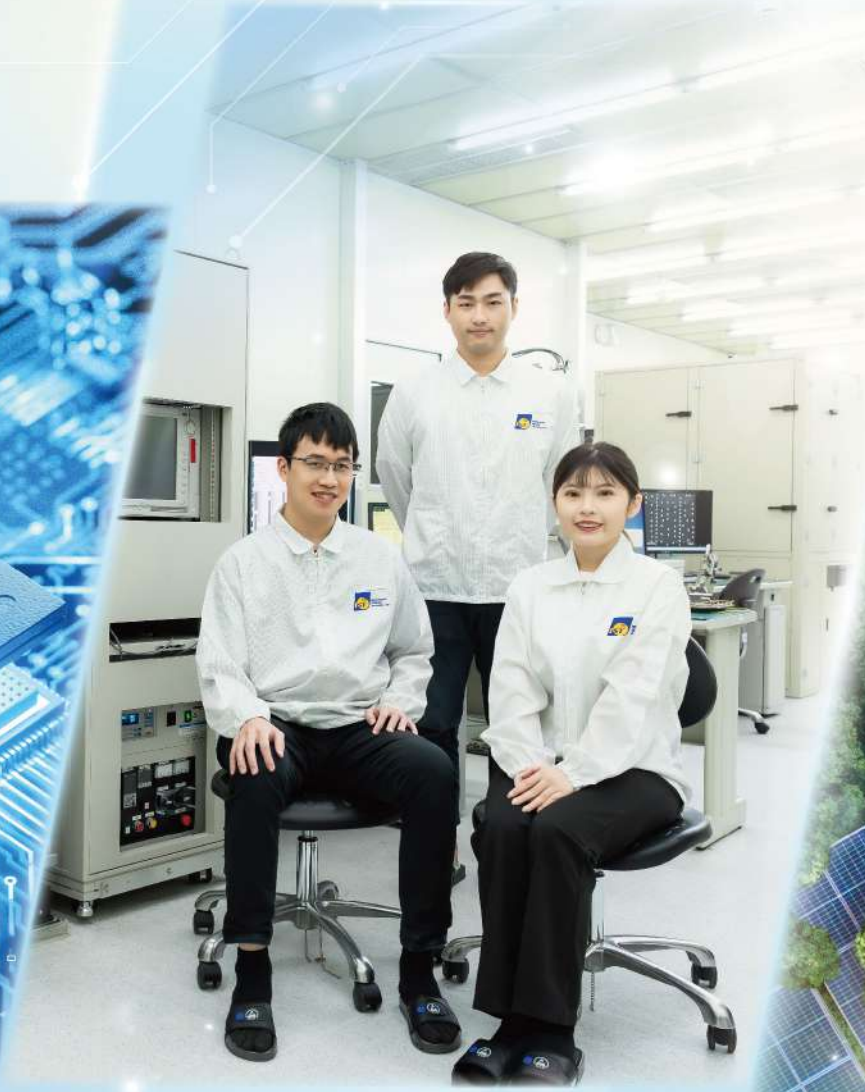
INTEGRATED SERVICE TECHNOLOGY

iST 2024
Sustainability Report



iST
INTEGRATED
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TECHNOLOGY

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Message from the Management

The global political and economic situation continued to be fraught with risks and challenges in 2024. Intensifying extreme weather events, geopolitical and regional conflicts, soaring energy and raw material costs, and persistent inflation have all exacerbated the impact on business operations. As uncertainty has become the new normal in global operations, business resilience will be key to an enterprise's sustainable development. The year 2024 marks the 30th anniversary of iST. In response to the growth and transformation of global industries driven by AI technology, iST is undergoing key transformations and breakthroughs, officially entering the "iST 2.0" era. We aim to enhance our strategic competitive advantages and deepen our global market presence to ensure iST's long-term competitiveness while strengthening our operational strategies. Simultaneously, we will strive to implement ESG principles and action plans to enhance corporate resilience comprehensively and achieve sustainable management.

The "iST 2.0" leads industry innovation with five key solutions: "automotive electronic verification," "space environment testing," "AI high-speed verification and signal simulation testing," "advanced process and packaging," and "smart real-time global reliability verification," helping customers comprehensively enhance product reliability and market competitiveness. In 2024, we demonstrated initial successes in our transformation and strategic planning and achieved the annual profit that was the second highest in our history. We will be committed to driving the long-term sustainability of our core business through profit growth.

> "The business mission of iST is creating maximum value for our customers, employees and shareholders"

Fulfillment of the corporate environmental responsibility and achievement of net-zero carbon emissions

In addition to strengthening the Company's competitiveness and operational performance through a robust technology roadmap, we spare no effort in enhancing the Company's sustainable development. By dedicating ourselves to promoting low-carbon transformation, we completed multiple energy-saving programs in 2024, resulting in an energy saving of 1,770,000 kWh, equivalent to reduction of carbon emissions by 874.5 tCO_2e. In 2024, we invested in power generation system, generating zero-carbon renewable energy for use by the Hsinchu Plant II. The intensity of GHG emissions in iST in 2024 was 14.17% lower than the base year, achieving the 5% reduction target in GHG emission intensity. From 2025, we will begin implementing the ISO 50001 energy management system for our high-energy-consumption facilities and improving energy efficiency continuously. In the future, we will continue to move toward the emission reduction and net-zero goals through various energy-saving and carbon reduction measures and the installation of low-carbon energy sources.

Creation of an equal, inclusive, and friendly workplace

Adhering to the core value of "Focus on Human" and upholding the principles of "Respecting Human Rights" and "Diversity and Inclusiveness," iST is committed to creating a friendly workplace that is diverse, equal, and inclusive. In 2024, female employees occupied 49.9% of the workforce, and women accounted for over 40% of all supervisors. Notably, 55.9% of new hires were female, demonstrating iST's dedication to advancing gender equality in the workplace. In order to promote descent work, we adequate increase of participation among middle-aged and elderly workers to improve their re-employment. In 2024, middle-aged and elderly employees occupies 3.6% of the new hires, with the aim of safeguarding their employment rights and fostering a more inclusive work environment.

iST places great importance on employee experience and employee value proposition. We are actively building a diverse and open employee feedback platform to promptly address their needs and suggestions and create a harmonious workplace. In 2024, iST conducted an "Employee Opinion Survey" which included a focus on "employee engagement and commitment." The survey had an effective response rate of 77.1%, with an overall average score of nearly 4.2 (on a 5-point scale). The "employee engagement and commitment" section scored 4.2, demonstrating strong employee recognition, affirmation, dedication, and commitment to the organization. In the future, we will continue to conduct employee opinion surveys to promptly identify key organizational issues, understand their expectations, give feedback actively, and implement solutions to improve employee satisfaction.

Improvement of sustainable governance and implementation of stable operations

In order to improve corporate governance and strengthen the functions of the Board of Directors, one female director was added in 2024 and the Board approved the amendment to the "iST Senior Manager Remuneration Policy," which clearly establishes the "Manager Remuneration and Reward Policy Linked to Sustainability Performance Indicators" to connect manager rewards with the Company's operating performance and key sustainability indicators, demonstrating iST's commitment to achieving sustainable development goals. Information security and transparency are key principles in ESG. The Company continuously adheres to ISO 27001 information security certification to enhance information security defenses and strictly protect customer data and sensitive information, thereby reducing the risk of business disruption and ensuring sustainable and stable development of the Company.

In 2024, iST received significant recognition in the field of sustainability, reflecting our excellence in corporate governance, social inclusion, and talent sustainability. In addition to receiving the "Distinguished Visionary Entrepreneur Of The Year" under the Entrepreneur Of The Year Awards, which demonstrates the outstanding individual achievements in global entrepreneurial performance and positive contributions to the society and the economy, iST won the second place in the "Taiwan BIC Award" from the "Taiwan Institute of Directors." This further highlights our excellent performance and strong capabilities in corporate governance and competitiveness.

In 2024, iST was awarded the "CommonWealth Sustainability Citizen Award" and the "CommonWealth Talent Sustainability Award" of CommonWealth Magazine, and the "Employee Care Award" under the "Work–Life Balance Award" of the Ministry of Labor. These awards recognize iST's accomplishments in corporate social responsibility and our dedication to fostering a workplace that prioritizes employee well-being and care. The "104 Best Employer Award" also showcases our comprehensive efforts in talent attraction, retention, and development, and our influence within the talent market.

These honors reflect iST's outstanding achievements in corporate governance, social inclusion, and talent sustainability. We will continue to strengthen our efforts to achieve sustainable operations.

Looking forward, iST will continue to strengthen corporate governance, cultivate talents, and build a diverse, equal, and inclusive workplace. We will actively care for vulnerable groups and invest in social welfare, implement environmental protection and energy conservation in our core business, and collaborate with our supplier partners to carry out ESG sustainability principles and initiatives. We will continue to deepen our partnerships with employees, societies, customers, and shareholders, in the hope that iST not only fulfills our role as a corporate citizen, but also collaborates with all stakeholders to create a prosperous society and a sustainable future.

Danny Yu
Chairman and President

About the Report

About the iST 2024 Sustainability Report

Integrated Service Technology Inc. (Stock No.: 3289 TW; hereinafter referred to as iST) published the "Sustainability Report" mainly to transparently and publicly demonstrate the Company's practices and results and related strategies and goals in the corporate social responsibility aspect to the community. The Company publishes the Sustainability Report with yearly updates. This "Sustainability Report" was published in August 2025; it covers iST's practices and performance data in environmental protection, corporate governance, and social engagement from January 1, 2024 to December 31, 2024. Some performance data is also retroactive to 2022.

The entities and activities of operational activities, products, services (including sales market areas), and value chain during the reporting period of this report are disclosed. The financial statements in this report are in New Taiwan dollars, and the performance related to the social aspects, environmental protection, safety, and health is expressed in international common standards. If there are assumptions or conditions, they will be noted in the relevant sections.

- Issue Time: The report is scheduled to be published annually on an ongoing basis
- Current version: Published in August 2025
- Next version: Expected to be published in August 2026

In response to environmental protection, we promote paperless initiatives; hence, this report is published in an electronic version on the Company's website.

Reporting Scope

After considering the operational entities affecting the operation of the Group, the economic indicators are reported within the scope of the consolidated financial statements, while the remaining environmental indicators and people (including human rights) are reported within the scope of the Company's nine operating locations in Taiwan. In 1994, iST created the IC circuit edit (FIB) service, which changed the existing verification model in the entire semiconductor industry. After that, we gradually expanded our new services, including Failure Analysis (FA), Reliability Assurance (RA), Material Analysis (MA), Chemical/Process Micropollution Analysis, Signal Integrity Testing and ESG greenhouse gas, Vehicle Regulation Quality, and Functional Safety Guidance. We build a complete certification and analysis engineering platform and provide full service, helping our customers enter the value chain of major international manufacturers. iST's customers extend to the entire electronics industry, from IC design to end products. The primary services are oriented toward customers in China, Europe, the United States, Japan, etc. The contents of this report do not include other subsidiaries and invested companies outside of Taiwan; exceptions, if any, will be specified in the report.

Restatements of Information

The Company has increased the operating locations from seven sites last year to nine sites this year by adding the Taiyuan Plant II and the Zhongxing Plant.

Reporting Framework

This report is prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards) from the Global Reporting Initiative (GRI) with reference to the Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies, the SASB Professional Commercial Service Guidelines, and the Task Force on Climate-Related Financial Disclosures (TCFD) as reporting principles, while adopting the GRI Core Option (Reference) as disclosure principles.

External Verification

To provide readers with reliable open information, this report has been independently verified by DQS Taiwan Inc. according to the AA1000 AS v3 (Assurance Standard 2020) Type 2 Moderate Assurance Level. The financial data is verified by Deloitte Taiwan.

Management Process

This report is managed in accordance with iST's "Sustainability Report Preparation, Verification, Announcement and Declaration Procedures." Its contents are based on sustainability initiatives and performance data provided by the ESG subcommittees. After the Secretariat compiles the initial draft, it undergoes review by each subcommittee, external third-party verification, and final approval by the ESG Committee, ESG Steering Committee, and the Board of Directors before publication. The sustainability information, compilation process, and verification mechanism stated in this report have been incorporated into the Company's internal control system in accordance with iST's "Sustainability Information Management Procedure." Systematic control ensures the reliability, transparency, and integrity of the information in the report and compliance with domestic and international sustainability disclosure standards.

Initial draft	The ESG subcommittee provided information on sustainability initiatives and performance, which was then compiled into a draft by the Secretariat
Verification	Each subcommittee conducted review and third-party verification was carried out to ensure data and information accuracy
Approval	The draft was submitted to the ESG Committee, ESG Steering Committee, and the Board of Directors for review and approval

This report was submitted to the Board of Directors for approval on August 7, 2025

Contact Method

Thank you for reading this report. If you have any comments on this report, please feel free to contact us.

Integrated Service Technology Inc. ESG Committee

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Website esg.istgroup.com
Address No. 10-1, Lixing 1st Rd., Hsinchu Science Park, Hsinchu City
Tel 03-5799909 ext 1080

About iST

Company History

Company Overview

Date of Incorporation	1994
Headquarters	No. 10-1, Li-hsing Rd., Hsinchu Science Park, Hsinchu City
Tel	(03)579-9909
Total employees in 2024	1,222 persons
Non-employee workers in 2024	41 persons

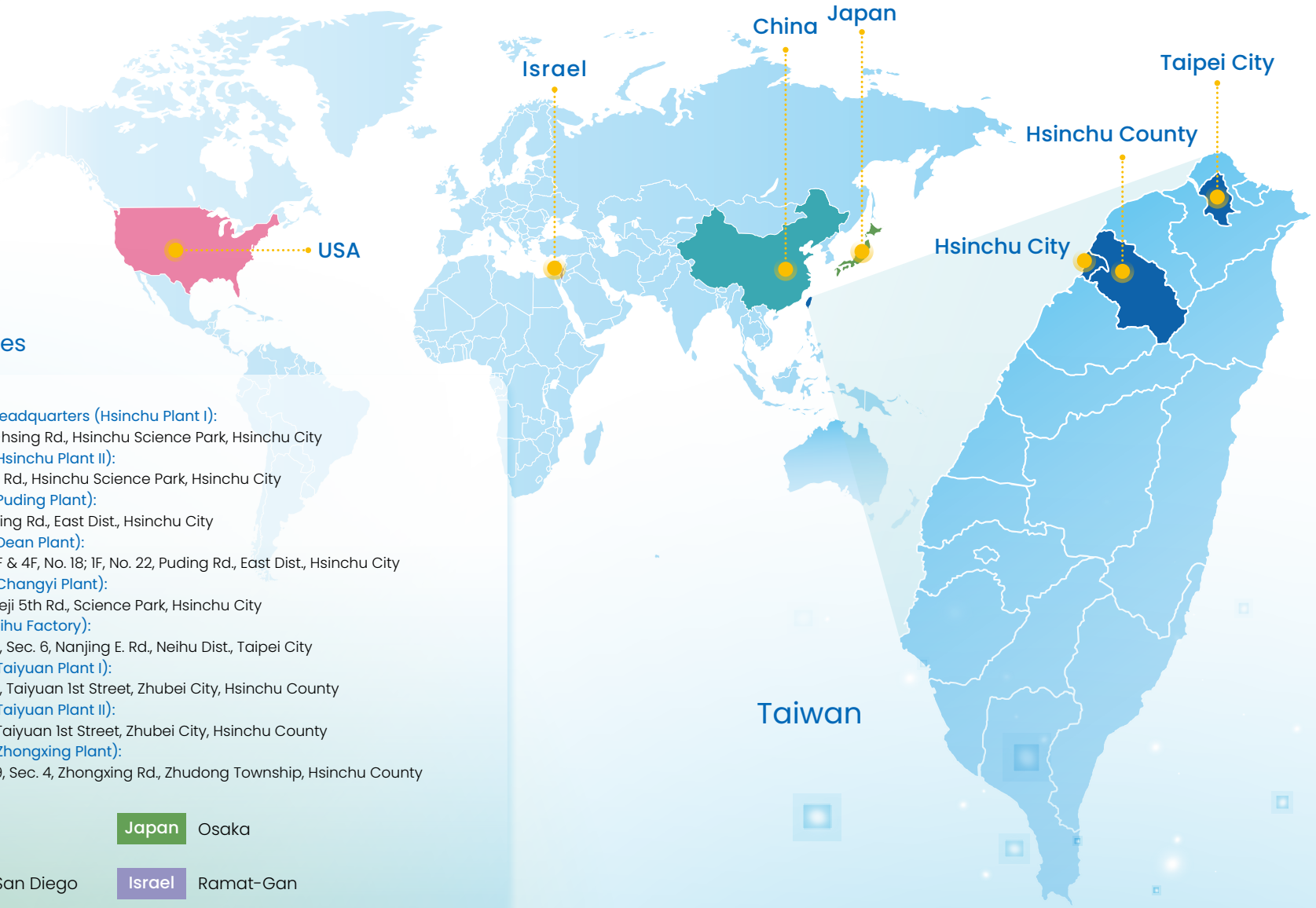
Company Profile

iST was established in 1994. During the beginning period of the semiconductor industry in Asia, we created the IC microsurgery (FIB circuit repair) service, which changed the verification model in the semiconductor industry. After that, we gradually expanded our new services, including Failure Analysis (FA), Reliability Assurance (RA), Material Analysis (MA), Chemical/Process Micropollution Analysis, and Signal Integrity, building a complete certification and analysis engineering platform and providing full service. iST's customers cover the whole scope of the electronics industry, from IC design to end products. As cloud smart handheld devices/IoT/Internet of Vehicles have emerged, iST has focused on core services and paid attention to international trends to expand diverse services. We built 5G/HPC/AI, an automotive electronics verification platform, a space satellite verification platform, advanced manufacturing processes, wide bandgap semiconductors, LTS processes, a carbon net-zero emission verification platform, and high-speed transmission signal testing, and other total verification and analysis services. These provide complete engineering platforms that enable us to assist customers in entering the value chain of international leading manufacturers.

In addition, iST is a qualified laboratory for many downstream international brand manufacturers of end products. We assist upstream and midstream Taiwanese component manufacturers in interpreting regulations, enhancing their product quality, and overcoming the bottlenecks of new products to move toward the next generation.

Global Vision

Headquartered in Taiwan, iST has expanded its operations operations worldwide, including China, Japan, and the US to provide customers with more complete, faster, more cutting-edge, and more innovative technical services with high quality and grow with the world's leading trends. There have been no material changes in relevant services and value chains in recent years.



Operating bases

Taiwan

Hsinchu Headquarters (Hsinchu Plant I):
No. 10-1, Li-hsing Rd., Hsinchu Science Park, Hsinchu City
Hsinchu (Hsinchu Plant II):
No. 15, 2nd Rd., Hsinchu Science Park, Hsinchu City
Hsinchu (Puding Plant):
No. 19, Puding Rd., East Dist., Hsinchu City
Hsinchu (Dean Plant):
1F, No. 16; 1F & 4F, No. 18; 1F, No. 22, Puding Rd., East Dist., Hsinchu City
Hsinchu (Changyi Plant):
5F, No. 2, Keji 5th Rd., Science Park, Hsinchu City
Taipei (Neihu Factory):
3F., No. 501, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City
Hsinchu (Taiyuan Plant I):
2-2F, No. 6, Taiyuan 1st Street, Zhubei City, Hsinchu County
Hsinchu (Taiyuan Plant II):
1F, No. 38, Taiyuan 1st Street, Zhubei City, Hsinchu County
Hsinchu (Zhongxing Plant):
4F, No. 669, Sec. 4, Zhongxing Rd., Zhudong Township, Hsinchu County

China Kunshan

Japan Osaka

USA San Jose, San Diego

Israel Ramat-Gan

iST Milestone

1994
- Founded the company in Hsinchu, Taiwan, the company changed the existing verification model of the entire semiconductor industry with its initial service-IC FIB

1999
- Established the Failure Analysis (FA) Lab

2000
- Established the Reliability Assurance (RA) Lab

2001
- Acquired the laboratory accreditation for the IECQ ISO/IEC 17025 quality system

2002
- Established an operating location in Shanghai, China, to actively develop the China market

2004
- Became a public company listed on the Taipei Exchange with the stock code 3289

2005
- Established an operating location in Kunshan, China, to continue expanding the market in China

2006
- Acquired the TÜV NORD and ISO 9001 Quality Management System certificates
- Joining IPC International, Inc. (The Global Association for Electronics Manufacturing) and participated in establishing and developing industry standards

2007
- Established operating locations in the USA, as well as Beijing and Shenzhen China. Acquired the CNAS certificate to align with the global leading trends
- Became a member of SMTA, providing professional and premium SMT technology

2010
- Established the Material Analysis (MA) Lab

2011
- Selected by the Republic of China Fine Manufacturer Association as the First Brand, recognizing that iST's premium service quality is the best choice for customers

2014
- Established the Signal Integrity (SI) Lab
- Acquired the official authorization from Simplay Labs as a lab under the HDMI/MHL testing system

2015
- Established the "DEKRA iST" as a joint venture with DEKRA, a European company, extend our global verification business to the European market

2017
- Founded headquarters in Hsinchu Science Park to provide customers with promptest and most complete solutions

2018
- Established Hsinchu Plant II to enter the back-end process area of wafers
- Acquired the TÜV NORD ISO 9001: 2015 management system certificate

2019
- Won the "5th Taiwan Mittelstand Award" from the Economy Ministry, being recognized for high competitive strength on global markets with outstanding operating performance
- Won the Moving Award from the Chinese Lean Management Association (CLMA) for our continuous improvement of competitive strength
- Acquired the TÜV NORD ISO 14001: 2015 environmental management system certificate
- Acquired the TÜV NORD ISO 45001: 2018 occupational health and safety management system certificate

2020
- Collaborated with the Taiwan Space Agency (TASA) and industry- academia-research institutions to form the "Taiwan Space Radiation Environment Verification and Testing Alliance (TSREVTA) to enter the international space market
- Acquired the IEC-61340-5-1:2016 certificate for protection against electrostatic discharge
- Acquired the ISO/IEC 27001: 2013 information security management system certificate

2021
- Acquired the 7th National Industrial Innovation Award from the Economy Ministry, recognized by the goverment for our contributions to domestice industries
- Won the global top 10 semiconductor packaging solution provider award from the Semiconductor Review in the U.S.A
- Acquired the ANSI/ESD S20.20:2021 certificate for protection against electrostatic discharge

2022
- Acquired the membership of the Automotive Electronics Council (AEC) and became a navigator for IC design and semiconductor companies entering the automotive electronics field
- Established the Taiyuan Failure Analysis (FA) Lab
- Recognized as the "Outstanding E-Invoice Business Entity" by the Ministry of Finance

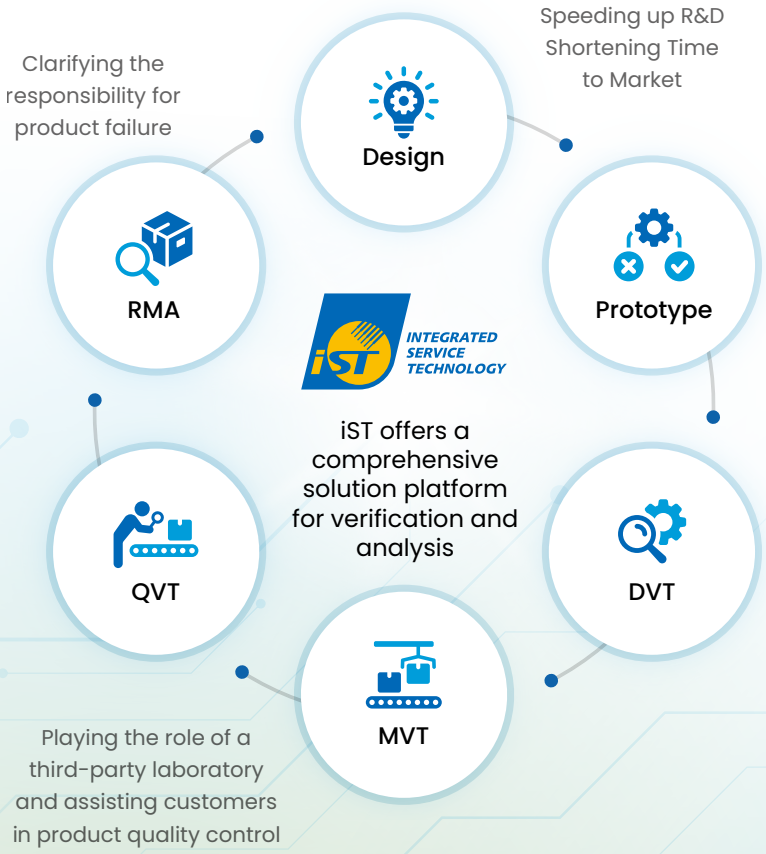
2023
- Officially authorized as a VESA ClearMR certification center
- Established the Taiyuan Material Analysis (MA) Lab

2024
- Established Asia's most comprehensive space environment testing lab

Corporate Positioning

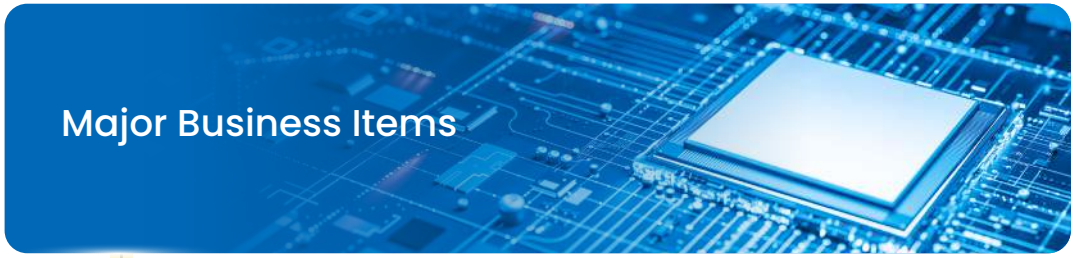
- iST provides solutions for electronic products beyond expectations for our customers to help shorten the time to market.
- iST plays the role of a "third-party laboratory," assisting customers in product quality control.

iST keeps close tabs on electronic products at each stage throughout the life cycle



Major Business Items

Over the past 30 years, iST has continuously innovated and developed. Our current services can be divided into five categories of failure analysis, reliability test, material analysis, signal testing, and space environment testing to help customers accelerate R&D and ensure the quality of their products.



Failure Analysis (FA)	When any abnormalities occur to ICs, the cause is identified through electrical characteristics testing, non-destructive analysis, fault point detection, and material analysis to provide a basis for subsequent chip design improvements.
Reliability Assurance (RA)	iST simulates the environmental changes, such as temperature, humidity and vibration, that IC chips may encounter when they are used to ensure that their lifespan and quality can meet the requirements of the end customers.
Materials Analysis (MA)	For the development of new materials or processes, we perform elemental composition analysis, surface analysis, thermal characteristics analysis, and crystal structure observation to ensure material stability during advanced manufacturing processes.
Signal Integrity (SI) Testing	Tests are conducted to make sure if the communication and signal exchange between two or more devices is smooth and compliant with standard protocols (e.g.USB, PCIe, and Ethernet) to ensure system stability and compatibility after integration.
Space Environment Testing	iST simulates space environment conditions to verify the product's stability and reliability under extreme temperature, vacuum, radiation, and vibration.

Actively Participating in International Organizations, Leading in Analyzing International Specifications, and Providing Complete Solutions

We have actively participated in well-known domestic and international organizations such as AEC, MIH, SMTA, IPC, and JEDEC over the years and played a key role in large-scale R&D projects. Through these engagements, iST not only assists semiconductor manufacturers in chip verification but also gains insight into the experimental methods of international leaders, understands global quality control trends, and further analyzes international standards to provide comprehensive, standards-compliant solutions for customers.

Association Involvement

Technical

1. Automotive Electronics Council (AEC)
2. Association Connecting Electronics Industries (IPC)
3. Surface Mounting Technology Association (SMTA)
4. Solid State Technology Association (JEDEC)
5. Taiwan Printed Circuit Association (TPCA)
6. iMPAS Taiwan (iMPAS)
7. Taiwan Battery Association (TBA)
8. Lithium-ion Battery Research and Development Center (LIB)
9. Mobility in Harmony (MIH)
10. Taiwan ITRI New Venture Association (TINVA)
11. Taiwan Space Industry Development Association (TSIDA)
12. Taiwan Semiconductor Industry Association (TSIA)
13. Taiwan Electronics Equipment Industry Association (TEEIA)
14. Electronic Industries Alliance (ELA)
15. Photonics Industry & Technology Development Association (PIDA)
16. Semiconductor Equipment and Materials International (SEMI)
17. Hsinchu City Industrial Association(CHIA)
18. The Allied Association for Science Park Industries (ASIP)
19. Machinery Business Association of Hsinchu City

Sustainability

1. Carbon Reduction System Service Alliance (CRSSA)
2. CommonWealth Sustainability (CWS)

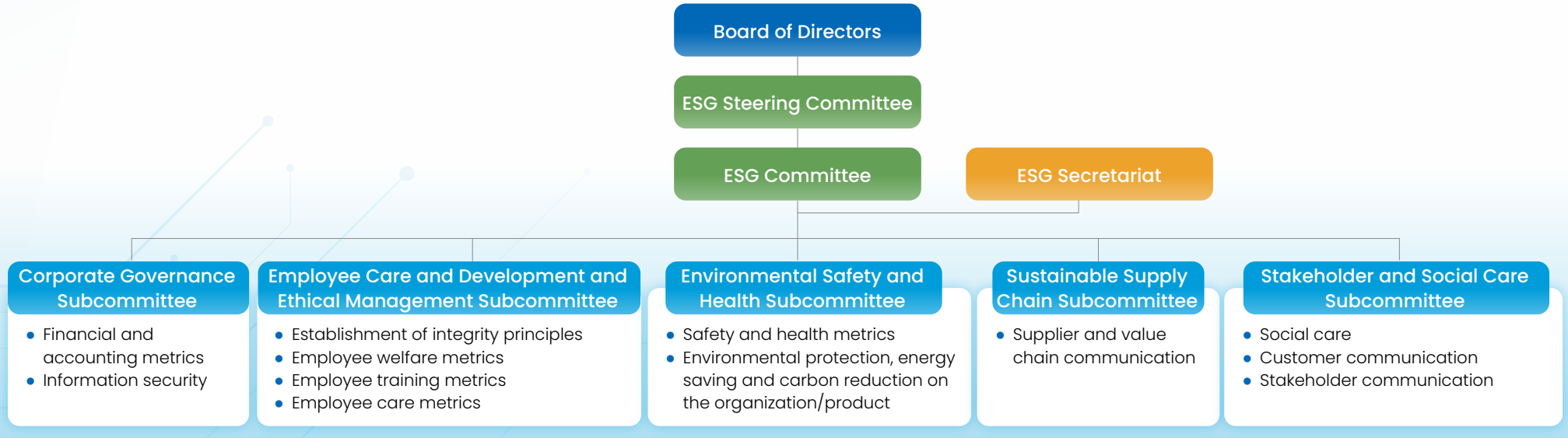
Sustainable Governance

With the vision of a customer-oriented comprehensive service platform, iST follows the core ESG values of "integrity, sustainability, and common good" to build a "Focus on Human" corporate culture. Upholding the business mission of "creating maximum value for customers, employees, and shareholders," we implement corporate governance, develop a sustainable environment, maintain social welfare, and strengthen the disclosure of corporate sustainable development information. The Board of Directors has approved the formulation of the "Sustainable Development Best-Practice Principles" as the highest guiding principles for iST's sustainable development. In addition, the Company regularly tracks the development trends of domestic and foreign sustainability standards and optimize the sustainable development management structure based on the updates of the laws and the changes in the industrial environment.

In order to fulfill our corporate social responsibility and respond to global sustainable development trends and the Company's growth needs, we established the "ESG Steering Committee" and the "ESG Committee" in 2023. The Board of Directors serves as the highest sustainable governance body. It provides oversight and guidance to implement sustainable concepts and policies with concrete actions, and continuously creates value for stakeholders. The "ESG Committee" is chaired by the Chairman Danny Yu and comprises independent directors with expertise in related fields. Together, they review sustainability issues relevant to the Company's operations and formulate ESG medium-term to long-term development strategies and goals. Judy Chen, Vice President and the convener of the ESG Committee, regularly reports on implementation results and decision-making plans to the Board of Directors annually. The Board of Directors then provides necessary resources to implement these resolutions, along with guidance, feedback, and suggestions. Chairman Danny Yu leads the senior executives of the ESG Committee to conduct a cross-departmental integration of ESG strategies and resources for the implementation of the Company's goals and policies related to corporate governance, social responsibility, and environmental sustainability. We foster positive engagement with employees, shareholders, customers, suppliers, contractors, government agencies, and public associations to create shared value.

The ESG Committee has five subcommittees of "ESG Secretariat" and "Corporate Governance Subcommittee," "Employee Care and Development and Corporate Ethical Management Subcommittee," "Environmental Safety and Health Subcommittee," "Sustainable Supply Chain Subcommittee," and "Stakeholder and Social Care Subcommittee." It guides the economic, environmental, and social management indicators of corporate social responsibility. Judy Chen, Vice President of the Administrative Division serves as the committee convener, leading the "ESG Secretariat" and working with the subcommittee members to promote ESG-related work. Regular meetings are held to confirm and review the effectiveness of ESG implementation and report to the ESG Steering Committee regularly to ensure the implementation of the performance management indicators in the economic, environmental, and social areas.

iST's Sustainability Governance Implementation Framework



Responsibilities of iST's Sustainability Governance Structure

The ESG Steering Committee is responsible for the decision-making and supervision of the work related to iST's sustainable development, and for guiding and overseeing the ESG Committee's sustainability initiatives. This aims to cultivate a corporate sustainability culture, strengthen and implement sound corporate governance (G), environmental protection (E), social responsibility (S), and commitment to stakeholders, enabling the Board of Directors to fulfill its responsibility to protect the rights and interests of the Company, employees, shareholders, and stakeholders, and ensure that iST is a responsible enterprise that satisfies the needs of the customers, employees, and shareholders. The ESG Committee is responsible for promoting sustainable development and regularly reporting the Company's economic, environmental, and governance impacts to the Board of Directors. The Board of Directors is the highest governance body of the ESG.

Board of Directors

- Supervising and ensuring the implementation of ESG sustainability policies
- Reviewing and approving the sustainability report

ESG Steering Committee

- Supervising the implementation of the ESG sustainable development philosophy
- Authorizing the ESG chairperson to implement due diligence for the ESG negative impact incidents
- Ensuring the implementation of the sustainable development policies and tracking the effectiveness of the implementation
- Yearly reviewing and approving the material topics and performance in the Sustainability Report
- Reporting the ESG Committee's implementation results to the Board of Directors annually
- Appointing the convener of the ESG Committee
- Reviewing the sustainability report

ESG Committee

- Regularly reporting the ESG material topics concerned by stakeholders and the implementation effectiveness to the ESG Steering Committee and the Board of Directors
- Integrating the ESG strategy direction and resources across departments with the Chairman as the chair and the managers of the departments as the committee members; the convener leads the secretarial personnel to prepare the promotion of the ESG policies and activities
- Acting as the decision-making unit for ESG activities and policies and reviewing the sustainability report
- Regularly convening meetings and reviewing the promoting effectiveness of the ESG goals and activities to ensure the implementation of sustainability policies

ESG Secretariat

- Assisting in planning and implementing ESG-related work
- Assisting in planning and implementing the screening of stakeholders and ESG material topics
- Assisting the Committee in screening and establishing the ESG plans and collecting data
- Assisting the Committee in implementing ESG communication

Corporate Governance Subcommittee

- Implementing ethical management and corporate governance
- Adhering to compliance with laws and regulations and risk management
- Improving the information transparencies of corporate governance
- Protecting the information security

Employee Care and Development and Corporate Ethical Management Subcommittee

- Developing a complied culture and moral cognitions in ethical governance
- Establishing a diverse, fair, and friendly workplace
- Enhancing personnel attraction and retention
- Intensifying talent cultivation and development

Environmental Safety and Health Subcommittee

- Managing and controlling environmental risks
- Ensuring compliance with environmental laws and regulations to reduce environmental burden
- Introducing the plans of saving energy and reducing carbon
- TCFD Climate Risk Action Task Force

Sustainable Supply Chain Subcommittee

- Establishing disseminations and regulations of the ESG information for suppliers
- Building the ESG value chain

Stakeholder and Social Care Subcommittee

- Assisting in implementing ESG communication with social stakeholders
- Being dedicated to social care and social welfare
- Fulfillment of customer communication and management

iST Sustainability Policy Roadmap

We have established the iST sustainability policy to fulfill our corporate social responsibility and promote economic, environmental, and social progress in order to achieve sustainable development goals. We are committed to adhering to the principles of this policy to implement corporate sustainable development and create maximum value for stakeholders for a co-prosperous society and a sustainable future.

01

Implementing corporate ethical governance and risk management mechanisms to practice sustainable operating

- Establishing and maintaining a sound corporate governance system
- Complying with laws and regulations, implementing ethical management and the code of conduct
- Enhancing information transparency and communication with stakeholders
- Creating corporate value and protecting stakeholders' best interests

02

Forming the low-carbon values to move toward the net-zero goal gradually

- Actively responding to climate change, dedicating ourselves to energy saving and carbon reduction and building a green value chain
- Continuing to promote resource reuse and development of circular economy
- Focusing on water resources management, waste management, and air pollutant management to reduce environmental impact

04

Increasing social engagement and enhancing stakeholder management to create sustainable values

- Expanding industry–academia–research collaboration and enhancing social engagement and social welfare
- Working with business partners to fulfill corporate social responsibility

03

Establishing a diverse, friendly, and inclusive workplace to achieve employee value and practice sustainable development

- Protecting labor rights and creating a healthy and safe workplace environment
- Emphasizing talent cultivation and development, and fostering a diverse, equitable, and inclusive friendly workplace

Highlights of Sustainability Performance

Governance Leadership

- The consolidated revenue grew by **14%** compared to the previous year
- Independent directors accounted for **45%**
- The establishment of the link between senior manager compensation and Environmental, Social, and Governance (ESG) performance indicators was completed
- There were **no** complaint cases concerning breaches of customer privacy and losses of customer data
- Local suppliers accounted for **93.2%** of total procurement
- Customer satisfaction scored **9.9 marks** with a customer satisfaction rate of **98.01%**

Environmental Sustainability Force

- The intensity of greenhouse gas emissions was reduced by **14.17%**
- The intensity of power consumption was reduced by **7.21%**
- Electricity was saved up to **1,770.234 MWh**
- The waste intensity was reduced by **5.68%**
- Renewable energy construction was completed

Co-Prosperity Force

- Female executives made up **40%** of the workforce
- The turnover rate of employees was **7.6%**, a **44.5%** decrease from the 2023 turnover rate (13.7%) of the high-tech service industry in Taiwan as investigated by the CommonWealth Magazine
- Employee engagement score reached **4.19 points**
- The retention rate of outstanding employees was **97.8%**
- The rate of internal promotion for managerial positions was **53.1%**
- The annual average employee learning hours reached **25 hours**

Awards and Recognition

In 2024, we received many awards for our achievements in innovation, corporate governance, sustainable development, and talent development, fully demonstrating our competitiveness and influence in the global market. The awards received this year are as follows:

Corporate Leadership and Governance

Chairman Danny Yu received the "Entrepreneur Of The Year Awards – Distinguished Visionary Entrepreneur Of The Year"

- Chairman Danny Yu received the **"Entrepreneur Of The Year Awards – Distinguished Visionary Entrepreneur Of The Year"** to recognize his exceptional leadership and vision.

The Company was awarded second place in the "Taiwan BIC Award" from Taiwan Institute of Directors

- The Company was awarded second place in the **"Taiwan BIC Award"** from Taiwan Institute of Directors, demonstrating iST's outstanding performance in corporate competitiveness.

