

2024 ESG Report



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1.1 About This Report

1.1.1 Reporting Period (GRI 2-3 a.-c.)

This report is issued by HY Electronic (Cayman) Limited (hereinafter referred to as "HY Tech," "HY," "the Company," or "we"). From 2018 to 2020, the Company disclosed Corporate Social Responsibility Reports annually on its official website. Beginning in 2021, the Company has published Sustainability Reports (this report), disclosing our management policies, strategies, objectives, and sustainability performance in the economic, environmental, and social dimensions for the year 2024 (January 1 to December 31, 2024). HY will continue to publish sustainability reports annually and make them available on its website.

- Previous report publication date: June 2024
- This report publication date: July 31, 2025
- Next scheduled report publication date: June 2026

This report covers the same period as the consolidated financial statements. To ensure completeness and comparability, some chapters may include information before January 1, 2024, or after December 31, 2024, with annotations accordingly.

1.1.2 Reporting Standards

This report adheres to the Global Reporting Initiative (GRI) Standards, as issued by the Global Sustainability Standards Board (GSSB), and the Technology and Communications – Semiconductors (TC-SC) sector standards, as established by the Sustainability Accounting Standards Board (SASB).

1.1.3 Scope of Disclosure (GRI 2-2 all)

The scope of this report primarily includes the Company's major operational sites: HY Electronic (Cayman) Limited, Yangzhou HY Technology Development Co., Ltd., and Taiwan GPP Inc. Subsidiaries not included in the consolidated financial report, such as Jetper Technology Limited, were excluded due to their minor economic, environmental, and social impacts. For a complete list of consolidated entities, please visit: <https://www.hygroup.com.tw/tw-ww/investors/finance.aspx>.

Any scope deviations in other chapters are noted within those sections.

1.1.4 Restatement of Information (GRI 2-4 all)

Due to changes in environmental data calculation methods, historical data have been restated in this report.

1.1.5 Internal Controls

The company has established internal controls aligned with authority and responsibility management and has developed a Sustainability Practice Code. The Sustainability Committee is responsible for the overall planning and coordination of the sustainability report. A cross-departmental sustainability team collects and prepares the necessary information. Once the report is drafted, it is reviewed by the Sustainability Committee, approved by the Chief Sustainability Officer, and presented to the Board of Directors.

1.1.6 External Assurance (GRI 2-5 all)

After internal approval, this report was verified by an independent third-party assurance provider to ensure compliance with GRI standards. Green Mountain Sustainable CPAs conducted the assurance per Taiwan's TWSAE 3000 assurance standard, which is aligned with ISAE 3000. Please refer to the appendix for detailed methodology and results.

1.1.7 Contact Information (GRI 2-3 d.)

Contact Department : **HY Electronic (Cayman) Limited**

Contact window : **Hsing-Pang Wang**

TEL : **02-8913-1399 # 91521**

E-mail : **Bong.Wang@hygroup.com.tw**

Website : **<https://www.hygroup.com.tw>**

Address : **4F., No.207-5, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City 231, Taiwan**

1.2 Sustainability Strategy and Performance

1.2.1 Message from the Chairwoman (GRI 2-14)

Dear Shareholders, Customers, Partners, and All Stakeholders,

In an era marked by climate change, energy transition, and growing social responsibilities, corporate sustainability has become a key indicator of competitiveness and societal value. At HY Electronic (Cayman) Limited (HY), we strive to fulfill our vision of becoming a leading company in the R&D, design, manufacturing, and sales of power semiconductors. We are committed to integrating Environmental (E), Social (S), and Governance (G) practices into our core strategies to achieve sustainable development.

Environmental Sustainability: Innovation and Green Manufacturing

HY specializes in the research and development (R&D) and manufacturing of high-power discrete semiconductor components, including bridge rectifiers, diode rectifiers, automotive diodes, and ESD protection devices. Among them, the trench Schottky diode is a core technology developed in-house and was awarded a patent in 2018. This innovation enables us to utilize lower-resistance and thinner epitaxial layers, meeting customer needs while advancing our green energy goals.

To align with global carbon reduction trends, we initiated GHG inventories in 2022 and set reduction targets and energy-saving programs to promote low-carbon operations. Additionally, in response to the Paris Agreement's 2050 Net Zero goal, we conducted company-wide carbon reduction campaigns to lower emissions from office operations.

Social Responsibility: Employee Care and Community Engagement

We recognize that our employees and the broader society support our growth. We care for

our employees by offering diverse career development opportunities and encourage them to participate in volunteer programs. Our factory volunteers actively engage in local community outreach, supporting underprivileged groups and contributing to a positive social impact.

Corporate Governance: Strengthening the ESG Framework

To effectively implement sustainability practices, we established a Sustainability Committee in 2024. This committee, composed of cross-functional leaders, serves as the highest-level organization for ESG strategy formulation and oversight, ensuring its integration across all business functions.

Corporate Governance: Strengthening the ESG Framework

We will continue to uphold our values of integrity and commitment, strengthen our ESG practices, increase governance transparency, and promote social and environmental responsibilities. Moving forward, we aim to expand globally and enhance our brand value to become a world-class sustainable enterprise.

We sincerely thank all stakeholders for your continued support and trust. Let us work together to create a sustainable future.



Kuei-Jen Kao, Chairwoman



1.3 Stakeholder Engagement

1.3.1 Identification of Stakeholders

(GRI Index : 2-29-a-i)

In consideration of its industry characteristics and business model, HY Tech identifies stakeholders based on the five principles of the AA1000 Stakeholder Engagement Standard (2015): Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. The Sustainability Committee identifies stakeholder groups that significantly influence or are influenced by HY Tech. 7 primary stakeholder groups have been identified: investors, suppliers, customers, community residents, government agencies, media, and employees.

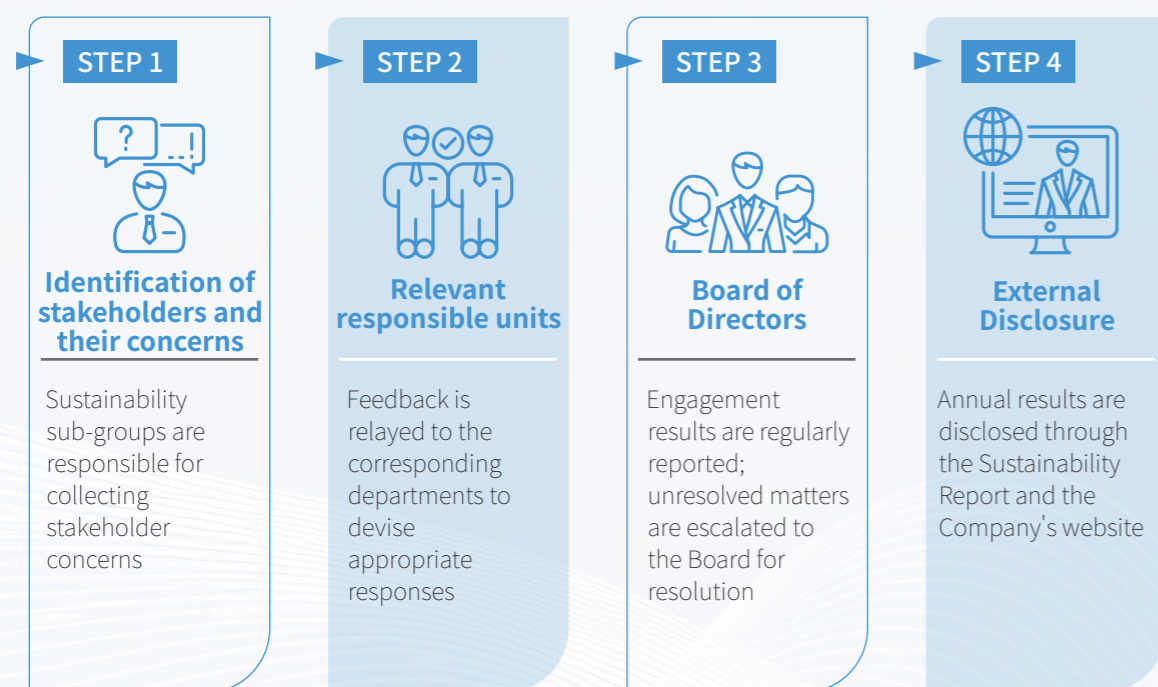
government agencies, media, and employees.

1.3.2 Stakeholder Communication

(GRI Index : 2-29-a-ii) (GRI Index : 2-29-a-iii)
(GRI Index : 2-12-b-i)







To understand and address stakeholder concerns, HY Electronic has established various communication channels to engage with stakeholders regularly. These channels enable stakeholders to provide feedback at any time, allowing the Company to respond appropriately to various ESG-related issues. The following table summarizes the stakeholder communication mechanisms and key topics in 2024 :

Stakeholder Engagement Mechanism and Management Process



Stakeholder Concerns and Communication Summary

Stakeholder	Key Concerns*	Communication Channels	Key Actions & Outcomes
 Employees	Economic performance, market position, materials, energy, and supplier assessment	Quarterly labor meetings, training sessions, and internal emails Email : hy.tp@hygroup.com.tw	

Stakeholder	Key Concerns*	Communication Channels	Key Actions & Outcomes
 Investors	Economic performance, indirect economic impact, DEI, labor relations, waste	Annual/quarterly reports, investor meetings, and email Email : hytech@hygroup.com.tw	Held investor meetings in May and November, AGM on June 24
 Customers	Materials, marketing & labeling, market position	Audits, surveys, trade shows, and email Email : hytech@hygroup.com.tw	Regular audits completed, website updated, and trade show participation
 Suppliers	Market position	Audits, quality contracts, and email Email : hytech@hygroup.com.tw	Regular quality reviews and audits conducted
 Regulators	Legal compliance, labor relations, and environmental issues	Official correspondence, seminars, surveys	All regulatory filings completed on time
 Community Residents	Indirect economic impact	Donations, job creation	Scholarships, donations in Taiwan & Africa, local economic stimulation
 Media	Business performance, industry news	Press releases	Quarterly financial reports and media kits distributed

Note: This table summarizes key concerns only. Detailed responses and mitigation strategies are discussed in relevant chapters of this report.

1.4 Material Topics Management

1.4.1 Process for Assessing Material Topics (GRI 2-14, 3-1, 3-2)

The HY Tech Sustainability Committee conducts an annual assessment based on the

Company's operations, industry characteristics, and value chain impacts. Through stakeholder engagement and expert consultation, we assess the significance of sustainability issues per GRI 2021's principles of materiality, completeness, and stakeholder inclusiveness. Results are reported to the Board of Directors for discussion and approval.

Materiality Assessment Steps

Step 1. Identification of Material Topics

- ◆ Summarizing Industry Characteristics: An inventory was conducted to assess Hong Yang Technology's business scope, business model, product or service types, industry nature, and workforce characteristics, in order to comprehensively analyze all industry attributes relevant to the company.
- ◆ Identifying Sustainability Issues: In addition to considering past significant positive and negative events, the Company also incorporated feedback from stakeholder engagement, global norms and standards, industry-specific guidelines, and benchmarking of peer companies to identify potential risks and opportunities. A total of 31 sustainability issues were identified during the reporting period.

Step 2. Analyze and Select Material Topics

- ◆ Stakeholder Feedback: 337 surveys were collected (283 internal, 54 external). Issues were evaluated based on impact severity and likelihood.
- ◆ Impact Assessment: For negative issues, severity, scope, and reversibility were considered. For positive issues, scope and influence were assessed.
- ◆ Prioritization: Topics exceeding defined thresholds were identified as material and reported to the Board. 9 topics were finalized.

