize internal challenges. Whether it's DFT teams or startup groups, there's a growing need for more cross-disciplinary collaboration and stronger networks. Through DFT’ s community activities, we foster connection, co-creation, and knowledge sharing, enabling partners to continuously access valuable resources, carry forward successful social designs, and work together to solve social issues in Taiwan.

DFT Highlights

- One-year program featuring 6–8 workshops (each lasting 2–3 days, in-person), led by domestic and international experts.
- Each team must propose and carry out one social design project within the year.
- Teams are composed of members from diverse academic and professional backgrounds.
- Monthly mentoring sessions for each team.
- The final exhibition invites social innovation and nonprofit organizations to join and showcase outcomes.
- International exchange: selected participants visit and collaborate abroad (Bangkok, Thailand in 2024).
- Through DFT community events, we connect social innovation partners and amplify the impact of key social issues.

2024 Program Impact

1. In-person Workshops

The 8th cohort concluded in July 2024, with 11 teams and a total of 49 participants completing the second phase of the program, followed by a final showcase at Songshan Cultural and Creative Park in early August.

The 9th cohort officially launched in July 2024 and completed four in-person workshops by the end of the year. A total of 57 participants were admitted and formed 12 teams based on different themes, addressing social issues such as mental health, smart healthcare, urban-rural gaps, tax education, environmental conservation, life design, and second-hand clothing. Seven teams advanced to the second phase focused on social impact.

Participant Feedback

- Huge thanks to the Flytech Foundation for organizing this year-long design thinking workshop! Every session was engaging and deepened my understanding of design thinking.
- The team consensus and collaboration session was fantastic. It helped us confront issues we hadn't addressed before and gave insight into how our teammates view us. It was a big help to our team~

2. The 8th Boundless Social Design Exhibition

This year, 11 DFT teams and 21 nonprofit organizations and social enterprises participated in the exhibition, themed Boundless—symbolizing not only infinity but also the growing impact and limitless potential of Design For Taiwan! The 2024 exhibition featured four thematic zones: Environmental Sustainability, Mental Health, Inclusive Education, and Social Prosperity, helping the public better engage with the issues they care about. Over five days, the exhibition attracted a total of 6,390 participants and facilitated sales of nearly NT$25,000.

Ten themed talks were also held based on these four zones. Each session explored how design thinking can generate positive social impact and improve lives, drawing nearly 300 attendees. 90% of participating organizations expressed interest in joining again in future exhibitions.

Exhibition Feedback

- We' re glad the exhibition gave us more real interactions with users, introduced us to professionals in related fields, and provided valuable feedback.
- Seeing so many meaningful issues represented here was deeply moving. It' s comforting to know people care from all corners—this is a very meaningful event.

Thailand Exchange Trip

Over five days, participants visited 8 organizations and social enterprises in Bangkok, Thailand, including:

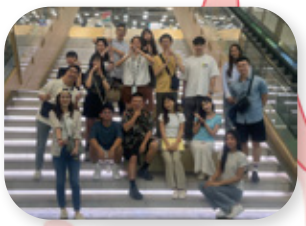

Dine in the Dark Social Enterprise Restaurant


TCDC (Thailand Creative & Design Center)


SE Thai Thai Social Enterprise Office


Dots Coffee Founder Dialogue


Cabbages & Condoms Social Enterprise


True Digital Park Startup Hub


Local Alike Social Enterprise for Cultural Tourism


Satarana Community Design Enterprise

Exhibition Recap
Thailand Visit Recap
Highlights of the 8th DFT

Lasting Impact

Since its launch in 2016 to 2024, Design For Taiwan has completed 8 cohorts. By the end of 2024, it has engaged 13 international and 44 local lecturers as instructors. A total of 652 college students have been trained. 8 physical and virtual exhibitions have reached over 45,000 attendees. 65 social innovation talks have drawn over 4,500 participants.

2024 Survey Feedback, 107 responses collected

- Over 20 graduates have entered related fields like service design and rural revitalization, and nearly eight alumni have started their own ventures.
- Among those who graduated over 5 years ago, nearly 75% still apply Design For Taiwan’ s design thinking concepts in their work and daily life.