Sustainable Development and Social Responsibility

- iST won the **"CommonWealth Sustainability Citizen Award,"** demonstrating iST's active commitment to corporate sustainability through its long-term efforts and achievements in environmental protection, social responsibility, and corporate governance (ESG).

2024 "CommonWealth Sustainability Citizen Award" of the CommonWealth Magazine

Talent Development and Employee Care

- We received the **"Work–Life Balance Award"** from the Ministry of Labor, in our first participation in 2024, standing out among 251 competing companies and demonstrating iST's strong commitment and achievements in employee care and work-life balance.

The Ministry of Labor granted the "Work–Life Balance Award"

- We were prized with the **"CommonWealth Talent Sustainability Award"** for our outstanding strategy in human resources management.

2024 "CommonWealth Talent Sustainability Award" of the CommonWealth Learning

- The Company was awarded the **"Best Employer Award"** of the 104 Job Bank, demonstrating iST's continuous improvement in talent development and employer brand building.

"Best Employer Awards" from 104 Job Bank

- We received the Excellence Award for **"Health for Everyone in the Workplace"** from the Health Promotion Administration of the Ministry of Health and Welfare and the Ministry of Labor, demonstrating our commitment to creating a healthy workplace.

"Health for Everyone in the Workplace" from the Health Promotion Administration of the Ministry of Health and Welfare and the Ministry of Labor

- We were awarded the **"Corporate Health Responsibility Award – Health 99 Enterprise"** of the Common Health Magazine, demonstrating iST's commitment to continuously creating and improving a healthy workplace.

"Corporate Health Responsibility Award – Health 99 Enterprise" of the Common Health Magazine

Determination of Material Topics

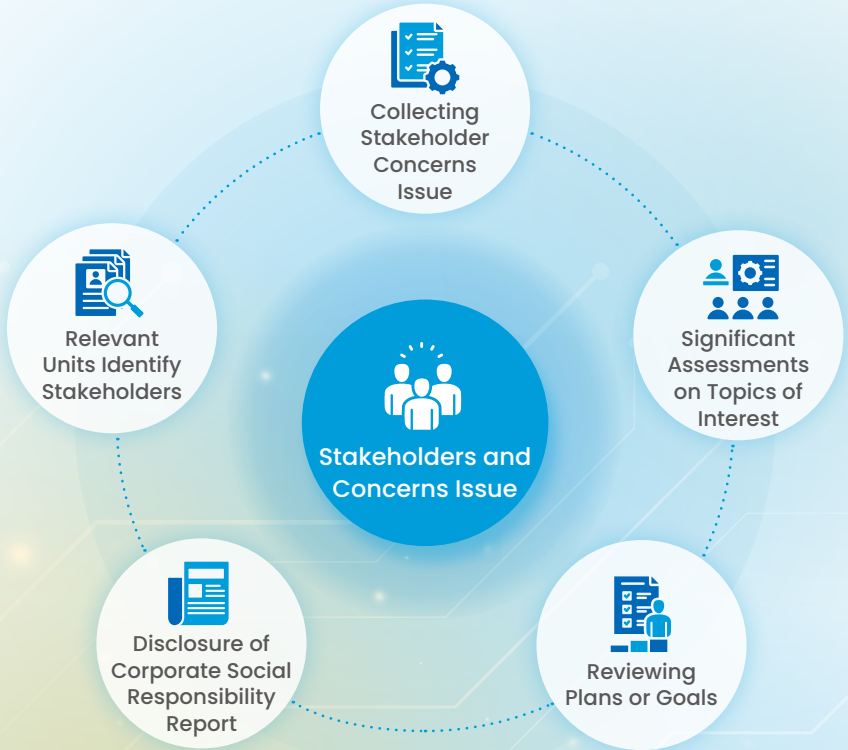
Material topic analysis process

This report uses the material topic analysis process to identify the sustainability issues of concern to stakeholders as a reference basis for information disclosure achieve the goal of effective communication and serve as a crucial basis for future planning of corporate social responsibility for iST.

Communication and screening of stakeholders and material topics are important in corporate social responsibility. iST could understand the issues of concern to the relevant stakeholders. Through the disclosure of the sustainability report, we will let the relevant stakeholders understand the efforts of the Company in corporate social responsibility and the performance achieved in 2024.

The ESG Committee performs evaluations based on substantive issues in the daily operations of the Company's relevant departments and internal and external business communications. Stakeholders are identified through exchanges in organizational operations and their tolerance levels. The GRI Standards and the AA1000 Stakeholder Engagement Standard (SES) are used to establish the process for identifying material topics in sustainable development and form the basis for disclosure in the sustainability report. Through this process, we select priority communication targets and their issues of concern for response, and initially determine the primary stakeholders and their concerns. Stakeholders can be classified into seven categories: customers, employees, investors, media, suppliers, the community, and government.

The Outline of iST's ESG Sustainability Issues



iST sends out questionnaires to their respective stakeholders through the ESG Committee's subcommittees (Executive Committee), and then the ESG Secretariat compiles them to summarize significant indicators for disclosure.

Since stakeholder engagement is an important part of iST's management of sustainability issues. In addition to interacting with stakeholders in various ways through our daily business, the Company also uses various channels, including telephone communication, ESG website, satisfaction surveys, site visits, and participation in associations. The issues raised by stakeholders are identified as material topics in this report.

Source of the Sustainability Issues

The process for identifying material considerations is based on reporting principles and guidelines for defining report content on the GRI Standard Framework. Due to the wide range of sustainability issues, iST uses the following sources to gather information on issues relevant to our organization and summarize in the material topics.

External	Internal
GRI consideration aspects and indicators, GRI industry sustainability issues List of SASB Standards – Professional and Commercial Service	Corporate sustainability policy
Task Force on Climate-Related Financial Disclosure (TCFD)	Corporate operation strategy and targets
Feedback of opinions during the process of communication between the stakeholders	

iST's ESG Stakeholders

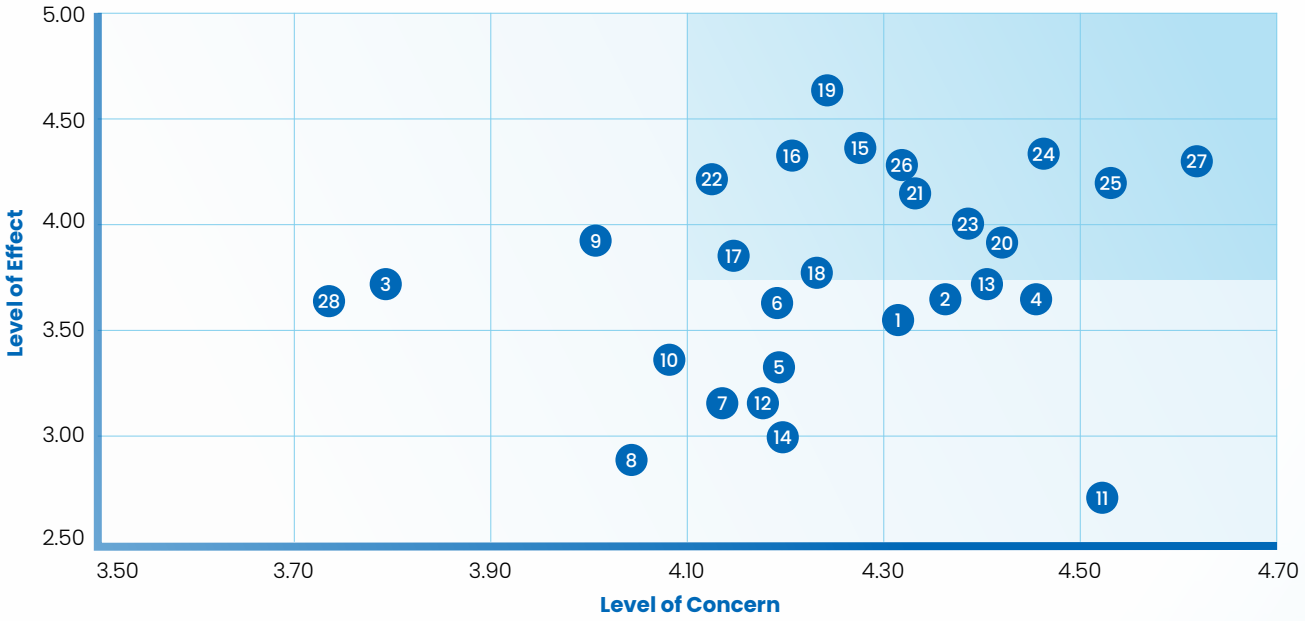
Stakeholders	Concerned Issues	Engagement Method (Frequency)		Communication Effectiveness	Countermeasure Corresponding Chapters
Employee	Employment Economic performance Customer privacy Occupational safety and health Forced or compulsory Labor	• Labor–management meeting (quarterly) • Employee Welfare Committee (quarterly) • Occupational Safety and Health Committee (quarterly) • Employee opinion survey (every two years) • Outstanding personnel discussion meeting (annually) • Employee feedback platform (as needed)	• Mechanism and record of training development (as needed) • Cultural consensus camp and discussion meeting (as needed) • Feedback and interview with new employees (as needed) • Foreign employee meetings (as needed) • Complaint hotline / mailbox (as needed)	• Four labor–management meetings were held, with a 100% response rate. • 27 cultural activities were planned with an execution rate of 100%. • The overall employee satisfaction score was 4.13 (out of 5), and the response rate was 77.1%. • 100% of the outstanding performers attended the discussion meeting. • A total of 171 new employees attended the 5 sessions of the cultural consensus camp and discussion meeting with 100% participation from new hires. • The employee feedback platform allowed us to directly understand employee opinions and communicate with them in a timely manner. 100% response rate to the 2024 employee opinion survey. • A total of nine discussion meetings for foreign employees were held, with a 100% participation rate.	CH1. Governance Leadership CH4. Co-Prosperity Force
Government (including FSC/ environmental protection agency)	Anti-corruption Waste Supplier environmental assessment Employment Occupational safety and health	• Meetings/seminars/regulatory briefings/advocacy meetings (as needed) • EHS related audit or guidance (as needed)	• Correspondence of official documents (as needed) • Wastewater, sewage, occupational safety and health, and related reports (semi-annually, monthly)	• The 10th "Corporate Governance Evaluation" – Ranking of TPEx listed companies: 6%–20%. • No major violations occurred.	CH1. Governance Leadership CH2. Environment Sustainability Force
Community/ Neighborhood	Occupational safety and health Employment Forced or compulsory Labor Local community Anti-corruption	• Promoting education support plan in rural areas (annual) • Promoting community health development (annually) • Providing skills training and career development support for local people with disabilities (annually)	• The Company's ESG Website (regular) • Dedicated unit responsible for external communication (as needed)	• In total, the Company collaborated with 202 elementary and junior high schools with 625 beneficiaries. • A total of 87 public welfare events were held in collaboration with 15 institutions for 219 beneficiaries. • Promoting internal volunteer culture with a total of 550 service hours.	CH4. Co-Prosperity Force
Customer	Customer privacy Supplier environmental assessment Forced or compulsory Labor Waste Anti-corruption	• Customer satisfaction survey (annually) • Telephone interview (weekly) • The Company's website and consultation mailbox (as needed) • Exhibition, workshop, electronic newsletter, company website, social media, etc. (as needed)	• ESG evaluation questionnaire survey (as needed) • The Company's ESG website (as needed) • Communication with competent authorities (as needed)	• The annual satisfaction questionnaire had a 98.01% satisfaction rate, with a response rate of 31.91%. • Telephone interviews (weekly stratified random sampling) were conducted with 1,268 customers/year, resulting in an average customer satisfaction score of 9.9 out of 10. • The number of inquiries via the company website: 819 persons. • 11 domestic and overseas exhibitions, 10 workshops, 20 electronic newsletters, and 81 social media posts. • 27 ESG evaluation questionnaires were returned by customers.	CH1. Governance Leadership CH2. Environment Sustainability Force CH3. Value chain competitiveness CH4. Co-Prosperity Force
Investor	Economic performance Customer privacy Forced or compulsory Labor Anti-corruption Occupational safety and health	• Shareholders' meeting (regular) • Annual financial report (regular) • Company website (monthly) • Announcement of material information (as needed)	• Investor relationship mailbox (as needed) • Spokesperson's hotline (as needed) • The Company's ESG Website (regular)	• We continued to hold shareholders' meetings according to the annual plan and uploaded the videos of the shareholders' meetings. • The Company regularly disclosed corporate governance and financial information on our website in the Investors section. • The Company cooperated with the Financial Supervisory Commission to complete the corporate governance assessment. • The operating revenue and financial reports were disclosed monthly and quarterly, respectively, on the Company's website. • 51 major announcements were made public on the MOPS.	CH1. Governance Leadership CH2. Environment Sustainability Force CH3. Value chain competitiveness
Supplier	Customer privacy Anti-corruption Anti-competitive behavior Economic performance Occupational safety and health	• Information security dissemination (annually) • Supplier ESG evaluation (annually) • Supplier ESG promotion (as needed) • The Company's ESG website (as needed)		• In 2024, 19 suppliers completed the "Supplier Information Security Self-Declaration," "Supplier Information Security Self-Assessment Form," and "Confidentiality Agreement." • 100% of the suppliers passed the information security course test. • The completion rate of signing the Conflict Minerals Non-Usage Commitment by suppliers reached 100%. • The completion rate of signing the Supplier Integrity Commitment Letter by suppliers reached 100%.	CH1. Governance Leadership CH3. Value chain competitiveness CH4. Co-Prosperity Force
Media	Economic performance Greenhouse gas emissions Occupational safety and health Local community Customer privacy	• Press release (monthly) • MOPS (monthly/quarterly) • The Company's ESG website (as needed) • Professional media platform (regular)		• 16 revenue-related press releases and 7 media interviews. • The operating revenue and financial reports were disclosed monthly and quarterly, respectively, on the Company's website. • 25 articles were posted on the professional platform.	CH1. Governance Leadership CH2. Environment Sustainability Force CH4. Co-Prosperity Force

Identification of Material Topics

Based on the result of a substantive issue selection in 2024, iST used the AA1000 SES principle to measure the level of stakeholder relationship with the Company, where the concern scores of each issue were weighted with the degree of relationship to understand the stakeholder's level of concern. The ESG Committee rated the economic, environmental, and social impact of each issue on the Company from the perspective of the internal experts and additionally added the SASB Professional Commercial Services as a supplement. Eventually, it selected the ESG topics that were highly concerning and impacted to disclose in the relevant sections of this report. The operational steps involved in the process are listed below:

Understanding of the Organization's Background	Identification of the Actual and Potential Impacts		Assessment of Impact Level		Report Priority and Disclosure	
Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
Organization Outline Industry Topics Identification and Boundary Setting	**Identification of Positive and Negative Impacts** Assessment of Positive and Negative Impacts of ESG Topics	**Level of Concern** Questionnaires 89 Pieces	**Level of Impact** ESG Committee 26 pieces	**Priority** Annual Material Topic 12 items	**Disclosure** Setting of Disclosure 14 topics	**Report** Issuance of the Report Before 8/31
With reference to the sustainability disclosure indicators of the SASB and the ESG digital platform of the Taiwan Stock Exchange, the Company defines the applicable industry context as professional business services and determines the boundary.	We assessed the actual and potential positive and negative impacts based on 31 ESG topics of reporting principles and guidelines for defining report content on the GRI Standards framework and sustainability messages (United Nations Sustainable Development Goals; SDGs).	We designed the questionnaires based on the positive and negative impacts of ESG topics on the Company. We distributed them to internal and external stakeholders and measured the extent to which various stakeholders are concerned about various sustainability issues. Eighty-nine valid questionnaires were collected.	We rated the impact of each issue on the Company's sustainable development based on the questionnaire of the ESG Committee for internal experts in 2024.	We summarized the results of the questionnaire survey on the "level of concern" and "level of impact" and multiplied the scores. Then we ranked the resultant values with the top one-half of them (12 items) as the material topics.	We had selected 13 GRI topic standards and 1 SASB metric from the ESG questionnaire to be the focus of this report and to correspond to the SDGs, detailing the strategies, results, and performance of the issues.	The report presented a complete picture of the Company's performance and sustainability impact, and asked that the concerns of stakeholders be repeated in each relevant section. The report was submitted to the ESG Steering Committee and the Board of Directors for review and public release, and stakeholder comments were collected for feedback in the following report.

Significant Consideration Aspects Responded to in This Report



1 Indirect economic impacts
2 Anti-competitive behavior
3 Human rights assessment
4 Forced or compulsory labor
5 Security practices
6 Non-discrimination
7 Material
8 Freedom of association and collective bargaining
9 Procurement practices
10 Workforce diversity, inclusion, and equality
11 Child labor
12 Public policy
13 Social and economic law compliance
14 Rights of aboriginal people
15 GHG Emission
16 Energy
17 Market position
18 Labor-management relations
19 Economic performance
20 Employment
21 Waste
22 Water and Effluents
23 Local community
24 Anti-corruption
25 Occupational safety and health
26 Training and education
27 Customer privacy
28 Supplier social assessment

There is no significant change in the material topics compared to 2023, as there have been no significant operational changes. The following table shows the changes in the prioritization of issues of concern to stakeholders.

Issues of Concern	Ranking	Previous Ranking	Change
Customer privacy	1	1	-
Anti-corruption	2	2	-
Economic performance	3	5	▲
Occupational safety and health	4	3	▼
Greenhouse gas emissions	5	8	▲
Energy	6	7	▲
Training and education	7	10	▲
Waste	8	6	▼
Local community	9	9	-
Water and effluent	10	12	▲
Employment	11	4	▼
Market position	12	11	▼

Based on the above figure, the first quadrant with an impact >3.8 and a concern level >4.10 is identified as a material topic.

Environmental Aspect

- Energy
- Greenhouse gas emissions
- Water and effluent
- Waste

Economic Aspect

- Economic performance
- Market position
- Anti-corruption

People (including human rights)

- Employment
- Occupational safety and health
- Training and education
- Customer privacy
- Local community
- Supplier social assessment (voluntary disclosure)
- Workforce diversity and inclusion (voluntary disclosure)

Negative and positive impacts of material topics

Material Topic	Actual Negative Impact	Potential Negative Impact	Actual Positive Impact	Potential Positive Impact
Energy	●			
Greenhouse gas emissions	●			
Water and effluent			●	
Waste			●	
Economic performance			●	
Market position			●	
Anti-corruption				●

Material Topic	Actual Negative Impact	Potential Negative Impact	Actual Positive Impact	Potential Positive Impact
Employment			●	
Occupational safety and health		●		
Training and education			●	
Supplier social assessment (voluntary disclosure)		●		
Customer privacy				●
Local community			●	
Workforce diversity and inclusion (voluntary disclosure)			●	

Stakeholders may raise concerns and seek remedies for negative impacts through established grievance mechanisms.

Boundary of Material Topics

For every material issue identified, we assess its impact and determine whether the topic has an impact on primary stakeholders inside or outside the organization.

NA Not applicable
● The following is fully disclosed in the Report.
-- Information unavailable

iST Value Chain and Boundaries of Material Topics in the Report

Material Topic		GRI Topic Type	SASB Topic Type	iST Value Chain				Chapter
				Upstream		iST	Downstream	
				Contractor	Other Suppliers		Customer	
Energy saving and carbon reduction	Energy	302	--	--	--	●	--	2.2 Energy management
	Greenhouse gas emissions	305	--	--	--	●	--	2.1 Climate action
Clean production	Water and effluent	303	--	--	--	●	--	2.3 Water resource management
	Waste	306	--	--	●	●	--	2.4 Waste management
Corporate governance	Economic performance	201	--	--	--	●	--	1.4 Financial performance
	Market position	202	--	--	--	●	--	4.1 Talent attraction and retention
	Anti-corruption	205	SV-PS-510a.1 SV-PS-510a.2	●	●	●	●	1.3 Ethical management and compliance
	Supplier social assessment	414	--	●	●	●	--	3.3 Responsible procurement
Employee care	Employment	401	SV-PS-330a.2 SV-PS-330a.3 SV-PS-000.A SV-PS-000.B	●	●	●	●	4.1 Talent attraction and retention 4.2 Talent cultivation and development
	Training and education	404	--	--	--	●	--	4.2 Talent cultivation and development
	Employee diversity and inclusion	405	SV-PS-330a.1	--	--	●	--	4.3 Friendly and healthy workplace
Deepening a culture of occupational safety and health	Occupational safety and health	403	--	●	●	●	--	4.4 Occupational safety and health promotion
Customer-oriented	Customer privacy	418	SV-PS-230a.1 SV-PS-230a.2 SV-PS-230a.3	--	--	●	●	3.1 Insight into Customer's needs 1.5 Information security
Social contribution	Local community	413	--	--	--	●	--	4.5 Social engagement

The Material Issues Corresponding to UN SDGs

In 2015, the UN released the Sustainable Development Goals (SDGs), which have since become a common language for sustainable development around the world. The SDGs are not just a global trend in development but also contain important business opportunities for companies in the future. The Company uses the material issues assessed with the GRI Standards as a basis to conduct evaluation regarding risks to humans and the environment and the provision of effective products, services, or investment and to identify the sustainable development goals related to the SDGs with the aim to make a vital contribution to the SDGs.

iST enhances its sustainability strategy to advance economic growth, social equality/progress and environmental protection on a comprehensive basis to demonstrate the long-term value of iST. In 2024, iST defined priorities for the SDGs. We will disclose our performance in sustainable development with respect to the product life cycle and value chain stages in the transition from supporting the SDGs to real action plans. We will integrate these goals into our daily activities through various approaches and keep reviewing and modifying the SDG priorities in the future to gain recognition from investors and stakeholders and create sustainable value. Topics and sustainability practices and goals are disclosed in each chapter.

Comparison Table for Material Topics and the SDGs

Material Topic	Response to SDGs Item	United Nation SDGs Notes and Metrics	iST's Sustainable Development Practices and ESG Targets in the Future
Energy saving and carbon reduction		• Ensure affordable, stable and sustainable modern energy for all people • 7.3_By 2030, double the global rate of improvement in energy efficiency	Continuously promote ISO 50001 energy management system and gradually reduce energy intensity rate **Target** Acquiring ISO 50001 third-party certification to establish a mechanism of energy saving and carbon reduction
		• Take emergency measures to address climate change and impacts • 13.2_Integrate climate change measures into policies, strategies and planning of	Implement GHG management and reduction in compliance with national 2050 net-zero emission policies on an ongoing basis **Target** Optimizing the quality of climate-related financial disclosures under TCFD **Target** Promoting the plan to mitigate climate change by referencing the guidelines for identifying sustainable economic activities
Clean production		• Ensure to implement the sustainable consumption and production mode • 12.5_Reduce waste generation significantly through prevention, reduction, recycling and reuse by 2030	Implement environmental risk management through the ISO 14001 environmental management system to ensure the sustainability of the environment **Target** Improving reduction of industrial waste and clean production performance through the ISO 14001 environmental risk management and control measures
Corporate Governance		• Facilitate inclusive and sustainable economic growth, realize full employment, and create productive and quality jobs • 8.2_Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	We continue to increase our revenues and Enhance Economic Productivity Through Patents, R&D and Innovation **Target** Increasing the Company's revenues every year and maintaining a good corporate governance mechanism through an internal control system
		• Create peaceful and inclusive societies to promote sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels • 16.5_Substantially reduce corruption and bribery in all their forms	Implement Good Corporate Governance and Risk Management Mechanisms to ensure that Corruption Incidents Would not Happen **Target** Maintaining good corporate governance mechanism through ESG education and training and internal control system
		• Ensure continuous and high-quality collaboration with business partners • 17.14_Enhance policy coherence for sustainable development	Explicitly specify Employee and Supplier Code of Conduct and develop a complied culture **Target** All suppliers implement ESG dissemination of the "Partner Code of Conduct"

Material Topic	Response to SDGs Item	United Nation SDGs Notes and Metrics	iST's Sustainable Development Practices and ESG Targets in the Future
Employee care		• Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all • 4.4_Increase the number of people with relevant skills for employment and decent jobs	Continuously intensify talent cultivation and development, provide competitive compensation, and establish a friendly and inclusive workplace to attract and retain talents **Target** Continuously optimizing employee remuneration, strengthening talent development and employee engagement, and enhancing talent attraction and employee retention
Deepening a culture of occupational safety and health		• Facilitate inclusive and sustainable economic growth, realize full employment, and create productive and quality jobs • 8.8_Protect labor rights and promote safe and secure working environment for all workers	Establish safety and health policy through the ISO 45001 occupational safety and health management system in line with the core value of safety first **Target** Pursuing the goals of zero accidents and zero injuries
Customer-oriented		• 17.17_Encourage and promote effective and sustainable public-private partnerships	We set a vision of information safety and management objectives through the ISO/IEC 27001 information safety management system to connect with the Company's core value of protecting customers' confidentiality **Target** Protecting customers' privacy through continuous measures of information safety risk management and control
Social contribution		• End poverty in all its forms everywhere • 1.4_Ensure that disadvantaged groups have equal access to economic resources and basic services	Continuously caring for disadvantaged groups in all corners of society, embodying the spirit of giving timely assistance to those in need, and contributing to society **Target** Continuing to be engaged in social welfare activities to enhance the well-being of social welfare organizations and increase iST's social contribution
		• Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all • 4.5_Ensure that disadvantaged groups have access to education and vocational training at all levels	Continuously strengthening education in rural areas, collaborating with educational organizations, and narrowing the urban-rural education gap **Target** Continuously strengthening industry–academia collaboration and youth empowerment activities to enhance development of young talents

CH1
Governance Leadership

The consolidated revenue grew by **14%** compared to the previous year.

Ranked **6%–20%** of TPEx-listed companies in the Corporate Governance Evaluation Results.

The establishment of the link between senior manager compensation and Environmental, Social, and Governance (ESG) performance indicators was completed.

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Governance Leadership

	Metric	2024 Goals	2024 Result		2025 Goals	Medium-Term and Long-Term Goals
Economic performance/ Corporate Governance	Corporate Governance operation	• Implementing the requirements of Corporate Governance Evaluation System • At least one female director in the Board	• Ranked 6%–20% of TPEx-listed companies in the Corporate Governance Evaluation Results • Eleven directors were re-elected at the shareholders' meeting, one of whom was female	✓	• Implementing the requirements of Corporate Governance Evaluation System • Independent directors shall account for at least 45%	• Deepening the corporate culture of sustainable governance • Independent directors shall account for at least 45% • Increasing the ratio of female directors
	The Board of Directors' supervision mechanism and its link to Environmental, Social, and Governance (ESG) performance	The association between senior management reward/compensation and ESG performance	The Board of Directors approved revisions to the senior management compensation policy, incorporating a link between senior management pay and ESG performance indicators	✓	ESG performance is incorporated in the regular annual goal achievement review of the Board of Directors and the Compensation Committee	ESG performance is incorporated in the regular annual goal achievement review of the Board of Directors and the Compensation Committee
	Compliance with laws	Obligation compliance and no material fines	No material fines imposed	✓	Compliance and no material fines	Compliance and no material fines
Anti-corruption	Training on professional ethics/ ethical management	• Major violations of professional ethics is 0 • The completion rate of education and training remained 100%	• Major violations of professional ethics is 0 • The completion rate of education and training remained 100%	✓	• Major violations of professional ethics is 0 • The completion rate of education and training remained 100%	• Major violations of professional ethics is 0 • The completion rate of education and training remained 100%
Customer first	Number of customer privacy violations	• The completion rate of information security education and training remained 100% • No complaints concerning breaches of customer privacy or losses of customer data	• The completion rate of information security education and training remained 100% • No complaints concerning breaches of customer privacy or losses of customer data	✓	• The completion rate of information security education and training remained 100% • No complaints concerning breaches of customer privacy or losses of customer data	• The completion rate of information security education and training remained 100% • No complaints concerning breaches of customer privacy or losses of customer data

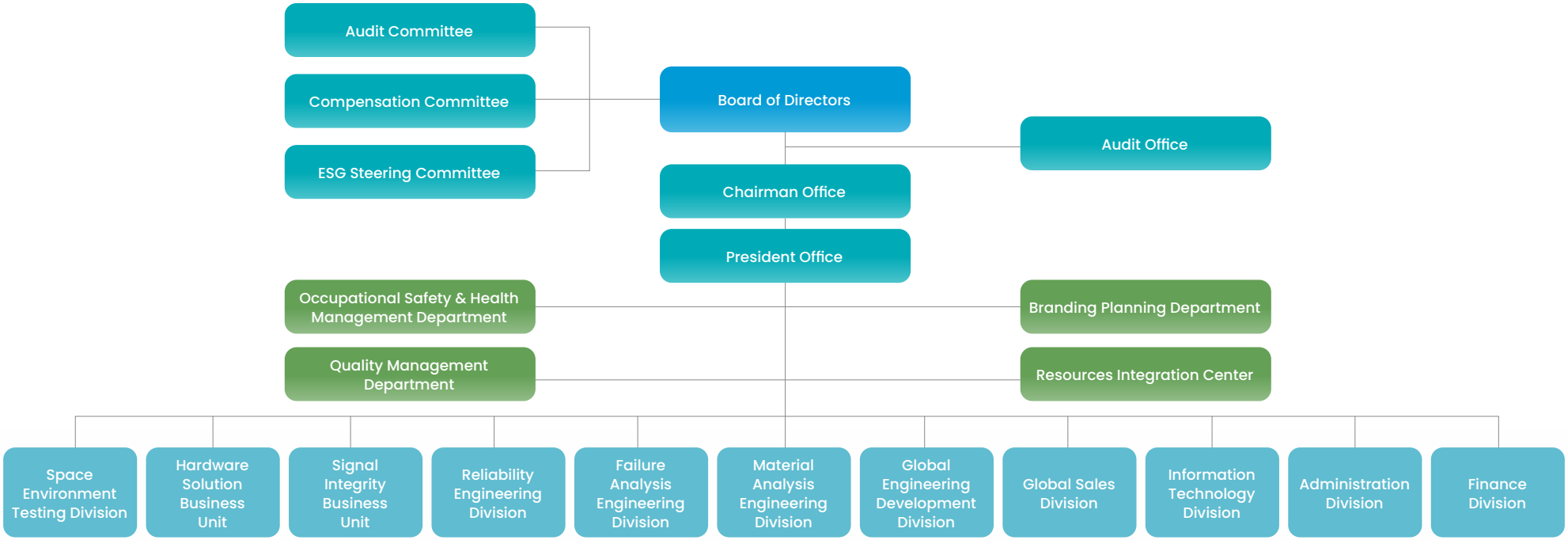
✓ Achieved ✗ Not achieved

Corporate Governance

Governance Organization

iST's governance structure consists of a shareholders' meeting with all shareholders as the highest deliberative body. The directors elected by the shareholders shall constitute the Board of Directors as the Company's executive body. Independent directors are elected to form an Audit Committee to supervise the execution of the Company's business. The Chairman, the chairperson of the Board of Directors, represents the Company externally as the head of the Company and works concurrently as the President. The corporate governance structure of the Company is as follows.

iST Organization Structure Chart



iST places great importance on operational transparency and corporate governance. In addition to observing the Company Act, the Securities and Exchange Act, and other relevant laws and regulations, iST focuses on establishing an effective corporate governance structure, strengthening the functions of the Board of Directors, protecting shareholder rights, enhancing internal controls and audit mechanisms, and improving information transparency. Furthermore, the Company adheres to principles of ethical management, formulates various systems and procedures, and implements the spirit of corporate governance to improve company operating performance and achieve sustainable management.

We will continue to strengthen the effectiveness of the Board of Directors and enhance its functions; participate in corporate governance evaluation system to shape a corporate governance culture; establish a comprehensive stakeholder contact platform to promote shareholder activism; and improve the quality of non-financial information disclosure to strengthen corporate governance information reporting.

iST's Corporate Governance Principles mandate that diversity and independence be considered and there is no conflict of interest. In addition, the Chairman of the Board is elected by the elected directors at the first board meeting of each term. In 2024, the Board of Directors had one female director.

Composition of the Board of Directors

In 2024, iST held its shareholders' meeting and conducted the 12th Board of Directors election. In accordance with the Articles of Incorporation, the company adopted the candidate nomination system. Prior to the book closure date before the shareholders' meeting, the company announced the nomination period and the number of directors (including independent directors) to be elected. The nomination period was no less than ten days. The list of director (including independent director) candidates was reviewed by the Board of Directors to ensure they met the required qualifications, and was subsequently submitted to the shareholders' meeting for election. A total of six directors and five independent directors (including one female independent director) were elected. The term of office is from June 14, 2024 to June 13, 2027.

Board of Directors

Title	Name	Gender	Age			Main Work Experience (Educational Background)	
			Age of 51–60	Age of 61–65	Age of 66–70	Education	Experience
Chairman	Han Sheng Investment Co., Ltd. Representative: Wei-Been Yu	Male		●		EMBA from National Chengchi University	Senior Engineer at Electronic System Research Laboratory, Industrial Technology Research Institute
Vice President	Hui Long Co. Ltd. Representative: Chin-Cho Chen	Male	●			Master from Institute of Electronics, National Chiao Tung University	Director of Server Business Division, Ying Chi Enterprise Co., Ltd.
Director	Chung-Cheh Tu	Male	●			Master's in Information Management from Fairleigh Dickinson University, USA	Financial Manager of Artplus International Co., Ltd. Manager of Management Department, Anatek
Director	Fu-Han Liu	Male		●		EMBA from National Chengchi University	General Manager of Kye Systems Corp.
Director	Kai Ou Investment Co., Ltd. Representative: Yang-Kuang Chen	Male			●	Department of Economics, National Taiwan University	Representative of the juristic person director, IBF Financial Holdings Co., Ltd. President of Shan Yi Investment and Consultation Co., Ltd.
Director	Wen-Hao Lo	Male	●			EMBA from National Chengchi University	Representative of the juristic person director, Magic Technology Co., Ltd. Director of TONAL
Independent Director	Chih-Hung Wang	Male	●			Ph.D. from Graduate School of Macromolecular Materials, National Taiwan University of Science and Technology	General Manager of Entire Technology Co., Ltd. Full-time Assistant Professor at Department of Chemical Engineering, Kuang Wu Institute of Technology
Independent Director	Wen-Ming Hung	Male			●	Department of Political Science, Soochow University Completion of the Program for Entrepreneurs, College of Commerce, National Chengchi University	President of Yuanta Securities and Investment Consulting Co., Ltd.
Independent Director	Yung-Chien Lo	Male		●		Ph.D. in Marketing from the Department of Business Administration, University of Illinois Urbana-Champaign, USA	Associate Professor at the Department of Business Administration, National Chengchi University Associate Researcher at the Industrial Economic Research Center, Industrial Technology Research Institute
Independent Director	Chuo-Min Yu	Male			●	Ph.D. in Business Administration from University of Michigan	Independent Director of Yuanta Futures Co., Ltd. Independent Director of Advantech Co., Ltd. Professor at the Department of Business Administration, National Chengchi University
Independent Director	Pei-Chuan Hsieh	Female		●		Department of Business Administration, Ling Tung Junior College of Commerce	Accounting Assistant Manager of Taiyu Products Corp.

Operation of the Board of Directors

The Board of Directors is the highest governing body and the key decision-making authority of the Company. The Board of Directors guides the Company's strategy, supervises the management team, and is accountable to the Company and its shareholders. In all aspects of corporate governance operations and arrangements, the Board of Directors exercises its powers in accordance with the laws, the Company's Articles of Incorporation, and the resolutions of the shareholders' meeting. At the same time, it provides professional strategic guidance and advice to the management team to enhance shareholder value and safeguard the rights and interests of all stakeholders. As of 2024, the Board of Directors has established three functional committees – the Audit Committee, the Compensation Committee, and the ESG Steering Committee – to assist it in fulfilling its supervisory responsibilities. The charter of each committee has been approved by the Board of Directors, and the committee regularly reports its activities and resolutions to the Board.

The Company's Board of Directors convenes at least once per quarter in accordance with the "Rules of Procedure for Board Meetings." Meetings are convened with notice specifying the agenda, which must be sent to all directors at least seven days in advance. However, in case of emergencies, meetings may be called at any time. At the first meeting of each new Board term, the directors elect the Chairperson from among themselves. In the 12th term of the Board of Directors, Mr. Wei-Been Yu was re-elected as the Chairman. In 2024, the Board held a total of seven meetings, with an average attendance rate (including attendance in person and by proxy) of 96%. The Company's key and material matters such as major investment projects, financial reports, and earnings distribution—items that, by law or the Articles of Incorporation, require Board resolutions—were deliberated and approved by the Board. The resolutions were then disclosed via the Market Observation Post System (MOPS), the Company's official website, and in the annual report, in accordance with regulatory requirements. In 2024, a total of 69 key material items were reported to the Board of Directors. Related information can be found in the Company's 2024 Annual Report. Important resolutions of the Board of Directors over the years can be found on the Company's website.

Additionally, when providing proposals and reports to Board members, the responsible administrative unit carefully reviews the content in advance to identify any potential conflicts of interest involving related parties. When such situations are identified, appropriate reminders are given to the concerned individuals prior to the meeting.

Diversity of the Board of Directors

iST, in line with its diversity policy and commitment to strengthening corporate governance and promoting a sound composition and structure of the Board of Directors, currently has 11 Board members. This includes 5 independent directors, accounting for 45% of the Board, and 2 directors who are also employees of the company, representing 18% of the Board. In terms of gender, the Board comprises 10 male and 1 female director. The number of directors concurrently serving as company executives does not exceed one-third of the total Board seats. The Company has also established appropriate diversity guidelines tailored to its operational model and development needs. The specific management objectives and progress toward achieving them are as follows:

Diversification Evaluation of the Board of Directors

Number of independent directors exceeds one-third of the total number of directors	Number of independent directors serving as the Company's managers does not exceed one-third of the total number of directors	The term of office for an independent director does not exceed three terms	Professional knowledge and skills that are diverse enough
Achieved	Achieved	Achieved	Achieved

All members of the Board of Directors possess abundant experience in business management, leadership, decision-making, as well as professional knowledge of the industry. In addition, their expertise in accounting and financial analysis enables them to provide the Company with professional advice from diverse perspectives. For details on the core competencies of the Board members, please refer to the Company's 2024 Annual Report and official website.

The Chairman serves as the President concurrently because the Board of Directors, composed of both internal and external directors, legally represents the shareholders in exercising their rights and overseeing the formulation of the Company's strategies. The President's execution of services and investment strategies is crucial to the Company's medium-term and long-term development. Having the Chairman also serve as President allows important information to be shared from the perspective of an internal director, facilitating effective communication with the Board of Directors and ensuring proper oversight. There are currently no concerns about conflicts of interest in this arrangement.

Performance Evaluation and Continuing Education of the Board of Directors

The Board of Directors approved the "Rules for Performance Evaluation of the Board of Directors" on August 6, 2020, and conducts regular annual performance evaluations through internal assessments at both the company and individual director levels. The Board of Directors approved an amendment on December 26, 2024 to include ESG considerations as part of the evaluation criteria. The 2024 evaluation results were reported to the Board of Directors in the first quarter of 2025. For more details, please refer to the Company's 2024 Annual Report and official website.

iST provides the highest governance body with overall knowledge of legal, economic, environmental, and social issues through annual continuing education courses for directors, and continues to improve the Board of Directors' risk management capabilities. Simultaneously, referencing the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," iST continues to promote continuing education arrangements for directors, including independent directors. The topics of the courses primarily cover aspects of corporate governance such as finance, risk management, business, commerce, accounting, law, corporate social responsibility, and sustainable development. iST arranges directors to participate in relevant corporate governance and ESG education or training courses organized by the Securities and Futures Institute (SFI) and the Taiwan Corporate Governance Association (CGA) for at least 6 hours each year. Newly directors are encouraged to complete 12 hours of continuing education courses within their first year of office. For details on the continuing education of all directors, please refer to the Company's 2024 Annual Report.

Remuneration to Directors

The remuneration policies and procedures of the Company fully comply with the Articles of Incorporation and the "Remuneration Policy for Directors, Remuneration Committee Members, and Managers." The remuneration to the Company's directors is subject to the Articles of Incorporation. Where the Company makes a profit in the current year, no more than 3% of the profit shall be allocated as the directors' compensation.