Step 3. Disclosure of Material Topic Information

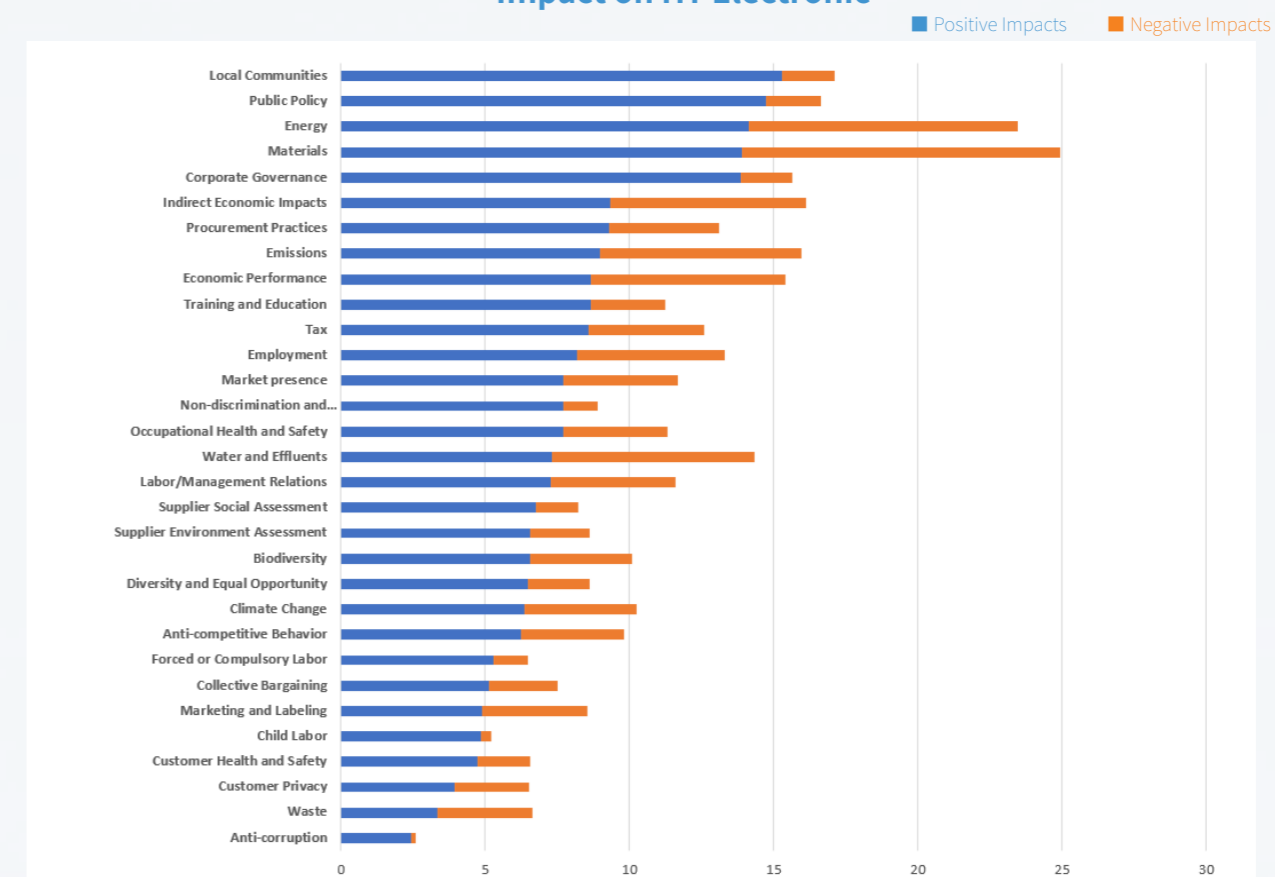
The Sustainability Development Committee determines the corresponding international standards for material topics, reviews the management policies and goals for each significant issue, and collects annual data to ensure that all key sustainability information is comprehensively disclosed in this report. This process aims to fully address the concerns of stakeholders. Once the annual sustainability report is compiled, it is submitted to the Board of Directors for review and resolution to ensure there are no issues of misrepresentation or improper disclosure.

Step 4. Ongoing Review

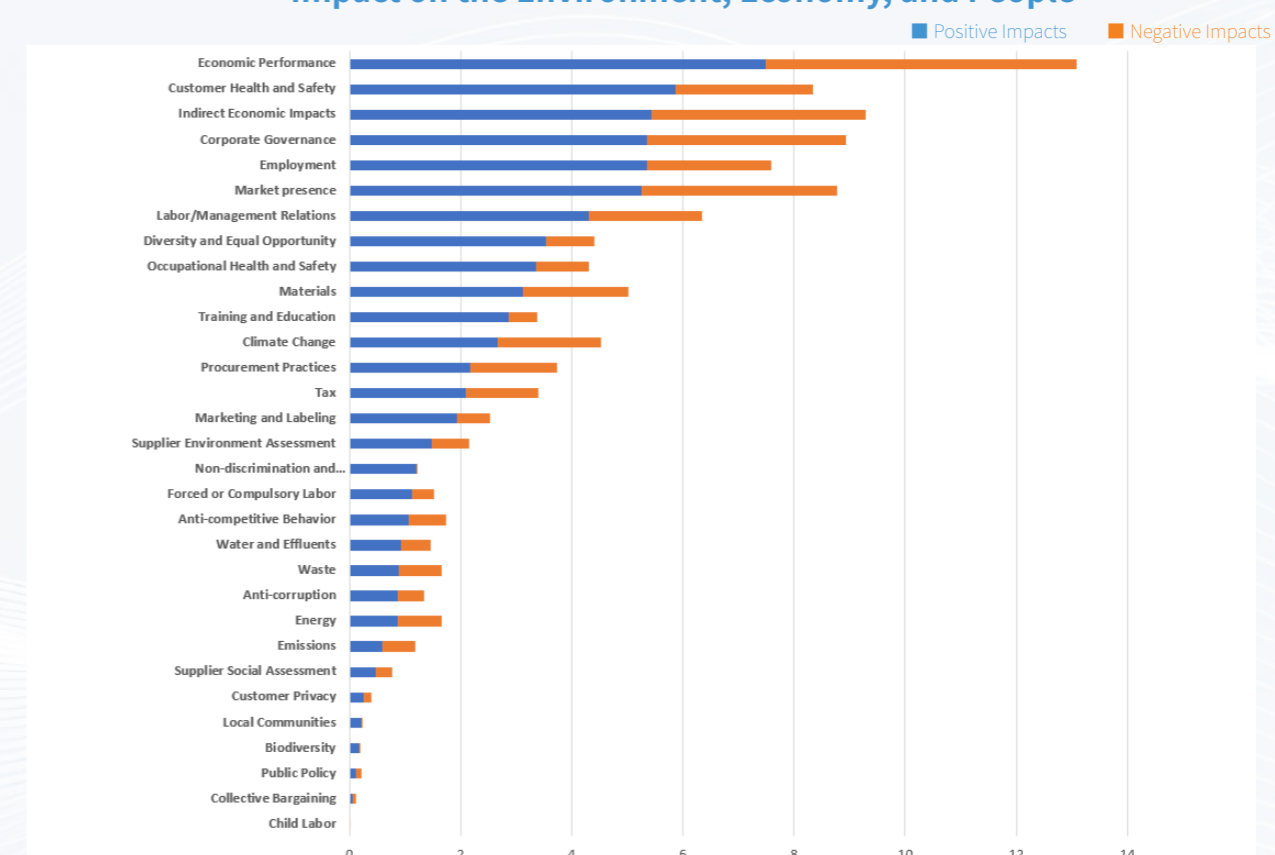
Each year, the implementation of material topic policies and the achievement of related goals are regularly reviewed to optimize internal management approaches and refine both qualitative and quantitative targets. After identifying material topics for the following reporting period, any differences compared to the previous period are assessed, the reasons for such differences are investigated, and the findings are disclosed in the report.

Results of Materiality Assessment

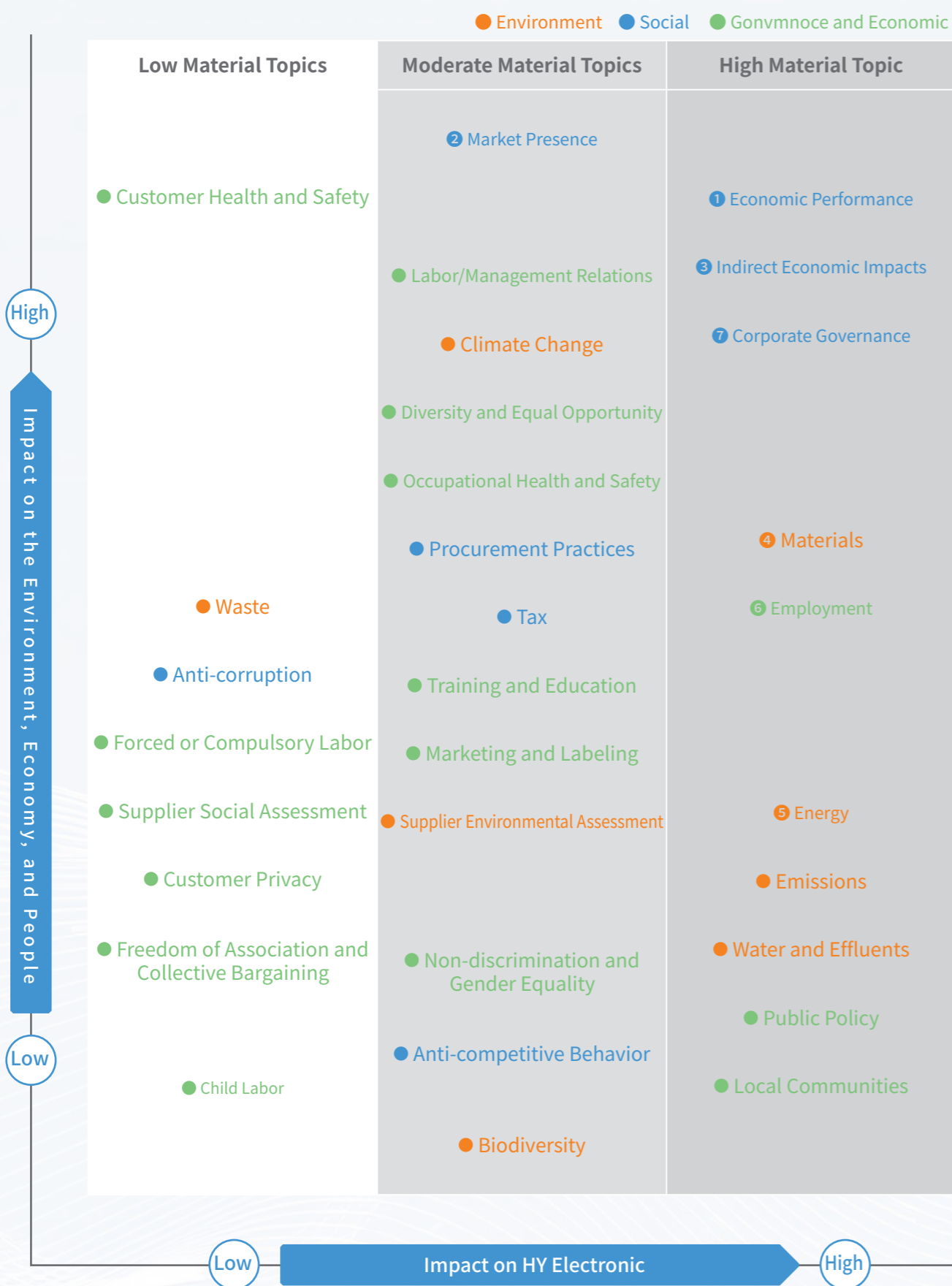
Impact on HY Electronic



Impact on the Environment, Economy, and People



► Materiality Matrix



1.4.2 Impact Management of Material Topics

(GRI 2-12、2-13、2-15、2-25、3-2、3-3)

The Board of Directors is the highest decision-making body for managing material sustainability issues. The Sustainability Committee is tasked with formulating and reviewing strategies, evaluating stakeholder feedback, and reporting key findings and proposed actions to the Board.