7-2-3 Flytech Scholarship

Background

Flytech has long been committed to addressing educational challenges in Taitung. By selecting students who face financial hardship yet remain dedicated to their studies, the company aims to reduce the regret caused by limited access to education and encourage a spirit of perseverance and self-improvement.

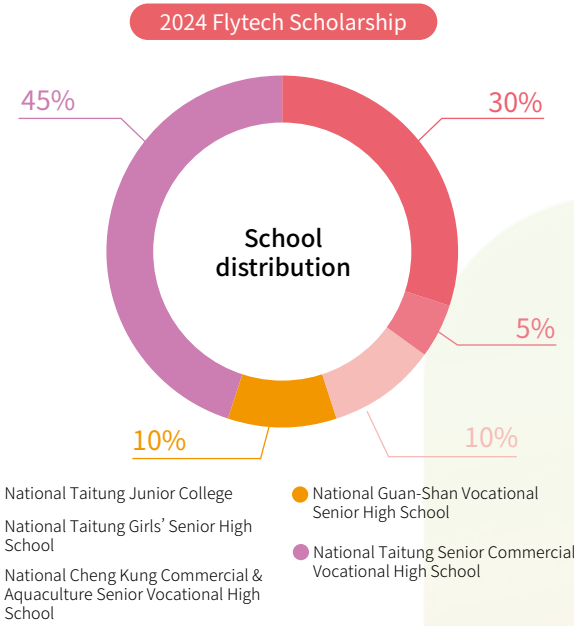
Project Approach

Nurturing outstanding students in Taitung: enhancing academic achievement and broadening horizons.

- Through the Flytech Scholarship, 20 outstanding and underprivileged senior high (vocational) school students in Taitung County are awarded financial support.
- The program also includes a “Corporate Study Tour” to help students better understand how companies operate, expand their worldview, and boost their motivation to learn, supporting both academic progress and future career planning.

2024 Program Impact

- In 2024, a total of 19 students from five schools received financial support.
- A three-day, two-night “Corporate Study Tour” was organized with a focus on career exploration, life experience, and social contribution. The itinerary included five visits (Public Television Service, YesHealth iFarm, the Spinal Cord Injury Association, Flytech Technology, and the Flytech Foundation). These visits helped students understand real-world corporate operations, broaden their perspectives, and inspire motivation for academic improvement and diversified career paths. In addition, the students visited three northern Taiwan landmarks (GLORIA Outlets, Ningxia Night Market, and Tamsui Old Street) to gain life experience and participated in a beach cleanup (Shalun Beach in Tamsui), encouraging a spirit of giving back to society in their future careers.



Social Care and Community Engagement

7-2-4 Flytech Charity Day

Background

Recognizing the imbalance of resources across Taiwan, the shortage of manpower in social welfare organizations, and the growing urgency of environmental issues, Flytech launched the Flytech Charity Day initiative to engage in volunteer service.

Project Approach

Each year, the company organizes various public welfare programs according to community needs, leveraging internal resources and volunteer manpower. With a focus on caring for the underprivileged and environmental conservation, Flytech works with professional nonprofit foundations to address social challenges. These initiatives encompass a range of activities, from caring for the elderly and youth to protecting the environment. Flytech employees are encouraged to participate in service activities that reach communities across Taiwan. Flytech organizes 6 to 7 volunteer activities annually, engaging not only employees but also their families and alumni from Flytech' s educational programs.

2024 Program Impact

608 hours	In 2024, a total of 7 volunteer events were held, engaging 236 participants.
218 people	These included 3 events focused on social care and 4 on environmental conservation, with a total number of beneficiaries.
104,000	Through the joint efforts of Flytech employees and alumni, donations were raised and given to nonprofit organizations and underprivileged groups.
97 kg	Trash was removed by volunteers.
45	Volunteers removed a number of invasive fish species during environmental cleanup activities.