The remuneration to directors includes transport expenses, perquisites and compensation. The remuneration for each director is based on their level of participation in the Company's operations and the value of their contributions. It now incorporates a consideration of their concern about the Company's sustainable development, along with the Company's operating performance, future risks, and individual performance. The remuneration is reviewed by the Compensation Committee, approved by the Board of Directors, and reported to the shareholders' meeting.

Directors Liability Insurance

Facing the rapid changes of factors including the macroeconomics, competitive business environment and regulatory amendments, iST continues to get the directors and officers liability insurance for members of the Board and the management team, and make regular reports to the Board of Directors. This is to encourage members of the Board and the management team to actively undertake tasks, and to effectively reduce the unknown risks, possible derivative losses, and legal and financial liabilities that they have to face when fulfilling their duties.

Functional Committee

Name of Committee	Composition	Main Duty	2024 Operation Status	
			Number of Meetings Held	Average Attendance Rate (Including In-person and By Proxy Attendance)
Audit Committee	• Established on June 13, 2019 and operating as the 3rd committee as of the end of 2024 • "The Charter of the Audit Committee" approved by the Board of Directors • Member: Composed of all independent directors, with at least one member possessing accounting or financial expertise 1. Independent Director, Chuo-Min Yu (Chair) 2. Independent Director, Yung-Chien Lo 3. Independent Director Wen-Ming Hung 4. Independent Director Chih-Hung Wang 5. Independent Director Pei-Chuan Hsieh	• Review of the financial statement in each quarter • Development of or amendment to the internal control system and relevant major regulations • Evaluation of the effectiveness of the internal control system • Revision of the procedure for asset acquisitions or disposal • Revision of the procedure for loaning funds to others and endorsements or guarantees • Audits on the Company's material assets or derivatives transaction • The offering, issuance, or private placement of any equity-type securities • A matter bearing on the personal interest of a director • Matters related to the Company's management of information security and risks • Deliberation of the independence, suitability, and change of the Company's CPAs • Any other material matter specified by the Company or the competent authority	6 times (At least once a quarter)	93%
Compensation Committee	• Established on December 13, 2011 and operating as the 6th committee as of the end of 2024 • "The Charter of the Compensation Committee" approved by the Board of Directors. On December 26, 2024, the Board approved an amendment to rename it • Member: Composed of 2 independent directors and 1 external person 1. Independent Director Wen-Ming Hung (Chair) 2. Independent Director Chih-Hung Wang 3. Tien-Hsiang Lee	• Establishment and regular review of the performance evaluation of the directors, supervisors and managers as well as the Compensation policy, system, standard and structure of their remuneration; incorporation of the completion rate of the Board of Directors' review of ESG performance as a reference in performance evaluation • Regular evaluation and establishment of the remuneration to directors, supervisors and managers • Other matters authorized by the Board of Directors	3 times (At least twice a year)	100%
ESG Steering Committee	• Established on December 15, 2023 and operating as the 2nd committee as of the end of 2024 • "The Charter of the ESG Steering Committee" approved by the Board of Directors • Member: Comprised of the Chairman and two independent directors 1. Chairman Wei-Been Yu (Chair) 2. Independent Director Wen-Ming Hung 3. Independent Director, Yung-Chien Lo	• Supervising the implementation of the ESG sustainable development philosophy • Authorizing the ESG chairperson to implement due diligence for the ESG negative impact incidents • Ensuring the implementation of the sustainable development policies and tracking the effectiveness of the implementation • Appointing the convener of the ESG Committee. • Yearly reviewing and approving the material topics and performance in the Sustainability Report	3 times (At least once a year)	100%

Note: Performance evaluation of each functional committee is disclosed in the Company's annual report and official website.

Communication Between Independent Directors & the Chief Internal Auditor and CPAs

iST's independent directors may directly communicate with the chief internal auditor and CPAs to understand the financial and business conditions of the Company. The chief internal auditor provides an audit report to the independent directors monthly. If there are any questions about the report, both parties will have a discussion via phone calls or e-mail at any time. Further, the chief internal auditor participates in the Audit Committee's meeting held by iST and reports the audit operations, follow-ups and implementation status to the independent directors. She shall also attend the Board of Directors meeting and report the conditions of internal audit operations. In addition to providing the report monthly and communicating through the Audit Committee's meeting, the chief internal auditor also holds an independent forum before the Audit Committee's meeting or in accordance with the requirements of the independent directors for the meeting.

On the other hand, the CPAs attend the Audit Committee's meeting quarterly for communication regarding the quarterly financial statements and corporate governance, and to provide the latest information on finance and taxes. They also discuss and exchange opinions with the independent directors at the meeting. Other than communicating through the Audit Committee's meeting, the CPAs also hold an independent forum before the Audit Committee's meeting or in accordance with the requirements of the independent directors for the meeting. For the summary of relevant communicated matters, please refer to the Company's 2024 Annual Report and official website.

Appointment of Corporate Governance Executive Officer and Implementation of Governance

Upon resolution and approval at the Board of Directors meeting in 2022, iST appointed the Accounting Manager from the Finance and Accounting Division, Yu-Sang Lin, as the corporate governance executive officer. Ms. Lin has served as a manager head for a public company for over three years, which makes her qualifications conform with the requirements of laws and regulations. The corporate governance executive officer is mainly responsible for handling matters related to the Board of Directors and shareholders' meetings in accordance with laws and regulations, and matters related to the preparation of minutes of the Board of Directors and shareholders' meetings; assisting the directors in taking office, continuing education, and complying with laws and regulations; and providing the directors with the information required for business execution. The corporate governance executive officer is underpinned by a sufficient number of professional corporate governance personnel to protect the rights and interests of the shareholders as well as enhance the functions of the Board of Directors. Other than that, dedicated personnel are appointed to collect and disclose the information of the Company, implement the spokesperson system, and regularly update the information on iST's website.

In accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," iST has formulated and disclosed the "Corporate Governance Principles" on our website and the Market Observation Post System. We have also established the "Material Internal Information Handling and Prevention of Insider Trading Procedure" to prohibit insiders from trading marketable securities by using undisclosed information in the market. In addition, the directors are not allowed to trade the shares of the Company y during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports. In addition to disseminating relevant laws and regulations to the insider when she takes the office, relevant education and dissemination shall also be provided to the directors of the current term and in-service employees to ensure that all insiders actually know about and comply with the specifications.

The Status of Continuing Education of the Corporate Governance Executive Officer in 2024 is Shown in the Table Below

Title/Name	Continuing Education Institution	Course Name	Hours
CFO/Yu-Sang Lin	Taiwan Corporate Governance Association	Insider Trading Prevention and Response Measures	3
	The Chinese Association of Business and Intangible Assets Valuation	Law and Practice of Corporate Mergers and Acquisitions	4
	Accounting Research and Development Foundation	Strengthening Internal Control and Defense Line Functions and the Operation Mechanism of the Board of Directors, and Analysis of Fraud Cases.	6
	Taiwan Corporate Governance Association	Investment in Changing the World – the Practice of Impact Investing and SDGs.	3

Remuneration of Senior Management Team Linked to Sustainability Performance Indicators

In order to implement sustainable development at iST and strengthen corporate governance, the Company passed an amendment to the "iST Senior Executives Remuneration Policy" in 2024. This amendment clearly links executive remuneration and rewards to sustainable performance indicators, tying compensation to the Company's operating performance, the achievement of key sustainability indicators, and future risks. Specifically, the degree to which key sustainability indicators are met will directly impact senior executives ' annual bonuses, demonstrating a commitment to achieving major sustainable development goals.

The annual remuneration of senior executives is primarily based on the Company's business performance and linked to the key indicators of material issues in the sustainable development, and is adjusted in accordance with the achievement of key sustainability indicators for the year. The key sustainability indicators are clearly defined to ensure specifically reviewing the implementation status of ESG initiatives.

Connection between the Annual Remuneration to the Senior Management Team and the Performance

	Company Business performance	Sustainability performance indicator
Weight	100%	±5 to ±10%
Measurement topic	Operating indicator achievement rate	Key sustainability indicator achievement rate

iST's Key Sustainability Indicators

Corporate Governance
Weight 40%
Value ethical management and corporate governance, implement legal compliance and enhance risk control awareness.

Social Inclusion
Weight 30%
Hire people only based on their talents, strengthen employee retention to enhance organizational identification and employee engagement, thereby fostering an equity, inclusion and friendly workplace while continuously address human rights issues.

Environmental Protection
Weight 30%
Enhance internal climate change awareness, demonstrate a commitment to net-zero through action, comply with environmental protection regulations, and continuously strengthen climate change risk management.

Corporate Governance Evaluation System

The Taipei Exchange (TPEx) and the Taiwan Stock Exchange Corporation (TWSE) jointly commissioned the Securities and Futures Institute (SFI) to conduct the 11th "2024 Corporate Governance Evaluation." The 11th (2024) Corporate Governance Evaluation included 1,749 companies, with 976 TWSE listed companies and 773 TPEx listed companies. Our evaluation result remained in the top 6% to 20% among the TPEx listed companies, which is an outstanding performance, helping foster healthy competition among companies, strengthen corporate governance, and voluntarily shape corporate governance as the Company's organizational culture. In the future, iST will continue to strive for corporate governance goals, including evaluating the executing status of the Board of Directors, maintaining the stakeholders' rights, voluntary disclosure of financial operations, and implementing the Company's core values. We believe that the implementation of corporate governance not only safeguards the interests of investors and other stakeholders but also serves as a necessary method for the Company to practice environmental (E), social (S), and governance (G) responsibilities.

Our evaluation result remained in the
top 6% to 20%
among the TPEx listed companies

Internal Audit and Control System

iST sets up the internal control system in compliance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" established and announced by the Financial Supervisory Commission as well as relevant laws and regulations or public letters. A manager designs and enforces the operating principles after the approval of the Board of Directors to facilitate the robust operation of the Company and ensure the effective implementation of iST's policies and regulations, aiming to achieve the three major goals: operational effectiveness and efficiency, reliable financial reporting and legal compliance.

Internal Audit Organization

The internal audit unit of iST is the Audit Office, which is subordinate to the Board of Directors and shall report directly to it and the Audit Committee. The Audit Office has one dedicated auditor, who serves as the chief internal auditor as well and whose appointment shall be approved by the Audit Committee and the Board of Directors.

Internal Audit Work Procedure

Implementation Status of Internal Audit Plan

In accordance with the requirements of the Financial Supervisory Commission, the internal audit unit must not only inspect the audit items annually, but shall also include some matters related to operating cycles and operational control in the annual audit as per the results of the risk assessment, formulating an annual audit plan. The internal audit unit then performs regular audits in accordance with the annual audit plan approved by the Board of Directors. After the inspection of each operation, an audit report shall be prepared. Where deficiencies are identified, the unit will persist in following up on the results of the improvements to ensure that the inspected unit has taken proper improvement measures. After submission for approval, the deficiencies and improvement results shall be submitted to each independent director for review before the statutory deadline. In addition, the chief internal auditor shall attend the periodical Audit Committee's and the Board of Directors meetings to report on the implementation status of the audit plan. In 2024, iST performed inspections on a total of 30 audit items, and followed up on and inspected deficiencies one by one until improvements were made for all of them.

In addition, based on the "Regulations Governing Establishment of Internal Control Systems by Public Companies," iST and our subsidiaries conduct annual self-assessments for internal control in order to implement the self-monitoring mechanism as well as adjusting the design and implementation of the internal control system promptly in response to changes in the environment. The internal audit unit shall review and approve the self- assessments data of iST's units and subsidiaries and, together with the improvement status of the deficiencies and abnormalities related to internal control identified by it, provide the data to the Board of Directors and the President as a major reference for assessing the effectiveness of the entire internal control system and issuing Internal Control Statement.

Annual Declaration Items for Internal Audits

Before the end of January
- Information of substitute internal auditor
- Hours of continuing education of substitute internal auditor

Before the end of February
- A report on the execution of its previous year's annual audit plan

Before the end of May
- Recordation its correction of any defects and irregularities of the internal control system discovered during the past year's internal auditing

Before the end of December
- Internal audit plan for the next year approval date by the Board
- Internal audit plan for the next year

Declaration Method

Electronic certification and declaration system of the Market Observation Post System

The status of continuing education of the Chief Internal Auditor in 2024 is Shown in the Table Below

Continuing Education Institution	Course Name	Hours
The Institute of Internal Auditors Chinese Taiwan	New Challenges to Internal Auditors – Analysis of Sustainability Information Disclosure and Management Policies and Related Audit Points	6
	How to Use Digital Technology to Explore and Improve Operational Processes and Detect Fraud – a Discussion of Audit Practices.	6

Ethical Management and Legal Compliance

Ethical Management Policy and Commitment

In order to implement ethical management, the Company has established the "Ethical Corporate Management Practice Principles" and the "Ethical Corporate Management Operating Procedures and Guidelines for Ethical Behaviors" in accordance with the "Company Act," "Securities and Exchange Act," and "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies." All employees are required to understand and comply with the code of business ethics, respect and strictly abide by the confidentiality agreement with customers, and handle business behavior and procedure regulations to avoid using their positions to pursue personal and family interests. It is strictly prohibited to disclose customer privacy, and employees are strictly prohibited from accepting gifts or special treatment, and shall jointly support and practice the core values of iST. The Administrative Division is responsible for the primary authority and responsibility for implementing these guidelines, and has established the necessary procedures to ensure its implementation. Any violation of the relevant regulations will be subject to disciplinary action in accordance with the Company's reward and punishment regulations. The implementation status of ethical corporate management for the year is reported and reviewed by the Administrative Division to the Board of Directors, the highest governing unit.

Mechanism of Implementation Ethical Management

As the unit responsible for promoting ethical corporate management, the Administration Division of iST reports the implementation status of ethical corporate management to the Board of Directors once year. The content is as follows:

01 **Promotion and educational training on the ethical policy**

Through regular training and promotion, we enhance employee awareness and practice of integrity management.

02 **Establishment of the inspection mechanism**

To prevent the employees from engaging in unethical or immoral actions, iST has set up the internal control system to monitor and follow up on the daily operations to prevent risks resulting from fraudulent behavior. The Company has also conducted independent audits through the audit unit to ensure the operation of the whole mechanism, further managing and preventing the occurrence of unethical behavior.

03 **Establishment of the whistleblowing system**

The Company has established specific regulations and the whistleblowing system to ensure that the identity of the whistleblower and the reported content are kept confidential. We are also committed to protecting the whistleblower from improper treatment or retaliation resulting from his/her report in the hope of preventing unethical behavior. In order to encourage the internal and external personnel to be the whistleblower of unethical behavior or misconduct, any person who identifies violations of standards of ethical conduct shall make a report directly through the dedicated e-mail address/phone number.

04 **Stakeholder communication channels**

The Company has established a stakeholder section on our official website to provide a channel for the employees, shareholders and relevant stakeholders to communicate on illegal and unethical behavior.

Reporting and Protection

For any misconduct violating business ethics, we encourage all internal employees and external stakeholders to report such misconduct through the Company's whistleblowing channels. The Company accepts anonymous reports and promises to protect whistleblowers from any adverse actions resulting from their reports. The Company has established a reporting channel with the Administrative Division is the main unit for reporting violations of the code of conduct. We provide stakeholders with ESG-related grievance feedback channels through the "Communication Procedure" to make sure the effectiveness of remedial measures. At the same time, we encourage employees to raise opinions related to the Company's business activities through labor–management meetings. The Administrative Division reports the implementation status to the Board of Directors annually. There were no violations of business ethics in 2024, with a total of 0 reported cases and 0 contract terminations due to unethical behavior.

Compliance Management

iST closely monitors changes in global policies and laws and regulations to ensure legal compliance of operating activities and avoid substantial fines resulting from illegal acts.

Prevention of insider trading

The Company has formulated the "Procedures for Handling Material Internal Information and Preventing Insider Trading," which stipulates that insiders are prohibited from trading the Company's shares or other equity securities within the closed period beginning on the date they become aware of the financial report or related performance information. This procedure is also disclosed on the official website to regulate and prohibit insiders from using non-public information for trading purposes.

Trade secrets protection

Annual trade secrets awareness courses are provided, requiring new and current employees to complete a certain number of hours of online learning to strengthen legal compliance.

Fair trade and anti-corruption

The Company has integrated fair trade and anti-corruption provisions into its "Ethical Corporate Management Practice Principles," and ensures that ESG requirements are fully incorporated into both internal and external operations and business activities through promotion and training. This reduces the risk of fair trade violations or corruption cases at the Company's operating locations.

Continuing education and training for directors

Annually plan continuing education hours for directors and provide internal personnel and directors with information on courses related to preventing insider trading.

Implementation of Insider Trading Prevention Measures

Dissemination	Target	Number of Trainees	Number of Sessions	Hours	Total Hours
Regulations Governing the Prevention of Insider Trading and Management of Internal Equity	Directors and insiders	29	1	2	58
Workshop for Insider Equity Trading of TPEx listed and Emerging Stock Companies	Insider	1	1	3	3
Workshop for Insider Equity Trading of TPEx listed and Emerging Stock Companies	Director	1	1	3	3
Insider Trading Prevention and Response Measures	Directors and insiders	8	1	3	24
Training courses for new recruits	New employees	222	1	222	222

Implementation Status of Legal Compliance

In 2024, iST did not incur any fines for violations of corporate governance, anti-corruption, anti-trust laws, or other applicable regulations, and experienced no privacy breaches or infringements. Furthermore, no directors or management team members engaged in insider trading. In the event of a major lawsuit, the Audit Committee will be immediately notified and informed of the relevant handling procedures and response measures.

In addition, the Company highly values environmental protection and employee health and safety, and controls related risks through internal standard operating procedures. We regularly review the regulations to ensure their completeness. In 2024, iST did not incur any fines or property damage resulting from environmental, employee health and safety, or human rights issues.

Training on Ethical Management and Legal Compliance

The Company implements the concept of ethical management through training on employee code of conduct, ethical management, and legal compliance. In addition to providing information on legal compliance on our internal website and disclosing relevant laws and regulations on our official website. We arrange online courses for our employees to learn. In 2024, 100% of our employees completed the ethical management and legal compliance courses, and 100% of new hires signed employment agreements including a "Code of Conduct."

Training course content

The training course includes the Privacy Act, Intellectual Property Rights, Trade Secrets Act, and Copyright Act. New employees are required to take this course, which is a mandatory annual retraining requirement for all employees, and must pass a test.

Director training

Directors receive training based on the key points of the current year's business strategy to ensure the implementation of ethical management practices.

Training on Codes of Ethical Conduct

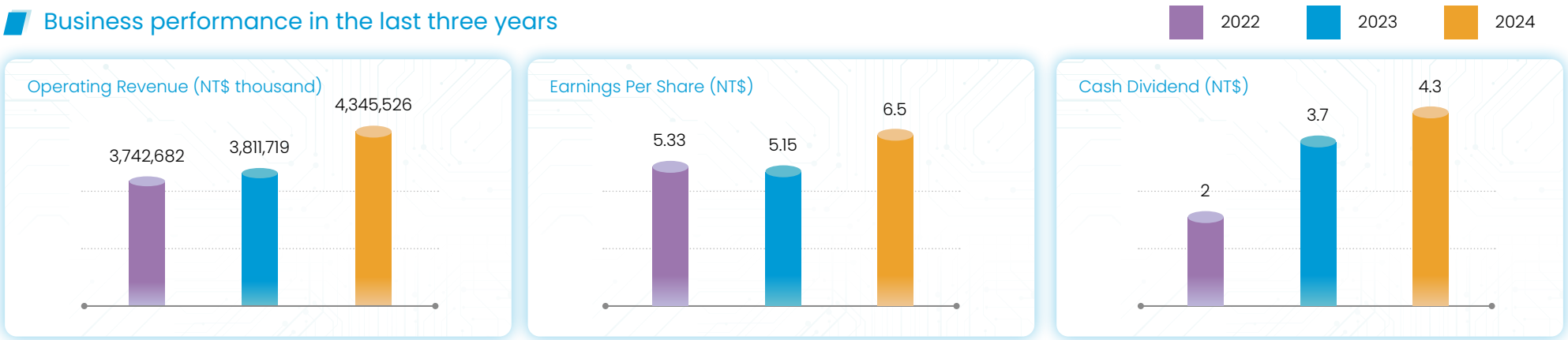
Type	Year	Employee		Management		Director		Total		Hours
		Sessions	Participants	Sessions	Participants	Sessions	Participants	Sessions	Participants	
Employee Code of Conduct	2022	67	228	4	4	0	0	71	232	348
	2023	63	227	9	9	0	0	72	236	472
	2024	86	215	11	7	0	0	97	222	444
Training on ethical management and legal compliance	2022	243	1,892	31	312	8	20	282	2,224	2,306
	2023	287	6,001	33	1,131	7	21	327	7,153	4,653
	2024	196	11,573	43	2,221	11	26	250	13,820	9,515
Total	2022	354	6,229	37	1,135	7	21	398	7,385	5,001
	2023	208	9,772	41	1,847	9	23	258	11,642	8,211
	2024	282	11,788	54	2,228	11	26	347	14,042	9,959

Through systematic training and assessment mechanisms, employees continuously enhance their professional ethics awareness and legal compliance capabilities, ensuring that the Company's operations adhere to legal and ethical standards and laying a solid foundation for the sustainable development of the Company.

Financial Performance

With the concerted efforts of all employees and the support of our customers, iST has achieved remarkable consolidated revenue and profit performance over the past three years. In 2024, consolidated revenue reached a new high of NT$4,345,526,000, with earnings per share of NT$6.5. iST is committed to protecting shareholder rights and interests and returns value to shareholders through a stable dividend policy. In 2024, the Board of Directors approved a dividend distribution of NT$4.3 per share, representing a payout ratio of 66.15%. Please refer to the Company's 2024 financial statements and the Company's website for details regarding the allocation and retention of economic value.

Business performance in the last three years



Financial Risks

iST's routine work is affected by multiple financial risks, including market risk (exchange rate risk and interest rate risk), credit risk, and liquidity risk. The countermeasures of the aforementioned risks are as follow:

Countermeasures of Financial Risks

Exchange Rate Risk

- Adopt the natural hedge strategy and offset receivables and payables by foreign currencies
- The designated personnel collects the information of exchange rate change at any time to instantly take response measures

Interest Rate Risk

- The designated personnel collects the information of interest rate change at any time to instantly take response measures
- Adjust the financial planning of following interest rate trends to mitigate the impact of interest rates on the operation

Credit Risk

- Establish the regulation for credit granting management
- Regularly review the content of accounts receivable and the status of collections

Liquidity Risk

- Analyze cash planning of for long-term liabilities that have not yet to mature
- Maintain good relationships with financial institutions and develop capital channels to ensure a secure capital source and reduce the risk of liquidity shortage

Tax Governance

iST is committed to information transparency and believes that honest tax payment contributes to economic growth and sustainable corporate development. We have established tax management guidelines and strictly comply with relevant regulations to ensure effective implementation. Our goal is to continuously create long-term corporate value and fully protect the rights and interests of shareholders and investors. The Finance and Accounting Division is the body responsible for tax-related matters. It obtains the appropriate authorization when processing tax filings. At the same time, to ensure the effective operation of the tax management mechanisms, we continuously invest in talent development and enhance tax expertise. We also engage external tax consulting institutions to handle relevant tax matters, ensuring accurate compliance with tax regulations and reporting obligations. The Company's income tax expenses are primarily derived from Taiwan, accounting for 99% of the total. Our cash effective tax rate is close to Taiwan's current corporate income tax rate of 20%. In 2024, the consolidated income tax expense was NT$54,761,000, with an effective tax rate of approximately 10.20%.

Governance Principles

- The Company complies with all tax laws and regulations and the spirit of relevant tax legislation in the jurisdictions where it operates, and fulfills its tax obligations by filing and paying taxes on time.
- Transactions between affiliated companies are conducted in accordance with the principles of regular transactions and the internationally recognized transfer pricing standards published by the Organization for Economic Co-operation and Development (OECD).
- The transparency of financial reporting information and tax disclosures are handled in accordance with relevant regulations and standards.
- Tax avoidance is not the purpose of the Company's business operations, and the Company does not engage in tax avoidance or tax planning.
- Based on the principles of mutual trust and respect, the Company maintains good communication and discussions with tax authorities in a timely manner.
- We will continue to stay informed of the latest developments in relevant national laws and regulations, enhance our tax expertise, and mitigate future tax risks.

Sustainable Development Time Deposit

In response to international sustainability trends, iST entered into a Sustainable Development Time Deposit with Mega International Commercial Bank in 2024, with a deposit term of at least three months. The Funds will be loaned by the bank to other enterprises for use in eligible green financing projects, further demonstrating iST's commitment to sustainable development.

Information Security Management

Information Security Risk Management

Creating customer value is one of iST's sustainable development strategies. As a professional technical service provider, iST knows well that the provision of accurate and precise data can accelerate the customer's progress in R&D. Considering that relevant analytical data is the customer's property and brainchild, the data must be kept in good custody. In this regard, iST has created an information security obligation compliance culture through the ISO/IEC 27001 information security management system, further ensuring that our professional services can increase customer value.

Information security and management structure

To ensure the security of iST's and the customers' information assets, the Company has set up a Security Governance Committee to integrate internal resources and perform information security risk assessment as well as developing annual information security plans and inspection standards. We also coordinate relevant resources and activities across units to implement various information security controls, annual education and training on information security for employees, and information security audits. The Security Governance Committee hold meetings biannually to review and resolve on information security and protection guidelines and policies in order to realize the effectiveness of the information security management measures.

iST establishes various information security measures through three operating policies – "Establishing a dedicated information security organization," "Obtaining support from senior management," "Implementing all-staff participation," and in compliance with relevant requirements of ISO/IEC 27001 information Safety management system, such as information security policies, management procedures, and operating standards, in order to safeguard the security and interests of iST and its customers' information assets.

Communication of information security message and implementation of information security training

To enhance iST information security defense capability, in addition to taking precautions through security tools and management measures, it is also essential to foster and elevate the personnel's awareness of information security. Therefore, iST enhances the personnel's awareness of information security and overall security resilience through "Establishing Multifaceted Information Security Message Communication" and "Implementing Information Security Educational Training."

Dedicated information security organization

Establish a "Security Governance Committee" under jurisdiction of:

- Convener: Ensure that information security policies and goals are established and aligned with the strategic direction of the organization to drive continuous improvement.
- Executive secretary: Assisting the convener to operate information security related procedures and improvements.
- Information security implementation team: Responsible for planning of and implementing various information security operations.
- Emergency response team: Responsible for the handling of information security incidents.
- Information security audit team: Responsible for evaluating the implementation of the information security management system.
- Document management center: Responsible for tasks such as document issuance and related operations.

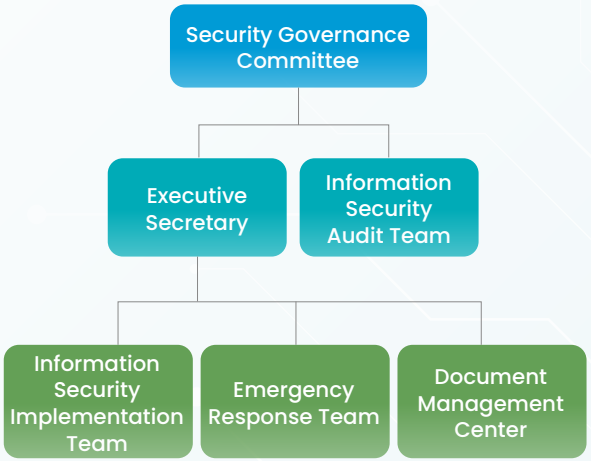
Support from senior management

The Chief Information Security Officer is the convener of the meeting of security control committee, with Heads of Divisions as ex officio members. A meeting is held at least every half year to review internal and external information security issues, and resolve on measures and policies of information security.

Implementation of all-staff participation

Through a variety of educational training and drills, we have implemented and enhanced the information security awareness of all employees.

Governance Committee Organizational Structure



Establishing multifaceted information security message communication

- Post information security management slogans in the security control areas and laboratory entrances, sending e-newsletters in accordance with current events or information security measures.

Implementing information security educational training

- All newcomers must pass the information security educational training on their first day.
- All employees are required to undergo annual information security related retraining courses.
- Personnel who work in the security control areas must pass specific security control area information security educational training, and are also required to undergo annual retraining courses.
- Encourage security personnel to obtain certifications or participate in external security training to enhance their awareness and technical capabilities in information security.

Establishing information security operations management

iST sets corresponding operational goals for the following aspects based on ISO/IEC 27001 information security management system, relevant laws and regulations, and the operational requirements of listed companies, as well as customer audit feedback, in order to continuously improve information security operation management

Network Security Control

Target

Internet Security and Access Control

Border Network Security

Internal Network Security

- Strengthening anti-virus and anti-hacking measures and expanding the scope of MDR implementation.
- Strictly controlling network connections, prohibiting access to entertainment, high-risk, and low-credit-rated websites. We also strengthen the prohibition on downloading files and require prior approval for the use of customer file transfer systems or services.
- Continuing to implement the application and review procedures for system configuration changes.
- Monitoring network traffic and activities to ensure early detection of abnormal behavior.
- Continuing patching and verifying outbound firewalls twice, with 18.5 days needed for each patch on average.
- Continuing to improve the website's information security rating to meet customer requirements.
- Equipping micro-molecular firewalls for servers to enhance information security protection.

Information Asset Management

Target

Asset Management and Control

Application Security

- Continuing to implement account access management, prohibit the use of private devices, and protect emails.
- Continuing to improve system development and online process management, and perform host vulnerability scans and corrections.

Access Control Security

Target

Data Management and Storage Control

Account/Network Access Control

- Conducting an inventory of important assets and implementing data classification management, encrypting files with document encryption software, and controlling data access through an application review process.
- When information is categorized and managed, two-factor authentication is required for remote access to highly privileged accounts.

Physical and Environmental Security

Target

Physical Security Protection

Sample Security Management

- Storing security samples in a warehouse with access control and monitoring.
- Use of GPS management systems in vehicles transporting safety samples to track sample dynamics and routes in real-time.
- Continuing to optimize the electronic records for sample collection and delivery and cross-department and plant transfers, to facilitate sample tracking.
- Through regular internal audits, ensuring operations within the security control area and compliance of the cloud environment with information security requirements.

Information Security Management and Educational Training for Personnel

Target

Information Security Awareness among Employees

Professional Training for Information Security Teams

- 1,236 employees (including new hires) completed the annual information security education and training course.
- 1,006 employees completed the social engineering education and training course and participated in a company-wide social engineering drill.
- 2,050 people completed the corporate information security awareness training held twice a year.
- 18 information security electronic newsletters were issued.
- 871 people completed the annual information security education and training in the security control area.
- 376 people completed the annual cloud information security education and training.
- 32.78 hours, on average, of professional information security education and training were completed by information security team members.
- 0% of employees were punished for non-compliance with information security regulations.
- In the internal employee information security survey, employees scored above 4.5 points for "understanding of company information security policies and operational requirements," "recognition of the importance of information security," "completeness of information security protection," and "acceptance of information security protection measures."

Implementation result of information security measures

The Addition of Information Security Management System Related Standards in Recent Years is Summarized in the Table Below

New or revised information security standards	2024	2023	2022	2021
	8 pieces	7 pieces	17 pieces	19 pieces

The Compilation of Education Training and Promotions in Recent Years is Presented in the Table Below

Course Name	2024	2023	2022	2021
Information security education training course	231 persons	245 persons	299 persons	174 persons
Annual information security education training (retraining)	1,005 persons	897 persons	826 persons	763 persons
Release of information security e-newsletters	18 pieces	18 pieces	10 pieces	26 pieces
Social Engineering training	1,006 persons	917 persons	834 persons	192 people Note 1
Corporate Information security advocacy course	2,050 persons	2,802 persons	2,542 persons	No Note 2
Information security education training in control areas	871 persons	324 persons	296 persons	162 persons
Cloud operation education training	376 persons	266 persons	163 persons	No Note 3
Information security personnel professional education training Note 4	32.78 hours	10.16 hours	5.6 hours	3.04 hours

Note 1: In 2021, not all employees were required to undergo training courses. Through drills, a total of 192 individuals were captured and required to undergo education training.
Note 2: There were no these training courses in that year. The release was conducted in the form of information security e-newsletter.
Note 3: These were not activated in that year.
Note 4: Calculated on average per person basis.

The Compilation of Violations of Information Security Regulations in Recent Years is Presented in the Table Below

Employees penalized for violating information security regulations	2024	2023	2022	2021
	0 persons	0 persons	0 persons	0 persons

Audit

Completed and passed on-site audits from 2 clients and information security questionnaire surveys from 10 clients.

Internal Questionnaire Survey

50% of the executives and 45% of the employees completed the 5-point scale questionnaire, for a total of 474 responses.

Understanding of company information security policies and operational requirements	Recognition of the importance of information security	Completeness of information security protection	Acceptance of information security protection measures
4.6	4.8	4.5	4.5

Scoring: 5 points: Very high understanding/completeness/Acceptance; 1 point: Very low understanding/completeness/Acceptance

Through rigorous information security control measures mentioned above, there were no complaints in 2024 related to the violation of customer privacy and loss of customer data.

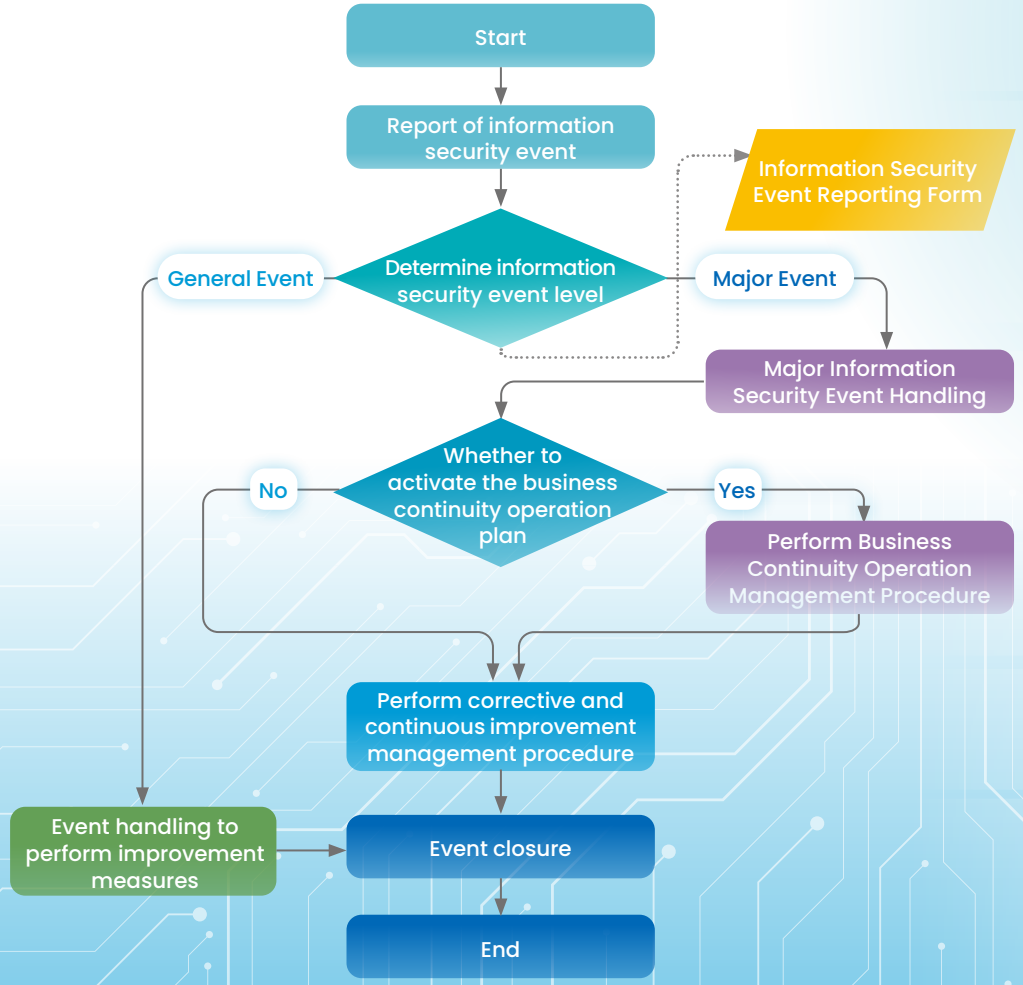
Information Security Incident Reporting Mechanism

To ensure that the Company can promptly report information security incidents according to established procedures, take necessary response measures and establish an incident learning mechanism to reduce damage caused by incidents. The Company has established an information security incident reporting and response procedure. All iST's employees shall report information security incidents occurring during business processes, or any potential information security risks, through the designated information security reporting channel. The information security team shall then assess the incident level and implement the appropriate follow-up procedures.

The Company conducted two information security drills in 2024

Topic	Month	Participant
Simulating earthquakes caused a UPS malfunction, resulting in network service disruption.	2024/06	IT and factory affair personnel
Simulating a DDoS attack on the official website.	2024/06	IT and maintenance service provider

Information Security Incident Reporting Mechanism



Division of Responsibility

All personnel

- Discover information security event

- Report of information security event
- Assess the level of information security event, and fill out the "Information Security Event Reporting Form".

Information Security Task Force

- Perform information security event evidence collection and determine whether to activate the business continuity operation plan.
- Refer to "Business Continuity Operation Management Procedure", and activate the business continuity operation management procedure.
- Perform Correction and Continuous Improvement Management Procedure in order to execute the event resolution or improvement measures.
- Event closure. Relevant legal liability shall be sought if necessary.

Investor Service Overview

Information disclosure is one of the most important aspects of iST's investor services. In addition to announcements and material information that are uploaded promptly to the Market Observation Post System (MOPS), the Company's website features a dedicated investor section, categorized into three main areas: Financials, Corporate Governance, and Shareholder Services. Relevant contents are summarized as follows:

Financials

Monthly revenues, quarterly financial report, and annual reports

Corporate governance

Organizational Structure of Company, Board and management team, Committee, and Corporate Governance Operations (including the Company's important management systems, introduction of the corporate governance officer, internal audit organization and operations, implementation of insider trading prevention measures, promotion of sustainable development initiatives, and implementation of ethical management policies)

Shareholder service

Shareholders' meetings (including meeting notices, meeting agendas, meeting minutes, and shareholders' meeting videos), Shareholder Structure, Dividend Information, Investor Meetings, and Investor News.

The company website also provides information in English, enabling both domestic and international shareholders and investors to stay informed about the company's operations. For more information, please visit iST website.

CH2
Environmental Sustainability Force

The intensity of greenhouse gas emissions was reduced by

14.17%

The intensity of power consumption was reduced by

7.21%

Completed renewable energy installations, scheduled for operation in 2025

Climate Action 46

Energy management 53

Water Resource Management 55

Waste Management 57

Environmental Sustainability Force

	Metric [Note 1]	2024 Goals	2024 Result		2025 Goals	Medium-Term and Long-Term Goals
Energy management	Reduction of power consumption	The intensity of power consumption was reduced by 2%	The intensity of power consumption was reduced by 7.21%	✓	The intensity of power consumption was reduced by 5%	The Company passes ISO 50001 Energy Management System certification in 2030
Greenhouse gas emissions	Reduction of greenhouse gas emissions	The intensity of greenhouse gas emissions was reduced by 5%	The intensity of greenhouse gas emissions was reduced by 14.17%	✓	The intensity of greenhouse gas emissions was reduced by 8%	The intensity of greenhouse gas emissions was reduced by more than 10% in 2027
Water resource management	Reduction of water consumption	The water consumption intensity was reduced by 6%	The water consumption intensity was reduced by 0.76% [Note 2]	✗	The water consumption intensity was reduced by 1% [Note 3]	The water consumption intensity was reduced by 3% or more in 2027 [Note 4.]
Waste management	Reduction of the waste	The waste intensity was reduced by 4%	The waste intensity was reduced by 5.68%	✓	The waste intensity was reduced by 4%	The waste intensity was reduced by more than 5% in 2027

✓ Achieved ✗ Not achieved

Note 1: The base year for electricity consumption, greenhouse gas emissions, water consumption, and waste volume is 2022.
Note 2-4: The water consumption intensity does not reach the target. Please see the water resource management section for details.