2024 Material Topics and Actions

Material Topic	GRI Standard	Positive Impact	Negative Impact	Causes	Action Plan	Chapter Reference
① Economic Performance	GRI 201	Stable growth boosts value and investor confidence	Market volatility or cost increases may hurt earnings	Global supply shifts, FX risks	Market expansion, energy saving to cut costs	2.3 Economic Performance
② Market Presence	GRI 202	Local hiring increases social recognition	Unfair wages or a lack of local hires may cause discontent	Expats in management	Hire/promote local employees	6.1, 6.2 HR and Benefits
③ Indirect Economic Impacts	GRI 203	Stimulates local industry and employment	Single-country sourcing raises regional risk	Supply chain concentration	Scholarships, in-kind donations	7.1 Social Investment
④ Materials	GRI 301	Renewable materials reduce cost and footprint	Price or supply shifts in single-source materials	Geographic concentration	Boost recyclability, diversify sourcing	5.1 Raw Materials Mgmt
⑤ Energy	GRI 302	Energy savings cut costs and emissions °	Energy price hikes raise costs and emissions	Investor expectations	Promote energy policies, install efficient equipment	5.2 Energy Governance
⑥ Labor Relations	GRI 401	Healthy labor ties raise retention and efficiency °	Labor shortages hurt operations °	Competitive talent market	Fair wages, training programs	6 Workplace Management
⑦ Corporate Governance	GRI 205 GRI 206	Good governance ensures risk control and reputation	Poor governance causes violations and reputational harm	Global expansion complexities	Uphold human rights, zero tolerance for corruption	2 Corporate Governance

Note: The management policy list highlights only the major policies, strategic approaches, and corresponding management objectives.

2

Corporate Governance

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2.1 Company Profile and Overview

2.1.1 Basic Information

(GRI Index : 2-1 、 2-7 、 2-8 、 2-28)

HY Tech is a manufacturer of power rectifier semiconductor components, specializing in the design, research, development, production, and sales of high-quality rectifier diodes and bridge rectifiers. Entering the Chinese market in 1984, the Company established Yangzhou HY Electronics Co., Ltd. in 1992, marking the start of localized production and technical services. With the business expanded, the Bridge Plant of Yangzhou HY Technology Development Co., Ltd. was completed in 2003. In 2006, both subsidiaries were merged to integrate resources and enhance operational efficiency and global competitiveness.

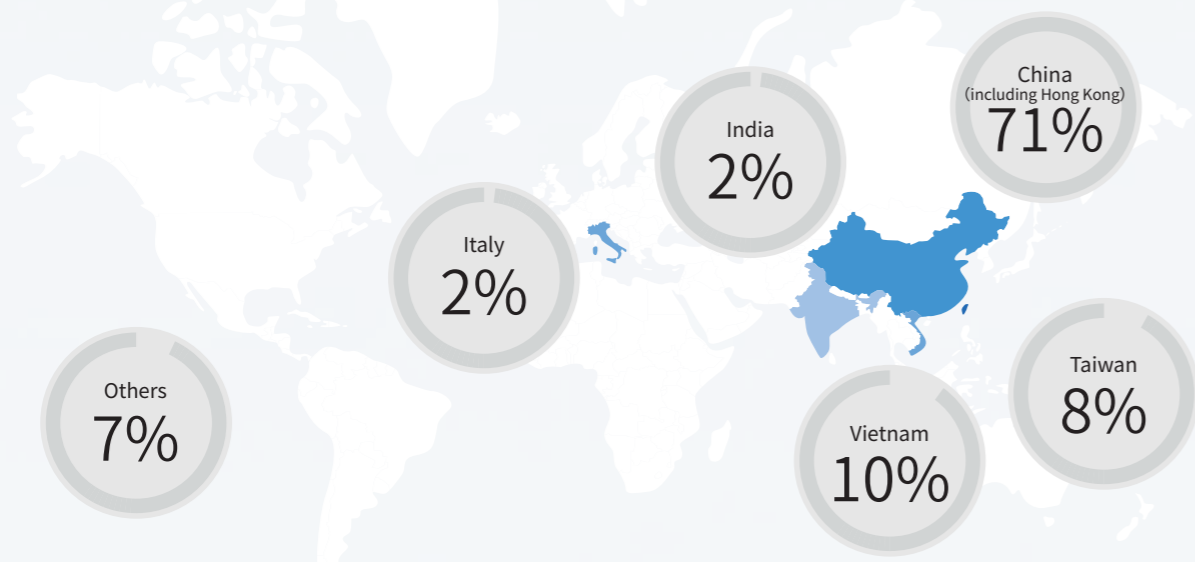
HY has been dedicated to the power rectifier field since its inception. Its product line includes open junction rectifier chips, Glass Passivated rectifier chips, trench Schottky chips, bridge rectifiers, axial and surface-mount diodes, as well as automotive and photovoltaic bypass diodes. These products are widely used in computing, communications, automotive electronics, consumer electronics, LED lighting, solar, and new energy applications. The company aims to be the most energy-efficient and eco-friendly power solution provider.

As of the end of 2024, HY employed 329 people worldwide, along with 9 non-employee workers. Through innovation, technical focus, and exceptional customer service, HY has established a solid presence in the rectifier market. Moving forward, the company adheres to the philosophy of “Quality First, Innovation, Customer Focus, and Continuous Improvement,” striving for sustainable operations and world-class branding.

Company Name	HY Electronic (Cayman) Limited
Entity Type	Corporation
Incorporation Date	December 11, 2009
Headquarters	4F, No. 207-5, Sec. 3, Beixin Rd., Xindian Dist., New Taipei City, Taiwan
Production Site	No. 5, Weichai Avenue, Huaisi Town, Hanjiang District, Yangzhou City, Jiangsu Province
Global Operations:	Taiwan, China
Employees	329
Non-Employee Workers	9
Main Products & Technologies	Design, R&D, manufacturing, and sales of discrete power rectifier components
2024 Revenue	NT\$962,378 thousand



Global Operational Footprint



Total Net Sales Amount NTD 962,378 (Thousands)

China (including Hong Kong)	Vietnam	Taiwan	India	Italy	Others
NTD 679,566	NTD 96,441	NTD 80,657	NTD 20,011	NTD 15,796	NTD 69,907

Mission, Vision, Philosophy

Mission	Deliver value to customers, empower employee growth, and ensure corporate sustainability.
Vision	To become a premier company in power semiconductor R&D, design, manufacturing, and sales.
Core Values	Quality, Cost Efficiency, Service Excellence, Flexibility, Innovation
Management Principles	Customer-focused, teamwork, swift response, and getting it right the first time.
Cultural Values	Respect – Recognize the value of employee contributions and openly embrace constructive feedback from customers. Innovation – Encompasses innovation in management, technology, products, and business philosophy. Quality – Commit to continuous improvement. Learning – Foster a learning-oriented organization. Integrity – Treat customers with sincerity and honor commitments.

Business Strategy

HY focuses on the design, development, manufacturing, and sales of discrete power rectifier components. With an industry-leading R&D team,

automated production equipment, and rigorous quality control, HY offers top-quality products. It provides vertically integrated services, from wafer to final product, ensuring fast and complete solutions.



Trademark Concept

Inspired by the “Flying Geese Paradigm,” symbolizing teamwork, rotational leadership, mutual support, and motivation.

Corporate Milestones



2.1.2 Operational Locations

Group Entities and Functions



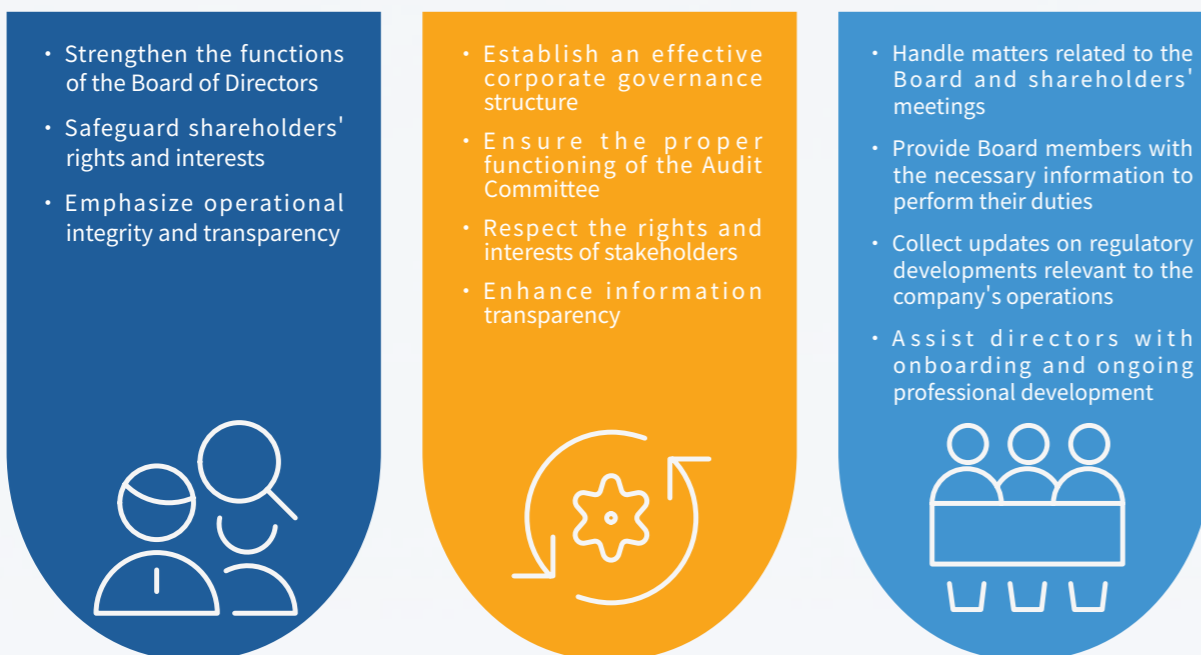
2.2 Governance Structure

2.2.1 Governance Framework

The corporate governance policy of HY Electronic is driven by management's commitment to fostering a strong governance culture. It also aligns with the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission

(FSC), to enhance corporate sustainability, strengthen global competitiveness, and advance toward the goal of becoming an outstanding enterprise in sustainable operations.

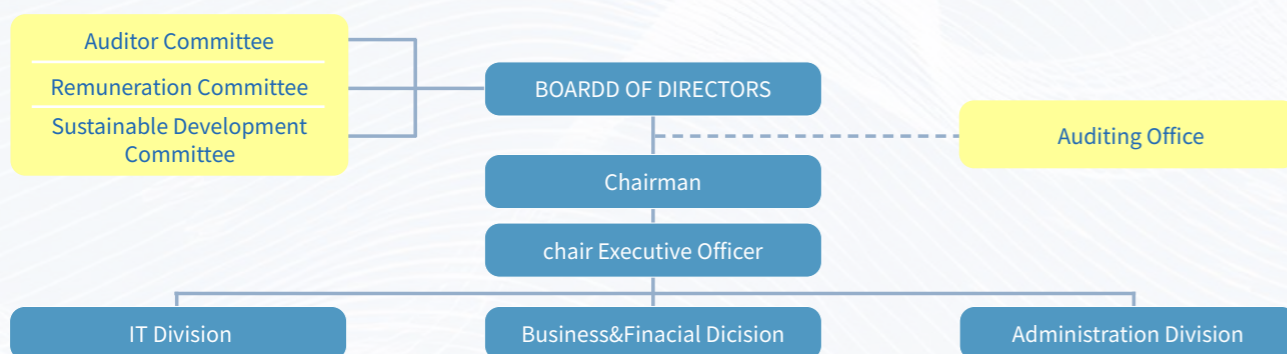
In alignment with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," HY Electronic has developed and implemented its own set of governance guidelines to effectively carry out the following practices.



(GRI 2-9)

The highest governing body of the Company is the Shareholders' Meeting, which elects the members of the Board of Directors. The Board serves as the highest governance authority, responsible for making overall strategic and operational decisions. Under the Board, functional committees have been established, including the Audit Committee, the Compensation Committee, and the Sustainability Committee. These

committees oversee key areas, including corporate governance, directors' compensation, financial reporting, and ESG performance indicators. Additionally, an Internal Audit Office has been established to monitor the effectiveness of the Company's internal control systems. All committees are required to regularly report their activities and resolutions to the Board of Directors to ensure the protection of the Company's and stakeholders' interests



The responsibilities and execution status of the Corporate Governance Officer are publicly disclosed on HY Electronic's official website: <https://www.hygroup.com.tw/>

Board Structure and Operations

(GRI 2-9, 2-10, 2-11, 2-15, 405-1 a.)