Care for the Underprivileged

Blood Drive

Description

Supported the blood donation campaign organized by CHC Healthcare Group

Key Achievements

A total of 22 participants joined the blood donation event

Delivering Love to Remote Areas

Description

Christmas gift drive for 6 remote elementary schools in Taitung

Key Achievements

Collected gifts for 134 students from 6 remote rural schools, with a total of 52 employees participating.

Spreading Warmth at Year-End

Description

- A care event for the elderly living alone, partnered with the Huashan Foundation
- Infant formula donation
- Home visits and care (delivering supplies and New Year meal kits in Zhongshan/Songshan/Wanhua, etc.)

Key Achievements

- A total of 20 participants joined the volunteer activity; 20 elderly individuals benefited
- 17 people joined the home visit (10 Flytech employees; 7 family members)
- 14 people helped collect 43 cans of infant formula valued at NT$16,297

Environmental Conservation

Rediscovering Shin Wetland

Description

- Manual weeding
- Transporting removed plants

Key Achievements

- A total of 30 volunteers participated (13 employees; 4 family members; 4 alumni; 9 suppliers)

Sanxia River Cleanup

Description

Partnered with The CAN Co, Ltd. for a river cleanup at Sanxia River

Key Achievements

- A total of 43 volunteers participated (23 employees; 20 family members)
- 24.59 kg of waste was removed

Return the Blue to the Sea

Description

Beach cleanup at Dingliao Beach, Linkou

Key Achievements

A total of 55 volunteers participated (25 Flytech employees; 25 family members; 5 alumni)

Removal of Invasive Species

Description

Removal of Invasive Species at Tamsui Gongsi Field Creek

Key Achievements

- A total of 16 participants (7 Flytech employees, 5 family members, 4 alumni)
- Removed 45 invasive fish (5 plecos and 40 tilapia) and collected approximately 5 kg of trash

Lasting Impact

143 In 2022, volunteers participated

155 In 2023, volunteers participated

186 In 2024. volunteers participated

Global Reporting Initiative Index

Statement of Use	Flytech Technology Co., Ltd has reported its 2024 ESG report in accordance with the GRI Standards for the period 2024/01/01 to 2024/12/31
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
GRI 2: General Disclosures					
GRI 2: General Disclosures 2021	1. Organization and Reporting Practices				
	2-1	Organizational Details	1-2-1 Operational Sites	-	13
	2-2	Entities Included in the Organization' s Sustainability Reporting	Overview	-	1
	2-3	Reporting Period, Frequency, and Contact Point	Overview	-	1
	2-4	Restatements of Information	Overview	-	1
	2-5	External Assurance	Overview	-	1
	2. Activities and Workers				
	2-6	Activities, Value Chain, and Other Business Relationships	1-2-2 Revenue Overview		13
			1-3-1 Domain Experts by Application Field		16
	2-7	Employees	4-1-1 Sound Labor Relations – Employment Overview		48
	2-8	Workers Who Are Not Employees	4-1-1 Sound Labor Relations – Employment Overview		48
	3. Governance				
	2-9	Governance Structure and Composition	3-1 Corporate Governance		31
	2-10	Nomination and Selection of the Highest Governance Body	3-1-1 Board of Directors		32
	2-11	Chair of the Highest Governance Body	3-1-1 Board of Directors		32
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	Sustainability Management Structure		9
	2-13	Responsible Person for Managing Impacts	Sustainability Management Structure		9
	2-14	Role of the Highest Governance Body in Sustainability Reporting	Sustainability Management Structure		9
	2-15	Conflicts of Interest	3-1-1 Board of Directors		32