Climate Action

Climate-related Financial Disclosure (TCFD) and Governance

The Company pays attention to climate risks and refers to the relevant provisions of the "Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" published by the Financial Stability Board (FSB) in June 2017. The Company should identify the transition and physical risks of climate change in accordance with the TCFD framework, conduct financial impact assessments for high-risk factors, and incorporate climate change risks into its existing risk management framework to facilitate long-term tracking and ensure effective governance of climate issues.

The Company adopts the ESG sustainability organizational structure as the climate governance framework, and enhances climate risk and opportunity management through mechanisms such as identifying climate-related risks and opportunities and setting carbon reduction targets, continuously responding to the concerns and expectations of the government and other stakeholders regarding the Company's climate governance. The ESG Committee reports the governance performance of climate issues to the Board of Directors, with the Board of Directors overseeing, deciding on, and managing climate-related issues. The responsibilities of the iST's climate governance organization are as follows, with the climate change response and green sustainability management group serving as the dedicated unit for promoting TCFD.

iST Management Strategy and Action

Governance

Board of Directors

The Board of Directors serves as the highest climate governance decision-making body of the company. It oversees the company's performance and progress toward goals related to climate issues, and conducts annual reviews of its sustainable governance performance. The review includes the current status of governance and progress toward the goals related to climate issues. In 2024, we reviewed the annual energy conservation, carbon reduction, and water conservation targets related to the Company's climate initiatives. At the same time, we consider climate-related issues when reviewing the Company's important capital expenditures, annual budgets, and business plans.

ESG Steering Committee

An ESG Steering Committee is established under the Board of Directors as the highest-level guiding body for implementing sustainability initiatives and making decisions regarding ESG activities and policies. The committee reviews and approves the sustainability report, is composed of directors, and reports annually to the Board of Directors on the management performance of climate-related risks and opportunities. The Risk Governance Team is responsible for collecting and compiling domestic and international climate issue trends, and for regularly formulating the Company's overall climate risk and opportunity management policies and response strategies, ensuring the Company's climate governance direction and implementation are appropriate. In 2024, the annual results of climate initiatives and the net-zero emissions action plan were reported to the Board of Directors.

ESG Committee

The ESG Committee is established under the ESG Steering Committee and chaired by the Chairman. The heads of the departments act as the committee members. The Committee integrates ESG strategies and resources across departments, with the convener leading the ESG Secretariat to coordinate and promote ESG policies and activities. The ESG Committee reports to the ESG Committee and the Board of Directors on a regular basis regarding material ESG issues of concern to stakeholders, along with their implementation results. Regular meetings are held to review ESG goals and the progress of related activities, ensuring effective implementation of the sustainability policies.

Environmental Safety and Health Subcommittee

Responsible for identifying and assessing climate-related risks and opportunities, and regularly compiling and analyzing climate-related indicators and targets, such as energy resource usage and carbon emissions, to assist in adjusting and formulating climate governance strategies. In 2024 year, the Subcommittee reported sustainability performance, including responses to climate risks and opportunities, to the ESG Committee and discloses it to stakeholders through appropriate channels.

Strategy

- According to the iST's climate change risk and opportunity assessment methodology, short term is defined as within 3 years, mid-term is within 6 years, long-term is within 10 years, and beyond 10 years is also considered long-term.
- iST's sustainable policy of "forming the low-carbon values to move toward the net-zero goal gradually" is adopted as the guiding principle.
- The Company assesses the impact of climate change risks and opportunities on iST's operations based on the TCFD framework.
- Climate risk analysis is conducted based on different scenarios, including the transition scenarios of AR6 SSP1-1.9 (temperature rise of 1.2°C to 1.7°C in 2040) and AR6 SSP5-8.5 (temperature rise of 1.3°C to 1.9°C in 2040) as outlined by the Intergovernmental Panel on Climate Change (IPCC).

Risk management

- The Company analyzes the risks and opportunities arising from policies, laws and regulations, market dynamics, technology, goodwill, and physical risks potentially resulting from climate change.
- The subcommittees under the ESG Committee conduct risk management and implement response measures for climate factors identified as high priority. The overall assessment results and related measures are reported to the ESG Committee.
- The Company checks the changes in policies, laws, technology, markets, and goodwill annually regarding transition risks and opportunities; reviews the assessment results of physical risks, transition risks, and opportunities every three to five years, coinciding with updates to the IPCC climate scenarios and the Taiwan Climate Change Projection and Information Platform (TCCIP); and implements rolling revisions.

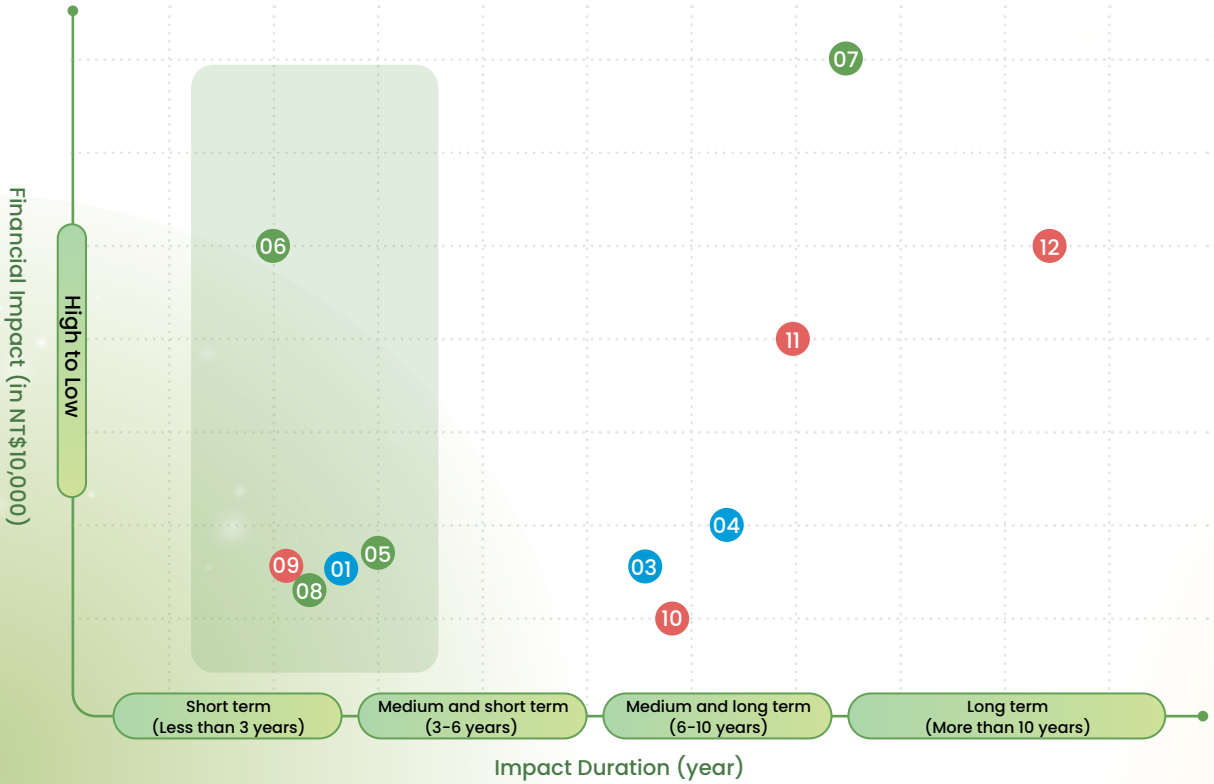
Metrics and goals

- iST has established assessment and management indicators for climate-related risks and opportunities, including water consumption, energy usage, and greenhouse gas emissions.
- The information on the relevant emissions has been checked in accordance with the Greenhouse Gas Protocol and ISO 14064-1 standard, and third-party verification has been commissioned.

Climate risk and opportunity identification process

The Company further narrowed down the climate risk and opportunity factors identified by the ESG Steering Committee into 12 factors based on their risk characteristics and impact on the industry, supply chain and R&D related functions of the Company. These factors are then compared and reviewed against the materiality and benchmark company results identified by internal experts to make sure the impact on climate governance and make adjustments in materiality. Based on the identification results, 5 items are distributed over the short term to medium term, 5 items are distributed over the medium term and long term, and 2 items are distributed over the long term. Their distribution locations are detailed in the climate risk matrix below.

Climate Risk and Opportunity Matrix



- 01 Use of new energy technologies
- 02 Development of low-carbon products and services
- 03 Improvement of operational efficiency
- 04 Use of low-carbon energy
- 05 Total greenhouse gas emissions control
- 06 Electricity price increase
- 07 Market demand for transformation toward low-energy consumption/ low-carbon emission services
- 08 Stakeholders are more concerned about iST's climate resilience
- 09 Increased frequency of strong typhoons
- 10 Extreme climate leads to rising supply chain transportation costs.
- 11 Flood/drought
- 12 Temperature rise

iST's Climate Risk and Opportunity Factors

In response to climate issues, we conducted a resilience analysis in consideration of the risks we are facing and our risk tolerance to develop a list of 12 climate risk and opportunity factors as follows. After considering the urgency of the impact and those on the finance, we launch a risk management plan for one opportunity and four risk issues (marked with * in the following table):

Item No.	iST Risk/Opportunity Factor	Type	Urgency of Impact	Financial Impact (Investment/Financial Loss) Note 1
TR1	Total greenhouse gas emissions control*	Transitional risk regulatory policy	Medium term and short term	Moderate
TR2	Electricity price increase*		Short term	High
TR3	Market demand for transformation toward low-energy consumption/low-carbon emission services	Transitional risk technology	Long term	High
TR4	Stakeholders are more concerned about iST's climate resilience*	Transitional risk goodwill	Short term	Moderate-Low
PR1	Increased frequency of strong typhoons*	Physical risk impact of extreme climate	Short term	Moderate-Low
PR2	Extreme climate leads to rising supply chain transportation costs		Medium term and long term	Moderate-Low
PR3	Flood/drought		Medium term and long term	Mid high
PR4	Temperature rise		Long term	High
OP1	Use of new energy technologies*	Opportunity technology-based	Medium term and short term	Moderate-Low
OP2	Development of low-carbon products and services	Opportunity service-based	Medium term and long term	Moderate
OP3	Improvement of operational efficiency	Opportunity resource efficiency	Medium term and long term	Moderate-Low
OP4	Use of low-carbon energy	Opportunity energy source based	Medium term and long term	Moderate

Note: Transitional risk: Financial risk arising from the failure to align business transformation initiatives with policy, legal requirements, and customer expectations, affecting iST's investment and profitability. Physical risk: Risks of flooding/droughts caused by severe weather.

Note 1: Financial impact: High: NT$40 million or above, Moderate-High: NT$25.01 – NT$40 million, Moderate: NT$15.01 – NT$25 million, Moderate-Low: NT$5.01 – NT$15 million, Low: NT$5 million or below.

Climate risk simulation scenarios

Transitional risk Market Demand for Low-Energy Consumption/ Low-Carbon Emission Services

Corresponding Climate Scenario

Implementation of GHG reduction leads to control of the warming scenario. IPCC AR6 SSP1-1.9 (temperature rise of 1.2–1.7°C by 2040)

Impact on iST

Failure to meet the low-carbon requirements of international customers/ markets, resulting in potential loss of international business

Financial Impact

- Remote experiment/digital simulation platform leads to cost increase.
- Annual loss of cases by 40%, with an estimated operating loss of approximately NT$1.5 billion per year

Countermeasure

- Develop low-carbon material/component testing solutions (heat conductivity, durability, recycling rate, etc.)
- Establish a remote experiment/digital simulation platform to reduce energy consumption during on-site testing

Note: Calculated based on the 2024 currency value, revenuer (NT$3.8 billion) and operating cost.

Physical risk Rising Temperature

Corresponding Climate Scenario

Poor emission reduction results lead to a loss of control over warming IPCC AR6 SSP5-8.5 (temperature rise of 1.3°C to 1.9°C by 2040)

Impact on iST

The peak of power consumption is restricted, the risk of power outages is increasing, process testing is interrupted, and sample delivery is delayed

Financial Impact

- Investment in energy storage systems leads to increased costs.
- resulting in a loss of revenue (NT$10 million/day)

Countermeasure

Introduce energy storage systems, solar power generation, and backup power facilities; strengthen operational resilience and multi-plant collaboration

Note: Calculated based on the 2024 currency value, revenuer (NT$3.8 billion) and operating cost.

iST follows a structured approach to identifying climate-related risks. The following section elaborates on climate factors identified as high-priority, their potential risk implications and financial impact areas for iST, as well as the corresponding response measures adopted by the company:

Financial impacts and risk mitigation measures

Transitional Risk

Category	Risk	Description	Financial Impact	Countermeasure
Policies and regulations	• Total greenhouse gas emissions control	As the government lowers the carbon fee threshold each year, the Company's continued growth may be affected by the rising operating costs due to payment of carbon fees/taxes	Increased expenses	• Promote GHG reduction and reduce GHG emissions • Build solar power generation facilities • Long-term assessment of purchasing green power/green power certificates
Policies and regulations	• Electricity price increase	Electricity is the main energy source of the Company. The government's electricity price hike will lead to higher operating costs	Increased expenses	• Continue to implement energy-saving programs to reduce electricity intensity. • Implement ISO 50001 certification and continuously optimize energy efficiency through systematic methods
Technology	• Market demand for transformation toward • Servers of low-energy consumption/low-carbon emissions	Customers require that the analysis service have low energy consumption and low carbon emissions, urging iST to develop low-energy or low-carbon analysis technologies	Increased expenses	• Develop low-energy, low-carbon emission analysis and detection technologies
Goodwill	• Stakeholders are more concerned about iST's climate resilience	Stakeholders (customers, investors, etc.) are more concerned about iST's climate actions related to GHG inventories and climate issues	Increased expenses	• Strengthen internal communication and capabilities related to sustainability, such as sustainability-related education and training • Continue to obtain third-party verification statements for greenhouse gas emissions to enhance credibility • Continue to communicate with stakeholders and disclose relevant climate actions through the ESG website and sustainability report

Physical risk

Category	Risk	Description	Financial Impact	Countermeasure
Immediacy	• Increased frequency of strong typhoons	• The intensity and frequency of natural disasters, such as typhoons and storms, are increasing, leading to inability of employees to work and delay in customer orders • Typhoon causes power outages, affecting the analysis service schedule • Buildings are damaged by strong typhoons.	Increased expenses Decrease in operating revenue	• Formulate emergency response measures for power outages • Introduce UPS systems for important equipment • Increase investment in renewable energy to improve power independence • Increase dispatching capacity across factories in different regions to ensure production capacity
	• Extreme climate leads to rising supply chain transportation costs.	• Extreme weather leads to increased transportation costs, resulting in increased transportation scheduling costs for suppliers	Increased expenses	• Conduct supplier risk assessments to avoid or reduce procurement from high-risk areas • Develop secondary suppliers to reduce single-source procurement risk • Increase the proportion of local procurement year by year
Long term	• Flood/drought	• The flooding caused by the water disaster results in flooding of the plant facilities due to insufficient drainage • Droughts lead to insufficient water supply, reducing equipment operation time and increasing the risk of downtime • The reduction in water allocation affects the scheduling of testing and analysis services	Increased expenses Decrease in operating revenue	• Formulate contingency measures for water restriction/suspension • Set up water storage facilities in the plant • Assess potential risks of flooding and drought for each plant, formulate relevant risk mitigation measures, and promote their implementation
	• Temperature rise	• Increased electricity consumption and carbon emissions due to global warming lead to increased operating costs • Increased electricity consumption due to rising temperature leads to power rationing	Increased expenses	• Continue to implement energy-saving programs to reduce electricity intensity • Gradually increase the proportion of renewable energy in overall electricity consumption

Financial impacts of opportunities and countermeasures

Category	Climate-related Opportunity	Description	Financial Impact	Countermeasure
Technology-based	Use of new energy technologies	• Promote energy-saving measures in the plant to reduce electricity consumption and operating costs	Lower expenses	• Introduce new variable-frequency factory equipment • Replace traditional lamps with LED lights
Service-based	Develop low-carbon products and services	• Change assembly processes in response to customer demand for energy-saving features	Increase in operating revenue	• Assist customers in testing and verification of low-energy consumption components
Resource efficiency based	Improvement of operational efficiency	• Utilize public sector resources, such as energy-saving subsidies and low-carbon technology subsidies from the Ministry of Economic Affairs, to accelerate energy-saving transformation • Introduce the ISO 50001 energy management system to improve energy efficiency and reduce operating energy consumption	Lower expenses	• Apply for energy-saving subsidies to lower equipment installation costs • Obtain low-interest loans through green loaning or ESG financing to support energy-saving investments
Energy source based	Use of low-carbon energy	• Install solar power equipment to reduce demand for traditional electricity and lower the risk of future price increases	Lower expenses	• Install solar power generation systems to prioritize the rooftops and idle spaces of the plants

Expected targets and indicators to be achieved by implementing strategic measures

Climate Commitment

Forming the low-carbon values to move toward the net-zero goal with the gradually

Short term (1–3 years)

- Continue to improve energy efficiency, select renewable or alternative energy sources, and replace less efficient equipment with energy-saving measures to achieve a 5% reduction in electricity intensity.
- Continue to communicate with stakeholders on sustainability-related environmental issues to ensure the Company's reputation is not affected.
- Introduce the ISO 50001 energy management system to improve energy efficiency.

Medium term (3–10 years)

- When applying for major capital expenditure for facilities/equipment, include the equipment's energy consumption in the technical assessment.
- Develop low-energy consumption/low-carbon emission analysis service technology.

Long term (Over 10 years)

- Gradually increase the proportion of renewable energy to ensure energy independence.
- Through supplier tiering management, key suppliers with high relevance and significant emissions are required to conduct ISO 14064-1 inventories and implement emission reduction measures.
- Adopt energy-saving measures that meet the voluntary carbon reduction methodology of the Ministry of Environment to apply for carbon credits and align with the national policy of achieving net-zero emissions by 2050.

Environmental Governance

We uphold the essence of corporate sustainability and take “energy saving and carbon reduction,” “environmental protection” and “green production” as part of our belief in sustainable operations. We are committed to observing relevant environmental protection and energy regulations as well as the requirements of the customers, and will continue to make improvements and prevent pollution in line with the environmental protection policy of the government. To fulfill our commitment to environmental sustainability, iST has passed the certifications of the ISO 45001 Occupational Safety and Health System and the ISO 14001 Environmental Management System since 2019. We continuously conserve resources, prevent pollution, and promote environmental sustainability through the ISO 14001 Environmental Management System.

We have been dedicated to solving the environmental pollution problems related to wastewater and waste for a long time. To implement the environmental policy of “efficient use of resources, prevention of pollution and continuous improvement”, we have not only ensured compliance with environmental protection regulations, but also continued to promote greenhouse gas inventories and reduction efforts in recent years. Looking ahead, we will further strengthen our data analysis capabilities to accurately identify carbon emission sources across all business operations and gradually achieve emission reduction goals.

Greenhouse Gas Management

Facing the challenge brought about by global climate change, we know very well that companies must reduce the GHG emissions generated from the operating process and thus mitigate the negative impact on the climate. In 2022, we were dedicated to promoting the awareness of green production and low carbon to facilitate premium ecological environment, fulfill our corporate social responsibilities, and put the corporate philosophy of sustainable operations into practice.

The Company established a greenhouse gas inventory management process in accordance with ISO 14064-1 and the greenhouse gas verification guidelines of the Ministry of Environment in 2021. In the same year, we conducted a self-inspection of greenhouse gas emissions at the Hsinchu Plant I. In 2022, the scope of the self-inspection was expanded to cover the entire plant. In 2023, the inventory results were verified by a third-party verification company, ensuring a complete understanding of the current greenhouse gas usage.

The GHG inventory of the Company is conducted with operational control as the boundary of the inventory organization. The plants participating in the inventory in 2024 are Hsinchu Plant I, Hsinchu Plant II, Puding Plant, Dean Plant, Taiyuan Plant, Changyi Plant, Neihu Plant, and Zhongxing Plant. The types of the greenhouse gases are CO2, CH4, N2O, HFCs, PFCs, and SF6. No factory produces ozone-depleting substances (ODS). The total greenhouse gas emissions include: Scope 1 (Category 1) direct greenhouse gas emissions, totaling 1,553.41 tCO2e (6.85%), primarily from equipment refrigerants and company vehicles. Scope 2 (Category 2) energy-related indirect greenhouse gas emissions, totaling 21,114.45 tCO2e (93.09%), primarily from use of purchased electricity. Category 4 other indirect greenhouse gas emissions, totaling 14.74 tCO2e (0.06%), primarily from waste disposal and transportation. Therefore, the Company’s greenhouse gas reduction strategy focuses on increasing power efficiency and reducing power consumption. The greenhouse gas emissions in 2024 increased slightly by 16.23 tCO2e compared to 2023, but the overall operating revenue increased by 18.38%, and the greenhouse gas emission intensity decreased by 14.17% compared to the base year 2022, achieving the goal of reducing greenhouse gas emission intensity by 5%. In 2024, six energy-saving programs were implemented, saving a total of 1,770.234 MWh of electricity (based on self-estimation), which is equivalent to a reduction of 874.5 metric tons of carbon dioxide equivalent.

2024 GHG Emissions Table

GHG (unit: tCO_2e)	Hsinchu Plant I	Hsinchu Plant II	Puding Plant	Dean Plant	Taiyuan Plant	Changyi Plant	Neihu Plant	Zhongxing Plant	Total
Scope 1 (Category 1)	1,276.45	0.575	42.505	233.880	0	0	0	0	1,553.41
Scope 2 (Category 2)	11,417.87	2,024.87	2,453.76	2,197.15	362.97	2,296.18	54.82	306.83	21,114.45
Scope 3 (Category 4)	10.42	1.25	1.41	1.65	0	0	0	0	14.74
Total	12,704.75	2,026.69	2,497.68	2,432.68	362.97	2,296.18	54.82	306.83	22,682.60

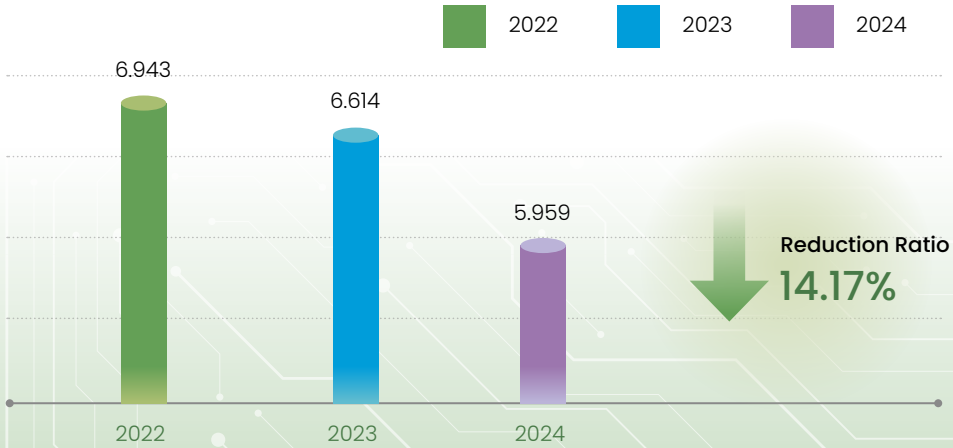
Note: GWP uses IPCC (AR6)
Category 4 is for calculating waste treatment and transportation

GHG Emission Intensity for 2022-2024 (by revenue)

Year	Revenue (NTD million)	Total GHG (tCO_2e)	GHG emission intensity (by revenue) (unit: tCO_2e/NTD million)
2022	3,213.134	22,308.77	6.943
2023	3,424.332	22,648.03	6.614
2024	3,803.818	22,667.86	5.959

Note: The total GHG emissions are the total of Scope 1 (Category 1) and Scope 2 (Category 2)

GHG Emission Intensity



Energy management

The energy sources that the Company uses include electricity and gasoline/diesel and exclude other energy types such as heating. Energy is sourced from government-owned power plants and gas stations, with electricity being the primary source. Gasoline is used for official vehicles, and diesel for generators. Construction of renewable energy facilities will begin in 2024, with activation expected in 2025. Electricity and energy consumption intensity are detailed in the table below.

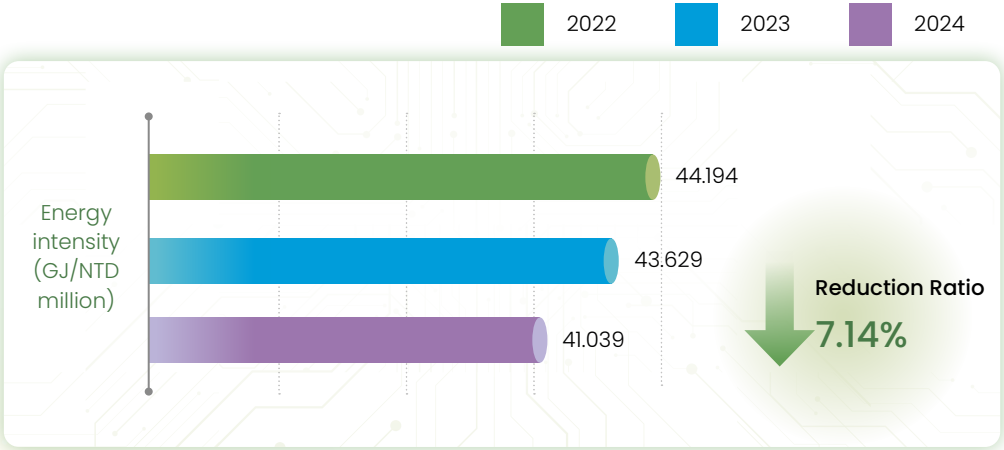
2024 Energy Intensity (Electricity) Statistics

Energy Intensity (Electricity)	Hsinchu Plant I	Hsinchu Plant II	Puding Plant	Dean Plant	Taiyuan Plant	Neihu Plant	Changyi Plant	Zhongxing Plant	Total
Purchased electricity consumption (MWh)	23,113	4,099	4,967	4,448	735	111	4,648	621	42,742
Total energy consumption (GJ)	83,207	14,756	17,882	16,012	2,645	400	16,733	2,236	153,870
Operating revenue (NTD million)					3,803.818				
Energy intensity (GJ/NTD million)					40.452				

Note: Power conversion coefficient is 1 kWh = 0.0036 GJ

Energy Consumption Table

Year	Direct energy consumption (GJ)	Indirect energy consumption (GJ)	Total energy consumption (GJ)	Operating revenue (NTD million)
2022	1,929	140,072	142,001	3,213.134
2023	1,967	147,434	149,401	3,424.332
2024	2,234	153,870	156,104	3,803.818



Note: Director energy consumption is primarily gasoline/diesel.
Total gasoline 67,715.97 L / diesel 546.63 L in 2024; as the data of the Energy Administration shows, one liter of gasoline = 0.0327 GJ; one liter of diesel = 0.0353 GJ.
The emergency generator operated in compliance with the law and emitted limited SOx and Nox. The emissions did not reach the standard according to which reporting of air pollution is required.

2024 Energy Saving Plan and Performance

In 2024, iST will implement six plans to improve energy efficiency and replace old plant equipment (see the table below). The total investment amount is NT$33,461,000, a decrease of 7.21% compared to 2022, reaching the goal of reducing electricity intensity by 2%. In 2024, iST completed the solar energy renewable energy installation at the Hsinchu Plant II, and it is expected to be supplying electricity in 2025. In the future, iST will continue to improve energy efficiency, select renewable energy or alternative energy sources, and implement other energy-saving and carbon reduction measures, contributing to the sustainable development of the Earth.

1 Hsinchu Plant I

The head of the air compressor was changed

The operation efficiency of the air compressor was about 50%. It was upgraded to 100% after change of the head.

Power Saving (MWh) 187.008

2 Puding Plant

Replacement of the chiller unit

Replacement of the chiller unit
Two 150-ton chiller units
One 300-ton chiller unit.

Power Saving (MWh) 1,071.190

3 Puding Plant

Replacement of the cooling water pump

One cooling pump was replaced with an IE3 motor, and a variable-frequency controller was installed.

Power Saving (MWh) 61.814

4 Puding Plant

Replacement of air compressors at Puding Plant

One compressor was replaced with an IE3 motor, and a variable-frequency controller was installed.

Power Saving (MWh) 144.144

5 Hsinchu Plant II

Setup of a solar power generation unit

213 kW solar panels were installed on the rooftop.

Power Saving (MWh) 249.018

6 Dean Plant

Replacement of factory lighting with LED lamps

Replacement of factory lighting lamps with 1,328 LED lamps.

Power Saving (MWh) 57.060

Total power saving
1,770.234 (MWh)

Water Resource Management

The water used by all factories is tap water, and no groundwater is used. Water consumption is primarily for domestic use, air conditioning cooling, and a small amount for laboratory use. Large water volumes are not needed. Using the World Resources Institute's "Aqueduct Water Risk Atlas" risk assessment tool, the water risk level of each factory location has been identified. All factories are located in areas with low to moderate water stress, and are not situated in water-stressed regions. Therefore, there is no significant impact on water resources or the ecological environment of water sources.

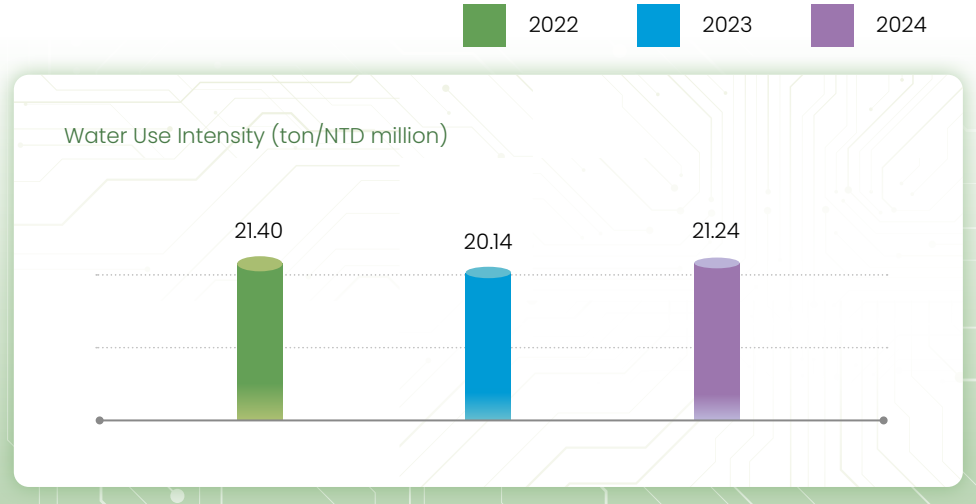
The total water intake in 2024 was 80,793 tons, and the water intensity was slightly lower by 0.76% compared to 2022, failing to meet the 6% reduction target. This was due to the expansion of operations, including personnel and equipment, at the Hsinchu Plant II and increased facility usage at the Taiyuan Plant and Zhongxing Plant. Consequently, the overall water intensity target for 2024 was not achieved. We recommend continuing to implement a water resource management strategy focused on "reduction," "reuse," and "recycling" to improve water resource efficiency.

Water Withdrawal of Each Plant, 2022-2024

Year	Hsinchu Plant I	Hsinchu Plant II	Puding Plant	Dean Plant	Taiyuan Plant	Changyi Plant	Neihu Plant	Zhongxing Plant	Total (ton)
2022	43,771	750	10,909	11,653	523	1,161	0	-	68,767
2023	41,022	4,112	11,522	10,346	715	1,257	195	-	68,974
2024	43,975	7,973	15,156	10,629	814	1,437	755	54	80,793

Water Use Intensity Table, 2022–2024

Year	Water consumption (tons)	Revenue (NTD million)
2022	68,767	3,213.134
2023	68,974	3,424.332
2024	80,793	3,803.818



Management of Effluent

The domestic sewage generated by employees at each plant is discharged after treatment by the building's underground treatment system. Because Hsinchu Plant I has a larger workforce, it has installed a membrane bioreactor (MBR) system to treat the ammonia nitrogen produced by employee domestic sewage.

The plants generating wastewater are Hsinchu Plant I and Hsinchu Plant II. The primary source of this wastewater is laboratory discharge, which is treated by the plant's wastewater system before being collected by the sewage system and sent to the science park's wastewater treatment plant. Wastewater discharge complies with the "National Science and Technology Council, Hsinchu Science Park Bureau, Hsinchu Science Park Wastewater Sewer Discharge Standards" and other relevant regulations.

The wastewater from the Hsinchu Science Park plants (Hsinchu Plant I, Hsinchu Plant II, and Changyi Plant) is mainly discharged into the Chia-Yi River after treatment. Wastewater from the Puding Plant and Dean Plant is discharged into the Toucian River, while wastewater from the Taiyuan Plant is discharged into the Fengshan River, and wastewater from the Neihu Plant is discharged into the Keelung River.

The specific water discharge and consumption are described in the following table. The quality of the wastewater discharged from the science park's wastewater treatment plant meets the effluent standards set by the Ministry of the Environment, in order to prevent pollution of downstream water bodies.

Water Saving Measures

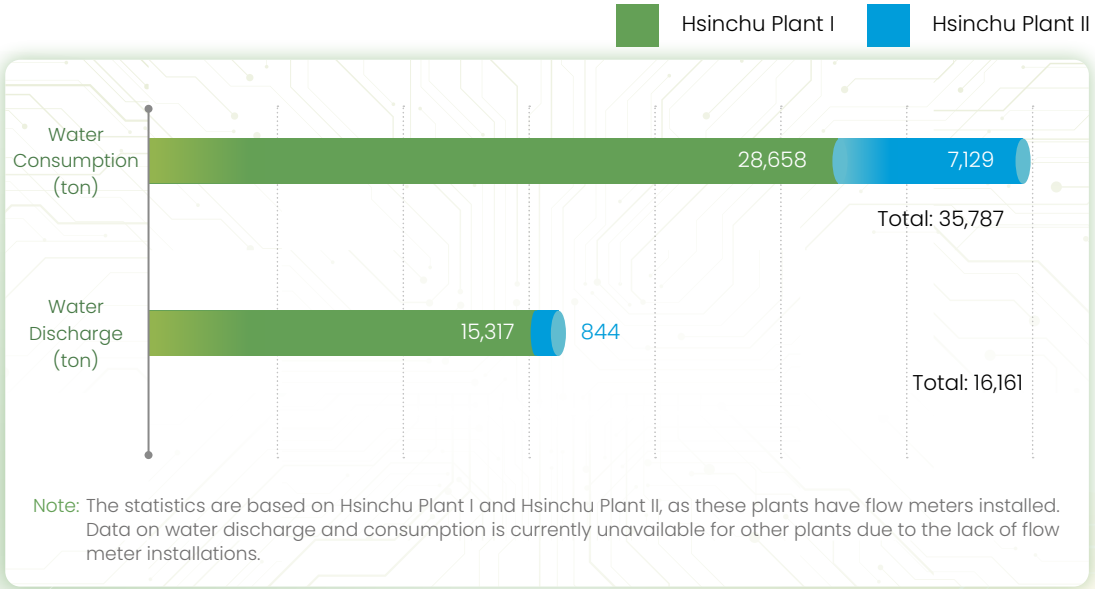
Saving domestic water

We will use water-saving faucets, urinals and closet stools and enhance the dissemination on the protection of precious water resources and water-saving awareness to reduce the demands for water consumption.

Saving process water

A system for recovery of condensed water from air conditioners and UF-treated polishing wastewater is set up at Hsinchu Plant I. A total of 34,159 tons of water were recovered in the recent three years. In 2024, the volume of the water recovered accounted for 26% of the water withdrawn. The remaining plants are public utility buildings and thus no recovery systems are installed. We will continue various information water saving plans in the future, and will improve the overall recovery of the process wastewater.

Water Consumption/Drainage by Plant in 2024



Note: The statistics are based on Hsinchu Plant I and Hsinchu Plant II, as these plants have flow meters installed. Data on water discharge and consumption is currently unavailable for other plants due to the lack of flow meter installations.

2022–2024 Hsinchu Plant I Water Recovery Statistics Table

Year	UF Recovered Water (ton)	Recovered AC Condensed Water (ton)	Total Recovered Water (ton)
2022	549	10,529	11,078
2023	573	11,106	11,679
2024	576	10,826	11,402

Waste Management

Most of the iST plants are located in well-planned industrial zones or science parks. These areas have passed government environmental impact assessments and are not located in environmentally sensitive areas. Therefore, they do not significantly impact the biodiversity of the surrounding environment. As a technical service provider in the electronics industry, our business model focuses on providing professional services rather than manufacturing, and we primarily generate general and hazardous waste. General waste refers to employees' daily living waste. Hazardous business waste primarily comes from chemical waste liquids produced in the laboratory and electronic component scraps.

In 2024, the output of general industrial waste was 36.27 tons, and the output of hazardous industrial waste was 8.09 tons. All waste was disposed of by qualified waste disposal contractors in accordance with the law. General industrial waste from some plants (Taiyuan, Neihu, and Changyi) was centrally handled by the building management committee. The following management actions are used to properly dispose the waste and ensure there is no significant impact on the environment of the Company.

Waste Management Measures

1. After the department sorts and stores the waste in accordance with its characteristics, the EHS personnel look for lawful waste clearance and disposal service providers depending on the type of the waste, and then make assessment and enter into an agreement after confirming they have acquired the EHS related permit and license. We perform on-site audits of each waste disposal service provider every year and assess the renewal of the agreement and partnership in accordance with the compliance of the EHS related permit and license, management of the waste storage area, operation of the pollution prevention equipment, and on-site safety management of the operations.
2. Hazardous industrial waste is subject to testing conducted by a third party according to its characteristics every year. The purpose of this test is to confirm that the property of the waste complies with the waste code and the disposition approach. The temporary storage and generation volumes of the waste in every factory area are reported every month to confirm a mass and energy balance is achieved between the generation and disposition of the waste.
3. We perform inspection and audit of the waste storage site and make records accordingly to confirm the sorting and storage status of the waste, the safety of the storage environment, and the compliance with the law.
4. Before waste is cleared and leaves the factory, the "Triplicate Delivery Manifest for Joint Disposal and Control of Industrial Waste under Commission" is reported online. The vehicles used for clearance of the waste must have a GPS for control during the waste clearing process to ensure the waste is transported to the disposal organization appropriately. After confirming the disposal organization has received the batch of waste concerned, we enter the system website of the Ministry of Environment to confirm that the waste clearance and disposal service provider has reported the clearance of the waste and the status of the disposal to ensure that the waste is finally disposed of in compliance with the law.