The Board of Directors plays a balancing and supervisory role between the Company's shareholders and management. It exercises the rights and responsibilities delegated by shareholders, formulates operational strategies based on stakeholder interests, appoints and oversees management, determines sustainability-related strategies, and monitors the effectiveness of implementing these practices.

The operations of the Board of Directors, the Audit Committee, and the Compensation Committee are conducted per the "Board Meeting Rules," the "Audit Committee Charter," and the "Compensation Committee Charter," respectively.

Board members (including independent directors) are nominated and appointed per the Company's "Board Member Selection Procedures," which establish a candidate

nomination system. The term of each board is 3 years. As of the end of December 2024, the average tenure of the 5th Board of Directors is 6 years. The current Board was elected at the Annual General Meeting on June 21, 2023, comprising 7 directors, 4 of whom are independent, representing approximately 57% of the Board. None of the independent directors serves on other boards. Nomination and selection criteria emphasize candidates' independence, professional background, and alignment with the Company's business development, while also considering board diversity. The current Board consists of 7 directors (including 4 independent directors), with a gender ratio of 4:3 (male to female).

In principle, HY Electronic holds Board meetings quarterly. In 2024, a total of 6 Board meetings were convened, with an average attendance rate of 98%. Details of individual attendance and meeting agendas are available on page 15 of the HY Electronic 2024 Annual Report.

List of Board Directors for the Fifth Term of HY Electronic Co., Ltd.

Name	Title	Education and Experience	Current Positions
Kuei-Jen Kao	Chairperson	<ul style="list-style-type: none"> UCAM Catholic University of Murcia D.B.A. Anglia Ruskin University MBA Chairperson & General Manager, HY Electronic (Cayman) Limited General Manager, Taiwan Branch of HY Electronic (Cayman) Limited Chairperson, Taiwan Glass-sealed Electronics Co., Ltd. Director, Yangzhou HY Electronic (Cayman) Limited Director, Chieh Po Technology Co., Ltd. Chairperson, E-Poly Technology (Yangzhou) Co., Ltd. Director, Multi-Glory Services Inc. Director, SMART INVESTMENT CO., LTD Director, M&W ARTISTIC CULTURE Co., Ltd 	<ul style="list-style-type: none"> Chairperson & General Manager, HY Electronic (Cayman) Limited General Manager, Taiwan Branch of HY Electronic (Cayman) Limited Chairperson, Taiwan Glass-sealed Electronics Co., Ltd. Director, Chieh Po Technology Co., Ltd. Chairperson, E-Poly Technology (Yangzhou) Co., Ltd. Director, Multi-Glory Services Inc. Director, SMART INVESTMENT CO., LTD Director, M&W ARTISTIC CULTURE Co., Ltd
Hsin-Yi Fang	Director	<ul style="list-style-type: none"> Master of Business Administration (MBA), Anglia Ruskin University Deputy General Manager, Taiwan Branch of HY Electronic (Cayman) Limited Director, Yangzhou Hong Yuan Real Estate Development Co., Ltd. Executive Director, Yangzhou HY Electronic (Cayman) Limited Director, Jumbo Elite Holdings Limited Senior Sales Manager, Yangzhou Hong Yang Executive Secretary, HY Electronic (Cayman) Limited 	<ul style="list-style-type: none"> Deputy General Manager, Sales, Logistics, and Finance & Accounting Division, Taiwan Branch of HY Electronic (Cayman) Limited Deputy General Manager of Finance, Yangzhou Hong Yang Technology Development Co., Ltd. Deputy General Manager, Finance & Accounting Division, Taiwan Glass-sealed Electronics Co., Ltd. Director, Yangzhou Hong Yuan Real Estate Development Co., Ltd. Director, Jumbo Elite Holdings Limited

Name	Title	Education and Experience	Current Positions
Wen-Chieh Fang	Director	<ul style="list-style-type: none"> Bachelor's Degree, Department of Industrial Engineering and Management, Tunghan University of Technology Special Assistant to the Chairperson and concurrently General Manager, Yangzhou Hong Yang Technology Development Co., Ltd. Legal Representative Director, Taiwan Glass-sealed Electronics Co., Ltd. Supervisor, Yangzhou Hong Yuan Real Estate Development Co., Ltd. Special Assistant to the General Manager, Taiwan Branch of HY Electronic (Cayman) Limited Director, Luxury Good Investment Limited 	<ul style="list-style-type: none"> General Manager and Director, Yangzhou Hong Yang Technology Development Co., Ltd. Legal Representative Director, Taiwan Glass-sealed Electronics Co., Ltd. Supervisor, Yangzhou Hong Yuan Real Estate Development Co., Ltd. Director, Luxury Good Investment Limited
Ming-Hsiang Yang	Independent Director	<ul style="list-style-type: none"> Bachelor's Degree, Department of International Business, Tamkang University Special Assistant to the General Manager, Hantic Precision Technology, Inc. Senior Project Manager, Underwriting Department, Concord Securities Co., Ltd. Project Manager, Underwriting Department, Capital Securities Corporation Audit Assistant Manager, Deloitte Touche Tohmatsu Limited Passed the Certified Public Accountant (CPA) Examination, Republic of China Member, Compensation Committee, CJW International Co., Ltd. 	<ul style="list-style-type: none"> Vice General Manager, Hantic Precision Technology, Inc. Chairperson, Shih Mi Investment Co., Ltd.
Chia-Ying Chien	Independent Director	<ul style="list-style-type: none"> Bachelor's Degree in Law (Financial and Economic Law Program), National Taiwan University Partner Attorney, WEIYES Attorneys at Law Honorary Attorney, Small and Medium Enterprise Administration, Ministry of Economic Affairs Associate Attorney, LIN & CHOW, Attorneys at Law Intern Attorney, Lee and Li, Attorneys-at-Law, Taichung Office Legal Specialist, Aerospace Industrial Development Corporation Licensed Attorney, Taichung District Court, Taiwan Passed the Bar Examination, Examination Yuan, Taiwan 	<ul style="list-style-type: none"> Partner Attorney, Song Cheng Law Firm

Name	Title	Education and Experience	Current Positions
Kuang-Hua Tseng	Independent Director	<ul style="list-style-type: none"> Doctor of Philosophy in Business Administration, University of Missouri Professor, Department of Business Administration and Graduate Institute of Marketing Management, National Chung Cheng University Director, Research Center for Marketing Strategy and Creativity, National Chung Cheng University Lecturer in Marketing Management, EMBA Program (Taiwan), Royal Roads University, Canada Lecturer, EMBA Program, National Sun Yat-sen University / National Open University, Taiwan Author of more than ten university textbooks, including Marketing Management: Theory and Practice, Principles of Marketing, and International Marketing 	<ul style="list-style-type: none"> Professor, Department of Business Administration and Graduate Institute of Marketing Management, National Chung Cheng University
Jui Ting Chin*	Independent Director	<ul style="list-style-type: none"> Doctor of Business Administration (D.B.A.), UCAM Catholic University of Murcia Special Assistant to the Office of the Superintendent, Ministry of Health and Welfare, Shuang Ho Hospital 	<ul style="list-style-type: none"> None
Chi-Fu Hsu *	Independent Director	<ul style="list-style-type: none"> Master's Degree, Graduate Institute of Business Innovation and Development, Shih Chien University Associate General Manager, Business Division, Mutto Optronics Corporation Deputy General Manager, Health Life Optics Tech Co., Ltd. Special Assistant to the Chairperson, ADE Technology Inc. Special Assistant to the Chairperson, Lin Shiung Enterprise Co., Ltd. Chief Financial Officer, Yun Shin Co., Ltd. Finance Manager, KUANG YING COMPUTER EQUIPMENT CO., LTD. Assistant Vice President, Corporate Finance, Shanghai Bank 	<ul style="list-style-type: none"> Special Assistant to the Chairperson, I.H. Art Co., Ltd.

Note: Mr. Ji-Fu Hsu resigned on October 11, 2024. Mr. Jui-Ting Chin was elected as his replacement at the extraordinary shareholders' meeting held on December 26, 2024.

Diversification item Name of	Basic composition													
	Nationality	Gender	Concurrent Employee Status	age				Term of office and years of experience of independent director		Functional Committees				
				Below 50 years old	51 ~ 60	61 ~ 70	Above 71 years old	Below 3 years	3-9 years	Audit Committee	Compensation Committee	Sustainability Committee		
Kuei-Jen Kao	R.O.C.	F	✓		✓									
Hsin-Yi Fang	R.O.C.	F	✓	✓										
Wen-Chieh Fang	R.O.C.	M	✓	✓										
Ming-Hsiang Yang (Independent director)	R.O.C.	M		✓					✓		✓	✓	✓	✓
Chia-Ying Chien (Independent director)	R.O.C.	F		✓					✓		✓	✓	✓	✓
Chi-Fu Hsu* (Independent director)	R.O.C.	M			✓			✓			✓	✓	✓	✓
Kuang-Hua Tseng (Independent director)	R.O.C.	M				✓		✓			✓	✓	✓	✓
Jui-Ting Chin* (Independent director)	R.O.C.	M					✓	✓			✓	✓	✓	✓

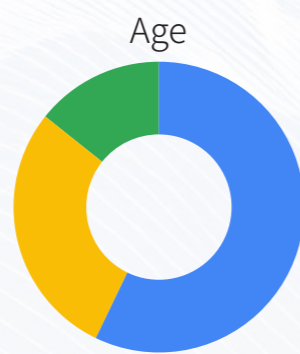
Note: Ji-Fu Hsu resigned on October 11, 2024. Jui-Ting Chin was elected as his replacement at the extraordinary shareholders' meeting on December 26, 2024.

Gender and Age Distribution of Board Directors

Gender	Percentage	Age Group	Percentage
Male	57.14%	50 and below	57.14%
Female	42.86%	51-60 years	0%
		61-70 years	28.57%
		71 and above	14.29%



Male
Female



50 and below
61-70 years
71 and above

Director Training (GRI 2-17)

To enhance directors' professional capabilities in responding to operational challenges, HY Electronic arranges annual training programs focused on professional skills, knowledge, and sustainability-related topics. In 2024, the directors collectively completed a total of 54 hours of training.

Title	Name	Training Date	Organizer	Course Title	hours
Director	Kuei-Jen Kao	2024/3/20	Securities and Futures Institute (SFI)	Transformation Opportunities and Challenges for Taiwan's Industry under Geopolitics – PMI/NMI Insights	3
		2024/4/17	Securities and Futures Institute (SFI)	Economic Outlook and Market Opportunities in New Southbound Countries	3
	Hsin-Yi Fang	2024/2/22	Securities and Futures Institute (SFI)	Economic Outlook and Market Opportunities in New Southbound Countries	3
		2024/6/13	Securities and Futures Institute (SFI)	Global Economic and Industrial Technology Development Trends	3
	Wen-Chieh Fang	2024/5/21	Securities and Futures Institute (SFI)	How Directors and Supervisors Can Oversee Effective Risk Management Frameworks	3
		2024/5/23	Securities and Futures Institute (SFI)	Functions and Prospects of the Carbon Exchange	3
	Ming-Hsiang Yang	2024/8/22	The Institute of Internal Auditors-Chinese Taiwan (IIA)	Practical Approaches to Business Contract Management and Audit	6
Independent Director	Chia-Ying Chien	2024/3/29	Securities and Futures Institute (SFI)	2024 Economic Outlook and Industry Trends	3
		2024/7/26	Securities and Futures Institute (SFI)	Transformation Opportunities and Challenges for Taiwan's Industry under Geopolitics – PMI/NMI Insights	3
	Ji-Fu Hsu*	2024/6/22	Accounting Research and Development Foundation	Effective Internal Controls for Sustainability Reporting	3
		2024/9/20	Securities and Futures Institute (SFI)	2024 Insider Trading Prevention Seminar	3
	Kuang-Hua Tseng	2024/3/13	Chinese Economic Development Association	New Thinking in the Digital Era	3
		2024/8/22	Chinese Economic Development Association	Geo-Economic Risk and Green Transition	3
	Jui-Ting Chin*	2025/1/21 2025/1/22	Securities and Futures Institute (SFI)	Full Introductory Course for Directors	12
Total Hours					54

Note: Ji-Fu Hsu resigned on October 11, 2024. Jui-Ting Chin was elected as his replacement at the extraordinary shareholders' meeting on December 26, 2024.