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
GRI 2: General Disclosures 2021	2-16	Communication of Critical Concerns	3-1-1 Board of Directors		32
	2-17	Collective Knowledge of the Highest Governance Body	3-1-1 Board of Directors		32
	2-18	Evaluation of the Performance of the Highest Governance Body	3-1-1 Board of Directors		32
	2-19	Remuneration Policies	3-1-2 Audit Committee and Remuneration Committee		33
	2-20	Process for Determining Remuneration	3-1-2 Audit Committee and Remuneration Committee		33
			4-1-3 Reasonable Compensation System		54
	2-21	Annual Total Compensation Ratio	-	Compensation information is considered confidential and is not disclosed	-
	4. Strategy, Policies, and Practices				
	2-22	Statement on Sustainable Development Strategy	Letter from the Chairman		2
	2-23	Policy Commitments	Sustainability Goals, Vision, and Commitment		7
	2-24	Embedding Policy Commitments	Sustainability Goals, Vision, and Commitment		7
	2-25	Processes to Remediate Negative Impacts	3-1-3 Integrity Management		35
	2-26	Mechanisms for Seeking Advice and Raising Concerns	3-1-3 Integrity Management		35
	2-27	Compliance with Laws and Regulations	3-1-6 Regulatory Compliance		37
			5-3-1 Sustainable Supply Chain		93
			6-1 Environmental Protection Policy		98
	2-28	Membership in Associations	1-1 Company Overview		13
	5. Stakeholder Engagement				
	2-29	Stakeholder Engagement Approach	2-1 Stakeholder Identification and Engagement		21
	2-30	Collective Bargaining Agreements	-	The Company has not established a labor union and has not entered into any collective bargaining agreements with employees.	-
GRI 3: Material Topics					
GRI 3: Material Topics 2021	3-1	Process to Determine Material Topics	2-2 Materiality Assessment Process		23
	3-2	List of Material Topics	2-2-4 Changes in Material Topics 2-3 List, Boundaries, and Value Chain of Material Topics		27 28

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
Topic-Specific Disclosures – Economic (* indicates a material topic and related subject)					
*Economic Performance					
GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed by the Organization	1-2-3 Operational Performance		15
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	4-1-3 Reasonable Compensation System		54
*Procurement Practices (Green Design and Sustainable Supply Chain – Voluntary Disclosure)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5-3 Sustainable Supply Chain Management		92
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	5-3-1 Sustainable Supply Chain		94
*Anti-corruption (Integrity Management and Financial Transparency)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3-1-3 Integrity Management		34
GRI 205: Anti-corruption 2016	205-3	Confirmed Incidents of Corruption and Actions Taken	3-1-3 Integrity Management	In 2024, no incidents of corruption or integrity violations were identified within the Company or among its suppliers.	35
			5-3-1 Sustainable Supply Chain		93
Anti-competitive Behavior					
GRI 206: Anti-competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	3-1-3 Integrity Management	In 2024, the Company was not involved in any anti-competitive, antitrust, or monopolistic conduct.	35
Tax					
GRI 207: Tax 2019	207-1	Tax Policy	3-3-1 Flytech's Tax Commitment		30
	207-2	Tax Governance, Control, and Risk Management	3-3-2 Tax Risk Management and Governance		31
*Corporate Governance (Corporate Governance)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3-1 Corporate Governance		30
GRI 2: General Disclosures 2021	2-9~2-21	Corporate Governance Evaluation	3-1 Corporate Governance	In 2024, the Company ranked within the 21st to 35th percentile among all listed companies.	31
*Risk Management (Risk Management)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3-2 Risk Management		38
Not required by GRI	None	Risk Items	3-2 Risk Management		41

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
*Compliance Management (Compliance Management)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3-1-6 Regulatory Compliance		37
GRI 2: General Disclosures 2021	2-27	Major Violations, Disputes, or Penalties	3-1-6 Regulatory Compliance	From 2021 to 2024, the Company did not incur any major legal violations, disputes, or regulatory penalties.	37
			5-3-1 Sustainable Supply Chain		93
			6-1 Environmental Protection Policy		98
*Product Innovation (Product Innovation)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5-1-5 Value-Added/Innovative Products – Design Implementation		82
Not required by GRI	None	Number of Modular Product Designs Developed	5-1-6 Product Innovation		85
*Customer Commitment (Customer Commitment)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5-1 Excellent Customer Service		78
Not required by GRI	None	Customer Satisfaction Survey Results	5-1-4 Customers Service Survey and Feedback		82