Waste Disposal and Resource Recovery

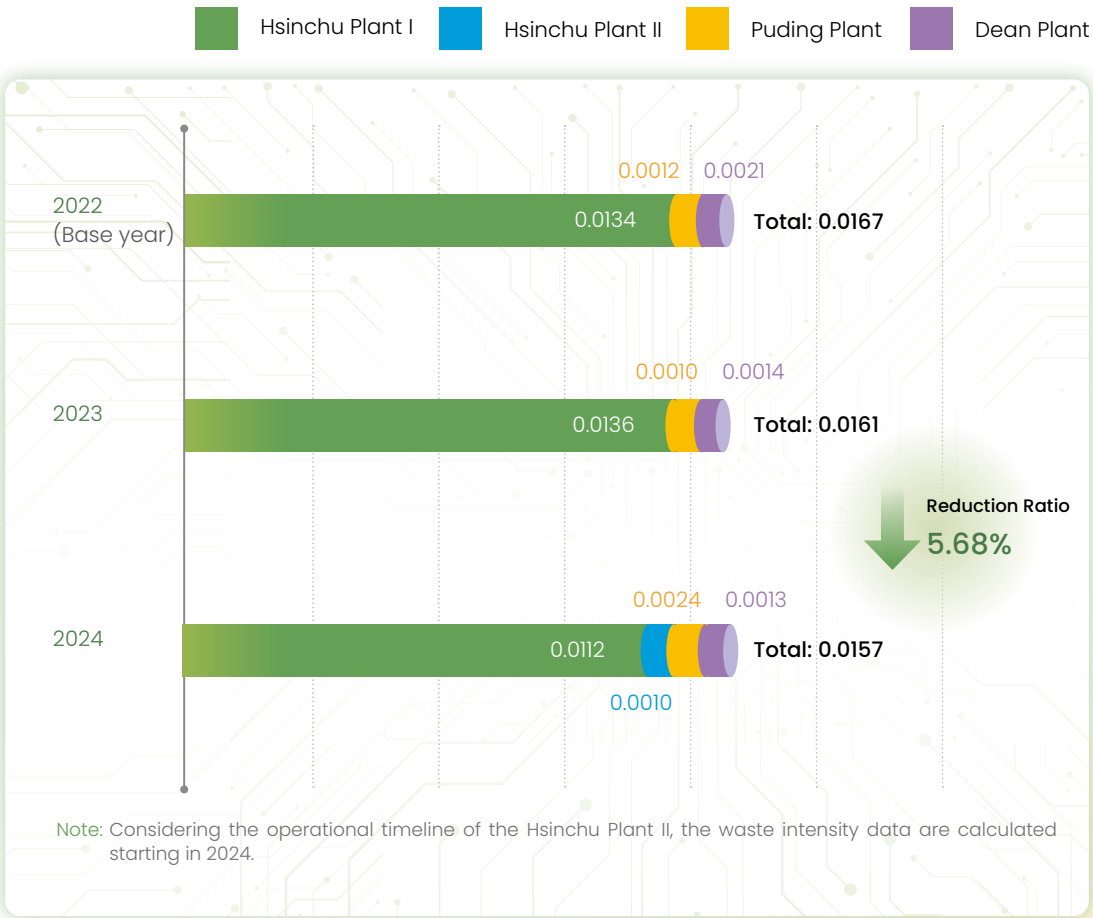
In addition to reducing waste generation at the source and seeking alternative materials to minimize waste, waste produced from in-factory production and manufacturing is effectively reused through collection, classification, reduction, and recycling – for example, sample packaging materials and wooden pallets are recycled and reused. The total weight of recyclable waste in 2024 was 15.52 tons. By implementing garbage sorting measures within the plant, we effectively separated waste paper, waste plastic, waste metal, and other recyclable materials. Consequently, the amount of recycled materials has increased year by year, and waste intensity was reduced by 5.68% in 2024, achieving our target of a 4% reduction. The waste disposal status and waste intensity are shown in the table below.

2024 Waste Disposal Statistics

Waste Disposal Classification (unit: ton)	Hsinchu Plant I	Hsinchu Plant II	Puding Plant	Dean Plant	Total	Off-site Disposal
Total weight of general industrial waste	24.01	3.66	3.77	4.83	36.27	Incineration
Total weight of recyclable waste	10.77	0	4.75	0	15.52	Recycling
Total weight of disposed hazardous industrial waste under commission	7.64	0	0.45	0	8.09	Incineration + chemical treatment
Total weight of waste directly disposed in factory	0	0	0	0	0	-
Total	42.42	3.66	8.97	4.83	59.88	-
Revenue (NTD million)	3,803.818					
Waste volume per unit of revenue (ton/NTD million)	0.0157					

Note: Waste disposal is controlled under the outsourcing manifest system to ensure there is no significant impact on the Company.
Waste from the Taiyuan Plant, Changyi Plant, and Neihu Plant is centrally handled by the building management committee.

Waste Intensity, 2022-2024 (ton/million)



Note: Considering the operational timeline of the Hsinchu Plant II, the waste intensity data are calculated starting in 2024.

In addition, we are looking for a waste disposal site with that closer to Hsinchu as the first priority to reduce the GHG emissions. We implement the waste disposal plan and the delivery manifest checking mechanism to check the waste disposal service provider. There was no leakage of waste in 2024.

Environmental Protection Expenditure

We pay attention to the external environmental costs resulting from pollution emissions. Therefore, we will continue to reduce environmental pollution through environmental protection spending. Please see the table below for specific environmental protection spending in 2024.

Environmental Cost – Pollution Prevention Expense

Wastewater treatment fee (wastewater connection fee/testing fee/wastewater treatment facility maintenance fee)	NTD	3,975,055
Waste disposal fee (general and hazardous waste disposal fee/waste disposal plan review)	NTD	1,794,871
Air pollution control fee (air pollution control equipment operating fees)	NTD	1,039,260
ISO 14001 maintenance fee	NTD	68,250
Planting and greening expense	NTD	277,400

Implementing “environmental protection” is the commitment of iST. Thanks to the continuous implementation of the environmental policy, we did not have significant violations in 2024 and there was no negative impact on the surplus and competitiveness of the organization due to any public sentiments or fines related to environmental pollution.

CH3
Value Chain Competitiveness

Customer satisfaction scored
9.9 marks

Customer satisfaction rate of
98.01%

Local suppliers accounted for
93.2% of total procurement

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Quality Management 69
Responsible Procurement 72

Value Chain Competitiveness

	Metric	2024 Goals	2024 Result		2025 Goals	Medium-Term and Long-Term Goals
Customer-oriented	Emphasize customer feelings and build customer loyalty	• Conduct weekly phone interviews with clients to gather feedback on commissioned projects. The average customer score must be above 9.2 • Customers are invited to complete a satisfaction survey every year and at least 95% of respondents must indicate they are "satisfied"	• Telephone interviews (weekly stratified random sampling) were conducted with 1,268 customers/year, resulting in an average customer satisfaction score of 9.9 out of 10 • The annual satisfaction questionnaire had a 98.01% satisfaction rate, with a response rate of 31.91%	✓	• Telephone interviews (weekly stratified random sampling) were conducted, resulting in an average customer satisfaction score of 9 out of 10 • The annual satisfaction questionnaire had a 96% (or higher) satisfaction rate, with a response rate of 30% (or higher)	• Telephone interviews (weekly stratified random sampling) were conducted, resulting in an average customer satisfaction score of 9 out of 10 • The annual satisfaction questionnaire had a 97.8% (or higher) satisfaction rate, with a response rate of 30% (or higher)
	Publish technical articles to share new knowledge with customers and enhance brand reputation	• Continue to produce and publish technical articles with 10 articles per year • The social media fan growth rate reached 10%	• We published 18 technical articles. In addition to promoting them on our own social media platforms, we actively contributed to professional magazines to share new knowledge with customers and the media • The number of fans on social media platforms grew by 32%	✓	• Publish one article monthly and 12 articles annually • The social media fan growth rate reaches 12%	• Maintain a stable professional brand image and consistently publish at least 15 new technical articles per year • The social media fan growth rate reaches 15%
Supplier social assessment	The completion rate of signing the Conflict Minerals Non-Usage Commitment	Expand the requirement to major relevant suppliers (PCB manufacturers, PCB assembly house) for 100% avoidance of conflict minerals	The completion rate of signing the Non-Use of Conflict Minerals Declaration by suppliers reached 100%	✓	The completion rate of signing Non-Use of Conflict Minerals Declaration by suppliers reached 100%	The completion rate of signing the Non-Use of Conflict Minerals Declaration by suppliers reached 100%
	The complete rate of signing the Supplier Integrity Commitment Letter	The completion rate of signing the Supplier Integrity Commitment Letter by suppliers reached 100%	The completion rate of signing the Supplier Integrity Commitment Letter by suppliers reached 100%	✓	The completion rate of signing the Supplier Integrity Commitment Letter by suppliers reached 100%	The completion rate of signing the Supplier Integrity Commitment Letter by suppliers reached 100%
	Ratio of domestic procurement	Continue to develop local suppliers	The proportion of domestic procurement reached 93.2%	✓	The proportion of domestic procurement reached 90%	The proportion of domestic procurement reached 95%
	The signing rate of the Contractor's Letter of ESH Commitments	The signing rate of the Contractor's Letter of ESH Commitments reached 100%	The signing rate of the Contractor's Letter of ESH Commitments reached 100%	✓	The signing rate of the Contractor's Letter of ESH Commitments reached 100%	The signing rate of the Contractor's Letter of ESH Commitments reached 100%
	The completion rate of contractor entry safety workshop	The completion rate of contractor entry safety workshop reached 100%	The completion rate of contractor entry safety workshop reached 100%	✓	The completion rate of contractor entry safety workshop reached 100%	The completion rate of contractor entry safety workshop reached 100%

✓ Achieved ✗ Not achieved

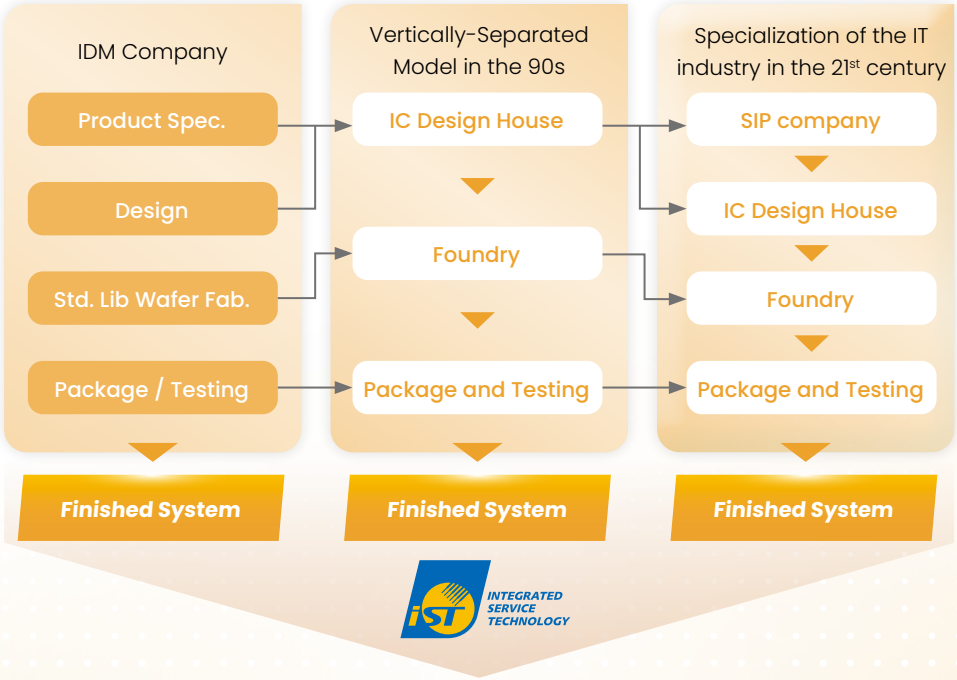
Insight into Customer's Needs

iST's Value is to Create Value for Customers

"Strengthen the quality, solve critical problems for customers, and play the role of an R&D partner helping shorten the time to market for customers" are iST's visions of business operations. Our brand is imprinted in the history of the global electronics industry. We have accumulated a multitude of solutions and core technology platforms. They are developed in line with international specifications on the one hand, and define the new standards on the other hand; they even create new metrics. We have spared no efforts to achieve all of these just for one original intention: create more value for customers.

In consideration of the current specialization in the electronics industry, companies focus on R&D, processes and assembly of products, respectively. iST is running an innovative niche business in this specialized system and plays a key role that connects the upstream and downstream supply chains.

iST's of Positioning in the Electronic Industry in Taiwan



Understand Industry Trends and Enhance Industry Competitiveness

iST enhances the competitive advantage of customers in the global market through forward-looking technology and comprehensive solutions. We provide complete technical support and verification solutions in key areas such as automotive electronic verification, space environment testing, AI high-speed verification and signal simulation testing, and advanced process and packaging to help customers accelerate product launch, grasp the industry's first-mover advantage, and work together to create market advantages.

Automotive electronic verification: Strengthen the safety and stability of automotive products

iST is a member of the Automotive Electronics Council (AEC). iST Group has passed the IATF 16949 quality management system certification. We provide reliability and verification analysis services to ensure automotive products meet international standards, improve safety and stability, and further enhance market competitiveness.

Space environment testing: Building the most complete testing laboratory in Asia

As Asian countries are actively investing in the development of low-orbit satellites, the Company constructed the most complete space environment testing laboratory in Asia in the fourth quarter of 2024, providing a one-stop testing solution from ground to space, including vibration, impact, radiation, and thermal vacuum tests, to ensure high reliability of satellites and aerospace components in extreme environments and support the development of the Asian aerospace industry.

AI high-speed verification and signal simulation testing: Accelerate the application of AI products to market

The rapid development of AI technology has led to an increasing demand for high-speed signal verification. iST specializes in high-frequency signal testing and simulation design evaluation. In the fourth quarter of 2024, the Company launched an AI high-speed signal solution, covering front-end design simulation, circuit board characteristics analysis, PHY (port physical layer) testing verification, and customized fixture design. This solution can help IC design, AI server, AI PC OEM, and brands quickly respond to market regulations, ensure products meet high-speed signal standards, shorten time to market, and enhance competitive advantages.

Advanced process and packaging: Drive the development of high-performance computing and optoelectronic technology

iST actively deploys advanced technologies such as CPO (Common Packaging Optical Module), TGV (Through-hole Glass Substrate), TSV (Through-Silicon Via), and 2.5D/3D packaging to strengthen the stability of high-performance computing and optoelectronic products. We provide complete process and packaging solutions to help customers improve product performance and ensure market competitiveness.

Establish a Customer-oriented Comprehensive Service Platform

We are committed to "establishing a customer-oriented comprehensive service platform" based on our core value of "Focusing on Human." In the highly competitive semiconductor industry, rapid process migration and fast product turnover are now commonplace. Each technological advancement dictates market competitiveness. iST understands that beyond precise analytical capabilities, it is even more important to be a reliable technical partner to its customers. We not only provide professional verification and analysis, but also regard customer service as a core principle. These principles are the foundation of our services, and the values that every iST employee and sales representative should uphold.

Awareness and Capability Building for All iST Employees

Build customer loyalty: Based on integrity and professionalism

We build relationships with our customers, going beyond simply providing verification and analysis reports to deeply engage with their challenges and successes. iST strictly controls each analysis to ensure accuracy and actively responds to customer needs. We communicate proactively and respond quickly, and build long-term partnerships based on professionalism and integrity to exceed customer expectations. We believe that only by truly understanding customer needs can we provide the best solutions aligned with market trends and build lasting relationships based on trust.

Problem analysis and solution: Bravely explore the unknown

The semiconductor manufacturing process is evolving rapidly. Many analytical requirements arise from new technologies and materials, making it impossible to rely on previous experience. iST's engineering team tackles problems with innovative thinking and uses multi-level testing and verification to ensure analysis results are not only valuable but also help customers overcome technical challenges. We deeply understand that each analysis lays the foundation for our clients' product competitiveness. Therefore, we not only provide data, but also help them identify the root causes of problems, enabling them to gain a competitive edge in the market.

Quality orientation: Shape the future with accuracy and professionalism

In the short product life cycle, every analysis report affects product direction and can even affect contracts and compensations. The Company implements quality management according to the highest standard to ensure data accuracy, improve report credibility, and enhance customer decision-making confidence. Quality is not just a standard requirement, but our responsibility to customers. Every analysis we perform represents our commitment to customers, ensuring they receive the most accurate information and paving the way for future technological development.

Service first, customers first: Solving customers' pain points is our responsibility

It is our value to solve customers' problems. We are not just a technology provider, but a trusted partner of customers. Through thoughtful service and professional analysis, we help them overcome challenges and create the future together in the rapidly evolving semiconductor market. We require ourselves to think from the customer's perspective, understand the challenges customers face, and provide solutions that exceed their expectations. Only by putting customers' needs first can we continue to grow and create a win-win situation with customers.

Business Personnel Education and Growth Plan

In the rapidly evolving semiconductor industry, technology advances at a breakneck pace, product life cycles are brief, and market demands shift in the blink of an eye. In this environment, only by responding quickly to market demands and adjusting strategies immediately can we maintain a competitive advantage. The Chairman often emphasizes that the mission of the sales personnel is not merely selling products, but also helping customers solve problems and creating value with them. We have established a systematic and highly customer-oriented education and training mechanism to ensure our personnel possess market sensitivity, technological foresight, and adaptability, enabling us to provide customers with the most timely and accurate service.

Business training with the market and customer as the core

We hold monthly business training to ensure that the sales team can keep abreast of market trends and respond to customer needs quickly. The training covers:

- Market demand and technology trend analysis – In-depth research on changes in the semiconductor industry supply chain, electronic product life cycles, and technology development directions, ensuring that the business team can anticipate market changes and prepare solutions in advance.
- Rapid response and strategic adjustment – Through practical simulations and case studies, participants will be trained to make quick decisions and respond to market changes in a timely manner, avoiding a reactive stance.
- Problem solution and analysis of customer pain points – Strengthening cross-departmental collaboration and resource integration capabilities can provide products and deliver the most effective solutions for customer pain points, thereby enhancing service value.
- Precise communication and customer relationship management – We emphasize rapid response and adaptability to empower the sales team to quickly provide customers with the information they need, ensuring timely decision-making and fostering long-term trust.

In 2024, we organized 12 regular business education and training sessions related to the above topics, accumulating over 480 hours of training time.

Comprehensive training mechanism to ensure immediate readiness

New employees must pass the orientation training and evaluation before starting work. We not only help new employees familiarize themselves with the Company's products and operations, but also help them focus on development of their market adaptability. Through market trend analysis, customer scenario simulations, and professional sales skill training, we ensure new hires can commence their work quickly and respond effectively.

Enhancement of internal and external collaboration to improve market competitiveness

We enhance the professional skills of our sales personnel and emphasize internal cross-departmental collaboration to ensure that our sales team can work closely with the technology, QA, and supply chain departments to respond to market changes quickly. In addition, we have trained our sales assistants in professional skills (such as quotation management, order processing, account reconciliation and invoice processing) to streamline administrative processes and ensure that the sales team can focus on market development and customer service.

Continuous improvement to ensure always keeping our position at the forefront of the market

In the future, we will continue to refine our training programs. By leveraging market data analysis, customer feedback, and tracking industry trends, we will ensure our business team remains agile and responsive. We aim to not only partner with our customers but also to help them stay ahead of the curve.

In the semiconductor industry, even a slight delay can put us behind. We deeply understand that only through continuous learning and timely responses can we collaborate with our customer to overcome every market challenge and achieve lasting success.

Training on Customer Service Skills and Competencies for All Employees

The Company highly values customer service skills and ability training. For this, we provided related functional training on a regular basis for the sales team and all employees. In order to improve service quality, we have specially formulated the "Moment of Truth Behavior Model" to deeply embed this model and the service spirit in the hearts of the employees to reduce the risk of service negligence.

The training for employees is divided into two major aspects: customer service skills and customer service abilities.

Customer service skills

Include, but not limited to handling critical situations, case acquisition skills, effective case handling procedures, customer complaint resolution skills, customer service and professional development, service quality enhancement, and the iST MOT series.

Customer service abilities

Focus on cultivating the professional abilities of employees, enabling them to quickly assist customers with problem analysis and resolution. This includes training in specialized courses offered by analysis laboratories as well as knowledge of product and service features, etc.

In 2024, iST organized 63 customer service-related training courses, with 2,230 participants and a total of 2,389.60 training hours.

Through systematic training and continuous learning, the Company ensures that every employee can provide customers with the highest quality service and the best professional attitude and abilities, and collectively drive progress and innovation in the semiconductor industry.

Overview of 2024 Customer Service Skills and Abilities Training

Type	Employee			Management			Total		
	Batch	Participants	Hours	Batch	Participants	Hours	Batch	Participants	Hours
Customer service skills	20	1,590	1,970.76	11	45	57.90	31	1,635	2,028.66
Customer service abilities	19	577	350.14	13	18	10.80	32	595	360.94
Total	39	2,167	2,320.90	24	63	68	63	2,230	2,389.60

Strengthen Customer Relations and Provide Outstanding Services

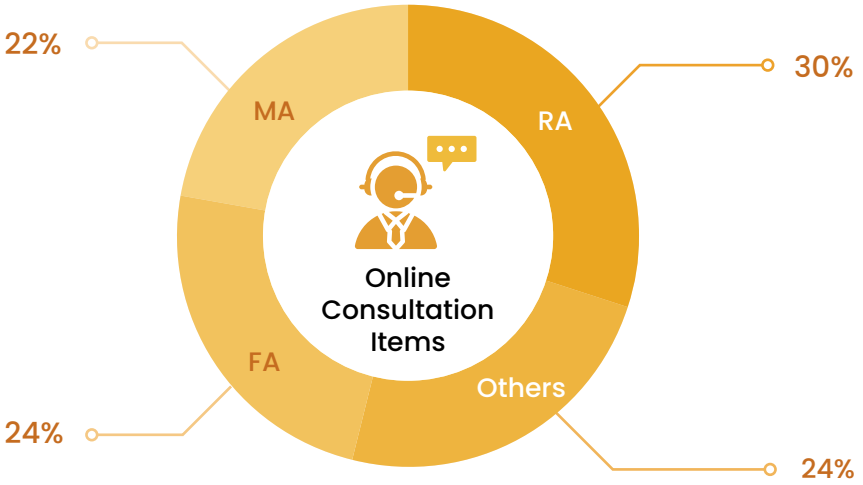
iST is dedicated to enhancing customer service quality and relationship management, and strengthening connections with customers through diverse channels to ensure all customers can receive prompt and professional support. We continue to strengthen the training of our business and technical teams to ensure they can respond to customer needs with the latest industry knowledge and high-standard services and provide the most accurate and valuable solutions.

We have set up a dedicated consultation mailbox on our official website. It allows customers to quickly contact our professional team and receive immediate responses. We provide diverse communication channels to ensure customers can easily access the information they need at any time and in any place.

We are not only a provider of technical services, but also a trusted long-term partner of customers. We continuously optimize our service processes and work hand-in-hand with customers to create higher value together.

2024 Online Consultation Result

In 2024, the consultation channels across all platforms received a total of 819 customer inquiries, averaging 68 inquiries per month. Responses have been made to all inquiries. We received the highest number of inquiries on reliability analysis services, to a total of 247 cases.



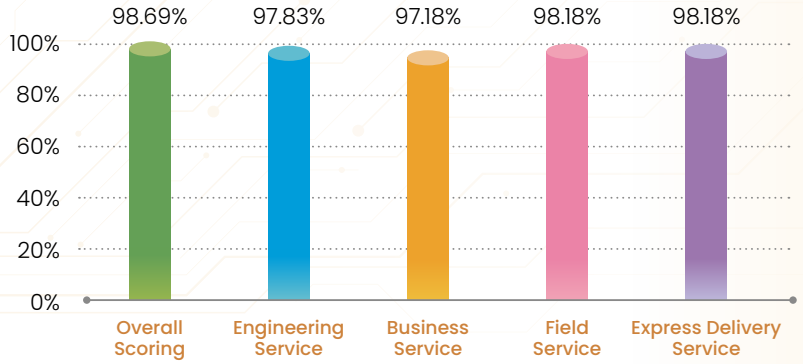
Customer First – Emphasize Customer Feelings, Improve Service Quality Continuously, Build Customer Loyalty, and Enhance Brand Reputation

We pay close attention to customer satisfaction through two methods: “weekly telephone interview with customers” and “annual satisfaction survey”. The average score of weekly telephone interviews in 2024 was 9.90, and the satisfaction rate of the annual satisfaction survey reached 98.01% or higher.

Weekly telephone interview with customers

iST conducts weekly random telephone surveys to immediately gauge customer experience on their cases. The telephone interview covers “service attitude,” “professional capabilities,” “speed of response to inquiries,” and “experimental delivery time.” Customers are requested to rate their satisfaction with the products and services provided by the Company’s engineering department. In 2024, a total of 1,268 customers were interviewed by phone, with an average satisfaction score of 9.90.

Annual Satisfaction survey



The Company conducts a customer satisfaction survey annually, inviting all customers who engaged our services in the current year to rate their experience with our work. In 2024, we received a total of 1,415 valid questionnaires from customers; the percentage of customers who rated "Satisfied" for "Overall Service of iST," "Engineering Service," "Business Services," "Logistics Service," and "Delivery Service" reached more than 98.01%.

Satisfaction in Various Aspects Achieved over

98.01%

Process of telephone interview for annual customer satisfaction survey

Customer Complaint Handling Process

In order to enhance customer service, provide high-quality support, understand customer needs, iST established the customer complaint handling process to ensure that all problems and complaints of the customers can be effectively and quickly resolved and appropriate countermeasures can be taken when customers receive our business and other related services to improve customer satisfaction with the Company.

The process for handling customer complaints is as follows:

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Customer files complaints	Open an order through the e-complaint system	The responsible unit proposes solution	Determine countermeasures	Close the case
Complaint about test services is filed through sales/ engineering/ quality department	Notify engineering/ business (customer) online to confirm the complaint caused by abnormalities	The responsible unit proposes short-term corrective measures and long-term preventive measures	The responsible unit head/QA unit makes sure the proposed countermeasure can prevent recurrence and meet customer needs	The President gives approval and includes complaint in the quality target statistics

Timely Sharing of Industrial News and Assistance in the Industry's Connection to the World With Abolition of Time Zones

In addition to opening workshops, iST irregularly publishes the Easy Learning e-Newsletter, makes YouTube videos, and posts them on social media platforms to share the latest news about industrial trends and technologies with the customers. From 2018 to the end of 2024, iST had gotten a total of over 3.77 million views.

Facebook channel

YouTube channel

Website – technical articles section

LinkedIn channel

Being Intimate and Eco-friendly to Provide Customers With Diverse Receiving and Delivery Services

The scope of iST's services covers all regions in Taiwan (northern, central, southern, and others). With courier and logistics, we not only provide all-round receiving and delivery services, but also offer diverse supporting measures regarding the customers' special needs to meet their expectations.

As for issues of carbon emissions that are of global concern, iST tries to plan optimized routes and utilize vehicles that are more energy-saving and eco-friendly. To date, we have replaced four hybrid vehicles, and the remaining 19 logistics vehicles all meet the Phase 5 gasoline emission standards set by the Environmental Protection Administration, Executive Yuan. We are doing our part to protect the environment.

Emphasize Customer Relationships and Create the Future Together

iST consistently views "maintaining good customer relationships" as the core of its sustainable business operations and is dedicated to providing the most professional and reliable technical services. We not only founded the first third-party private chip verification laboratory, but also assist customers in consolidating quality and resolving technical pain points with our accurate and efficient analysis capabilities to streamline their product R&D process. As a leading third-party certification company, iST leverages the deep technical expertise and well-equipped laboratories to accelerate the launch of customers' products as a research and development partner. We keep pace with industry developments, continuously expand our technological capabilities, and secure a key position in the high-tech industrial chain, striving to become an indispensable verification center for high-tech industrial parks. New technology will continue to be validated as long as there is R&D momentum and ongoing demand. We will grow with our customers and create a better future through continuous technology improvement and service efficiency enhancement.

Diverse Service Channels to Enhance Customer Experience

The official website provides Traditional Chinese, Simplified Chinese, English, and Japanese versions to meet the browsing needs of customers in different regions. The website content covers company information and a full range of services, and provides timely updates on domestic and international media coverage, trade show information, and the latest company news, keeping customers informed of industry trends and iST's latest developments. To provide more immediate customer service, the official website features a consultation mailbox. Dedicated personnel are available during working hours to assist customers in quickly finding the information they need or the appropriate contact. We also establish diverse communication channels through e-mail, phone, and social media platforms to ensure each customer receives fast and accurate service support. iST is committed to maintaining close contact with customers in an efficient and convenient manner, and to jointly moving toward success!

In addition to its official website, iST maintains an official LINE fan group, a Facebook page, a YouTube channel, and a LinkedIn page. Through these diverse social media platforms, we provide real-time and comprehensive information, keeping customers up to date on industry trends and iST's latest services.

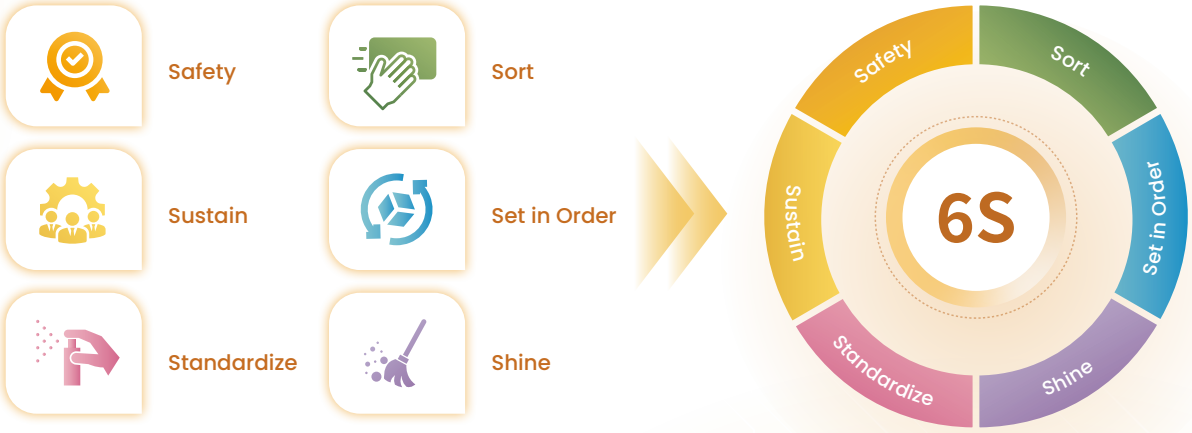
Company website | iST Facebook fans page | iST YouTube channel | iST LINE fans group | iST LinkedIn page

Quality Management

Continuous Improvement of Quality

iST has established a 6S audit team to promote 6S activities. By doing so, we enable all employees to effectively maintain work areas after creating a good working environment. Every week, we audit the labs for deficiencies, which shall be measured so as to let all employees attach importance to their own safety at work and make sure that the principle of keeping the customers' properties confidential is implemented. To exceed the customers' expectations, iST continuously improves engineering technology and internal processes through statistical analysis, quality management methods and various improvement channels to build the employees' capability in quality improvement.

Improving Service Quality and Level Through the Implementation of 6S Activities



iST Continues to Improve Technical Capabilities and Enhance Quality to Provide Reliable Verification Services

Over the years, iST has followed the quality policy established by the Company, which is "Providing Customers with Fast, High-quality and All-round Services," and spared no effort in improving our technical capabilities and enhancing the quality level. iST has successfully obtained certifications from a number of world-renowned and credible agencies, and has become one of the best labs in the world. We provide reliable certification services in accordance with the requirements of international standards (ISO 9001 and ISO/IEC 17025) and with methods that meet the demands of the customers, regulatory competent authorities, and certification bodies.

Quality Management System Operating Cycle

Providing Reliable Verification Services With Multiple Certificates of Professional Certification

Over the years, iST has spared no effort in improving our technical capabilities and enhancing the quality level. As a result, we have successfully obtained certifications from many world-renowned and credible agencies and have become one of the best labs in the world. The Lab has various certificates of professional certification as well as mature instruments and equipment that meet international standards, enabling us to provide reliable verification services.

iST's Quality Management Relevant Awards and Certifications

IECQ Certificate of Approval
Independent Testing Laboratory
Integrated Service Technology, Inc.
DEKRA

ISO/IEC 17025

TÜV NORD
CERTIFICATE
Management system as per ISO 9001: 2015
INTEGRATED SERVICE TECHNOLOGY INC.
1F, No. 15, Pu-ding Road, Hsin-Chu 30072, Taiwan, R.O.C.
IC Diagnosis & Failure Analysis, Reliability Testing, Green Product Analysis and IC Testing

ISO 9001

TÜV NORD
CERTIFICATE
INTEGRATED SERVICE TECHNOLOGY INC.

ISO/IEC 27001

TÜV NORD
CERTIFICATE
INTEGRATED SERVICE TECHNOLOGY INC.

ISO 14001

TÜV NORD
CERTIFICATE
INTEGRATED SERVICE TECHNOLOGY INC.

ISO 45001

SGS
Certificate TW20/10541
Integrated Service Technology Inc.
ANSI/ESD S20.20-2021
IC Diagnosis & Failure Analysis, Reliability Testing and IC Testing Green Product

ANSI/ESD S20.20

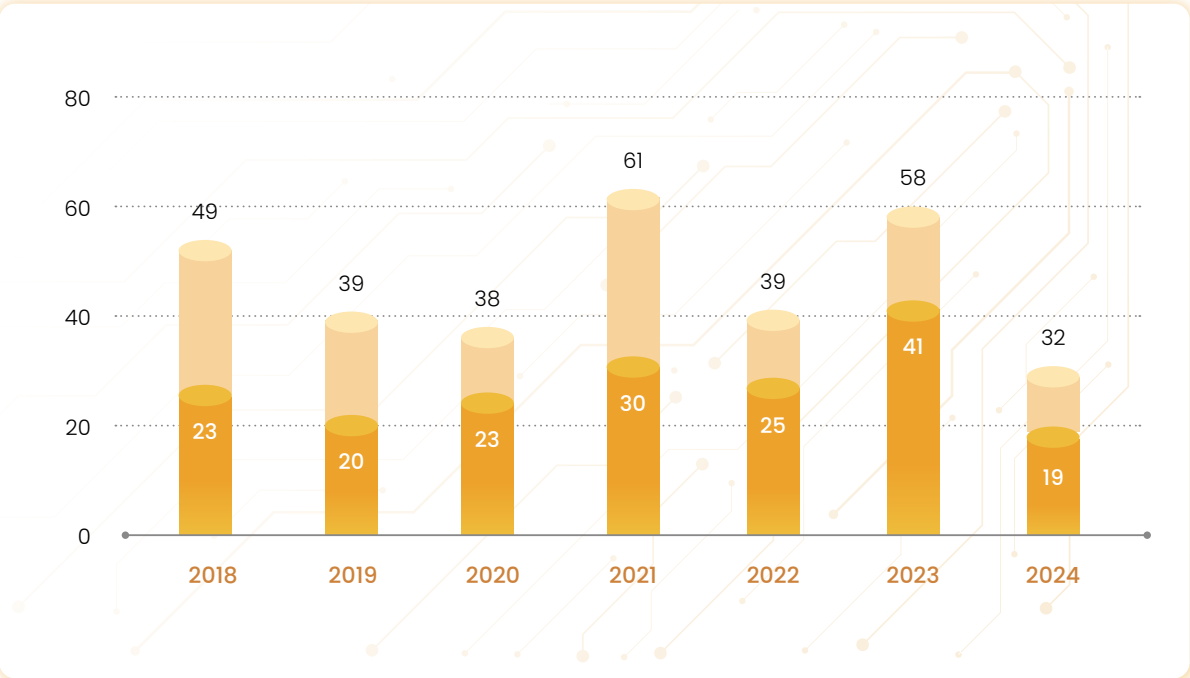
Experts Knowing the Best of the Problems Serving On-site and Proposing Improvement Activities to Enable Continuous Efficient Work

iST makes proposals for improvement so that all employees can ponder on working skills and methods, further proposing their own creative improvement methods. The Company will judge these methods in line with the specified channels and review standards, and then reward the employees for such methods. By doing so, we not only boost employee morale at work, but also develop the employees' mental resources and realize their potential to reach the maximum benefit by improving production efficiency, reducing the defect rate and costs, and creating revenue.

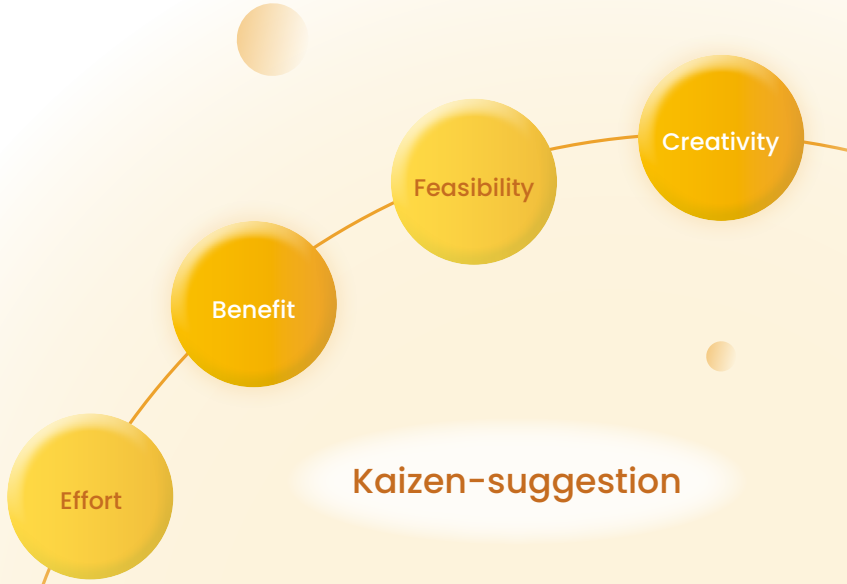
The deliberation meeting of improvement proposals discusses and reviews the "Improvement Proposal On-site Review Form" used to evaluate proposals rated by committee members, and determines the rating of the proposals through voting.

Rating	A	B	C	D	E
Score	5.00~4.20	4.19~3.40	3.39~2.60	2.59~1.80	1.79~

Number of Improvement Proposals in Recent Years



Four Aspects of Evaluating Improvement Proposals



Responsible Procurement

Creating Sustainable Value Chain

iST Value Chain

Supplier
- PCB
- PCBA
- Equipment
- Consumable
- Component
- Facility
- 3C

iST
- Failure Analysis
- Reliability Analysis
- Material Analysis
- Signal Integrity (SI) Testing
- Space Environment Testing

Client
- IC Design
- Foundry
- OSAT
- End Product Manufacturer

iST regards supplier partners as operational collaborators in co-creating value. We aspire to construct a sustainable service value chain with suppliers to provide optimal solutions to our customers while reducing environmental and social risks, which build a proactive and responsible value chain network.

Supplier (Including Contractor) Management System

All suppliers	• Comply with the evaluation requirements of the "Supplier Management Procedure" • Sign the "NON-DISCLOSURE AGREEMENT" • Cooperate with ESG promotion	• Suppliers with higher annual procurement amounts are required to sign the "Supplier Integrity Commitment Letter" • Those that are the suppliers with higher annual procurement amounts are required to sign the "ESG Scoring Form" and undergo ESG review
Machine supplier	• Sign the additional the "NON-DISCLOSURE AGREEMENT"	
PCBA assembly plant	• Sign the additional "Non-Use of Conflict Minerals Declaration"	
Contractor	• Comply with additional "Contractor Safety and Environmental Management Procedure" • Sign the additional "Contractor's Letter of ESH Commitments"	

iST upholds the principles of sustainable development, environmentally friendly, ethical management, and information security. iST and suppliers collaborate on environmental, security, health, and other issues to fulfill corporate responsibilities. The "iST Supplier Code of Conduct" is published on the official website, serving as a standard for supplier adherence. A summary is provided below:

Labor Right

iST and suppliers share the responsibility for upholding labor rights, health and safety, company management mechanisms, and systems. Child labor is prohibited, and excessive working hours are not permitted. The aim is to create a healthy, safe, and high-quality work environment.

Health and safety

In addition to minimizing work-related injuries and illnesses, a safe and healthy working environment helps to improve product and service quality, production stability, and employee loyalty and morale. Suppliers should also understand employee feedback and invest in employee education and training to identify and resolve health and safety issues in the workplace. Compliance with regulations related to occupational safety, emergency preparedness, occupational injuries and illnesses, industrial hygiene, physical exertion, and other related matters is required.

Environmental Responsibility

Suppliers recognize their role in environmental responsibility as an essential part of manufacturing world-class products. Efforts are made to minimize negative impacts on communities, the environment, and natural resources during the manufacturing process. This includes reducing carbon emissions, waste, and pollutants through improved production, maintenance, material substitution, recycling, and reuse to conserve natural resources.