All training sessions listed above comply with the requirements outlined in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies," including training hours, content, system, arrangement, and disclosure.

Details of the 2024 training programs for each director can be found on page 19 of HY Electronic's 2024 Annual Report.

► Remuneration Structure for Directors and Senior Executives

The remuneration of directors and senior executives at HY Electronic is proposed by the Compensation Committee and approved by the Board of Directors. The Compensation Committee considers the Company's operational performance, individual contributions, and potential risks as the basis for its recommendations.

1. Director Compensation Policy

Under Article 14.4 of the Company's Articles of Incorporation, if the Company reports a profit for the year, 2% to 15% shall be allocated for employee compensation, and no more than 3% may be distributed as director compensation (excluding independent directors). However, if the Company has accumulated losses, the amount must first be reserved to cover the deficit.

2. Senior Executive Compensation

Compensation for senior executives includes monthly salary, festival bonuses, performance bonuses, and other reasonable rewards based on the Company's annual performance, the executive's role, and their contributions. The compensation amount for each executive is determined in accordance with industry standards and reviewed by the Compensation Committee before being submitted to the Board for approval.

3. Link between Remuneration, Performance, and Future Risk

The Company conducts annual performance evaluations for directors in accordance with its Board Performance Evaluation Procedures. The results are reported to the Board in the following year as a basis for review and improvement. External third-party evaluations are also conducted to assess board performance, providing a reference for director nominations and remuneration decisions.

The compensation for directors, the General Manager, and Deputy General Managers is fully considered in light of their professional capabilities, the Company's operational and financial performance, and any exceptional contributions they may make. It is closely linked to

both company and individual performance. The company regularly reviews operational risks and its corporate social responsibility commitments, and adjusts its remuneration system as needed to maintain a balance between sustainability and risk management.

► Director and Senior Management Resignation and Retirement Policy

The resignation notice period for directors and senior management at HY Electronic is determined in accordance with local government regulations. The number of notice days and the calculation of severance pay are consistent with those applied to all employees. No additional payments or in-kind benefits are provided to departing directors or senior executives beyond the standard severance pay.

For further details, please refer to page 15 of the HY Electronic 2024 Annual Report.

► Board Performance Evaluation (GRI 2-18)

This year, HY Electronic's Board of Directors and functional committees completed self-evaluations, with overall performance rating results indicating that the Board operates under a sound governance mechanism and that each committee effectively fulfills its respective functions, which reflects the Company's strong commitment to corporate governance and compliance with the Corporate Governance Best Practice Principles.



Implementation of Board Performance Evaluation

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content	Evaluation Result
Once per year	2024/1/1 2024/12/31	Board of Directors	Assessment conducted by the Chairperson of the Board	45 questions covering five major aspects: 1. Participation in Company Operations (12 items) 2. Enhancing Board Decision-Making Quality (12 items) 3. Board Composition and Structure (7 items) 4. Director Selection and Continuing Education (7 items) 5. Internal Control (7 items)	97
		Individual Directors	Assessment conducted by Board Members	24 questions covering six major aspects: 1. Understanding of Company Goals and Missions (4 items) 2. Understanding of Director Responsibilities (3 items) 3. Participation in Company Operations (8 items) 4. Internal Relations and Communication (3 items) 5. Professionalism and Continuing Education (3 items) 6. Internal Control (3 items)	85
		Audit Committee	Assessment conducted by Committee Chairperson	22 questions covering five major aspects: 1. Participation in Company Operations (4 items) 2. Understanding of Functional Committee Responsibilities (5 items) 3. Quality of Committee Decision-Making (7 items) 4. Committee Composition and Member Selection (3 items) 5. Internal Control (3 items)	83
		Committee Chairperson	Assessment conducted by Committee Chairperson	19 questions covering four major aspects: 1. Participation in Company Operations (4 items) 2. Understanding of Functional Committee Responsibilities (5 items) 3. Quality of Committee Decision-Making (7 items) 4. Committee Composition and Member Selection (3 items)	76
		Sustainability Committee	Assessment conducted by Committee Chairperson	17 questions covering four major aspects: 1. Participation in Company Operations (4 items) 2. Understanding of Functional Committee Responsibilities (3 items) 3. Quality of Committee Decision-Making (7 items) 4. Committee Composition and Member Selection (3 items)	96

► **Conflict of Interest Management**
(GRI 2-15)

HY Electronic has established conflict of interest avoidance provisions in its Board Meeting Rules, as well as in the charters of the Audit Committee, Compensation Committee, and Sustainability Committee. If a director, their spouse, relatives within the second degree of kinship, or any company controlled by the director has a vested interest in a proposal, the director must disclose the nature of that interest at the board meeting. Where such an interest may be detrimental to the Company, the director shall not

participate in the discussion or voting and must recuse themselves from the decision-making process. Additionally, the director is not allowed to act as a proxy for other directors in voting on the matter. The names of the concerned directors, a summary of the matter, and the circumstances of recusal must be recorded in the meeting minutes.

The company discloses cases where directors have recused themselves due to conflicts of interest, including the name of the director, the subject matter, the reason for recusal, and whether the director participated in the voting.

Title/Name	Subject Matter	Reason for Recusal	Participation Status	Note
Chairperson Kuei-Jen Kao Director Hsin-Yi Fang Director Wen-Chieh Fang	The Company's subsidiary, Yangzhou Hong Yang Technology Development Co., Ltd., proposes to acquire equity from a related party.	The recused directors are related parties or have relatives within the second degree of kinship.	Did not participate in the discussion or voting. The Chairperson appointed Independent Director Ming-Hsiang Yang as acting chair for the agenda item. After the Chair's recusal, the remaining directors approved the proposal.	5th Board Meeting, 9th Session, 2024/11/8
Director Hsin-Yi Fang Independent Director Ming-Hsiang Yang Independent Director Chia-Ying Chien Independent Director Kuang-Hua Tseng Independent Director Jui-Ting Chin	The Company proposes to establish the Sustainability Committee under the Board and appoint its members.	The recused directors are the appointees themselves or related parties within the second degree of kinship.	Did not participate in the discussion or voting. After the Chair's recusal, the remaining directors consulted and approved the proposal.	5th Board Meeting, 11th Session, 2024/12/27

For information on related party transactions, cross-shareholdings among directors, controlling shareholders, or other stakeholders in 2024, please refer to page 5 of the HY Electronic 2024 Annual Report.

2.2.2 Functional Committees

The Company has formulated the Corporate Governance Best Practice Principles and established the Remuneration Committee and Audit Committee as functional committees under its governance structure.

► **Compensation Committee**
(GRI 2-19, 2-20)

Under the “Regulations Governing the Appointment and Exercise of Powers of the Compensation Committee of a TWSE/TPEX Listed Company,” the Company has established a Compensation Committee and adopted the “Compensation Committee Charter” to clearly define its authority and operating mechanisms, which ensures the reasonableness and fairness of the remuneration system for directors and managerial officers.

The current Compensation Committee is chaired by Independent Director Mr. Ming-Hsiang Yang, with a total of four members, all of whom are independent directors. This composition complies with regulatory independence requirements. The term of office is from June 21, 2023, to June 30, 2026. The Committee convenes at least twice a year and held three meetings in 2024, with a 100% attendance rate, reflecting strong engagement and commitment to its responsibilities.

Acting with professionalism and objectivity, the Compensation Committee is responsible for formulating and periodically reviewing performance evaluation criteria and remuneration policies for the Company's directors and managerial officers. It carefully considers the correlation and reasonableness of such policies regarding personal performance, company performance, and industry benchmarks, and provides recommendations to the Board of Directors, ensuring that the remuneration system is incentive-aligned and supports the Company's long-term development goals.

The Committee's key responsibilities include



Periodically review this Charter and propose amendments.



Establishing and reviewing performance evaluation criteria and short- and long-term performance goals for directors and managerial officers; defining policies, systems, standards, and structures for their remuneration; and disclosing such criteria in the annual report.



Regularly assess the achievement of performance goals and determine individual remuneration packages based on the evaluation results.



Disclosing the individual performance evaluation results and remuneration details of directors and managerial officers in the annual report, along with the correlation and reasonableness of such remuneration relative to performance outcomes, and reporting to the shareholders' meeting.

► **Audit Committee**

The Audit Committee of HY Electronic is composed of 4 independent directors, including 1 financial and accounting expert. The term of office is three years, and meetings are held at least quarterly. All members meet the regulatory requirements for independence, professional qualifications, and experience. The Committee conducts annual internal performance evaluations. In 2024, the Audit Committee held a total of 6 meetings, with a 100% attendance rate among its members.

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities regarding the integrity and quality of accounting, auditing, financial reporting processes, and financial controls.

Its primary responsibilities and review items include

- Annual and quarterly financial reports
- Auditing of financial statements and review of accounting policies and procedures
- Internal control systems and related policies and procedures
- Major asset or derivative transactions
- Significant loans, endorsements, or guarantees
- Fundraising or issuance of securities
- Use of derivatives and cash investments
- Regulatory compliance
- Related party transactions or potential conflicts of interest involving directors or executives
- Whistleblower reports
- Anti-fraud programs and investigation reports
- Information security governance
- Corporate risk management
- Evaluation of the qualifications, independence, and performance of the external auditors
- Appointment, dismissal, or remuneration of external auditors
- Appointment or dismissal of financial, accounting, or internal audit officers
- Business reports, earnings distribution, or loss compensation proposals
- Review of the fulfillment of Audit Committee duties
- Self-evaluation of Audit Committee performance
- Other matters required by law, the Committee Charter, or as designated by the competent authority

Audit Committee Implementation Status: Refer to page 21 of the HY Electronic 2024 Annual Report

► **Sustainability Committee**

(GRI 2-12 c, 2-13, 2-14, 2-16)

To strengthen corporate governance and implement the Company's sustainability goals, the Board of Directors approved the establishment of the Sustainability Committee on December 27, 2024. The Committee is composed of the Company's Vice President (who also serves as the Corporate Governance Officer) and four independent directors. Under the Committee, a Sustainability Disclosure Task Group has been formed, comprising six sub-groups: Corporate Governance, Environmental Sustainability, Human Resources, Products and Services, Suppliers, and Social Engagement. The relevant functional unit head leads each sub-group, responsible for driving projects and initiatives that address material topics and embed sustainability into daily operations.

The Committee operates in accordance with several governing documents, including the Sustainability Committee Charter, the Sustainability Information Management Guidelines, and the Risk Management Policy and Procedures. It also conducts risk assessments for material sustainability issues in accordance with the principles of CSR materiality. The Committee meets at least once annually or more frequently as needed. Reports and proposals from sub-groups are submitted to the Committee, which regularly reports ESG plans and progress to the Board of Directors.

The Board regularly reviews ESG-related reports. The Chair of the Sustainability Committee presents the annual ESG goals and outcomes to the Board, which in turn evaluates progress and

provides recommendations for adjustments. In 2024, the Committee convened once, with a 100% attendance rate.

The duties and responsibilities of the Sustainability Committee include

-  Formulating, promoting, and strengthening the Company's sustainability policies, annual plans, and strategies.
-  Reviewing, tracking, and revising the implementation and effectiveness of sustainability efforts.
-  Assessing the risks associated with sustainability objectives, reporting findings to the Board, and overseeing the risk mitigation measures executed by designated sustainability units, with performance updates reported back to the Committee.
-  Overseeing sustainability disclosures and reviewing the Sustainability Report.
-  Supervising the execution of sustainability-related tasks in accordance with the Company's Sustainability Guidelines or those assigned by board resolution.
-  Directing and overseeing the performance of the Chief Sustainability Officer, the Disclosure Task Group, and cross-functional teams, and providing timely recommendations or corrective actions.