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
Topic-Specific Disclosures – Environment (* indicates a material topic and related subject)					
Energy					
GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	6-3-1 Energy Consumption		105
	302-3	Energy Intensity	6-3-1 Energy Consumption		106
	302-5	Reduction of Energy Demand for Products and Services	6-2-2 Green Design Outcomes		101
			6-4-2 Climate Change Response and Product Carbon Footprint		115
			6-4-4 Product-Oriented Greenhouse Gas Reduction Measures		120
*Emissions (Greenhouse Gas and Product Carbon Footprint, Climate Change Impacts and Strategies)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6-4 Carbon Management and Climate Change Response		109
GRI 305: Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas Emissions	6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory		111
	305-2	Energy Indirect (Scope 2) Greenhouse Gas Emissions	6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory		112
	305-3	Other Indirect (Scope 3) Greenhouse Gas Emissions	6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory		113
	305-4	Greenhouse Gas Emission Intensity	6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory		114

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
GRI 305: Emissions 2016	305-5	Greenhouse Gas Emissions Reduction	6-4-1 ISO 14064-1 Organizational Greenhouse Gas Inventory		114
			6-4-2 Climate Change Response and Product Carbon Footprint		117
			6-4-3 Greenhouse Gas Reduction Measures in Daily Operations		119
			6-4-4 Product-Oriented Greenhouse Gas Reduction Measures		120
Waste					
GRI 306: Waste 2020	306-1	Generation of Waste and Significant Waste-Related Impacts	6-2-3 Waste Management		103
	306-2	Management of Significant Waste-Related Impacts	6-2-3 Waste Management		103
	306-3	Waste Generation	6-2-3 Waste Management		103
	306-4	Waste Disposal and Transfer	6-2-3 Waste Management		103
	306-5	Direct Waste Disposal	6-2-3 Waste Management		103
*Supplier Environmental Assessment (Green Design and Sustainable Supply Chain Management-Voluntary Disclosure)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5-3 Sustainable Supply Chain Management		92
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	5-3-1 Sustainable Supply Chain		93
*Green Design (Green Design and Sustainable Supply Chain Management-Voluntary Disclosure)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6-2 Green Products		99
Not required by GRI	None	Use of the Environmental Ecological Design Efficiency Evaluation Form to determine the material selection ratio for new products	6-2-1 Green Design		100
*Impact and Strategy of Climate Change (Impact and Strategy of Climate Change)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6-4 Carbon Management and Climate Change Response		109
Not required by GRI	None	Annual completion of ISO 14064-1 third-party verification	6-4-2 Climate Change Response and Product Carbon Footprint		116
		Annual completion of at least one product ISO 14067 third-party verification	6-4-2 Climate Change Response and Product Carbon Footprint		116

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
Topic-specific Disclosures – Social (*Indicates material topics and related subjects)					
*Labor Relations (Labor Relations and Employee Benefits)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4-1 Talent Management		47
GRI 401: Employment 2016	401-1	New Hires and Employee Turnover	4-1-1 Sound Labor Relations – Employment Overview		49
	401-2	Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	4-1-4 Happy Enterprise		56
*Labor/Management Relations (Labor Relations and Employee Benefits)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4-1 Talent Management		47
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	4-1-1 Sound Labor Relations – Employment Overview	The Company has not entered into any collective bargaining agreements with employees.	49
*Occupational Health and Safety (Occupational Health and Safety)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4-2 Friendly Workplace		68
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	4-2-1 Establishment of Occupational Health and Safety Management System		69
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	4-2-2 Environmental, Health, and Safety Committee		70
	403-3	Occupational Health Services	4-2-4 Employee Health		75
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	4-2-2 Environmental, Health, and Safety Committee		70
	403-5	Worker Training on Occupational Health and Safety	4-2-3 Occupational Safety Training		73
	403-6	Worker Health Promotion	4-2-4 Employee Health		76
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked to Business Activities	4-2-3 Occupational Safety Training		73
	403-8	Workers Covered by the Occupational Health and Safety Management System	4-2-1 Establishment of Occupational Health and Safety Management System		69
	403-9	Occupational Injuries	4-2-2 Environmental, Health, and Safety Committee	In 2024, there were zero recordable occupational injuries and zero cases of occupational disease.	72
	403-10	Occupational Diseases	4-2-4 Employee Health	Same as above.	75
*Training and Education (Talent Development and Career Growth)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4-1-5 Training and Key Talent Development		60
GRI 404: Training and Education 2016	404-1	Average Hours of Training Per Employee Per Year	4-1-5 Training and Key Talent Development		62
	404-2	Programs for Upgrading Employee Skills and Transition Assistance	4-1-5 Training and Key Talent Development		61
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	4-1-3 Reasonable Compensation System		54