Ethical Business Practices

The highest standards of integrity are maintained in all business interactions. Suppliers are expected to adopt a zero-tolerance policy against bribery, corruption, extortion, and embezzlement in any form.

Information security

Suppliers must maintain confidentiality for business information obtained through transactions with iST. Without iST's permission, relevant information shall not be copied, modified, reorganized, reverse-analyzed (including reverse-engineered, reverse-assembled, or decompiled), nor shall the design or underlying data be exported or disclosed to third parties in any form.

Equipment suppliers are also required to sign an "Information Security Declaration," having responsibilities and obligation to protect the information assets they obtain or use and prevent unauthorized access, alteration, destruction, or improper disclosure of customer information.

In 2024, all 14 new equipment suppliers affixed the signature.

Green and ESG Procurement Policy

As a major third-party laboratory recognized by important domestic and international clients, iST's equipment purchases are required to meet customer verification requirements. In addition to large equipment sourced from internationally renowned manufacturers, other items such as consumables, instruments, chemicals, outsourcing, and testing peripherals are purchased with the goal of sustainable operations. Considering energy-saving and environmental factors in procurement, logistics, recycling, and reuse processes. Collaboration with suppliers fulfills social responsibilities in environmental protection, energy conservation and emission reduction. Products are prioritized from local, environmentally friendly suppliers (with eco-labels and approvals from the Ministry of Environment) for creating a green supply chain. To enhance supply chain resilience, we developed 53 domestic manufacturers in 2024 to ensure supply continuity and optimize operational costs. iST also requires all suppliers to confirm ESG issues when accepting orders. Over the past three years, the proportion of domestic purchases, excluding large equipment, has consistently exceeded 90% (as detailed in the table below).

Local Procurement Statistics

Annual purchasing amount	2022		2023		2024	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Foreign	33,455,101	3.3%	34,464,614	3.3%	76,495,812	6.8%
Domestic	994,967,260	96.7%	998,735,366	96.7%	1,052,900,909	93.2%
Total amount	1,028,422,361	100%	1,033,199,980	100%	1,129,396,721	100%

Note: Large equipments are not included in the above statistical amounts.

Conflict Minerals Sourcing Policy

Following OECD's "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas," iST establishes a framework for responsible investigation. In addition to advocating the prohibition of "conflict minerals," suppliers must sign the "Conflict Minerals Non-Usage Commitment" and provide supporting information in the annual supplier ESG survey to facilitate the evaluation of whether the raw materials and components provided by suppliers are conflict minerals. In 2024, investigations of seven new board and assembly factories confirmed their compliance with the "Conflict Minerals Non-Usage Commitment." All suppliers have signed the "Conflict Minerals Non-Usage Commitment" with a completion rate of 100%.

Supplier Management and Annual Audit

To ensure product quality and on-time delivery meet Company and customer requirements, iST has established "Suppliers Management Procedure" and "Purchasing Management Procedure." iST assesses and evaluates critical suppliers based on quality policies, management processes, supply chain management, and anomaly management. A score above 70 is qualified, 60–70 is conditionally approved, and below 60 is not approved. Qualified suppliers are required to sign a "NON-DISCLOSURE AGREEMENT" to safeguard sensitive information.

iST conducts annual evaluations for key suppliers engaged in significant transactions. The evaluation is based on criteria such as cost, delivery, service, and process. Scores above 3.5 are considered qualified, scores between 3.0 and 3.5 are conditionally approved, and scores below 3.0 are considered not qualified. In 2023, an ESG evaluation for supplier sustainability was added to the annual evaluation scoring items, including an ESG self-assessment survey. In 2024, 55 suppliers were evaluated, all of whom were qualified and had no severe ESG violations. We will continue to optimize supplier ESG evaluation standards and implement audit and guidance mechanisms.

iST also conducts both regular and random on-site assessments of suppliers. These assessments encompass an evaluation of the supplier's process capabilities, quality standards, delivery control, and internal management processes. Since the 2023 assessment, corporate social responsibility has been added as a criterion, reviewing suppliers' adherence to occupational safety, environmental protection, and labor rights. In cases where discrepancies are identified, the supplier is required to implement improvement measures continuously, reduce procurement volumes, or terminate the business cooperation in severe cases. In 2024, the Company conducted on-site visits to suppliers of key assembly plants. The visit results confirmed compliance with iST's Supplier Code of Conduct regarding labor rights, ethical business practices, information security, health and safety, and environmental protection.

iST mandates that all construction contractors and equipment suppliers entering our premises undergo safety induction training provided by our Environmental Health and Safety (EHS) unit. In 2024, 15 safety education sessions were held with 132 participants. Waste disposal contractors must possess relevant certifications and comply with environmental regulations, signing a "Contractor's Letter of ESH Commitments" to ensure adherence to safety and environmental management guidelines.

iST requires suppliers to commit to strict adherence to the Company's established integrity-related regulations. During the course of normal business transactions with iST, suppliers are obligated to refrain from engaging in any bribery, offering inducements, or providing undue benefits to iST employees or their associates in order to facilitate business interactions. Suppliers are strictly prohibited from influencing, persuading, or enticing iST employees to deviate from their duties or faithful obligations to the Company. For suppliers involved in substantial financial transactions, the company mandates the signing of a "Supplier Integrity Commitment Letter". In 2024, all the 15 new suppliers successfully signed and returned the document.

In summary, when implementing our supply chain management, iST considers not only efficiency and costs, but also focuses on the performance of partners in various dimensions such as environment, society, and governance. Through regular evaluations, iST continuously understands the supplier operational status to enhance mutual sustainability, as well as encouraging the suppliers to internalize ESG into their company management and operations. This will enhance the overall resilience and adaptability of iST's supply chain in facing unforeseen events, ensuring iST can consistently provide professional services to customers and maintain supply chain resilience.

CH4
Co-prosperity Force

The turnover rate of employees was
7.6%

Employee engagement score reached
4.19 points.

Female Management made up
40% of the workforce.

Talent Attraction and Retention	79
Talent cultivation and development	87
Friendly and Healthy Workplace	96
Promotion of Occupational Safety and Health	102
Promoting Social Engagement	106

Co-prosperity Force

	Metric	2024 Goals	2024 Result		2025 Goals	Medium-Term and Long-Term Goals
Employment	Build a positive organizational environment and increase talent retention	• Employee turnover rate ≤ 10% • New employee turnover rate ≤ 10% • Retention rate of outstanding employees ≥ 90% • Rate of internal promotion for managerial positions≥ 50%	• Employee turnover rate: 7.6% • New employee turnover rate: 9.9% • Retention rate of outstanding employees: 97.8% • Rate of internal promotion for managerial positions: 53.1%	✓	• Employee turnover rate ≤ 10% • New employee turnover rate ≤ 10% • Retention rate of outstanding employees ≥ 90% • Rate of internal promotion for managerial positions ≥ 50%	• Continuously increase employee retention rate ≥ 90% • Continuously increase new employee retention rate ≥ 90% • Continuously strengthen the retention rate of outstanding employees to ≥ 95% • Rate of internal promotion for managerial positions≥ 55%
	Enhance organizational identity Enhance employee engagement	An employee opinion and engagement survey with a score of 3.0 or higher (on a 5-point scale) and a response rate of ≥70%	• Engagement survey score: 4.19, response rate: 77.1% • Internal customer satisfaction score: 4.1	✓	• Employee opinion and engagement survey is conducted every two years • Internal customer satisfaction survey ≥3.0	An Employee opinion and engagement survey is conducted every two years, with scores of 3.5 or higher (on a 5-point scale) and a response rate of ≥70%
	Creating a welcoming and inclusive workplace	Rate of return to work after parental leave ≥80%	Rate of return to work after parental leave ≥85.7%; retention rate:87.5%	✓	Rate of return to work after parental leave ≥80%; retention rate ≥80%	Continuously increase the reinstatement and retention rates of employees returning from parental leave
Training and education	On-job training hours	Average annual learning hours per employee ≥25 hours	Average annual learning hours per employee is 25 hours	✓	Average annual learning hours per employee ≥25 hours	Continuously strengthen professional capabilities and increase the average annual learning hours of employees to ≥ 30 hours
	Industry–academia cooperation and cultivation of outstanding young talent	• Industry-academia cooperation Schools for talent development ≥ 10 • Internship retention rate ≥ 80% • Industry–academia development project ≥ NT$10 million	• 12 schools participating in industry–academia cooperation for talent development • Internship retention rate of 80% • Industry–academia development project of NT$11 million	✓	• 14 schools participating in industry–academia development for talent cultivation • Internship retention rate of 80% • Industry–academia development project ≥ NT$10 million	• Continue to deepen industry–academia cooperation; 14 schools participating in the industry–academia collaboration for talent cultivation • Internship retention rate of enterprises ≥ 80% • Inspire learning momentum of outstanding students; industry–academia cooperation project ≥ NT$10 million
Workforce diversity and inclusion	Shaping a workplace culture of diversity, equality, and inclusion	• Proportion of female employees ≥48% • Proportion of female managers ≥41%	• Proportion of female employees: 49.9% • Proportion of female managers: 40%[Note]	✓ ✗	• Proportion of female employees ≥45% • Proportion of female managers ≥ 35%[Note]	• Proportion of female employees ≥45% • Proportion e of female managers ≥ 35%[Note]
	Number of employees with disabilities	Excessive hiring of employees with disabilities	Excessive hiring of employees with disabilities	✓	Excessive hiring of employees with disabilities	Create a friendly and inclusive workplace and proactively hire people with disabilities

✓ Achieved ✗ Not achieved

Note: The proportion of female managers in 2024 was 40%, which did not meet the 41% target. This is due to characteristics of the technology industry, where management and technical personnel are mostly male. As the Company grows rapidly, the demand for talent has increased quickly, leading to a shortfall in achieving the female manager target. Consequently, the Company is simultaneously reviewing and adjusting its medium- to long-term goals to address this. The Company continues to implement diversity, equality, and inclusion, and promotes gender equality and talent-based hiring principles.

	Metric	2024 Goals	2024 Result		2025 Goals	Medium-Term and Long-Term Goals
Labor relations	• Comply with international human rights related conventions • Continue to strengthen the awareness and prevention of Illegal infringement at workplace	• Number of complaints about human rights violation: 0 • 100% completion rate of the training course on prevention of illegal infringement at workplace for all employees	• Number of complaints about human rights violation: 0 • 100% completion rate of the training course on prevention of illegal infringement at workplace for all employees	✓	• Number of major complaints about human rights violation: 0 • 100% completion rate of the training course on prevention of illegal infringement at workplace for all employees	• Continuously concerned about human rights issues; no major human rights violations • Pass human rights due diligence or RBA certification • Continue to strengthen awareness and training regarding prevention of illegal infringement at workplace; 100% completion rate of the training course on prevention of illegal infringement at workplace for all employees
	Establish good labor–management relations	• 100% of employee feedback cases were closed • Employee participation rate in feedback on supervisors' management competencies ≥70%	• 100% of employee feedback cases were closed • Employee participation rate in feedback on supervisors' management competencies ≥71.04%	✓	• 100% of employee feedback cases were closed • Employee participation rate in feedback on supervisors' management competencies ≥70%	• 100% of employee feedback cases were closed • Employee participation rate in feedback on supervisors' management competencies ≥70%
Occupational safety and health	Employee assistance program satisfaction rate	Employee assistance program satisfaction rate ≥ 4.0	Employee assistance program satisfaction score of 4.3	✓	Employee assistance program satisfaction rate ≥ 4.0	Continue to improve employee satisfaction with the employee assistance program and provide more comprehensive health and mental support
	• Disabling injury frequency • Disabling injury severity rate • Occupational disease rate • Mortality rate	• Disabling injury frequency <1 • Disabling injury severity rate < 20 • 0% occupational disease rate • 0% mortality rate	• Disabling injury frequency 0.43 • Disabling injury severity rate 0.43[Note] • 0 Occupational disease rate • 0 mortality rate	✓	• Disabling injury frequency <0.9 • Disabling injury severity rate < 15 • 0% occupational disease rate • 0% mortality rate	• Disabling injury frequency <0.5 • Disabling injury severity rate < 10 • 0% occupational disease rate • 0% mortality rate
Local community	**Education and empowerment in rural areas** Collaborate with educational organizations and narrow the urban-rural education gap	• Participation in youth empowerment projects No fewer than 190 schools have participated in the program • At least 610 students have benefited from the sponsorship	• Youth empowerment: A total of 202 schools have completed cooperation under the education support project • Rural education: 625 students from remote areas have benefited	✓	• More than 195 schools participated in courses and received scholarship • More than 620 students received sponsorships	At least 210 schools participated in remote area education and youth empowerment projects each year, benefiting at least 700 students
	Charitable activities Continuously caring for disadvantaged groups in all corners of society or the environment, embodying the spirit of giving a timely assistance to those in need, and contributing to society	• At least 40 charity sale events were held • No fewer than 10 social welfare organizations participated in the collaboration • 300 hours of volunteer service, benefiting 100 people through public welfare activities	• Provide venues of the factories for 87 charity sale events • No less than 10 social welfare organizations participated in the collaboration • 550 hours of volunteer service, benefiting 219 people through public welfare activities	✓	• At least 45 public welfare activities were organized • At least 12 disadvantaged groups participated in the collaboration • More than 400 hours of volunteer service, benefiting 200 people through public welfare activities	• At least 50 public welfare activities were held every year • At least 15 social welfare organizations participated in the collaboration. • More than 400 hours of volunteer service, benefiting 250 people through public welfare activities

✓ Achieved ✗ Not achieved

Note: The statistics are primarily based on occupational disaster cases that occurred in 2024. A single slip accident in 2023 resulted in 326 lost workdays that carried over into 2024 and are not included in the statistics.

Talent Attraction and Retention

Human Resource

iST is committed to following the spirit of "Universal Declaration of Human Rights," "The United Nations Global Compact," "Responsible Business Alliance Code of Conduct," as well as other relevant industry standards and international treaties, and upholding the principles of "Respecting Human Rights" and "Employing Talent Based on Suitability." Our aim is to create a diverse, fair, and inclusive workplace and actively promote gender equality, regardless of race, belief, religion, political affiliation, gender, marital status, disabilities, or other government-protected factors. These principles apply to recruitment, employment, training, advancement, compensation, and benefits, respecting the human rights of employees. We look forward to growing together with our employees. iST continues to foster a friendly environment for positive communication and establishes comprehensive employer–employee communication channels, listen to employees' voices and help them achieve an appropriate balance between work and family. In 2024, the retention rate for unpaid parental leave was 87.5%, ensuring employees can return to work with peace of mind. iST places great importance on promoting labor and business ethics policies through work rules, document management systems, and announcements. We regularly review and optimize relevant systems, respecting the human rights of all employees and providing fair and suitable job opportunities to applicants and employees.

Diverse Hiring

We uphold the spirit of "people orientation, diversification, and inclusion." With the character and competency as the first priority, we do not discriminate against employees based on gender, age, religion, race, nationality, or political orientation. We prioritize hiring local employees and attracting talent with competitive remuneration. The standard salary for entry-level employees exceeds local legal requirements, and we prioritize hiring Taiwanese residents for senior management positions at our Taiwan headquarters. In 2024, the number of employees was 1,222, including 188 supervisors and 1,034 technical personnel. Employees aged 30-49 accounted for 64.5% of all employees, with an average age of 35.1, representing the main workforce structure and supporting the Company's growth momentum. Of the new employees in 2024, 55.9% were female, while women comprised 49.9% of the Company's total workforce, a 2.2% increase compared to 2023. By employment type, full-time employees accounted for 98.7% and non-full-time employees for 1.3%. The Company adopts a policy of diversity, equality, and inclusion, and continuously expands our diverse talent pool to foster different perspectives and opportunities for progress. This variety of thought will help employees leverage their strengths and become key contributors to the Company's growth.

Employee Workforce Structure

Year		2023						2024					
Category	Class	Male	Male Ratio	Female	Female Ratio	Total	Total Percentage	Male	Male Ratio	Female	Female Ratio	Total	Total Percentage
Position	Management personnel	104	59.1%	72	40.9%	176	15.8%	113	60%	75	40%	188	15.4%
	Technical personnel	478	51%	459	49%	937	84.2%	499	48.3%	535	51.7%	1,034	84.6%
Age	Below 29	191	51.8%	178	48.2%	369	33.2%	183	50.3%	181	49.7%	364	29.8%
	30–49	354	52%	327	48%	681	61.2%	388	49.2%	400	50.8%	788	64.5%
	Above 50	37	58.7%	26	41.3%	63	5.7%	41	58.6%	29	41.4%	70	5.7%
Nationality	Taiwan	538	54.3%	452	45.7%	990	88.9%	559	53.1%	494	46.9%	1,053	86.2%
	Foreign nationality	44	35.8%	79	64.2%	123	11.1%	53	31.4%	116	68.6%	169	13.8%
Education	Doctoral degree	4	100%	0	0%	4	0.4%	5	100%	0	0%	5	0.4%
	Master's degree	73	50.3%	72	49.7%	145	13%	81	50.6%	79	49.4%	160	13.1%
	Bachelor's degree	419	53.9%	358	46.1%	777	69.8%	435	51.7%	407	48.3%	842	68.9%
	Junior college	41	44.6%	51	55.4%	92	8.3%	43	39.8%	65	60.2%	108	8.8%
	General and vocational high school	38	44.2%	48	55.8%	86	7.7%	41	43.2%	54	56.8%	95	7.8%
	Others	7	77.8%	2	22.2%	9	0.8%	7	58.3%	5	41.7%	12	1%
Contractor	Regular employee	575	52.2%	527	47.8%	1,102	99%	602	49.9%	604	50.1%	1,206	98.7%
	Non-regular employee	7	63.6%	4	36.4%	11	1%	10	62.5%	6	37.5%	16	1.3%
Total		532	52.3%	531	47.7%	1,113	100%	612	50.1%	610	49.9%	1,222	100%

Note: The number of employees is calculated based on iST's headcount as of December 31 of the current year, including full-time employees, contract workers, corporate interns, and temporary workers. In 2024, the Taiyuan Plant and Zhongxing Plant were added and internal staffing was reviewed. The Taiyuan Plant has approximately 10 employees and the Zhongxing Plant has approximately 50 employees.
Management personnel include managers at a technical level or above (all of whom are Taiwanese); the rest are technical personnel. iST primarily employs regular full-time employees while non-regular employees are contracted on a fixed-term basis(including interns, dispatched, and temporary contract workers).

Policy on Hiring New Employees

In order to strengthen local employment and implement a diversified and inclusive hiring policy, the Company adopts a strategy to hire employees through campus recruitment, regional recruitment, government employment services and career development centers, industry–academia collaboration, and a diverse employment incentive program. Furthermore, active investment in various talent recruitment programs and encouraging internal employees to recommend outstanding talent are used to attract and promote the employment of quality talent. Character and competency are the first priorities in talent recruitment standards, followed by professional skills. In 2024, the Company hired 222 new employees, with 44.1% being male and 55.9% being female. This demonstrates the Company's commitment to gender equality in protecting the right to work and supporting the equal development of female employees in the workplace. In order to promote descent work, we adequate increase of participation among middle-aged and elderly workers to improve their re-employment. In 2024, middle-aged and elderly employees occupies 3.6% of the new hires, with the aim of safeguarding their employment rights and fostering a more inclusive work environment.

In order to foster a friendly working environment, we recommend continuing to employ people with disabilities. In 2024, we hired a total of 5 employees with mild or moderate disabilities and 4 employees with severe disabilities, with a gender breakdown of 67% male and 33% female. The weighted proportion of employees with disabilities has exceeded government-mandated hiring standards. All employees with disabilities are actively involved in work. Upon commencement of the work, we provide appropriate personnel support, equipment, and other resources tailored to their individual needs, ensuring a secure work environment. We will continue to offer job opportunities for people with disabilities to attract more qualified candidates and uphold their rights to work and social participation.

New Employee Workforce Structure

Year		2023			2024		
Category	Class	Male	Female	Total Percentage	Male	Female	Total Percentage
Age	Below 29	48.6%	51.4%	59.3%	50%	50%	48.7%
	30–49	41.8%	58.2%	38.6%	37.3%	62.7%	49.5%
	Above 50	80%	20%	2.1%	75%	25%	1.8%
Nationality	Taiwan	51.3%	48.7%	81.8%	51.5%	48.5%	76.1%
	Foreign nationality	25.6%	74.4%	18.2%	20.8%	79.2%	23.9%
Male-female ratio		46.6%	53.4%	100%	44.1%	55.9%	100%

Workforce Structure of Non-employee Workers

Category	Gender	Security	Group Catering	Cleanness
Below 29	Male	1	1	0
	Female	0	0	0
30–49	Male	1	1	1
	Female	5	1.5	1
Above 50	Male	12	0	0
	Female	4	1.5	11
Subtotal	Male	14	2	1
	Female	9	3	12
Total		23	5	13

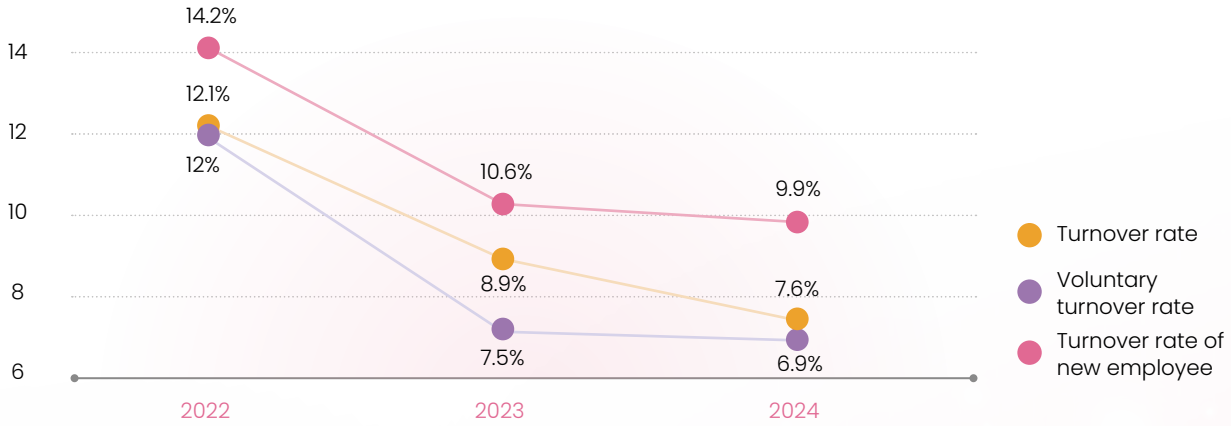
Note: FTE (Full-Time Equivalent) method is used with 8 working hours/person-day, in comparison to annual working hours (220 person-days at 8 hours per person-day), to convert into the number of personnel.

Talent Retention and Well-being

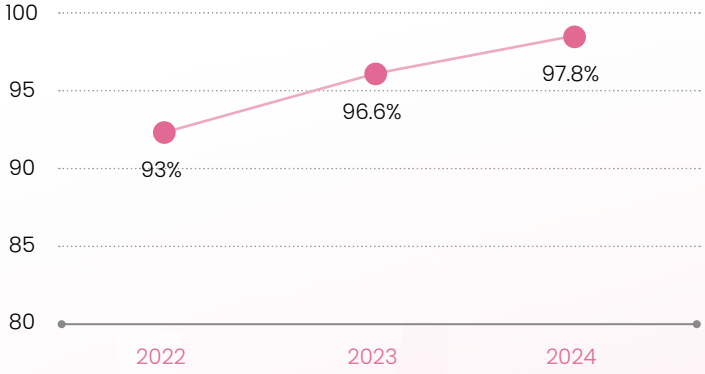
iST values the opinions and feedback of every employee. We are committed to building diverse and open communication channels and encouraging employee feedback and suggestions as a basis for improving management. We also hope to strengthen interaction and communication among employees to effectively enhance communication between the company and its employees, thereby increasing employee recognition and commitment. Because the Company is committed to create a harmonious workplace and provide attractive remuneration, benefits, and trainingand development platforms, the turnover rate in 2024 was 88 people, representing 7.6%, which was lower than the industry average and decreased year by year. This indicates that employees recognize the Company's investments in smooth career development opportunities, competitive employee rewards and benefits, and a healthy and safe working environment. The turnover of healthy talent contributes to the Company's long-term growth needs. We conduct retention interviews with every departing employee and assist them in transitioning to suitable positions, and analyze the key factors influencing retention and departure. We aim to improve issues promptly to retain valuable employees. If the Company's significant operational changes effect the labor rights or result in suspension of employment with some employees, advance notice will be provided in accordance with legal regulations. In 2024, iST did not have any significant operational changes.

In addition, iST builds a positive working atmosphere and continuously optimizes work–life balance, through comprehensive talent development programs, performance management, and performance-based salary adjustments. As technology evolves rapidly, iST provides challenging work opportunities that allow employees to leverage their expertise and achieve professional fulfillment, thereby attracting and retaining high-performing individuals. The retention rate of outstanding employees exceeded 90% in the last three years, reaching 97.8% in 2024, demonstrating strong employee recognition of the Company and the specific results of iST's "Focus on Human" and talent retention approaches.

Annual Turnover Rate



Retention Rate of Outstanding Employees



Note: Retention rate of outstanding employees: Number of outstanding employees still employed as of December 31 / number of outstanding employees for the year.

Structure of Resigned Employees

Year	2022			2023			2024		
Category	Male	Female	Total Percentage	Male	Female	Total Percentage	Male	Female	Total Percentage
Below 29	44%	56%	44.6%	53.3%	46.7%	48.9%	57.1%	42.9%	49.3%
30–49	51.7%	48.3%	51.8%	52.3%	47.7%	47.8%	58.3%	41.7%	47.3%
Above 50	50%	50%	3.6%	66.7%	33.3%	3.3%	66.7%	33.3%	3.4%
Total	48.2%	51.8%	100%	53.3%	46.7%	100%	58%	42%	100%

Compassionate Equality Care

iST implements diversity and equality and promotes gender equality. The Company employs and pays talent based on their abilities and job requirements, regardless of gender or race. In 2024, the rate of internal promotions to managerial positions reached 53.1%. A complete talent pipeline is developed for each organizational level, demonstrating the Company's commitment to employee growth and a smooth internal promotion mechanism, thereby providing a stable and challenging career development platform. iST actively employs and promotes female employees. In 2024, the proportion of new female employees reached 55.9%, a 2.5% increase from 2023. The proportion of female employees in Taiwan was approximately 49.9% of the total workforce, a 2.2% increase from 2023. However, owing to the characteristics of the technology industry, management and technical personnel are predominantly male. The proportion of female junior managers in 2024 was 42.6%, while the proportion of female senior managers was 15.8%. iST will continue to prioritize diversified employment as a sustainable policy, enabling each employee to fully realize their potential and fostering the long-term development of the organization.

Percentage of Female Employees and Female Managers

Year	2023		2024	
Category	Male	Female	Male	Female
Staff	52.3%	47.7%	50.1%	49.9%
Management	59.1%	40.9%	60%	40%
First level management	56.3%	43.7%	57.4%	42.6%
Senior management	83.3%	16.7%	84.2%	15.8%

Note: First level management refers to technical level, section-level, department-level managers; senior management are managers at or above department level.

iST actively cooperates with the government in its policy to hire people with disabilities. In 2024, we exceeded the mandated quota by employing a total of 9 employees with disabilities, all of whom are actively engaged in our business operations. We provided appropriate assistance and equipment to ensure they can work comfortably. We will continue to offer job opportunities to attract more qualified candidates with disabilities. Employees apply for unpaid parental leave during the childcare period as stipulated by law. In 2024, a total of 15 employees applied for this leave, with an average reinstatement rate of 85.7% for the year. iST also continuously monitors the retention of employees returning from leave. The retention rate for female employees who have returned fromunpaid parental leaveand completed one year of employment in 2024 is 100%, demonstrating the Company's commitment to and success in supporting work–life balance. iST will continue to foster a friendly and equitable workplace to improve both the reinstatement and retention rates of employees returning from unpaid parental leave.

Annual Parental Leave Status

Year	2023			2024		
Category	Male	Female	Total	Male	Female	Total
Number of employees entitled to parental leave (A)	48	49	97	46	55	101
Number of employees actually using parental leave (B)	1	9	10	4	11	15
Number of employees to be reinstated in the current year (C)	0	8	8	4	10	14
Number of employees actually reinstated in the current year (D)	0	7	7	4	8	12
Employees who returned to work after the parental leave in the previous year (E)	2	6	8	1	7	8
Number of employees who returned to work after the parental leave in the previous year and were employed for more than one year (F)	0	4	4	0	7	7
Application rate of parental leave (B/A)	2.1%	18.4%	10.3%	8.7%	20%	14.9%
Reinstatement rate (D/C)	-	87.5%	87.5%	100%	80%	85.7%
Retention rate (F/E)	0%	66.7%	50%	0%	100%	87.5%

Note: Employees within three years from childbirth are eligible for parental leave. In 2024, the qualified statistic range includes employees who gave birth between January 1, 2021, and December 31, 2024 (source: Number of maternity and paternity leave applications).

Competitive Compensation and Benefits

iST provides competitive remuneration to attract, cultivate, and retain talent. We are committed to gender equality and salary is determined based on individual ability, performance and contribution, adhering to the principles of fairness and reasonableness without regard to gender to ensure our remuneration policy is externally competitive and internally fair. We also offer outstanding bonus incentives, a positive working environment, and a comprehensive welfare system to attract and retain talent, enabling employees to achieve a balanced work–life integration. In 2024, the average salary of iST employees was NT$1,083,696, and the median salary was NT$943,511, both representing growth compared to the previous year. This reflects our commitment to sharing success with our employees and demonstrates our continued improvement in competitiveness. In 2024, the median total compensation (excluding pension) of iST was approximately NT$944,000, which is roughly 1:20 in comparison to the total compensation (excluding pension) of the chairman and general manager. The increase percentage of the annual total compensation for the Chairman and general manager as a ratio to the increase percentage of the median in the total compensation for the employees is approximately 2 to 1.

Average Basic Salary Ratio of Male and Female Employees at All Levels

Year	2023		2024	
Category	Male	Female	Male	Female
General employees	1:0.93		1:0.91	
Management personnel	1:0.84		1:0.85	

Average Remuneration Ratio of Male and Female Employees at All Levels

Year	2023		2024	
Category	Male	Female	Male	Female
General employees	1:0.92		1:0.91	
Management personnel	1:0.81		1:0.81	

Annual Salary Status

Year	2023	2024
Number of full-time non-managerial employees	978	1,102
The average salary of full-time non-managerial employees	1,047,508	1,083,696
The median salary of full-time non-managerial employees	915,401	943,511

Salary System

iST values talent, employee rewards closely linked with individual performance, with annual salary adjustments that outperform industry standards. The Company provides competitive compensation levels and implements a fair remuneration system, regardless of gender, age, race, religion, nationality, or disability. Additionally, it implements a diverse incentive bonus system, aligning employees with the success of the Company's operations.

Employee Welfare Measures

iST provides competitive benefits to implement the belief of taking good care of employees, allowing employees to focus on creating value for the company without concerns. The Company has established retirement regulations in accordance with the Labor Standards Act to provide a defined benefit pension plan and has set up a Labor Retirement Reserve Supervisory Committee responsible for overseeing and managing the allocation and disbursement of retirement reserves. It contributes 2% of its monthly payroll to the pension fund, which is deposited in a dedicated account at the Bank of Taiwan. Every year, it conducts an actuarial calculation of the retirement reserve through a professional accountant, and the calculation is certified by an accountant to ensure sufficient contributions are made. For employees who meet the retirement requirements under the old system of the Labor Standards Act, pension payments are calculated based on their years of service prior to retirement and their average salary for the six months preceding retirement. Effective July 1, 2005, the Company complies with the Labor Pension Act and contributes 6% of each employee's monthly salary to their individual pension account with the Bureau of Labor Insurance. In addition to the statutory insurance system, iST also provides comprehensive group insurance for its employees. The premiums are fully covered by the Company, including life insurance, accident insurance, health insurance, and cancer insurance, enhancing overall employee protection.

Reward System

1. **Employee Salary**
   - We conduct an annual market salary survey to ensure that our employees are paid competitively in the market.
   - Employees' compensation is directly linked to the Company's operational performance, team achievement, and individual performance.
2. **Incentive bonus and performance bonus**
   - Bonus is determined according to the achievement of quarterly company operational goals, and in conjunction with departmental performance and individual contributions.
3. **Diverse incentives**
   - These include high-performance bonuses, sprint bonuses, achievement bonuses, recommendation bonuses, improvement proposal bonuses, coaching bonuses, and retention bonuses.
4. **Employee bonuses and stock options**
   - To attract and retain professional talents, the Company has established the method of issuing and subscription of stock options to encourage and enhance the employees' devotion to Company.

Industry–Academia Collaboration – Creating New Chapters in Talent Development

In the rapidly changing technological environment, technological innovation and talent cultivation are key to the continuous development of the enterprise. It is well understood at iST that only through close collaboration with academia can we effectively cultivate outstanding talent that meets industry needs. Therefore, we actively promote diverse industry–academia partnerships through initiatives such as campus recruitment, elite scholarships, diversified internships, pre-employment programs for new graduates, testing and analysis technology subsidies, foundational learning programs, specialized training courses, expert lectures, and international programs, all aimed at building a comprehensive talent development system.

iST adheres to the core value of "Focus on Human" and strives to create an environment for the common development of academia and industry. Our goal is to bridge the gap between academia and industry, helping students connect with real-world industry practices during their studies and enhance their future career competitiveness. We believe that this collaboration will not only cultivate the next generation of technical talent, but also inject innovative momentum into enterprises, achieving mutual growth for both talent and companies.

iST has established long-term collaborative relationships with renowned academic institutions—including National Tsing Hua University, National Yang Ming Chiao Tung University, National Taiwan University of Science and Technology, National Taipei University of Technology, Tamkang University, Chung Yuan Christian University, National United University, Lunghwa University of Science and Technology, and Minghsin University of Science and Technology. Each year, our internship program attracts hundreds of students, fostering a large pool of technically skilled talent. Through our Elite Talent Scholarship Program, many outstanding students have seamlessly joined iST, bringing their strengths to meaningful application. Additionally, corporate visits and professional seminars have been warmly received by students. These activities not only deepen their understanding of the industry, but also significantly enhance their job competitiveness. These collaborations have not only bridged the gap between academic learning and workplace demands, but also created lasting value for both industry and society.

To actively foster the value of industry–academia collaboration, it is recommended to further invest dedicated resources to assist Tamkang University in optimizing its teaching and research environment, and thereby support academic development and faculty and student research. iST pledges to donate NT$4 million to Tamkang University to support optimizing the space utilization of its multipurpose reading room and establishing the "iST Study Hall." The first donation of NT$1.5 million was disbursed in 2024, actively initiating the project and contributing to the development of talented individuals. This project covers several conference rooms, study areas, a library, and spaces for teacher–student interaction and relaxation. It aims to provide a more comprehensive environment for study and exchange, helping students improve their professional skills and enhance their learning momentum and outcomes.

Deepening Diversified Industry–Academia Collaboration

1 Elite Scholarship

Expand recruitment to key universities across Taiwan, actively seeking outstanding students from science and engineering departments. In addition to providing scholarships, we integrate corporate internships and professional development to seamlessly connect students with both academia and the workplace, and to cultivate future key technical experts for businesses.

Scholarship
> NT$1.25 million

2 Pre-employment Programs for New Graduates

Select pre-employment candidates, focus on the long-term needs of the enterprise, provide professional training and growth opportunities, and help new employees quickly adapt to and create value for iST.

Pre-employment bonus
> NT$1.2 million

3 Diversified Internship Program

The number of partner schools has increased to 13. We have strengthened our internship and pre-employment mechanisms to provide professional training and development opportunities. In addition, activities like tea parties facilitate exchanges with interns to help them quickly integrate into the corporate culture and enhance their learning and adaptability.

Intern retention rate exceeds
80%

4 Workplace Visit Program

We provide more opportunities for students and job seekers to visit companies to gain an in-depth understanding of corporate culture, industry trends, and the workplace environment, offering valuable insights into career planning.

The satisfaction rate is
4.7 (out of 5)

Elite Talent Cultivation Program

Intern Tea Party

iST Diversified Internship Program
Visit by students from Lunghwa University of Science and Technology

iST Workplace Visit Program
Visit by National Tsing Hua University students

Deepening Diversified Industry–Academia Collaboration

5 Professional Lecture

The industry experts bring the latest industry trends and practical experience to optimize courses and deepen cooperation with top schools, enabling students to gain a more valuable learning experience.

The satisfaction rate is 4.7 (out of 5)

6 Deep-Rooted Learning Program

The Company cooperates with various university departments to provide original textbooks for required courses, and supplements them with additional materials to help students gain a more comprehensive understanding of the course content and improve their learning outcomes.

Number of people receiving books > 120

7 Testing and Analysis Technology Subsidy Program

Deepen collaboration with key schools, increase program funding, expand partnerships, provide subsidies for testing and analysis, support academic research and technological innovation, and promote bidirectional exchange between industry and academia.

Testing and analysis subsidies NT$6 million

8 Building a Quality Learning Environment with Tamkang University

iST supports Tamkang University in optimizing its teaching and research environment and is committed to a donation of NT$4 million to support optimizing the space utilization of its multipurpose reading room and establishing the "iST Study Hall." The first donation of NT$1.5 million was disbursed in 2024, actively initiating the project and assisting students in enhancing their professional skills.

First donation of NT$1.5 million in 2024

iST Professional Lecture
Department of Physics, Tamkang University

iST Deep-Rooted Learning Program
Department of Physics at Tamkang University

iST Deep-Rooted Learning Program
Department of Materials Science and Engineering, NYCU

Recruitment Activity
Recruitment from the Employment Service Center

iST Campus Recruitment Activity
At National Tsing Hua University

[Government Cooperation Program]– Promote Youth Employment and Enhance Workplace Competitiveness

On the path to supporting youth employment, we actively respond to the government's employment promotion initiatives and provide more opportunities for young people to enter the industry through various collaborative mechanisms. We believe that companies should actively participate in talent development, which can not only improve the employability of job seekers but also provide fresh talent to the industry.

iST is committed to providing young people with career development opportunities through collaboration with government agencies and helping them transition smoothly into the workplace. We hope that these collaborations can be a gateway for young people to enter the industry, helping them lay a solid foundation for their future careers and enhance their workplace competitiveness. iST actively participates in government cooperation projects, including: iST actively participates in various government collaboration programs, including the International Industrial Talent Education Program (INTENSE Program), the Youth's Employment Ultimate Program, and Career Development initiatives.

International Industrial Talent Education Program (INTENSE Program)

In response to the Ministry of Education's international program strategy, we collaborate with academia to cultivate overseas students, providing professional training and industry connections to create an international talent development platform.

Ministry of Labor Job Ta-Lo Learning Theme – Career Promotion Activity

We participated in the Mission J to launch a corporate internship program, providing internship opportunities to help young people adapt to the workplace earlier.

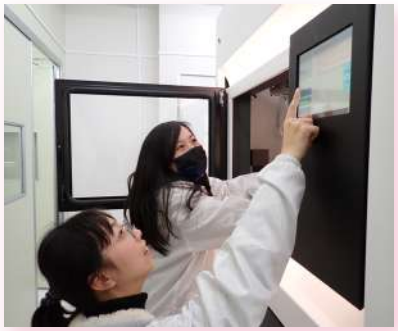
We participate in the "Career Fun" Podcast interview, deeply analyzing the development of semiconductor technology, technology trends, and career advice to provide valuable insights for the new generation of job seekers.

Job Ta-Lo Career Fun

Youth's Employment Ultimate Program

Since 2018, we have hired over 441 young people and achieved over 80% training completion rate, demonstrating outstanding training results and a high-quality workplace introduction mechanism.

In 2024, we received recognition from the Ministry of Labor's Workforce Development Agency for excellent success cases, demonstrating our active contribution to the employment and development of young people.