During the preparation of the annual Sustainability Report, the working groups under the Sustainability Committee assist in identifying and collecting relevant data. Upon completion,

the report is verified by a third party and submitted to the Board of Directors for approval before being made public.

Sustainability Functional Organization Chart



2.3 Economic Performance

2.3.1 Economic Value Generated and Distributed

(GRI Index : 201-1、201-4)

Each year in the fourth quarter, HY Electronic's departments prepare their respective budgets for the following fiscal year. The Finance Department consolidates these into comprehensive reports, which are then submitted to the Board of Directors for approval.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), applying

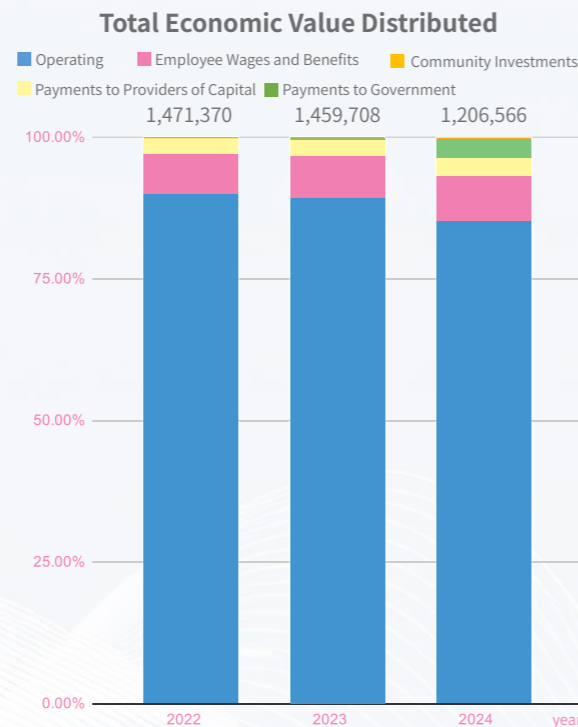
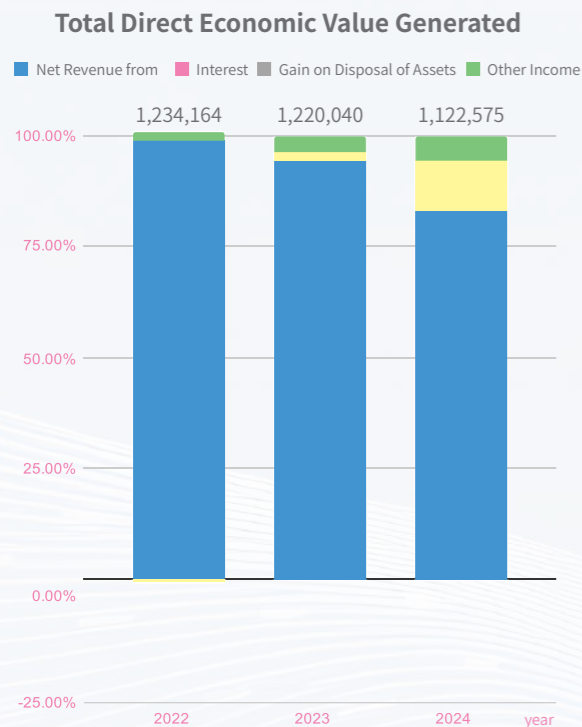
the accrual basis of accounting for daily bookkeeping and financial reporting. In the event of significant discrepancies or force majeure circumstances, any adjustments to operational targets must be discussed and approved by the Board.

The Head of Finance first reviews all quarterly financial statements, which are then audited or reviewed by certified public accountants and subsequently submitted to the Audit Committee for deliberation. The Board of Directors grants final approval.

HY Electronic discloses its quarterly consolidated financial reports, annual consolidated financial reports, and individual financial statements on the Company's official website and the Market Observation Post System (MOPS) to ensure transparency of information.

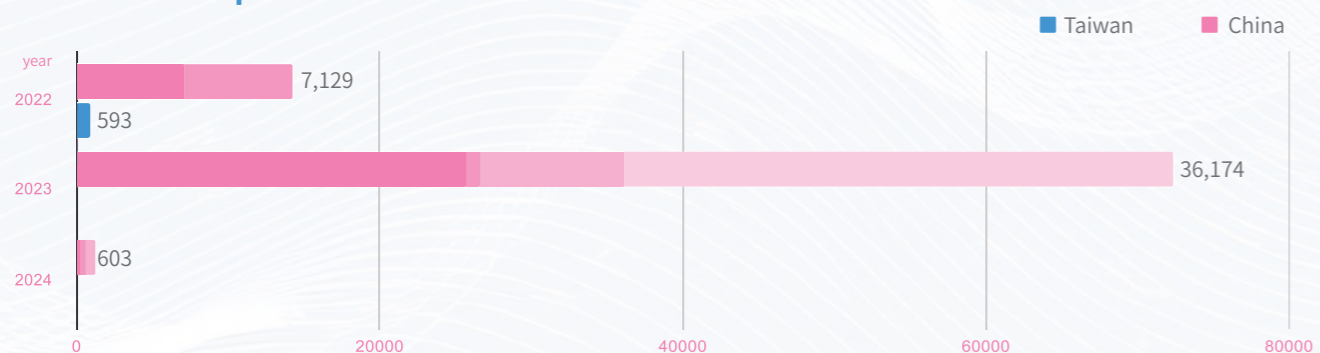
Business Performance

Unit: NT\$ thousand



Proportion of Financial Income from Government Sources

Unit: NT\$ thousand



2.4 Ethical Business Conduct

2.4.1 Ethical Operations

(GRI2-23、2-24、2-26、205-1、205-2、205-3、206-1)

《A-Ethical Business Guidelines》

HY Electronic upholds the principles of fairness, honesty, integrity, and transparency. In accordance with the "Model Guidelines for the Adoption of Codes of Ethical Conduct by TWSE/TPEX Listed Companies," the "Ethical Corporate Management Best Practice Principles," and relevant laws and regulations, the Company has established its Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, and Procedures for Ethical Business Practices and Behavioral Guidelines to govern its ethical operations.

The company identifies potential adverse impacts on different stakeholders arising from its business relationships and has developed preventive measures and post-incident remedial mechanisms for specific risks. An independent supervisory unit is responsible for following up

on cases and continuously improving responsible business conduct to ensure compliance with the Company's standards and objectives for ethical management.

In addition, HY Electronic has implemented strict behavioral and ethical guidelines. All new employees are required to sign anti-corruption agreements upon hiring, as stipulated in their employment contracts. The company strictly prohibits directors, employees, and other insiders from using company property, non-public information, or their positions for illicit gain. Employees must avoid misconduct, fraud, disclosure of confidential information, or misreporting, and are strictly forbidden from accepting entertainment or gifts from suppliers.

Employees are expected to adhere strictly to conflict of interest guidelines, proactively disclose any potential ethical concerns, and comply with non-compete clauses to prevent conflicts of interest. The Company also conducts integrity due diligence on stakeholders such as customers and suppliers, to mitigate ethical risks and ensure that all stakeholders understand and respect the Company's ethical standards. All related codes and policies are published on the Company's website.



《B -Whistleblower Mechanism》

To mitigate the impact of unethical or improper conduct, HY Electronic has established a whistleblower mechanism on its official website. This channel is open to both internal and external stakeholders to report any illegal, unethical, or inappropriate behavior.

Reports can be submitted via a dedicated hotline or email(hytech@hygroup.com.tw), and are handled by the Administration Department, which forwards cases to the appropriate personnel for investigation.

If the report involves an employee, it is submitted to the relevant department head; if it involves a director or senior executive, it is

submitted to the independent directors. If the reported violation is confirmed, the individual must immediately cease the conduct, and the Company will take appropriate disciplinary action. The relevant units must review internal control systems and operational procedures and propose improvement measures. The dedicated unit must report the case, the handling process, and the corrective actions to the Board of Directors.

In 2024, no violations of the Code of Ethical Conduct or the Ethical Corporate Management Principles were committed by any directors, management, employees, or business partners.

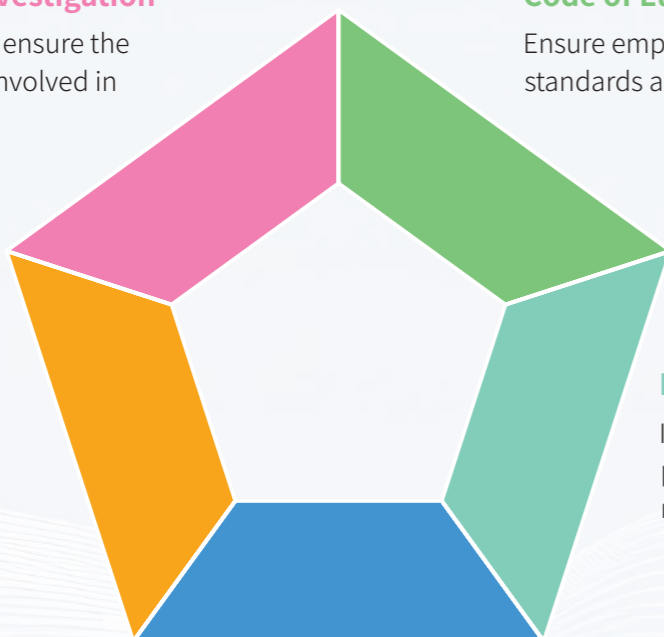
Additionally, no reports were received through the whistleblower mechanism during the year.

Conflict of Interest Investigation

Conduct investigations to ensure the integrity of stakeholders involved in conflicts of interest.

Conflict of Interest Avoidance

Avoid conflicts of interest and ensure fair transactions.



Code of Ethical Conduct

Ensure employees comply with ethical standards and codes of conduct.

Risk Management

Identify and mitigate potential risks in business relationships.

Independent Supervision

Oversee and improve the company's responsible business practices.

2.4.2 Human Rights Policy

(GRI 408、409、308、414)

HY Electronic upholds internationally recognized human rights standards, including the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on

Business and Human Rights, and the conventions of the International Labour Organization (ILO). The Company is committed to treating all employees fairly, reasonably, and respectfully, in strict compliance with local labor laws, and firmly prohibits the use of child labor, forced labor, or any conduct that infringes upon human rights. These

principles are also extended to our business partners.

Human rights protection measures are fully integrated into the Company's human resource management system. Internal regulations, such as the Work Rules and the Sexual Harassment Prevention Policy, explicitly safeguard employees' rights, including freedom of employment, humane treatment, and the prevention of discrimination and sexual harassment. To promote a diverse and inclusive workplace, the Company has established effective communication channels and grievance mechanisms (such as a dedicated hotline and email address for harassment complaints). It also offers competitive compensation, comprehensive training programs, and opportunities for career development.

In its recruitment and hiring practices, HY Electronic adheres to the principles of fairness and merit. The Company values the character and professional competence of candidates and ensures that there is no discrimination based on gender, age, religion, race, nationality, or disability. Special attention is given to providing equal employment opportunities for underrepresented or disadvantaged groups, embodying the spirit of human rights and equality.

To ensure that suppliers align with the

Company's human rights policies, HY Electronic has incorporated corporate social responsibility requirements into its Quality Assurance Agreement, making compliance mandatory for all suppliers, which ensures that human rights principles are upheld throughout the supply chain.

In 2024, there were no violations of the aforementioned human rights standards, the Company's sustainable development guidelines, or the supplier CSR code by any board members, management personnel, employees, or business partners. No incidents of unequal treatment or human rights violations were reported.

2.4.3 Regulatory Compliance

(GRI2-27)

HY Electronic complies with all applicable environmental, social, governance, and economic regulations to ensure that its operations meet legal and ethical standards.

For three consecutive years, the Company has not experienced any significant violations of environmental, social, governance, or economic laws, which reflects HY Electronic's strong commitment to and persistent efforts in compliance management and corporate social responsibility.