GRI Standards	Disclosure Items		Sections	Explanation/Supplement Omitted	Page
Diversity and Equal Opportunity in Employment					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3-1-1 Board of Directors		32
			4-1-1 Sound Labor Relations – Employment Overview		48
Non-discrimination					
GRI 406: Non-discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	4-1-2 Diversity Hiring and Inclusion		52
Child Labor					
GRI 408: Child Labor 2016	408-1	Significant Risk of Child Labor in Operations and Suppliers	4-1-2 Diversity Hiring and Inclusion		52
			5-3-1 Sustainable Supply Chain		93
Forced or Compulsory Labor					
GRI 409: Forced or Compulsory Labor 2016	409-1	Significant Risk of Forced or Compulsory Labor in Operations and Suppliers	4-1-2 Diversity Hiring and Inclusion	In 2024, there were no reported incidents of discrimination, and no operational sites or suppliers were identified as having significant risks related to child labor, forced labor, or compulsory labor.	52
			5-3-1 Sustainable Supply Chain		93
*Customer Health and Safety (Customer Commitment)					
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	6-2-1 Green Design		100
	416-2	Incidents of Non-Compliance with Health and Safety Regulations Concerning Products and Services	6-2-1 Green Design	In 2024, there were no incidents of non-compliance with regulations concerning the health and safety impacts of products and services.	100
Marketing and Labeling					
GRI 417: Marketing and Labeling 2016	417-1	Requirements for Product and Service Information and Labeling	5-1-3 Comprehensive After-Sales Service		81
	417-2	Incidents of Non-Compliance with Regulations Concerning Product and Service Information and Labeling	5-1-3 Comprehensive After-Sales Service	In 2024, there were no violations of regulations related to product labeling.	81
*Customer Privacy (Customer Commitment)					
GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	5-1-7 Patent and Intellectual Property Management	In 2024, there were no incidents involving breaches of customer privacy or loss of customer data.	87
			5-1-8 Institutionalized Privacy Protection		88
*Community Engagement (Community Engagement – Voluntary Disclosure)					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	Chapter 7 Social Engagement		122
Not required by GRI	None	Impact Assessment of Public Welfare Projects	7-1-2 Impact Assessment		125