Participants of the Youth's Employment Ultimate Program

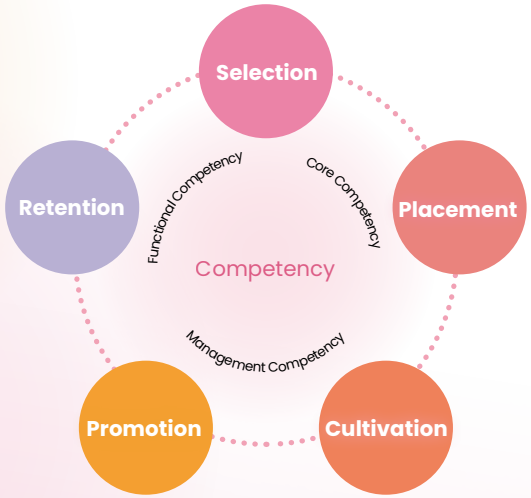
iST actively participates in the government's employment promotion programs, helping young people enhance their workplace competitiveness and smoothly transition into the industry through diverse cooperation mechanisms. The International Elite Program aims to cultivate students from different countries, enabling them to study in Taiwan and contribute to the development of the technology industry. We provide young people with internship and workplace exploration opportunities through the Ministry of Labor's career promotion activities, allowing them to gain practical experience before graduation. In the future, we will continue to strengthen our cooperation with the government, promote more innovative talent development programs, and contribute greater value to industry and society.

Talent cultivation and development

iST is a medical center for the semiconductor industry. We continuously cultivate and develop our professional expertise while upholding the core value of "Focus on Human" and fostering a corporate culture of "service," "unity," and "innovation" in the hope of making iST a company that employees are proud to be a part of.

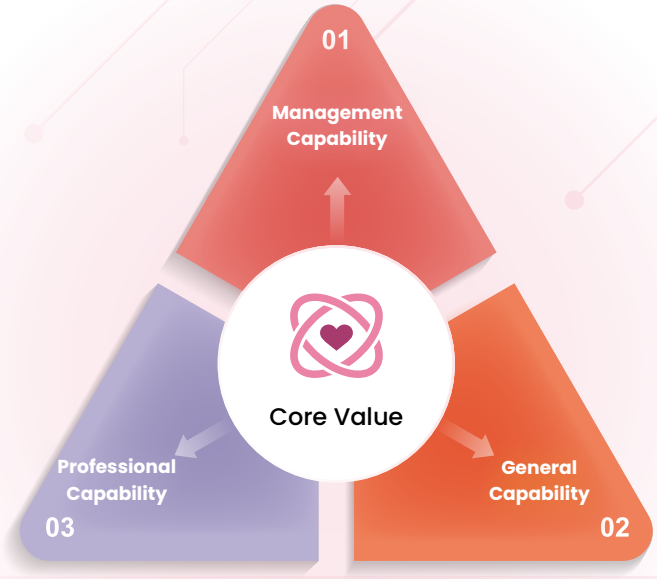
iST builds the talent management and development system around "competencies," and implements talent selection, hiring, training, promotion, and retention accordingly. Each year, we align our talent development strategy with the organization's strategic operational goals, focusing on our core values to shape our training and development initiatives. We offer diverse development channels to help employees grow and, through job-specific training blueprints and a variety of development opportunities, cultivate professional capabilities and create a workplace where employees have unlimited potential and can build a competitive edge.

A sound talent management and development system

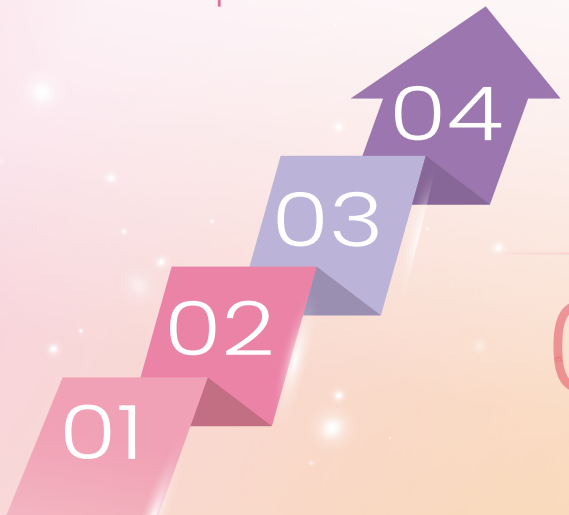


- Selection — Competency Interview - Accurate Talent Selection
- Placement — Competency Evaluation System - Placing talent in the best position
- Cultivation — Competency Gaps - Planning of training development program
- Promotion — Competency Evaluation - Competency evaluation basis
- Retention — Competency Matching - Positioning talents and retaining those aligned with Company's culture

Employee competence pyramid



Diverse development channels



03 Integrated Development (Building Competitiveness)

- Combination of core competency and general capability
- Multi-skilled training and cross-department cooperation

04 Dual Track Development (Right Person in the Right Place)

- Management Career Development
- Technical Career Development

01 New Employee Development (Sustaining Energy)

- Professional competency certification and development
- Online learning /Self Directed Learning

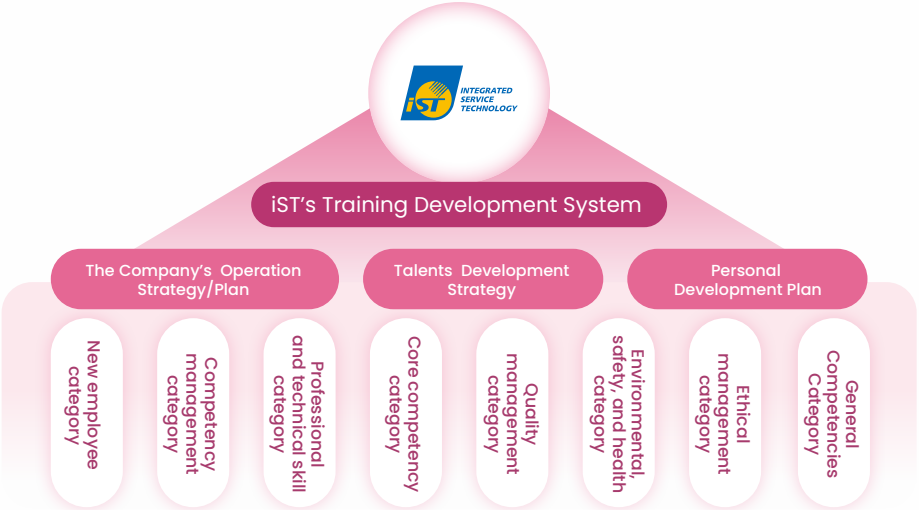
02 Professional Development (Deepening and Internalizing Experience)

- Duty and project experience
- Continued enhancement of professional and technical skills

Training Development System

iST plans 8 types of programs based on employees' development needs creates diverse learning journey, and promotes various training and projects through diverse training methods. In 2024, we added new general knowledge categories, including health lectures, employee assistance programs (EAPs), courses on physical and mental well-being and other related promotional training, to comprehensively support employee growth and work–life balance and foster a robust learning and support environment.

Training Development System



Training Time Investment_by Gender and Status

Category		Item	2022	2023	2024
Gender	Female	Training hours	11,488	12,549	14,812
		Number of employees	461	531	610
		Average training hours	25	24	24
	Male	Training hours	13,424	13,447	15,697
		Number of employees	542	582	612
		Average training hours	25	23	26
Status	Employee	Training hours	22,808	22,926	26,930
		Number of employees	821	937	1,034
		Average training hours	28	25	26
	Management	Training hours	2,041	3,070	3,579
		Number of employees	172	176	188
		Average training hours	12	17	19

Training Investment_by Course Type

Course Category	Course Type	2022			2023			2024		
		Batch	Participants	Hours	Batch	Participants	Hours	Batch	Participants	Hours
New employee category	Employee Code of Conduct and New Employee Training and Certification	442	5,052	6,665	459	3,597	7,415	586	4,279	7,496
Core competency category	Customer service and competency development training	37	3,957	2,136	40	2,977	2,023	39	3,194	2,780
Professional and technical skill category	Professional competency development, keynote lecture, and technical seminar	256	1,742	3,056	306	2,129	3,277	258	1,625	3,352
Environmental, safety, and health category	Environmental safety and certification	37	899	5,336	54	1,240	3,689	61	2,477	5,685
Competency management category	Regulation management and competency development	8	35	16	17	165	442	17	234	209
Quality management category	Quality system and management	12	1,018	3,050	28	1,210	2,023	23	1,358	812
Ethical management category	Training on ethical management and legal compliance	327	7,153	4,653	33	10,911	7,127	45	13,350	8,923
General Competencies Category	Lecture and course on physical and mental health support	0	0	0	0	0	0	18	1,861	1,252
Total		1,119	19,856	24,912	937	22,229	25,996	1,047	28,378	30,509

Note: 2022: iST offered various training courses, with a total participation of 19,856 persons, 1,119 phases, and a total of 24,912 training hours. The average duration per employee was 24.8 learning hours; the total training cost was NT$1,150,000.
2023: iST offered various training courses, with a total participation of 22,229 persons, 937 phases, and a total of 25,996 training hours. The average duration per employee was 23.4 learning hours; the total training cost was NT$1,628,926.
2024: iST offered various training courses, with a total participation of 28,378 persons, 1,047 phases, and a total of 30,509 training hours. The average duration per employee was 25 learning hours, a 6.84% increase compared to the previous year, primarily due to the proactive enrichment of online course resources. This encouraged independent and flexible learning, effectively boosting overall training participation and learning hours. Simultaneously, training internal instructors effectively lowered training costs. The total training cost was NT$1,285,528.

New Employee Development and Care

New Employee Development Roadmap

iST deeply understands that "people" are the most critical assets of a company. To ensure that new employees can smoothly integrate into iST's culture and fully realize their potential, we have developed a comprehensive new employee development roadmap aimed at enhancing employee career growth and fostering equitable development opportunities. With the implementation of the new employee development roadmap, we not only strengthen the professional capabilities of each employee, but also convey the Company's business philosophy and cultural values through consensus camps, embedding service, teamwork, and innovation into the DNA of every employee. We believe that only by establishing consistent values and team spirit can we work together to face challenges and create an excellent future.

New Employee Guideline

- Organizational environment
- Employee code of conduct
- Information security
- ESD protection
- Safety and health

Onboarding day (physical training)

Digital Learning

- Common regulations
- System operations
- Technical processes
- Product service
- Quality Policy

On-job Training

New employees receive OJT training and certification by personal trainer, which includes new employee care and surveys

Within 3 months of onboarding (online + practical training)

Consensus Camp

Through participation in physical courses, new employees can gain a deeper understanding of iST's operating philosophy and cultural values

Within 6 months of onboarding (online + practical training)

Coaching System – Supporting Talent Development

It takes time for new employees to understand the company's culture, professional skills, and work model. To accelerate this process and ensure each new employee can fully realize their potential, implementing a coaching mechanism to facilitate the transfer of departmental expertise and knowledge is recommended. There were 52 new qualified coaches added in 2024. iST has implemented a coaching system that not only provides teaching in professional field, but also offers care for new employees in their work and life to assist them in quickly getting their career on track and contributing to iST's competitiveness.

Coaching assistance

Professional skill teacher

- Departmental professional and technical guidance
- Assistance with work-related problems and difficulties
- New employee learning issue feedback

Environmental Guide

- Introduction to Company's system/culture
- Guidance on factory working environment
- Introduction to departmental environments/employees

Life Partner

- provides daily life information and care
- provides relevant assistance and opinions

Mentor

- assists in building interpersonal relationships
- helps newcomers maintain a positive attitude

Care for New Employees – Heart Service Guidelines

1 Multifaceted communication channels

iST values every new employee. To ensure new hires feel heard and that open, transparent, and trusting communication is fostered throughout the Company, we leverage communication and support from department managers, dedicated coaches, and the HR team to build new employee loyalty and a sense of belonging. This demonstrates iST's commitment to active listening and continuous improvement, ensuring all new employees receive equal attention and support. The satisfaction score of new employees in 2024 reached 4.68.

New employee care process

The first week of onboarding

The Company provides many resources to help new employees quickly get acquainted with their work and team, and verifies the coaching methods used by coaches to ensure a smooth learning experience for new hires, while fostering mutual trust and connection between new employees and their coaches.

The first month of onboarding

The human resources unit and coaches understand new employees' feelings about the Company and organization. They provide timely resources and assistance by caring about their adaptation, learning progress, and any challenges they face.

The third month of onboarding

The supervisor conducts a one-on-one check-in with new employees to discuss their progress toward work goals and their adaptation to the organization. This also provides an opportunity to explore their expectations for professional growth and personal career development, fostering a supportive environment for their development.

Feedback from new employees

- The coaching helped me gain professional insights at work, similar to a lecture on technical expertise. It breaks down concepts step by step and uses visuals like pictures or whiteboard diagrams to facilitate understanding and learning.
- After comparing the current project to past experiences within the coaching clubs, we identified the differences and similarities. Determining whether this specification is standard or special, and analyzing the level of difficulty for our current partners, will give my team and me greater confidence in completing this task.
- The Company has clearly and concisely defined its on-the-job function development guidelines and key behavioral indicators. With dedication, employees can drive the Company toward a common goal, which is crucial for organizational growth.
- The executive provided timely assistance. The company has a comprehensive system, and employees clearly feel valued, with a good learning platform available.

2 Danny's Talk: Direct communication between new employees and the Chairman

The Chairman of the Board personally participated in the consensus camp to share his views on corporate strategy, cultural values, and expectations for employee development. This provided all new employees with the opportunity to interact and exchange ideas directly with the Chairman to share their perspectives and suggestions.

Learning feedback from participants

- I really enjoyed Danny's talk and the opportunity to speak directly with the Chairperson. It not only showed me how much the company values its employees, but also helped me better understand its vision and direction.
- I originally received a lot of guidance from my colleagues and superiors within the department. Through this exchange, I feel a stronger sense of unity. Most importantly, I gained a better understanding of iST's history and future prospects, and my appreciation for this place has deepened. This was a very meaningful experience!

Inspire Innovation, Expand Horizons – Technology Forum Lecture

In order to help employees stay up to date with the latest industry trends, it is advisable that the Company hold regular technical forums annually to promote knowledge exchange through internal and external experts, foster an open discussion and knowledge-sharing environment, and encourage employees to continuously improve their professional capabilities and apply them to their work. In 2024, a total of 303 employees participated in the lecture, accumulating 531 learning hours.

The introduction of CIS technology

Evolution of Semiconductor Device & Process

2.5D & 3D package introduction

Through the technology forum lecture, employees can continuously learn new skills, broaden their professional perspectives, spark innovation, and foster a wider outlook. This lecture facilitates cross-departmental knowledge sharing, driving the sustained growth of both employees and the organization.

Learning feedback from participants

I learned a lot about IC processes and packaging methods, and it has been very beneficial.

I learned a lot of new testing and setting methods through the lecture, which marked a new milestone in my learning journey.

The lecture content will be beneficial to my future work and will leave a lasting impression.

The Engine for Accelerating Talent Capability

In order to encourage employees to share internal knowledge and experience, we hope to establish an internal lecturer system through which outstanding and experienced employees can become "knowledge bearer" and jointly create opportunities for mutual growth. iST actively cultivates a team of professional successors, systematically accumulates and passes on key knowledge, shares and expands learning benefits to ensure that valuable experience and expertise are circulated and passed down within the organization. In the past three years, over 63,000 internal training sessions have been conducted, with training hours increasing year by year. In 2024, digital courses accounted for 70%, indicating that digital learning has become the mainstream method for employee knowledge transfer and acquisition.

Internal Lecturers' Classes in Recent Years

Year	2022		2023		2024	
Training Method	Physical	Digital	Physical	Digital	Physical	Digital
Training courses	93	190	101	243	80	200
	283		344		280	
Total participants	2,502	15,375	2,356	19,081	3,091	21,024
	17,877		21,437		24,115	
Total training hours	13,633	5,246	9,459	10,276	7,541	12,610
	18,878		19,735		20,151	

Happy teacher's day

Employee Self-Learning – Online Diverse Learning Resources

iST dedicates itself to creating a continuous learning environment and strengthens employee awareness of "self-learning." Employees are encouraged to arrange their learning progress according to their individual needs. To this end, we have collaborated with internal instructors to launch online microcourses, reading materials, and other technical resources, totaling nearly 500 diversified online learning options available for employees to choose from. In 2024, over 22,140 employees participated in the reading program, with a total of 26,877 reading hours. Executives can also understand their employees' learning progress through the learning dashboard, enabling employees to enhance their skills through work or projects to foster their self-growth.

Strengthen Culture Foundation and Empowering Talent Development

Self-motivation, realization of values – driving self-growth and creation of common good with the organization

iST deeply understands that an "accountability culture" is the key to drive steady growth and shared success of an enterprise. Therefore, the Company has invited external professional lecturers to conduct an internal course titled "Self-motivation and Realization of Values" to help employees strengthen their sense of accountability and cultivate proactive thinking and action. Accountability is not just a commitment to work, but a mindset of self-growth. We expect that internal cultural activities and training courses will help employees develop a clear understanding and cultivate self-motivating behaviors and methods. By embracing responsibility, proactively seeking solutions when faced with challenges, and continuously enhancing their value, employees will contribute to stronger teamwork and improved overall performance. As of 2024, over 270 employees had taken the "Self-motivation and Realization of Value" course, totaling 1,800 training hours with a course satisfaction score of 4.7.

Learning feedback from participants

The course is very helpful for work and highly practical. It can change one's attitude toward work, making it more positive, and also improve the atmosphere and corporate culture. The activities were very impressive, and the results validated the lecturers' points, making their arguments more convincing than simply sounding logical and reasonable. This is the most detailed feedback I've ever written.

The six major actions are very helpful for one's career development. At least, they provide a clear direction for improvement, which can help avoid unnecessary detours.

I learned new ways to manage work and deal with problems, and I find them very useful!

After class, I still recall the various knowledge points taught in the lesson. This is a very easy and practical course. Thank you to the lecturer and the company for arranging such a high-quality course.

The interaction and activities in the course are quite engaging, and the explanation and application of the six core actions for self-motivation are very easy to understand.

Core Competency Development

iST follows the 70-20-10 model for core competency development, emphasizing 10% learning concepts and ideas, 20% practicing behaviors, and 70% practical work, to achieve the most effective learning outcomes. The Company organizes diversified cultural activities every year to stimulate employees to demonstrate their capabilities and meet functional requirements. iST adopts the Kirkpatrick Model to track the effectiveness of training through four levels of evaluations: reaction, learning, behavior, and outcome, ultimately achieving the goal of win-win situation for both individuals and organization. The iST culture and functional development are promoted to employees through game-based learning. In 2024, an escape room activity combined with cultural and functional challenges attracted over 400 participants, including more than 10% managerial officers.

Learning feedback from participants

- The functional training courses are very fun and help me understand the company's culture and improve customer service quality
- It is possible to feel the company's dedication to implementing cultural activities

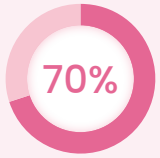
70-20-10 Core Competency Development

Cognitive Concept

- **The Moment Of Truth Card**
  To ensure that all employees understand the behavioral requirements for client interactions according to their respective job categories.
- **Competency Dictionary**
  To ensure that every employee is aware of the behavioral code for competencies.
- **Cultural Consensus Camp**
  Through training, employees gain a clear understanding of the company's culture and values, core competencies, and the importance of a customer-first mindset and behaviors.

Behavioral Practices

- **Team Service Competition**
  By combining in-person events with digital platforms, a series of developmental activities were designed using a blended approach to effectively engage employees, encouraging them to translate mindset and cognitive aspects into observable work behaviors.
- **Mystery Shopper**
  Through the role play of customers by external personnel, employees were able to practice on the indicators and provide timely feedback and guidance.



Work Practices

- **Practices on Work**
  Through behavioral examples to record actual situation tasks, actions and outcomes, and using a "learn by doing" approach to continuously improve and connect to performance management frameworks for competency management to encourage employees to practice and achieve team performance goals.

2024 Effectiveness Assessment

L1 Reaction

The average satisfaction rate of core competency training course achieves 4.6.

L2 Learning

The average score of core competency (online) video is 100.

L3 Behavior

Implementation of competency behavior on the job:

In 2024, a total of 923 submissions of key competency behavior reports were made and reviewed by supervisors. Employees applied these competency behaviors in their work and documented their actions.

Mystery Shopper audit:

In 2024, employee competence in establishing customer loyalty and satisfaction scored an overall 89.

Internal Customer Satisfaction Survey:

iST employees are considered internal customers. By listening to their needs and continuously optimizing processes and providing solutions, the internal customer satisfaction score for 2024 reached 4.07.

L4 Results

Performance Management Evaluation:

The average score of the core competency behavioral practice was 3.5.

Customer satisfaction survey:

In 2024, the Customer Satisfaction Survey yielded a score of 9.9, up 0.7% from the previous year, demonstrating consistently high and improving levels of customer satisfaction.

Learning by Playing, Shaping the DNA of a Unique Culture

In order to shape the culture of iST and prevent its values from becoming mere slogans, iST has launched an annual cultural strategy and action plan every year since 2008. To help employees understand, embrace, and internalize these values, we design the "Annual Team Competition" with lively elements that align with current trends. This competition combines online and offline challenges with key employee development areas and our customer service spirit, using a "learning by playing" approach to attract and boost employee participation. This allows employees to engage with their teams, exchange ideas, and learn together outside of their daily work, enhancing team cohesion. Through these year-long activities, iST's culture is subtly ingrained in employees, shaping the iST DNA.

1

See it – promotion period

The culture posters designed each year are displayed throughout our facilities to constantly remind employees of the year's priorities and key initiatives. On the first day of commencement every year, we release a short film previewing the cultural themes for the new year.

2

Own it – dissemination period

Senior executives take ownership of the annual development strategy and its direction adjustment, refine and consolidate this year's competitive teams from higher to lower levels, invite managers at initial and intermediate levels to collaborate in addressing the tasks and challenges of the year, and strive for the highest achievements of the team.

3

Solve it – development period

According to the cultural design proposals for the year, activities and courses are launched at planned intervals. Innovation is carried out through diverse methods and creative ideas to create a relaxed and interesting way of learning.

4

Do it – implementation period

To ensure team member participation and track progress, we calculate team scores annually in December, provide encouragement and rewards to the top three teams, and grant awards at the year-end party.

Team competition on core corporate values

Secret shopper mechanism for service quality inspection

We treat external customers with care and conduct service quality inspections through a secret shopper program. We learn from customer service awareness and review behavioral changes based on feedback from secret shopper audits, enabling employees to continuously improve service quality. In the past two years, the secret shopper audit score was close to 90 points, and customer satisfaction reached 9.9 out of 10 in 2024, clearly demonstrating the results of the secret shopper program and various corporate culture initiatives.

Employees as iST's Internal Customer

We treat employees as internal customers and think from their perspective. We are committed to understanding their feedback, listening to their needs, continuously optimizing and proposing solutions to improve the employee experience. As the Company has expanded in recent years and the number of employees has continued to grow, different groups have varying levels of exposure to different management areas, resulting in more diverse feedback and subsequently impacting the overall average score. The Company continues to pay attention to the needs at all levels, strengthens communication channels, and ensures that every employee's voice is heard and addressed, in order to further improve employee satisfaction. The internal customer satisfaction score in 2024 was 4.07.

Cultivate Leadership and Consolidate the Foundation of Management

In order to stimulate employees' potential and retain talent, wecultivate and reserve professional skillsthrough various position training blueprints and diverse development channels. Furthermore, employees develop along a "dual system" of both management and professional capabilities, allowing them to fully utilize their strengths and increase their engagement and commitment.

Navigator of management

Improve the leadership of the manager in the aspects of planning, organization, leadership, guidance and comprehensive control through the training under a management competency program to ensure stability and continuous growth at all levels of the organization.

Navigator of technology

Continue to engage in the research and development of technological services, provide more professional judgments and recommendations within the organization, and look into the direction of development with respect to the technological services in the future.

Annual comprehensive management ability evaluation to address specific management needs

iST actively develops supervisors' management capabilities based on their core management functions in order to enhance team performance. A comprehensive management ability evaluation is conducted annually to understand supervisors' strengths and weaknesses with reference to the feedback of the subordinates, which is then used as a reference for training and promotion at all management levels. In 2024, the management ability feedback participation rate was 71.04%, and the evaluation score was 4.3.

Improve supervisors' management abilities by developing their management competencies

The Company follows the management competency training blueprint to cultivate supervisors, enhances their management capabilities, shapes aresponsible organizational culture, and adopts a positive and proactive workattitude, demonstrating a willingness to take ownership of results and enhance organizational competitiveness. In 2024, 17 sessions of supervisor training were held, with a total of 234 participants and 209 training hours. The course satisfaction score was 4.8 out of 5.

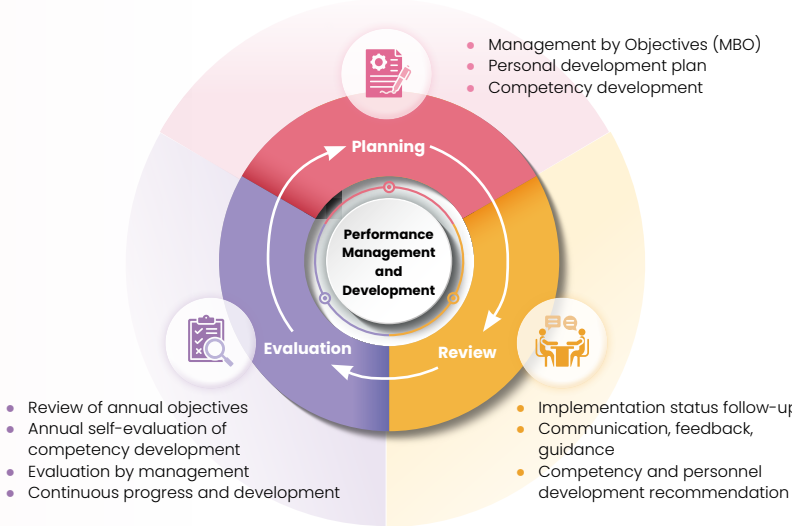
Performance Management and Development

iST ensures the alignment and consistency of organizational, departmental, and individual goals through a performance management and development system to ensure the alignment and consistency of organizational, departmental, and individual goals through a performance management and development system. Timely performance reviews and communication are utilized to demonstrate performance outcomes, which will then serve as the basis for employee job assignment, promotion, salary adjustment, and development. The performance results of all employees are closely linked to personal development, promotion, remuneration, and reward. Performance evaluations are conducted annually, and all employees who have passed the probation period must participate in the performance evaluation process. The performance management system enables iST's continuous growth. For employees, it is related to breakthrough of personal accomplishment, substantial renumeration, and recognition. In the performance management mechanism, managers play a key role in the continuous encouragement of teams and thus their management capabilities are reviewed every year to provide a reference for the training in this aspect and their promotion.

Motivation and retention of outstanding employees

In addition to valuing the performance of the organization and individual, iST pays attention to the development and retention of high-performing employees. Beyond exclusive awards and seminars, generous performance bonuses, honorary leave, competitive salary increases and bonuses, high-performing employees also receive key training and accelerated development opportunities. In 2024, the retention rate of high-performing employees was 97.8%.

Photos of the award winners



Friendly and Healthy Workplace

Human Rights Policy

iST is committed to complying with international human rights-related conventions, referencing the spirit of the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the Responsible Business Alliance Code of Conduct, and other applicable industrial standards and international conventions. We uphold the principles of "Focus on Human" and "Respect Human Rights," treating all employees equally and striving to build a safe and healthy workplace environment that meets established safety and health standards. We continuously improve working conditions and employee benefits for all staff.

In order to implement the concept and policy of human rights protection, in 2024, iST's human rights policy employs diverse, open, and two-way communication channels to listen to stakeholder opinions, and regularly discloses the goals, actions, performance, and progress of human rights management on the Company's ESG website and sustainability report. We will actively implement training and promotion on diverse human rights protection issues, including plant safety and health, emergency response, first aid personnel training, personal data protection, workplace abuse, sexual harassment prevention in a friendly workplace, and other illegal infringement prevention and control, to enhance employees' human rights awareness. In order to continuously implement and optimize the implementation of human rights protection policies, we will continue to introduce the human rights governance and training mechanism of "Eliminating Sexual Harassment and Workplace Bullying." In 2024, a total of 5,430 employees participated in the course, totaling 10,548.91 training hours. There were zero major human rights violation complaints in 2024.

The human rights management measures and results of iST are as follows:

Establish a working environment of diversity, zero-tolerance to discrimination, prohibition of harassment, and humane treatment

- Formulation of "Guidelines for Preventing Unlawful Infringement during Job Duties" and the "Complaints and Disciplinary Measures for Workplace Sexual Harassment Prevention."
- 1,990 employees participated in the training course on prevention of illegal infringement at workplace.
- 0 complaints related to violations of labor's human rights.

Prohibit employment of children, forced labor and human trafficking, and other acts that violate human rights

- Employees sign labor contracts in accordance with the law and are guaranteed freedom from any form of slavery or forced labor.
- Comply with laws and regulations and do not employ child labor or young workers under the age of 18.
- Any actions that may lead to the employment of child labor are not allowed.

Provide fair and reasonable remuneration and working conditions

- The Company has signed labor contracts with each employee in compliance with Taiwan's labor and human rights laws and regulations.
- The Company periodically reviews the remuneration system to ensure overall competitiveness in the talent market.
- The Company's welfare and leave system exceeds the requirements of the Labor Standards Act, promoting both internal equity and external competitiveness.

Ensure a working environment that meet the health and safe and sanitation requirements

- The Company establishes the ISO 45001 Occupational Safety and Health Management System, and regularly holds Occupational Safety and Health Committee and EHS Management Review meetings.
- The Company specifies the protection measures for female employees in the work rules.
- Protection measures for pregnant workers: including prohibition of night work and hazardous work.
- Installation of EAPs, factory nurse hotline "885."

Periodically assess human rights risks and take remedial measures in a timely manner

- Formulate clear human rights policies to ensure senior management and employees understand human rights risks.
- We establish a remediation mechanism to respond to incidents immediately, provide effective remedies, and prevent similar incidents from occurring again.

Ensure equal job opportunities for all employees and eliminate all forms of discrimination

- In the work rules, it is explicitly stated that the Company does not discriminate in recruitment processes or employment decisions based on factors such as race, religion, belief, gender, fertility status, age, political affiliation, nationality, disability, sexual orientation, astrological sign, blood type, or any other reason.
- 0 cases of complaints related to recruitment and appointment.

Provide a channel and environment for free expression of opinions and respect the freedom of association of employees

- Diverse and confidential feedback platforms are built.
- Regular internal department meetings are held to encourage employees to share suggestions and raise concerns.

Provide an independent grievance mechanism and implemented investigation procedures to protect the rights and interests of the employees; prohibit retaliation

- Zero tolerance to illegal infringement hotline: 995.
- A complaint mailbox and hotline "1995" have been established to report unethical behavior or misconduct.

Respect personal privacy, ensure that collection and use of personal data comply with legal requirements

- Documents signed with each employee comply with the laws and regulations of Taiwan.
- The purpose of data collection is informed clearly in compliance with regulations.
- The Company formulates management measures to protect personal data security.
- We regularly conduct training on data protection and privacy regulations for employees.

Protect positive labor-management relations, provide diverse communication platforms, and create an open communication culture

- The Company holds regular labor–management meetings and welfare committee meetings.
- The Company periodically holds employee opinion surveys.
- Managers and employees hold regular one-on-one meetings.

Diverse and Positive Employee Communication

iST values employee opinions and rights, and actively establishes internal communication channels to listen to employee feedback. We encourage employees to propose innovative ideas and utilize a diverse and smooth communication platform to ensure employee voices are heard by senior executives, allowing for prompt and effective problem-solving and fostering a harmonious workplace. In 2024, the employee feedback closing rate was 100%. The Company also persist in "zero tolerance" to illegal infringement. The whistleblowing channel is confidential and smooth to the employees.

New employees can clearly understand the labor regulations through the employee handbook on their first day. We also encourage employees to share their opinions on the Company's business practices and working conditions at labor–management meetings. The employees authorized their representatives to participate in the labor–management collective bargaining in 2024.

Labor–management meetings

The quarterly labor–management meetings are held to facilitate full communication between labor and management, reaching consensus and demonstrating a positive labor–management relationship.

Welfare committee meetings

Through the Welfare Committee, we understand employees' voices and expectations. and organize proper employee exchange events to maximize the benefit of the employees.

Outstanding Personnel Discussion Meeting

The Chairman shows his recognition and appreciation in person. He exchanges opinions with outstanding employees to establish a positive two-way interaction and let them understand his expectations and the perspective of the Company.

Foreign Labor Discussion Meeting

Dissemination of laws and regulations, healthcare or related measures is held on an irregular basis. Two-way communication is achieved by encouraging employees to give their opinions.

Employee assistance hotline

- Zero tolerance to illegal infringement hotline: 995.
- Factory nurse hotline: 885.

Employee feedback survey

Periodically hold employee feedback survey to implement positive employee communication and foster a diverse, equitable, and inclusive workplace.

Employee's opinion

The diverse and confidential feedback platform directly enables employees to share their opinions and communicate instantly, showcasing problem-solving efficiency.

Cultural consensus camp and seminar

The Chairman of the Board participates in the consensus camp to share his views on corporate strategy, cultural values, and expectations for employee development. This provided new employees with the opportunity to interact and exchange ideas directly with the Chairman to enhance their recognition with the organization.

Feedback and interviews with new employees

New employees receive onboarding support one week, one month, and three months after the commencement of their work. We gather their opinions on learning status, supervisor guidance, peer interactions, and the work environment to help them feel comfortable and build a sense of belonging.

Questionnaire & feedback

A satisfaction survey is conducted on an occasional basis for each activity to collect employees' opinions as a reference for various information about future events.

Social media platform

We share information about employee relations and welfare activities through videos and photos. This open exchange of information helps all employees and potential candidates understand the company's commitment to its people, with the goal of fostering a positive growth cycle within the organization.

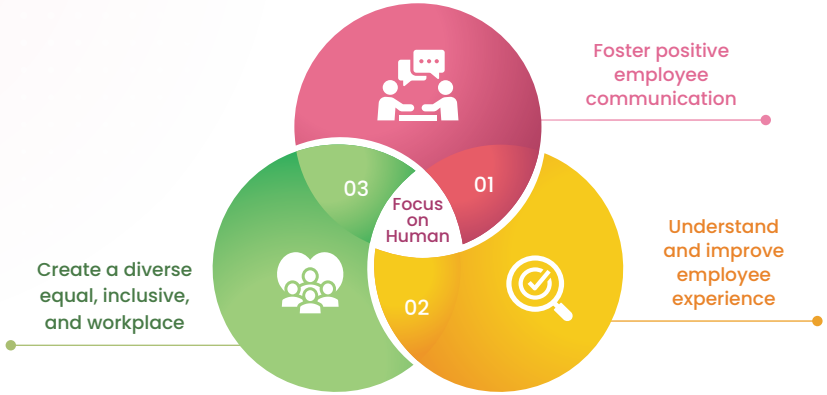
Periodic employee feedback survey

iST has consistently upheld the spirit of "Focus on Human" and considers employees our most valuable asset. We actively listen to employee feedback and develop corresponding improvements, which are a key focus of the company. In order to foster positive employee communication, build a friendly and inclusive workplace, and enhance employee experience, the Company launched employee feedback surveys in 2024, with regular reviews conducted every two years. The aim is to identify key organizational issues through survey results, understand employee expectations, and proactively implement improvements to strengthen key talent retention and boost the overall happiness of all employees at iST.

In order to listen to employees' ideas and feedback more comprehensively, the 2024 employee feedback survey covers seven areas, including "organization," "remuneration and benefits," "peer relationships," "workplace environment," "learning and development," and "corporate culture," as well as" employee engagement and commitment." The number of participants in this survey was 1,093, with 843 respondents, resulting in an effective response rate of 77.1%. Notably, foreign employees also actively responded, achieving an effective response rate of 94%. This demonstrates the completeness of the survey responses and the high reliability and reference value of the feedback received.

The overall average score of the employee feedback survey was nearly 4.2 (out of 5), indicating a certain level of recognition and affirmation of the company's various aspects among employees. "Employee engagement and commitment" also achieved a score of 4.2, demonstrating positive engagement and a sense of identification with the company. Notably, foreign employees achieved an overall average score of 4.55, indicating a positive work experience in a cross-cultural environment and a high level of trust in the Company.

Purpose of Employee feedback Survey



Employee Feedback Survey Aspects

Valuing employee feedback and fostering organizational identity

According to the analysis of the employee feedback survey results, with particularly high recognition in the areas of "Organization," "Peer," and "Corporate Culture." Most employees agree with their supervisors' communication and work guidance, which promotes collaboration within the organization to build successful teams. They also identify with iST's corporate culture values and code of conduct. After the investigation is completed, in addition to reviewing and optimizing the overall feedback, we will further analyze it to identify specific issues. We will then collaborate with supervisors to explore the underlying meaning of the feedback through interviews or other methods, pinpoint the key problems, and develop improvement plans. We aim to reach a consensus through open and respectful communication. The Company will continue to pay attention to the needs and development of employees, uphold the values of inclusion and equality, and strive to ensure that all aspects of the Company are able to motivate and retain outstanding talent. We aim to help employees develop their careers steadily and grow alongside the Company, ultimately fostering happiness and a sense of belonging.

Employee feedback Survey Result (Employee Engagement and commitment)

Survey Indicators	Overview of Composite Question Items	Average Score
Engagement	Assesses employees' level of participation and enthusiasm toward their work and workplace. It also evaluates their job satisfaction and willingness to remain with the company.	4.19
commitment	Measures the extent to which employees identify with the company's culture and values, and evaluates their sense of belonging and identification with their team.	4.21

Another important indicator for this employee feedback survey is "employee engagement and commitment." This aspect covers corporate value alignment, organizational belonging, and loyalty and identification with the company. The survey aims to understand the awareness and trust between the organization and its employees through the feedback, thereby understanding the stickiness of employee relationships. The results demonstrate a high level of employee identification with the Company. However, scores varied across different areas, allowing management to better understand employee needs and expectations. By focusing attention on these areas, the Company aims to further enhance employee commitment and create value together with the employees.

To ensure the reliability and validity of the statistical analysis results, a response rate of 70% or higher is required for each employee feedback survey, and its effectiveness is continuously tracked. The Company responds to issues with honesty and transparency, continuously improves the employee experience, and implements positive employee communication, with the goal of creating a workplace that values employees and is open, inclusive, safe, and healthy.

Healthy and Vital Employee Relations

Comprehensive employee welfare

Employees are the most valuable assets of iST. "Happy employees are the foundation of customer satisfaction" is the belief that we persist in. We treat employees as our family members and care about the physical and mental health of all the "iST folk." With the organization of different activities, we encourage employees to endeavor hand-in-hand with their families and keep balance between their work and life to create a warmhearted and positive workplace culture.

Travel subsidies

The Company provides high-value travel subsidies to encourage employees to make full use of their vacation time, spend time with their families, and enjoy relaxing trips. In 2024, each employee is eligible for a travel subsidy of NT$20,000, and a total of 1,059 employees utilized the Company's travel subsidy program for self-organized trips (with family members). Employee participation rate reached 97.5% with a total subsidy amount of NT$21,180,000.

Organization of iST sports series to build team cohesion

iST prioritizes the physical and mental health of its employees. Beyond providing a gym, a leisure sports center, and a dance studio, the company fosters teamwork through annual clubs and competitions to encourage an active lifestyle. In 2024, iST organized an annual team sports competition and each department organized team-based contests. These events will strengthen teamwork and the spirit of self-challenge, revitalizing the departmental atmosphere and enhancing team interaction and cohesion. In 2024, we received both the Excellence Award for "Health for Everyone in the Workplace" from the Health Promotion Administration of the Ministry of Health and Welfare, and the "Corporate Health Responsibility Award – Health 99 Enterprise."