Summary of Regulatory Violations Over the Past Three Years

Category	2022 年	2023 年	2024 年
Number of violations resulting in fines	0	0	0
Number of violations resulting in warnings	0	0	0
Number of violations of voluntary codes or standards	0	0	0
Total number of regulatory violations	0	0	0

Note: A "significant violation" is defined as any penalty or sanction exceeding NT\$200,000 or an equivalent amount.

3

Products and Services

3.1 Products and Services 35
3.1.1 Core Products and Services 35



3.1 Products and Services

3.1.1 Core Products and Services

HY Electronic is committed to continuous innovation and excellence, striving to provide the most valuable products and high-quality services. The Company continues its advancement toward becoming a world-class supplier of power discrete semiconductor devices, with a focus on delivering the most energy-efficient and environmentally friendly components for power supply design in the industry.

Product Development Strategy:

The Company's product portfolio currently centers on two primary structures: CELL and GPP. In terms of packaging, products are

evolving from traditional SIP/DIP formats toward compact and miniaturized SMD designs.

HY Electronic products are widely applied across various sectors, including computers, telecommunications, automotive, and consumer electronics. The Company is also actively engaged in developing innovative products for the green energy sector, with applications in LED lighting, solar power systems, and automotive energy-saving technologies.

The Company adopts a human-centered management approach and operates under a quality policy that prioritizes quality, technological innovation, customer orientation, and continuous improvement. It has successfully obtained certifications for ISO 9001, ISO 14001, and IATF 16949, and its products are verified for compliance with UL and SGS standards.

Product Introduction



Rectifier diode

General diode, fast recovery rectifying diode, High efficiency/ultra-fast recovery diode, ultra-fast recovery rectifying diode, Schottky diode, ultra-low forward voltage Schottky diode, high-voltage diode, solar energy Schottky rectifier and silicon carbide Schottky diode.

MOSFET (Metal Oxide Semiconductor Field Effect Transistor)

Synchronous Rectification MOSFET, Super Junction MOSFET and Wide Bandgap Semiconductor.

Small signal device

Schottky Diode, Switching Diode, Zener Diode, static protection device and Transistor

Automotive Device

General-Purpose Diode, Schottky Diode, Fast Recovery Diode, Ultra-Fast Recovery Rectifier Diode, Bridge Rectifier and Surge Suppressor.

Protection Components

Surge Suppressor, Diode, Zener Diode and static protection device

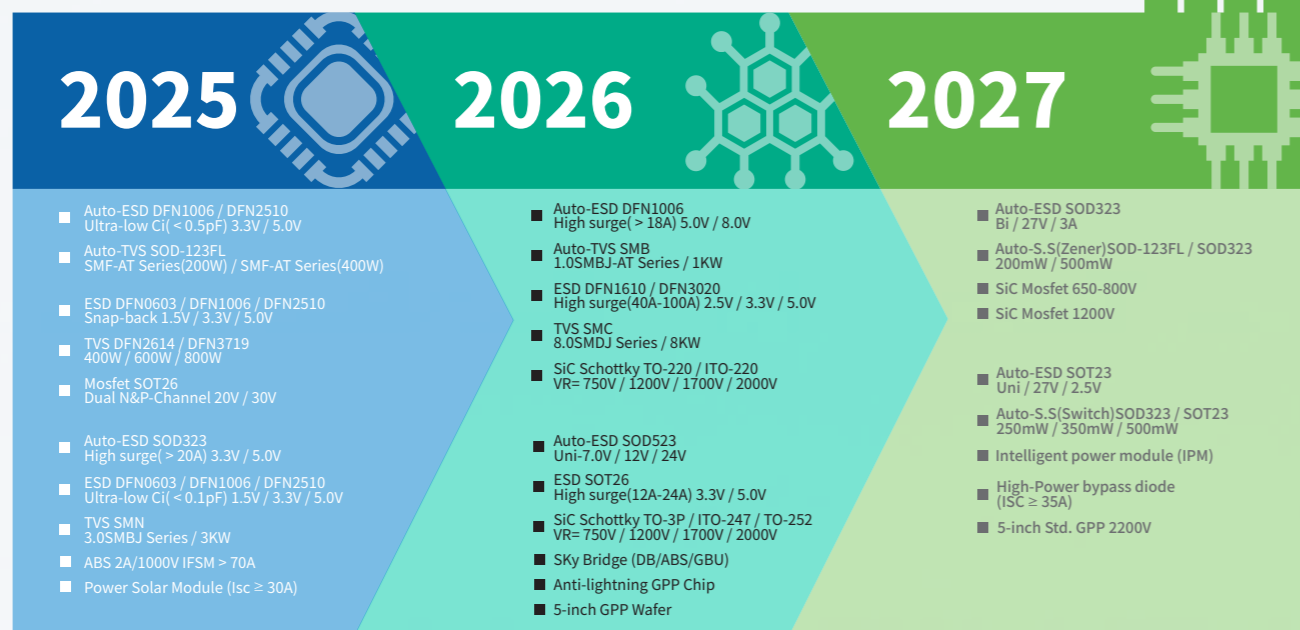
Bridge Rectifiers

Surface mount bridge rectifier, general single phase lead series bridge rectifier, general single phase frame series bridge rectifier, high power table top three phases bridge rectifier and high power frame three phases bridge rectifier.

Press-Fit

Regulator diode

Product Development Roadmap



Product Application Development Strategy



Innovative Patent Technology

The Company continues to strengthen its R&D and innovation capabilities by actively building a comprehensive intellectual property portfolio to protect technological achievements and maintain market competitiveness.

In 2024, HY Electronic filed a total of 26 patent applications, including 6 invention

patents and 20 utility model patents. During the year, 19 new patents were granted, comprising 8 invention patents and 11 utility model patents.

As of the end of 2024, the Company holds a total of 162 valid patents, including 45 invention patents, 104 utility model patents, and 13 design patents.

An additional 19 patents were newly granted

In 2024, a total of 19 new patents were added, including 8 invention patents and 11 utility model patents. Since 2012, the Company has accumulated 162 valid patents across both sides of the Taiwan Strait, continuing to drive innovation through ongoing R&D efforts.

Category	Applications Filed	New Patents Granted	Valid Patents (as of 2024)
Invention Patents	6	8	45
Utility Model Patents	20	11	104
Design Patents	0	0	13
Total	26	19	162

In 2024, HY Electronic achieved a total product sales revenue of NT\$962,378,000. Among all product categories, bridge rectifiers and solar diodes accounted for the highest sales, reaching NT\$706,663 thousand, which represented 73.43% of the total revenue.

Annual Sales Performance by Product

Unit: NT\$ thousand

Year	Category	Solar Diodes	Bridge Rectifiers	Diodes	其他	Total
2024	Sales Quantity	75,239	155,754	453,860	415,007	1,099,861
	Sales Revenue	280,616	426,047	190,910	64,805	962,378
	Percentage of Revenue	29.16%	44.27%	19.84%	6.73%	100%
2023	Sales Quantity	95,367	153,700	413,771	278,233	941,071
	Sales Revenue	479,868	448,589	168,518	80,479	1,177,454
	Percentage of Revenue	40.75%	38.10%	14.31%	6.84%	100%
2022	Sales Quantity	50,976	213,079	462,442	485,453	1,211,950
	Sales Revenue	336,165	556,142	206,710	121,475	1,220,492
	Percentage of Revenue	27.54%	45.57%	16.94%	9.95%	100%

4

Supply Chain Management

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4.1 Industry Supply Chain

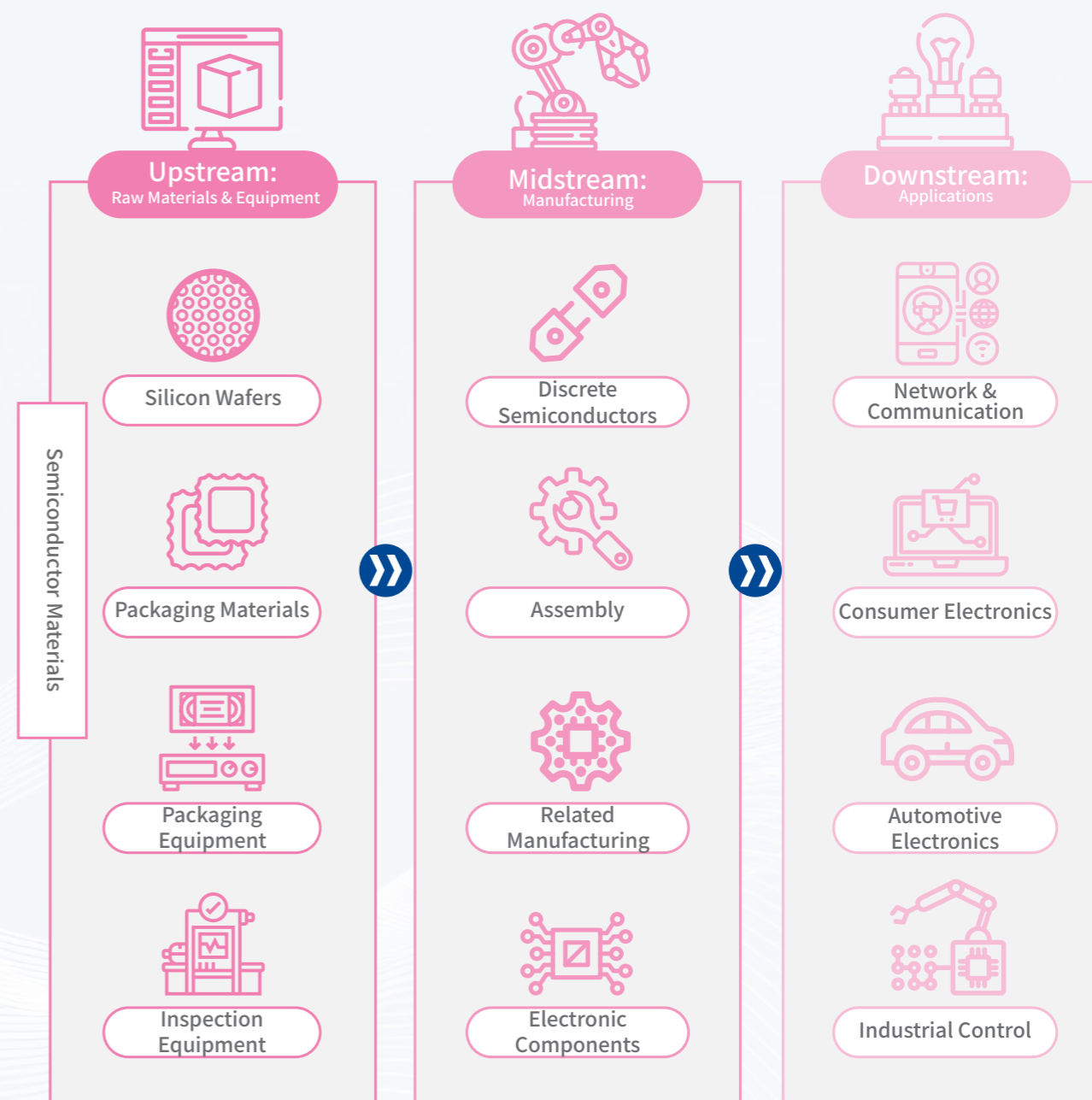
4.1.1 Industry Overview

HY Electronic operates in the electronic discrete components manufacturing industry. The related value chain for this sector is illustrated below.

Electronic discrete components form the

upstream segment of the information technology industry. These components are essential building blocks used before the R&D and design phases of electronic products, and they play a fundamental role in the manufacturing of computers, network communications equipment, consumer and household electronics, and automotive electronics.

Based on product characteristics, HY Electronic's major offerings include



4.1.2 Supply Chain Structure

(GRI 204, 308-1, 414-1)

HY Electronic's electronic component supply chain can be divided into three main segments: upstream, midstream, and downstream, with each segment comprising specialized suppliers and services. These suppliers work collaboratively to ensure the smooth execution of product design, raw material sourcing, manufacturing processes, quality control, and final delivery.

Upstream suppliers provide critical raw materials, including wafers, copper, photoresists, and packaging materials. The quality and stability of these materials are essential to the midstream manufacturing process.