SASB Standards

Sustainability Disclosure Topics and Accounting Metrics

Code	Activity Metrics	Report Section	Page	Supplementary Notes
Product Security				
TC-HW-230a.1	Describe the identification and mitigation of risks associated with product data security.	3-2-3 Information Security Risk Management	41	
		5-1-8 Institutionalized Privacy Protection	88	
Employee Diversity & Inclusion				
TC-HW-330a.1	Percentage of (1) management, (2) technical staff, and (3) all other employees by gender and racial/ethnic group.	4-1 Talent Management	50	
Product Lifecycle Management				
TC-HW-410a.1	Percentage of revenue from products that contain substances requiring disclosure under IEC 62474.	6-2-1 Green Design	100	All Flytech products comply with RoHS/REACH requirements
				The IEC 62474 management system is not currently implemented
TC-HW-410a.2	Percentage of revenue from products that meet EPEAT registration criteria or equivalent environmental standards.	NA	-	Flytech's products are not subject to EPEAT registration requirements, and there is currently no customer demand for EPEAT-certified products. Implementation will be considered in the future if project-specific needs arise.
TC-HW-410a.3	Percentage of revenue from ENERGY STARR certified products.	NA	-	Flytech's products are not subject to ENERGY STAR registration requirements. Products are tested internally according to ENERGY STAR criteria, and certification is pursued upon customer request. No such cases occurred in 2024. For more details, please refer to Section 6-2-2: Green Design Achievements.
TC-HW-410a.4	Weight and percentage of end-of-life products and e-waste collected and recycled	A total of 1.92 metric tons of PCB waste and discarded electronic components were recycled, achieving a 100% recycling rate.	-	All Flytech models undergo WEEE testing during the C4 pilot production stage. All mass-produced models are compliant. Please refer to Section 6-2-3: Waste Management.
Supply Chain Management				
TC-HW-430a.1	Percentage of Tier 1 supplier facilities that have been audited through RBA Validated Assessment Program (VAP) or equivalent audit programs: (a) All facilities (b) High-risk facilities	NA	-	The Flytech product category is not subject to mandatory certification under any relevant schemes, and there is currently no customer requirement for such certification. Certification will be considered if future projects require it.
TC-HW-430a.2	For Tier 1 suppliers: (1) Non-conformance rate identified through RBA VAP or equivalent (2) Corrective action implementation rates for: (a) Priority non-conformances (b) Other non-conformances	NA	-	The Flytech product category is not subject to mandatory certification under any relevant schemes, and there is currently no customer requirement for such certification. Certification will be considered if future projects require it.
Materials Sourcing				
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	5-3 Supply Chain Management	92	
Activity indicator				
TC-HW-000.A	Number of units produced by product category	NA	-	This information is confidential and is not disclosed.
TC-HW-000.B	Total manufacturing floor area	13,656 m^2	-	
TC-HW-000.C	Percentage of products manufactured in company-owned facilities	100%	-	All Flytech products are manufactured at the Company's Linkou facility in Taiwan.

Independent Assurance Statement

Independent Assurance Statement

FLYTECH TECHNOLOGY., LTD. 2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and FLYTECH TECHNOLOGY., LTD. (hereinafter referred to as FLYTECH) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA LTD. is not involved in the preparation process of the sustainability report of FLYTECH.

RESPONSIBILTIES

FLYTECH is responsible for reporting its economic (financial information including overseas locations), environmental, and social operating activities and performance in Taiwan locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to FLYTECH and its stakeholders in accordance with the described scope and method. This statement is for FLYTECH use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between FLYTECH and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the 「FLYTECH TECHNOLOGY., LTD. 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the Type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating FLYTECH's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating FLYTECH's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

FLYTECH has identified its stakeholders and maintained communication channels for stakeholders to participate in different issues. It has established multiple channels and frequencies to understand the important information that stakeholders are concerned about and widely accept feedback from all parties on the company's sustainable development.

Materiality

FLYTECH has published information on relevant sustainable development issues to enable stakeholders to judge the company's governance and performance. It uses a formal review process to identify major topics that are critical to its operational performance and stakeholders, and reflects the organization's importance and priority to these stakeholders.

Responsiveness

FLYTECH has developed and implemented a stakeholder response mechanism through communication channels, clearly declared various relevant policies, regulations, codes, assessment targets, etc., and regularly communicated and engagement with stakeholders, striving to implement and monitor management policies and performance targets that meet the expectations of stakeholders.

Impact

FLYTECH has taken measures to monitor and measure the risks and opportunities for the significant impacts of various sustainable development actions. Through the action plans formulated after identifying various risks and opportunities, the organization has effectively managed, continuously improved, communicated accountability and demonstrated sustainable performance.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continuously optimize and quantify the management performance of each operating location, and disclose more complete and comparative information to stakeholders.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by FLYTECH and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by FLYTECH provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in FLYTECH in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR：

AA1000 Licensed Report 000-84/V3-LJ6B1

Steven Huang
The Director for Certification and Assessment
Jun.12.2025
Verification team: Chi Huang Chen (Lead Verifier).

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