Class	Item	Sub-item	2024 Implementation Result
Welfare and subsidy	Welfare measures of the Welfare Committee	• Welfare Committee subsidy • Festival gifts and cash gifts	• Welfare and subsidies, including childbirth, hospitalization, wedding and funeral gifts, children's education grants, festival gifts and cash gifts, totaling over NT$9.8 million.
	Welfare measures	• Annual travel subsidy • Birthday party • Relaxing massage room • Diverse cafeteria options • Meetup funds	• Travel subsidies, department gatherings, afternoon tea funds, social activity funds, birthday gifts, and birthday celebrations totaling over NT$30.26 million. • Employee relaxing massage.
Build Cohesion	Held by the Company and Welfare Committee	• Movie festival activity • Year-end party • Large-scale competition • Handmade products, series lecture courses	• Large-scale events including road running, dragon boat races, lectures, the 30th anniversary sports competition, and year-end party were held, with over 2,300 attendees.
	Employee Voluntary activities	• Diverse club activities	• The number of clubs and participants grows year by year, exceeding 200 employees. Club activities are diverse, and all employees have the opportunity to join the clubs such as the Five Elements Yi Learning Society, softball club, basketball club, badminton club, muscle strength shaping club, yoga club, and boxing club. These clubs provide opportunities for employees to come together, foster cohesion, and strengthen a positive organizational atmosphere. • iST has a gymnasium and a multipurpose classroom where all employees can exercise together.
Health promotion	Medical insurance and health care	• Employee insurance: Group insurance, travel insurance, occupational accident insurance.	• New employees are covered by group insurance, travel insurance, and occupational accident insurance
	Health promotion activity	• Walk for Your Health 5.0 • The King of Slimming 4.0	• We continue promoting sports and fostering a healthy workplace. Participation increases year by year, exceeding 843 employees in 2024. • Walk for Your Health: Nearly 500 million steps were achieved. In 2024, we combined public welfare activities to accumulate a total donation of NT$200. • The King of Slimming: 434kg of fat were reduced with a reduction of the body fat rate by 236%.
Combination with public welfare	Contribution to the society and volunteer participation	• Blood donation activity • 422 Earth Day • Autumn beach cleanup event	• iST employees enthusiastically support the blood donation activity and organize blood donation activities regularly every year. A total of 9 sessions were held in 2024, with more than 300 enthusiastic participants donating over 150,000 c.c. of blood. • 54kg of batteries were donated to social welfare organizations to support the Earth Day activity. • Organize Earth Day and Autumn Beach Cleanup Activities with over 706 participants, contributing 392 volunteer hours.

You and iST Donate Blood donation activity

iST actively promotes the slogan of "Roll Up Your Sleeves to Donate Blood and Save a Life." The blood donation vehicle drives directly to each plant to facilitate employee's participation. Various incentives are offered to encourage voluntary blood donation and the campaign covers employees, contractors, and neighboring companies to make contributions to society altogether. In 2024, over 300 employees participated and donated more than 150,000 c.c. of blood.

Sustainable environmental protection activities

We pay attention to environmental protection and global sustainability and work together with our employees and their families to exert our corporate influence. For example, beach cleanups, vegetarian meals, handmade green plants, waste battery recycling and donation, reusable cup campaigns, environmental quizzes, and environmental short films, all of these voluntary environmental protection and environmental education initiatives have stimulated our employees to pay attention to environmental issues, thereby shaping a sustainability mindset for all employees. The number of participants increases every year with more than 706 participants in 2024.

Love Health

iST encourages employees to participate in a variety of health promotion activities to achieve the goal of "Move Together" and foster a happy and healthy workplace culture, ultimately enhancing team cohesion. In 2024, we participated in the Dragon Boat Festival race hosted by Hsinchu City Government, showcasing our enthusiasm and teamwork spirit. More than 70 employees and their families participated in the Hsinchu City Marathon at distances from 4K to 42K. We cheered each other on for our health and built camaraderie along the way!

Love Sports

The 30th anniversary sports competition attracted enthusiastic participation from all employees and their families. More than 1,100 employees and their families participated in the event! The event included sports such as baseball, basketball, dodgeball, relay race, tug-of-war, and 11-legged race of 10 players. These activities can promote teamwork and a healthy lifestyle through practical participation. We will continue to promote a corporate culture of health to build a more cohesive team.

Yoga Club

Flower Art club

Softball club

Badminton Club

Boxing Club

2024 Social Co-Prosperity Awards

01 Work–Life Balance Award

We are committed to diverse employee care, physical and mental well-being, and positive communication, based on our core value of "people-oriented," to create a healthy and friendly workplace that promotes work–life balance. In 2024, we participated in the Ministry of Labor's "Work–Life Balance Award" for the first time and were selected from among 251 participating companies to receive the "Work–Life Balance Award – Employee Care Award," demonstrating iST's dedication to employee care and work–life balance.

02 CommonWealth Sustainability Citizen Award

In 2024, iST was selected as a first-time candidate and won the CommonWealth Sustainability Award, demonstrating our active promotion of corporate sustainable development and the long-term results of our investment in environmental protection, social responsibility, and corporate governance (ESG).

03 CommonWealth Talent Sustainability Award

iST continues to focus on talent retention, diversity and inclusion, and health care, and actively builds an equal workplace environment to enhance employee happiness and job satisfaction. iST was recognized with the CommonWealth Talent Sustainability Award in 2024.

04 104 Best Employer Awards

We firmly believe that "Happy employees are the foundation of customer satisfaction!"
We are committed to creating a happy workplace that fosters diversity, equality, and inclusion and supports adaptive development. We help employees achieve their full potential through comprehensive training programs and diverse development channels. We also strengthen employee engagement with a leave policy exceeding legal requirements, a comprehensive and competitive compensation and welfare policy, and a variety of employee relationship activities. We always insist on our commitment to employee welfare. This honor recognizes the efforts that iST makes to create a happy workplace.

05 The Excellence Award for "Health for Everyone in the Workplace" from the Health Promotion Administration of the Ministry of Health and Welfare

iST continues to strive to create a healthy and friendly workplace. In 2024, we received the Excellence Award for "Health for Everyone in the Workplace" from the Health Promotion Administration of the Ministry of Health and Welfare. iST will continue to build a vibrant work environment, foster a culture of health and happiness, and creates more health miracles for our employees!

06 Corporate Health Responsibility Award

We firmed believed that "healthy and happy employees are the cornerstone of business success!" We have consistently worked to create a healthy workplace environmentand care about employee health and well-being.
We were further recognized with the "Corporate Health Responsibility Award – Health 99 Enterprise" of the Common Health Magazine this year.

Promotion of Occupational Safety and Health

Occupational Health and Safety Management System

The Company establishes an ISO 45001 Occupational Safety and Health Management System to provide employees with a safe and reliable workplace, reduce the possibility of work-related accidents and illnesses, and continuously improve through the PDCA cycle. Performance indicators for each unit are regularly reviewed by the Occupational Safety and Health Committee and the EHS Management Review meetings, in the hope that all units can collaborate to identify and implement solutions for improving safety, environmental protection, and health. In 2024, the total number of employees at iST's Hsinchu and Neihu plants was 1,222, all of whom are subject to the requirements of the occupational safety and health management system. The Hsinchu Plant I obtained ISO 45001 certification from an independent third-party organization in 2019, with 496 employees occupying 41% of the total and 132 contractors occupying a proportion of 100%.

Hazard Identification and Risk Assessment Management

To identify the hazards related to the Company's activities, products, and services, iST establishes the "Hazard Identification and Risk Assessment Management Procedure" to assess the impact of various operations on safety and health and provide a basis for improvement. Each unit identifies hazard factors. Acceptable risks are controlled through communication/signage/safety and health education and training. If any risks are deemed unacceptable, improvement or control measures shall be implemented immediately.

The Company implements work environment monitoring according to the "Work Environment Monitoring Regulations" and effectively uses sampling strategies to understand the exposure of workers and ensure they can avoid hazards. In 2024, a total of 68 chemical factors and 244 physical factors were monitored. The monitoring results comply with legal limits or allowable concentration standards.

iST complies with the Occupational Safety and Health Act, and immediately stops operations and had employees evacuate to a safe place when there is an immediate danger in the workplace. If an employee finds any immediate danger while performing their duties, they may stop work and retreat to a safe location without endangering other workers, and immediately report to their direct supervisor. The Company will not dismiss, transfer, or take other disciplinary action against employees who have stopped their work, including withholding their wages.

Accident Investigation and Handling

To prevent occupational accidents, it is advisable to establish "Occupational Safety and Health Incident Handling and Investigation Procedures" to investigate the cause of the accident, propose corrective and preventive measures following an accident review, and track the implementation status of improvements. In 2024, one occupational accident occurred due to a foot pressure injury, resulting in one lost day of work. An investigation has been completed in accordance with the "Industrial Accident Handling and Investigation Procedure," and the requirement to wear personal protective equipment during operations has been enforced to prevent similar accidents from happening again.

2024 Occupational Accident Statistics

Average number of employees: 1,160	Total working hours of employees: 2,313,696	Number of accidents caused by company-arranged transportation: 0	Near miss: 0
Number of occupational accidents: 1	Total number of days lost: 1	Number of deaths from work-related injuries: 0	Mortality rate from work-related injuries: 0
Disabling injury frequency (FR): 0.43	Disabling injury severity rate (SR): 0.43	Number of Occupational Diseases: 0	Occupational disease rate (ODR): 0

Note: Disabling injury severity rate (SR) = (Total lost workdays / Total work hours)*1,000,000.
Disabling injury frequency (FR) = (Number of disabling injuries / Total work hours) * 1,000,000.
Occupational disease rate (ODR) = (Number of occupational diseases / Total work hours) * 200,000.
Occupational accident statistics do not include traffic accidents during commutes, but do include accidents caused by transportation arranged by the Company.

Note: Mortality rate from work-related injuries = (Number of deaths from work-related injuries / Work hours) * 1,000,000.
Severe occupational injury rate (disabling injuries lasting more than 6 months) = (Number of severe occupational injuries / Work hours) * 1,000,000.

Crisis and Emergency Handling Strategies

To control accident situations, iST establishes the "Emergency Response Procedure" and conducts regular drills to familiarize personnel with the response steps. This will ensure that the impact of accidents can be reduced when they occur to minimize the loss of personnel and equipment. In 2024, a total of ten emergency response training sessions and drills were held, including self-defense fire protection training and evacuation drills, earthquake emergency response drills, and fire extinguisher operation training, etc.

Self-defense fire protection training

Earthquake emergency response drill

Fire extinguisher operation training

Participation, Consultation, and Communication on Occupational Health and Safety

iST establishes an Occupational Safety and Health Committee in accordance with the law. The committee shall consist of one chairman, fourteen representatives from the employer, and thirteen labor representatives as stipulated in the Regulations Governing Occupational Safety and Health, representing more than one-third of the total membership. The purpose of the committee is to promote workplace safety, prevent accidents, improve the work environment, safeguard employee health, and provide a communication channel for employees. The committee will meet quarterly and continuously track the implementation of its resolutions until completion.

Composition of the Occupational Safety and Health Committee

Status	Number of Employees	Percentage
Chairman	1	54%
Management representative	14	
Labor representative	13	46%
Total	28	100%

Safety and Health Education and Training

It is advisable for the Company to plan its organizational structure and systematically offer general education and occupational safety management courses. Additionally, employees should be arranged to participate in various safety supervisor training programs based on work requirements, receiving the necessary safety and health education and training for their jobs and disaster prevention. This will strengthen safety culture awareness and practical skills, effectively lowering the risk of accidents resulting from unsafe behaviors. In 2024, iST held 57 safety and health education and training courses, with 2,161 participants and a total of 5,527 training hours.

Contractor Safety Management

We regard our contractors as important partners. To ensure the safety of our contractors, we implement hazard notification and supervision in accordance with the Occupational Safety and Health Act. All contractors must sign the "Contractor Safety and Environmental Consent Agreement" before entering the plant. Construction can only be carried out after attending the Contractor's safety lectures and confirming insurance and other relevant information, and obtaining a work safety certificate. In case of fire work, confined space entry, lifting operations, or other special operations, an application must be made in accordance with the relevant special operations permit regulations, and the work supervisor and occupational safety personnel must verify the information before construction can begin. In 2024, no occupational diseases or accidents occurred among our contractors.

Occupational Health Management

The Company establishes an infirmary to handle health management affairs, and employs dedicated nurses, general physicians, and occupational medicine specialists to provide regular on-site services. The Company cares for the physical and mental health of employees through interviews and on-site visits, organizes health promotion activities to enhance employee health awareness, established case management for special or critical illnesses and occupational injuries and diseases, and provides ongoing care and follow-up.

We arrange "labor health checkup" and "special health checkup" every year under the conditions better than what the law requires. All employees are eligible for health examinations every two years. To provide employees with more comprehensive examination services, all employees are advised to have their physical examinations at the hospital. The examination items are more comprehensive than those required by law. After the examination, a health examination briefing session is held, and the data is compiled and analyzed. High-risk groups are screened based on the conditions. Health tracking and health consultation are conducted through phone calls and interviews. Personalized health education is provided to achieve the goal of early disease prevention.

iST provides special health examinations for employees undertaking special hazardous operations during their annual health check. A doctor is arranged to provide on-site services and interviews for the employees who are classified into Level II Management. For the employees who are classified into Level III Management, we assist in the re-checkup at the hospital, arrange medical consultation, give care, provide health education, and recommend appropriate adjustment of the jobs. There were no occupational disease cases in 2024.

iST places much importance on the physical and mental health of the employees. The departments in charge of industrial safety and environmental protection follow the "Guidelines for the Prevention of Unlawful Infringement in the Performance of Duties" and assess the OHS impacts of different social aspects such as physical and mental disorders at the workplace, verbal abuse, sexual discrimination, and sexual harassment, hoping to take countermeasures as early as possible to protect the rights of the employees.

We act in compliance with personal data protection regulations. In consideration that the checkup data of the employees are personal, the Company implements retention, processing and application of relevant data in accordance with the Regulations of Labor Health Protection, and does not use them for specific purposes without the written consent of the labor.

Infirmary Service Statistics

Item	Number of persons served
Health examination	479
Special health examination	85
On-site medical service	60
Number of nursing services	98

Health Promotion Activity

In order to continuously implement and maintain employee health, we recommend organizing health promotion activities to provide employees with an environment that promotes work–life balance and achieves a healthy workplace. In 2024, a series of health promotion courses were held, including "the harm of tobacco, alcohol and betel nut and how to refuse them," "office gym," "guidelines for eating out," and "the importance of metabolic syndrome in your life." A total of 134 employees participated in the causes. Employees can choose to participate in suitable courses based on their interests to gain a deeper understanding of and improve their health-related knowledge and further enhance their personal health management.

The harm of tobacco, alcohol and beetle and the techniques to refuse them

Office gym

Guidelines for eating out

『Employee Assistance Programs, EAPs』

iST introduces the Employee Assistance Programs (EAPs) in 2024, offering free and professional psychological counseling services to help alleviate employees' physical and mental stress and enable them to face various issues and challenges related to work and life with a healthy body and mind. Through strict confidentiality regulations and one-on-one individual consultations, we assist our employees in addressing their physical and mental health concerns. Each employee is entitled to three free sessions per year, fully covered by the Company. To enhance employee awareness of EAP services, the Company publishes related articles monthly, encouraging regular self-assessment of well-being and proactive help-seeking to prevent issues from escalating. This proactive approach aims to mitigate potential declines in work efficiency stemming from emotional distress, as well as the negative consequences of prolonged sick leave or employee turnover. In 2024, the Employee Assistance Programs (EAPs) served 44 employees, and 4.3 out of 5 employees reported that they are willing to use the service again.

Promotion card

Monthly Article Sharing

2024 EAP Usage Satisfaction Survey

Question	Satisfaction (on a 5-point scale)
Better understand their own ideas and problems	4.3
Think about problems from different perspectives	4.2
Be willing to try to improve current situations	4.3

Maternity Health Risk Assessment

The Company prioritizes the protection of maternal health, and conducts hazard assessments and control measures, physician interviews and guidance, risk classification management, work suitability arrangements, and other related measures for female employees who are pregnant or within one year of delivery. For employees eligible for maternal health protection, the on-site physician will conduct a health risk assessment based on professional judgment and categorize them according to hazard levels. Hazard control and administrative management will be implemented for those in levels two and three, with ongoing monitoring and interviews conducted by the on-site nurses and physician. A suitability assessment of maternal protection measures was completed for a total of 10 employees in 2024.

Prevention of Ergonomic Hazards and Abnormal Workload

In order to manage ergonomic hazards and abnormal workloads among employees, it is advisable to establish relevant preventive work instructions. Through questionnaires, we will identify ergonomic hazards, musculoskeletal injuries, and abnormal workload hazards arising from work overload, working posture, and repetitive tasks. If the survey confirms a work-related connection, we will request assistance from the occupational health nurse and occupational medicine physician to implement an advanced improvement plan, following the prevention plan process, until case closure. A total of 479 individuals were surveyed in 2024 as part of the high-risk group assessment for ergonomic hazard prevention and the abnormal workload trigger group assessment.

Promoting Social Engagement

As a leader in the verification and analysis field of the electronics industry, we know very well that the actions we take will affect the customers, suppliers, our lives, the communities at our business locations, and the global climate and environment. Keeping our responsibilities in mind, we fulfill our corporate social responsibilities while pursuing the growth of our business, and are dedicated to caring for the disadvantaged groups and promoting the environmental safety, diverse and inclusive workplace, and other aspects.

Except for the operating base in an office and factory building in Neihu, all of our factories are located in Hsinchu where the characteristics of an industrial cluster are evident. The Branding Planning Dept. and the Welfare Committee are currently communicating with local communities, making environmental and social impact assessments, and analyzing risks and opportunities for communities. There were no significant environmental, social, and economic impacts on surrounding communities and factories during the reporting period. We cooperate with the competent authority's requirements for environmental and safety, and undergo regular management audits by the authority. We actively work to improve our practices to ensure employee safety and minimize the environmental impact of our operations, demonstrating our commitment to sustainability.

In addition, we have not produced potential negative impact on the communities at the places where our operating bases are located. Instead, we have continued cultivating talents for the technology industry and taking care of the students in remote and rural areas by supporting surrounding social welfare organizations and granting scholarships to improve their competitiveness for the future. We also organize relevant social welfare activities in cooperation with the community to promote social harmony, well-being, and community recognition.

Help the Underprivileged and Turn the Future Around

We actively engage in public welfare activities, driven by our commitment to corporate social responsibility and sustainable development, to give back to society through practical actions. In 2024, we organized a series of social welfare activities covering areas such as educational empowerment, support for disadvantaged groups, and environmental protection. We believe that through resource sharing and active support, we can narrow the gap between urban and rural areas and improve the living conditions of disadvantaged groups, further promoting social inclusion and harmonious development.

Strengthening education in rural areas, collaborating with educational organizations, and narrowing the urban-rural education gap

Education is the key to transforming the future. However, children in rural areas often face difficulties in accessing the same learning opportunities as their urban counterparts due to limited resources. We have long been concerned about issues in rural education, emotional learning, and mental health. Through partnerships with professional educational organizations, we offer a variety of learning resources to help students broaden their perspectives and foster a greater interest in learning. In 2024, we partnered with 202 schools for implementation of education collaboration projects to benefit a total of 625 students.

We work with the "Chemistry On The Go" program to lead students in conducting fun science experiments in resource-scarce areas, allowing them to understand scientific principles through hands-on experience and increase their learning motivation. In addition, we collaborate with institutions to support the Volunteer Program for the Sensory Integration Course for Children with Rare Diseases. Through volunteer companionship and guidance, we help children with special needs undergo sensory integration training to enhance their learning abilities and daily adaptability.

We work with the "Chemistry On The Go" program and go to rural campuses with limited educational resources to explore the wonders of science

Public welfare activities for public welfare organizations in all corners of the society, embodying the spirit of giving timely assistance to those in need, and contributing to society

iST has consistently cared for public welfare groups in various communities for many years. Through concrete actions, we assist people with disabilities, individuals with self-sufficiency challenges, and senior citizens. We extend our care to environmental protection, regularly organizing beach cleanups to provide support for both people and the land. In order to foster a culture of volunteer service, we recommend actively encouraging employees to participate in volunteer activities such as social care and ecological conservation. We suggest establishing a "volunteer leave" system to encourage employee engagement in public welfare initiatives. In 2024, iST sponsored 15 social welfare organizations, organized 87 charity sales events, and implemented one beach cleanup project, contributing 550 volunteer hours and benefiting a total of 219 persons.

We help sheltered workshops sell products through charity sales to support disadvantaged groups, enhance their economic independence, and raise public awareness of the efforts of these dedicated workers. In addition, we encourage people with disabilities to cultivate self-reliance and enhance their social participation and sense of identity through farming. We pay attention to the needs of elderly people living alone as the aging society becomes increasingly serious. We participate in the "Shopping with the Elderly" event, where volunteers accompany seniors on outings to buy daily necessities, providing practical assistance and emotional support through companionship.

Encourage people with disabilities to engage in agricultural work and invite employees to participate in farm experience activities

Accompany elderly individuals living alone while shopping, offering emotional support and substantive assistance

Invite disadvantaged groups to sell products in the factory to support partners with disabilities and promote social inclusion

iST employees and their families actively participate in the beach cleanup activity

In the fourth quarter of 2024, the Company launched the fourth beach cleanup initiative, with nearly 100 employees participating enthusiastically to demonstrate their commitment to environmental protection through action. The event attracted not only enthusiastic participation from employees, but also many families who came together with their family members. Guided by adults, children actively participated in the beach cleanup activity, and through a fun and educational parent–child collaboration, their awareness of environmental protection was deepened as they collected coastal waste. iST continues to promote environmental protection initiatives and public welfare campaigns, rallying more social forces to contribute to sustainable efforts and working together to safeguard our clean home.

CH5
Appendix

GRI Standards Comparison Table 109

Comparison Table of The Professional and Commercial Service Guidelines from the Sustainability Accounting Standards Board (SASB) 116

Comparison Table of Task Force on Climate-related Financial Disclosures (TCFD) 117

Disclosure Required for Sustainability Reports of TPEx Listed Companies 118

Independent Third Party Verification Statement 120

Appendix 1: GRI Standards Comparison Table

Statement on Use	With reference to GRI Standards, iST reported the content from January 1, 2024 to December 31, 2024.
Used GRI	GRI 1: Foundation 2021
Applied GRI Sector Standards	None

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
GRI 2: General Disclosures 2021	2-1 Organizational details	About the Report About iST 1.1 Corporate governance	5, 6, 7, 26	
	2-2 Entities included in the organization's sustainability reporting	About the Report	5	
	2-3 Reporting period, frequency and contact point	About the Report	5	
	2-4 Restatements of information	About the Report	5	
	2-5 External assurance	About the Report Appendix: Attachment Independent Third Party Verification Statement	5, 120	
	2-6 Activities, value chain and other business relationships	About the Report About iST Determination of Material Topics 3.3 Responsible procurement	5, 7, 21, 72	
	2-7 Employees	4.1 Talent attraction and retention	6, 79, 80, 82, 83	
	2-8 Workers who are not employees	4.1 Talent attraction and retention	6, 80	
	2-9 Governance structure and composition	Sustainable Governance 1.1 Corporate governance	11, 26, 27, 28	
	2-10 Nomination and selection of the highest governance body	1.1 Corporate governance	26, 28	
	2-11 Chair of the highest governance body	1.1 Corporate governance	27	

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing impacts	Sustainable Governance 1.1 Corporate governance 1.2 Internal audit and control system	12, 30, 33, 46	
	2-13 Responsible person for impact management	Sustainable Governance	12	
	2-14 Role of the highest governance body in sustainability reporting	About the Report Sustainable Governance	5, 12	
	2-15 Conflicts of interest	1.1 Corporate governance	26, 28, 34	
	2-16 Communication of critical concerns	Determination of Material Topics	17	
	2-17 Collective knowledge of the highest governance body	1.1 Corporate governance	29	
	2-18 Performance evaluation organization of the highest governance body	1.1 Corporate governance	12, 29	
	2-19 Remuneration policies	1.1 Corporate governance	30	
	2-20 Process to determine remuneration	1.1 Corporate governance	29, 32	
	2-21 Annual total compensation ratio	4.1 Talent attraction and retention	83	
	2-22 Statement on sustainable development strategy	Message from the Management Sustainability Policy Roadmap	3, 13	
	2-23 Policy commitments	Sustainability Policy Roadmap	13	
	2-24 Embedding policy commitments	1.3 Ethical management policy 4-3 Friendly and healthy workplace	34, 35, 96	
	2-25 Processes to remediate negative impacts	Determination of Material Topics 1.3 Ethical management policy	20, 35	
	2-26 Mechanisms for seeking advice and raising concerns	Determination of Material Topics 1.1 Corporate governance 1.3 Ethical management and compliance 4-3 Friendly and healthy workplace	17, 30, 35, 97	No customer or supplier lodged an ESG-related appeal in this reporting period
	2-27 Compliance with laws and regulations	1.3 Ethical management and compliance	35, 36	
	2-28 Membership associations	About iST	10	No relevant advocacy Were provided for external public affairs

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	Determination of Material Topics	17	
	2-30 Collective bargaining agreements	Omission	N/A	Not applicable, no union is organized
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Determination of Material Topics	18	
	3-2 List of material topics	Determination of Material Topics	19	
GRI 201: Economic Performance 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Leadership	25	
201-1	Direct economic value generated and distributed by the organization	1.4 Financial performance	37	
201-2	Financial implications and other risks and opportunities due to climate change	2.1 Climate action	48	
201-3	Defined benefit plan obligations and other retirement plans	4.1 Talent attraction and retention	83	
GRI 202: Market Presence 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
202-2	Policy of hiring locals and proportion of locals in senior management	4.1 Talent attraction and retention	79, 80	
GRI 205: Anti-corruption 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Governance Leadership	25	
205-1	Operations assessed for risks related to corruption	1.3 Ethical management policy	35	
205-2	Communication and training in anti-corruption policies and procedures	1.3 Ethical management policy	36	
205-3	Confirmed incidents of corruption and actions taken	1.3 Ethical management policy	35	No relevant incident in 2024
GRI 302: Energy Consumption 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Sustainability Force	45	
302-1	Energy consumption within the organization	2.2 Energy management	53	156,104 GJ

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
302-3	Energy intensity	2.2 Energy management	53	41.039 GJ/NTD million
302-4	Reduction of energy consumption	2.2 Energy management	53, 54	Electricity saved by 1770.234 MWh The intensity of power consumption was reduced by 7.21%.
302-5	Reductions in energy requirements of products and services	2.2 Energy management	53	
GRI 303: Water 2018				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Sustainability Force	45	
303-1	Interactions with water as a shared resource	2.3 Water resource management	55	
303-2	Management of water discharge-related impacts	2.3 Water resource management	56	
303-3	Water withdrawal	2.3 Water resource management	55	80,793 tons
303-4	Water discharge	2.3 Water resource management	56	16,161 tons
303-5	Water consumption	2.3 Water resource management	56	35,787 tons
GRI 305: Emissions 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Sustainability Force	45	
305-1	Direct (Scope 1) GHG emissions	2.1 Climate action	52	Category 1
305-2	Energy indirect (Scope 2) GHG emissions	2.1 Climate action	52	Category 2
305-3	Other indirect (Scope 3) GHG emissions	2.1 Climate action	52	Category 4 is for calculating waste treatment and transportation
305-4	GHG emissions intensity	2.1 Climate action	52	
305-5	Reduction of GHG emissions	2.1 Climate action	51	
305-6	Emissions of ozone-depleting substances (ODS)	2.1 Climate action	51	No relevant emission

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
GRI 306: Waste 2020				
GRI 3: Material Topics 2021	3-3 Management of material topics	Environmental Sustainability Force	45	
306-1	Waste generation and significant waste-related impacts	2.4 Waste management	57	
306-2	Management of significant waste-related impacts	2.4 Waste management	57	
306-3	Waste Generation Status	2.4 Waste management	58	
306-4	Amount of waste outsourced for final disposal	2.4 Waste management	58	
306-5	Amount of waste directed to disposal in factory	2.4 Waste management	58	
GRI 401: Employment 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
401-1	New employee hires and employee turnover	4.1 Talent attraction and retention	80, 81	
401-2	Benefits provided to full-time employees	4.1 Talent attraction and retention	83	
401-3	Parental leave	4.1 Talent attraction and retention	82	
GRI 403: Occupational Health and Safety 2018				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
403-1	Occupational health and safety management system	4.4 Occupational safety and health promotion	102	
403-2	Hazard identification, risk assessment, and incident investigation	4.4 Occupational safety and health promotion	102	
403-3	Occupational health services	4.4 Occupational safety and health promotion	104, 105	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.4 Occupational safety and health promotion	103	
403-5	Worker training on occupational health and safety	4.4 Occupational safety and health promotion	88, 103	
403-6	Promotion of worker health	4.4 Occupational safety and health promotion	104	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business	4.4 Occupational safety and health promotion	103, 104	

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
403-8	Workers covered by an occupational health and safety management system	4.4 Occupational safety and health promotion	102	
403-9	Work-related injuries	4.4 Occupational safety and health promotion	102	
403-10	Work-related ill health	4.4 Occupational safety and health promotion	102	No reported cases of occupational disease in 2024
GRI 404: Training and Education 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
404-1	Average hours of training per year per employee	4.2 Talent cultivation and development	88	
404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent cultivation and development	91, 92, 93, 95	
404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent cultivation and development	95	100% completion rate of the employees who passed their probation before the performance evaluation
GRI 405: Diversity and Equal Opportunity 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
405-1	Diversity of governance bodies and employees	1.1 Corporate governance 4.1 Talent attraction and retention	28, 79	
405-2	Ratio of basic salary and remuneration of women to men	4.1 Talent attraction and retention	83	
GRI 413: Local Communities 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Co-Prosperity Force	77	
413-1	Operations with local community engagement, impact assessments, and development programs	4.5 Social engagement	106	
413-2	Operations with significant actual and potential negative impacts on local communities	4.5 Social engagement	106	
GRI 414: Supplier Social Assessment 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Chain Competitiveness	61	

GRI Standards/Source	Disclosure Item	Corresponding Chapters	Page	Illustration
414-1	New suppliers that were screened using social criteria	3.3 Responsible procurement	72	
414-2	Negative social impacts in the supply chain and actions taken	3.3 Responsible procurement	75	
GRI 418: Customer Privacy 2016				
GRI 3: Material Topics 2021	3-3 Management of material topics	Value Chain Competitiveness	25	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Information security management	41	No substantiated complaints concerning breaches of customer privacy and losses of customer data

Appendix 2. Comparison Table of The Professional and Commercial Service Guidelines from the Sustainability Accounting Standards Board (SASB)

Disclosure Topic	Metric Code	Nature	Disclosure Metric	Corresponding Chapters	Page	Illustration
Information security	SV-PS-230a.1	qualitative	Description of approach to identifying and addressing data security risks	1.5 Information security management	39	
	SV-PS-230a.2	qualitative	Description of policies and practices relating to collection, usage, and retention of customer information	1.5 Information security management	40	
	SV-PS-230a.3	quantitative	1. Number of data breaches 2. Percentage involving customers' confidential business information or personally identifiable information 3. Number of customers affected	1.5 Information security management	41	1. 0 cases 2. 0% 3. 0 households
Workforce Diversity and Engagement	SV-PS-330a.1	quantitative	% of gender for executive management and all other employees	4.1 Talent attraction and retention	79	
	SV-PS-330a.2	quantitative	1. Voluntary turnover rate 2. Non-voluntary turnover rate	4.1 Talent attraction and retention	81	1. 6.9% 2. 0.7%
	SV-PS-330a.3	quantitative	Employee engagement (%)	4.3 Friendly and healthy workplace	97	100% of all the employees who elected labor representatives to engage in labor–management negotiation
Professional Integrity	SV-PS-510a.1	qualitative	Description of approach to ensuring professional integrity	1.3 Ethical management and compliance	34	For detailed information, please refer to our "Ethical Corporate Management Practice Principles" and "Employee Code of Conduct"
	SV-PS-510a.2	quantitative	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	1.3 Ethical management and compliance	35, 36	No financial loss occurred in 2024 due to legal proceedings associated with professional integrity
Operational Metrics	SV-PS-000.A	quantitative	Number of employees by (1) full-time and part-time (2) temporary and contract (3) Number of Employees by Contract Type	4.1 Talent attraction and retention	79	
	SV-PS-000.B	quantitative	Employee working hours and pay rate	4.1 Talent attraction and retention	83	In 2024, the total working hours for all employees were 2,467,745.5, billed at a rate of 100%

Appendix 3. Comparison Table of Task Force on Climate-related Financial Disclosures (TCFD)

No.	TCFD Recommended Disclosure	Corresponding Chapters	Page
Governance			
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities	2.1 Climate action	46
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities	2.1 Climate action	46
Strategy			
TCFD 2(a)	Describe the identified short-, medium- and long-term climate-related risks and opportunities	2.1 Climate action	47
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	2.1 Climate action	48
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	2.1 Climate action	48
Risk management			
TCFD 3(a)	Describe the process for identifying and assessing climate-related risks	2.1 Climate action	47
TCFD 3(b)	Describe the management process for climate-related risks	2.1 Climate action	47
TCFD 3(c)	Describe the identification, assessment, and management processes of climate-related risks and integration into the organization's overall risk management system	2.1 Climate action	47
Metrics and goals			
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	2.1 Climate action	49, 50
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	2.1 Climate action	49
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	2.1 Climate action	50

Appendix 4. Disclosure Required for Sustainability Reports of TPEx Listed Companies

According to the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" of the Taiwan Stock Exchange, Attachment 1-14, Sustainability Disclosure Metrics – Other Electronics Industry, Integrated Service Technology Inc. (excluding locations outside of Taiwan)

No.	Activity Metrics	Category	2024 Disclosure	Corresponding Chapters	Page	Note
I.	Total energy consumption	quantitative	156,104 GJ	2.2 Energy management	53	
	Percentage of purchased electricity	quantitative	98.57%	2.2 Energy management	53	
	Renewable energy usage rate	quantitative	0%	2.2 Energy management	53	Launched in 2025
II.	Total water withdrawal	quantitative	80.793 tons	2.3 Water resource management	55	
	Total water consumption	quantitative	35.787 tons	2.3 Water resource management	56	
III.	Hazardous waste weight	quantitative	8.09 tons	2.4 Waste management	58	
	Percentage of hazardous waste recycled	quantitative	0%	2.4 Waste management	58	
IV.	Type of occupational accident	quantitative	1 case of pressure injury	4.4 Occupational safety and health promotion	102	Foot pressure injury
	Number of people with disabling injury	quantitative	1	4.4 Occupational safety and health promotion	102	
	Disabling injury rate	quantitative	0.0862%	4.4 Occupational safety and health promotion	102	Disabling injury rate = Number of work-related injuries ÷ Total number of employees
V.	Disclosure of product lifecycle management	Not applicable; iST primarily offers analysis services and therefore does not have any products.				
VI.	Describe the risk management related to the use of key materials.	A small portion of our services utilize metal materials, all of which comply with conflict mineral regulations.		3.3 Responsible procurement	72	
VII.	Total monetary losses as a result of legal proceedings associated with the Anti-competitive Practices Ordinance	quantitative	NT$0	1.3 Ethical management and compliance	36	In 2024, there were no monetary losses as a result of legal proceedings associated with the Anti-competitive Practices Ordinance
VIII.	Main production volume of major products by product category	Not applicable; iST primarily offers analysis services and therefore does not have any products.				

Note: Including sales of scrap materials or other recycling; relevant explanations should be provided.

According to the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" of the Taiwan Stock Exchange, Attachment 2, Climate-related information of TPEx listed companies, Integrated Service Technology Inc. (excluding locations outside of Taiwan)

Item No.	Item	Corresponding Chapters	Page
I.	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	2.1 Climate action	46
II.	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2.1 Climate action	49, 50
III.	Describe the financial impact of extreme weather events and transformative actions.	2.1 Climate action	47
IV.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	2.1 Climate action	47
V.	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	2.1 Climate action	47
VI.	If there is a transition plan to manage climate-related risks, explain the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.	2.1 Climate action	50
VII.	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, internal carbon pricing is not used.	
VIII.	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Environmental Sustainability Force 2.1 Climate action	45
IX.	Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	2.1 Climate action	51

Attachment 2: 1-1 Greenhouse gas inventory and confirmation in the most recent two years

Year	Scope	Emissions (tCO_2e)			Intensity (tCO_2e/NTD million)	Verification information		
		Scope 1	Scope 2	Scope 3		Institution	Standard	Opinion
2023	iST locations in Taiwan	2,416.84	20,231.19	18.36	6.614	DQS	ISO 14064-1:2018	Reasonable assurance (Scope 1 & 2) Limited assurance (Scope 3)
2024		1,553.41	21,114.45	14.74	5.959			

Note: For Scope 3, only Category 4 waste disposal and transportation is inventories

Appendix 5. Independent Third-Party Verification Statement

Independent Assurance Statement

To the Management and Stakeholders of Integrated Service Technology Incorporation.

DQS has been engaged by Integrated Service Technology Incorporation ("Intergrated") to provide independent assurance over the Sustainability Report 2024. The engagement took place in April 2025.

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

Scope of assurance and standards

The assurance encompassed the entire sustainability report and focused on all figures, statements and claims related to sustainability during the reporting period from January 2024 to December 2024.

The assurance engagement was performed with reference to AA1000 Assurance Standard (AA1000AS v3) and GRI Standards 2021 of Global sustainability standard board (GSSB), which consists of:

- Evaluating Intergrated's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000AP 2018).
- Evaluating the quality of the reported sustainability performance information – Economy, Environment and People (including Human Rights), the period from 1 January 2024 to 31 December 2024.
- The financial information is the same as the scope of the 2024 consolidated financial report of Intergrated. Non-financial information (such as Economy, Environment, People (including Human Rights)): Intergrated 9 operation sites in Taiwan.
- Intergrated is responsible for the issuance, response, performance data, case studies and the information related to management sustainability related data and information systems.
- The report is in accordance to the requirements of GRI Standards 2021, Sustainability Accounting Standards Board (SASB) Professional & Commercial Services sector, the Sustainability Disclosure Indicators of Financial Supervisory Commission Semiconductor Industry and Task Force on Climate-related Financial Disclosures (TCFD).

Level of assurance

A Type 2 Moderate Level of assurance under AA1000AS v3 was provided for this engagement. Information and performance data subject to assurance is limited to the scope described above.

Limitations

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

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

Independence and Competences of the Assurance Provider

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

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

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

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000AS and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.
2. Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.
3. Carrying out interviews with key functional managers and data owners at Intergrated office in No.10-1, Lixing 1st Rd., East Dist., Hsinchu City 300094, Taiwan (R.O.C.).
4. Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of the adherence to AA1000 AccountAbility Principles

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

The stakeholder identification and engagement process are documented and implemented through the Intergrated Sustainability program and the Report well brings out key stakeholder concerns as material aspects of significant stakeholders.

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

The sustainability data included in the scope of the assurance engagement consists of sustainability performance indicators for sustainability topics that are considered material, through a materiality assessment.

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

Intergrated is responding to those issues that it has identified as material and demonstrates this in ESG performance indicators. The organization and its stakeholders can use the reported sustainability information as a reasonable basis for their opinions and decision-making. For further report, it was recommended to ensure that the responses to the Task Force on Climate-related Financial Disclosures (TCFD) accurately reflect the potential risks arising from the supply chain.

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

Intergrated has implemented systems to monitor and measure its economy, environment and people (including human rights) impacts through selected performance indicators based on GRI standards, Since biodiversity issues are more valued, it was recommended the further report could set up a comprehensive and robust sustainability data reporting approach on ecosystems.

Conclusion

On the basis of AA1000AS v3 type 2 moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the disclosures within the scope of this assurance engagement are materially misstated. The processes for collecting and consolidating the data are structured in such a way as to enable independent verification.

On behalf of the assurance team

May 27, 2025

Taiwan

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