Wafers are one of the most crucial materials for semiconductor discrete device production—their quality and purity directly affect the reliability and performance of the devices. Proper matching and capability of packaging materials are also critical production indicators. In addition, reliable delivery capabilities are crucial for maintaining a seamless production flow.

Amid demographic shifts and labor shortages, automation technologies are becoming increasingly important, significantly reducing labor costs, improving product quality, and enhancing overall production efficiency. For successful implementation of automation, testing and packaging equipment must be carefully selected and well-maintained to ensure consistent quality and operational reliability.

Midstream operations focus on the manufacturing of discrete semiconductor devices, including diodes, transistors, thyristors, MOSFETs, IGBTs, and ESD protection devices. These devices are vital within the semiconductor supply chain and are widely used in various types of electronic equipment.

Downstream, HY Electronic's products are applied across diverse industries, including network communications, consumer electronics, automotive electronics, and industrial control. However, ongoing global trade tensions and prolonged inventory adjustments due to the pandemic have dampened overall end-market demand.

In response to geopolitical risks and to reduce over-reliance on concentrated markets, manufacturers are actively exploring new application markets and customers, seeking to diversify their product portfolios and mitigate potential disruptions.

Most of HY Electronic's suppliers are based in Mainland China, covering categories such as raw materials (e.g., wafers, solder, copper, epoxy molding compounds) and manufacturing-related supplies (e.g., equipment and packaging materials).

All suppliers are subject to a rigorous selection process and must pass the Company's Environmental and Social Evaluation Procedures to ensure responsible sourcing and sustainable supply chain management.

Supplier Overview

Supplier Type		Country & Number of Suppliers	Significant Change	
Raw Material Supplier	Wafers	7 suppliers from China	Yes	Some customers require non-China origin; new suppliers in other countries may need to be developed.
Raw Material Supplier	Solder	6 suppliers from China	Yes	Some customers require non-China origin products; the development of alternative sources may be necessary.
Raw Material Supplier	Copper	8 suppliers from China	Yes	Some customers require non-China origin; alternative supplier development is under consideration.
Raw Material Supplier	Epoxy Resin	4 suppliers from China	Yes	Some customers require non-China origin; alternative supplier development is under consideration.
Manufacturer	Equipment	5 suppliers from China	No	N/A
Manufacturer	Packaging Materials	8 suppliers from China	No	N/A

Note: Only major upstream and downstream suppliers with frequent transactions during 2024 are disclosed.

4.2 Supply Chain Management

4.2.1 Supply Chain Management Policy

Sustainable supply chain management involves integrating environmental protection, social responsibility, and economic performance into traditional supply chain practices. These practices encompass both internal and external operations, aiming to achieve true sustainability across the environmental, social, and economic dimensions. Implementation spans from green procurement to product life cycle management, encompassing the entire supply chain—from suppliers to manufacturers to customers. The goal is to strengthen relationships among partners by managing physical, information, and sustainability flows.

HY Electronic's sustainable supply chain management is built upon three core pillars: sustainability standards, risk identification, and

management mechanisms. Through the use of risk identification tools, the Company identifies high-risk factors and supplier industries, and subsequently applies various management mechanisms to enhance supply chain oversight.

The Company has established a Quality Assurance Agreement, which aims to promote balanced economic, social, and environmental development in collaboration with suppliers. All suppliers are required to sign the Quality Assurance Agreement and a Code of Integrity Commitment, which serve to optimize the supply chain and ensure high-quality services for customers.

The Quality Assurance Agreement and Code of Integrity Commitment cover the following areas:

1. Labor Rights and Human Rights: In compliance with the Labor Standards Act, including prohibitions on child labor and forced labor, non-discrimination, respect for freedom of association, and a ban on the use of conflict minerals.
2. Occupational Health and Safety: Suppliers must comply with labor safety regulations

(e.g., the Labor Standards Act and the Occupational Safety and Health Act) and establish relevant protocols to ensure a safe working environment.

3. Environmental Protection: Suppliers are required to minimize or eliminate waste and pollution, properly manage waste disposal,

reduce environmental impact, and avoid the use of hazardous substances.

4. Ethical Business Conduct: Suppliers must adhere to principles of integrity, including prohibitions on improper benefits and false advertising, and must protect intellectual property rights.

Supplier Development and Evaluation Process

Step	Description	Reference Documents
1	New supplier sources are identified by the Procurement Department, the Administration Department, the Research and Development Department, and the Marketing Department.	<ul style="list-style-type: none"> · Supplier Management Guidelines · Quality Inspection Standards
2	An evaluation team is assembled to assess suppliers based on quality, technology, pricing, delivery, and service. On-site audits may be conducted depending on circumstances. Results are recorded in the “Supplier Evaluation Form.”	<ul style="list-style-type: none"> · Procurement Management Procedures · Incoming Material Inspection Procedures
3	Suppliers rated as Grade A, B, or C are approved and registered in the system.	<ul style="list-style-type: none"> · Non-Conforming Product Management Guidelines · New Supplier Introduction Procedures
4	Unless significant quality issues arise, suppliers are re-evaluated annually to maintain HY Electronic's overall product advantage.	<ul style="list-style-type: none"> · Outsourced Processing Management Procedures

In 2024, HY Electronic achieved a 100% signing rate for the Declaration of Compliance with the Supplier Code of Conduct among suppliers of materials, auxiliary materials, and finished products. The declaration includes adherence to the Supplier Code of Conduct, Green Product Environmental Requirements, and the Responsible Mineral Sourcing Policy.

The main commitments outlined in the declaration are as follows:

1. Products do not contain hazardous substances.
2. Products comply with EU RoHS and REACH directives.
3. Subcontracted manufacturing sites must meet workplace safety regulations.
4. Suppliers shall not employ illegal labor or

child labor; all employees are entitled to their legal employment rights.

5. Suppliers must not use raw materials sourced from conflict-affected regions, including metals from countries surrounding the Democratic Republic of the Congo.

HY Electronic integrates environmental and energy-saving considerations into product design, taking into account the customer's social, economic, and technological context. The Company develops solutions that minimize environmental impact throughout the entire product lifecycle—from raw material sourcing to finished product delivery.

To ensure the stability of a responsible supply chain, the Company regularly conducts supplier self-assessment questionnaires, ESG audits, and

guidance sessions with key partners. All product lines utilize energy-efficient chips that comply with ENERGY STAR standards and relevant safety certifications.

Production processes are 100% lead-free, and packaging follows principles of minimization, lightweight design, and recyclability, in full compliance with WEEE (Waste Electrical and Electronic Equipment) requirements.

4.2.2 Responsible Supply Chain

HY Electronic places high importance on corporate social responsibility and environmental sustainability, regarding these values as core components of the Company's policy. In response to the increasingly severe global impacts of climate change, HY recognizes that, in addition to promoting energy-saving and carbon reduction initiatives, it must also expand its influence by setting an example and

encouraging its industry peers to advance toward sustainable standards collectively.

To realize this vision, HY integrates environmental protection principles into every aspect of its operations and manufacturing processes, which includes systematic optimization across all stages—raw material sourcing, product design, manufacturing, logistics, product use, recycling, and final disposal—to minimize environmental impact.

Through years of dedicated efforts, HY Electronic obtained ISO 14001 Environmental Management System certification in 2006 and became a SONY Green Partner in 2012, maintaining certification through subsequent audits to this day, which demonstrates the Company's strong commitment and proven performance in environmental management and hazardous substance control.



5

Environmental Management

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5.1 Raw Material Management

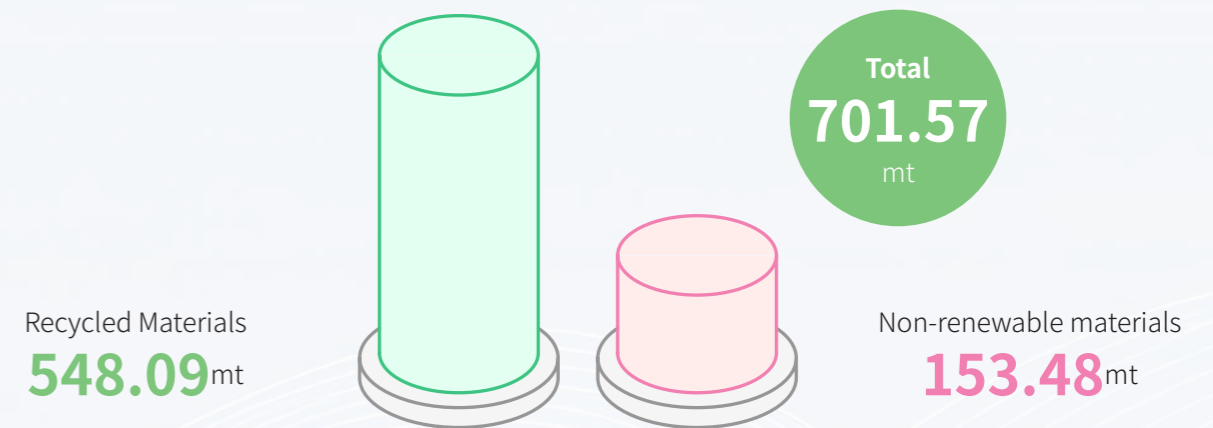
5.1.1 Raw Material Policy and Consumption

(GRI 301-1 · 301-2 · 301-3)

All raw materials, supplies, and packaging materials used by HY Electronic are sourced from qualified external suppliers. The primary raw materials comprise wafers, solder plates, lead frames, and other essential components. Given the nature of the electronic component

manufacturing industry, most raw materials currently used are non-renewable. Therefore, HY adheres to the principles of efficient resource utilization and environmental friendliness, optimizing production processes to reduce resource consumption and waste from the source.

In supplier selection, HY implements a supplier review mechanism in accordance with its procurement procedures and operating standards to ensure that partners comply with relevant regulations, quality requirements, and environmental expectations. The Company also encourages suppliers to pursue sustainable practices, jointly building a responsible supply chain.



According to 2024 statistics, HY Electronic utilized a total of 701.57 metric tons of raw materials, of which 548.09 metric tons were sourced from recycled materials, and 153.48 metric tons were from non-renewable sources. In the face of resource scarcity and environmental challenges, the Company will

adopt a more efficient and sustainable raw material strategy, gradually exploring the use of eco-friendly packaging and alternative materials to further reduce environmental impacts.

5.2 Climate Change and Energy Governance

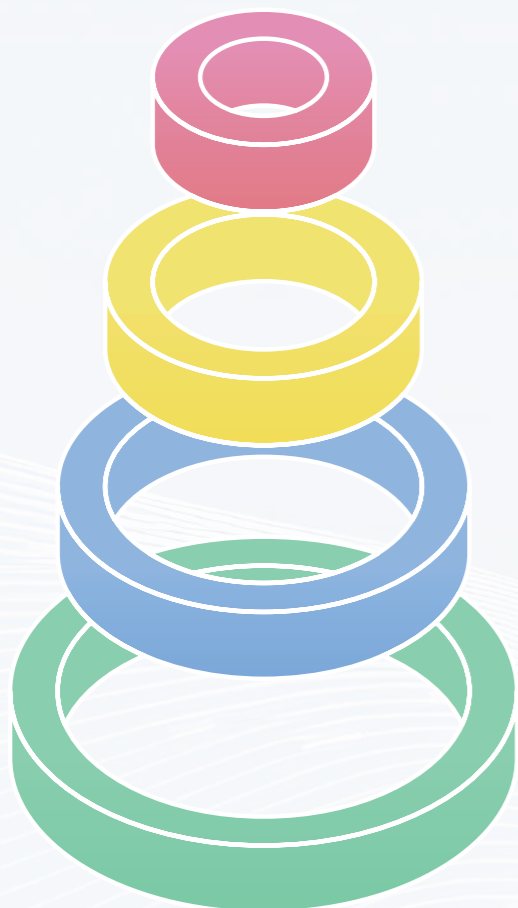
5.2.1 Climate and Energy Management

As the world moves toward net-zero carbon emissions, the impacts of climate change have become a pressing issue. In response, HY Electronic has mapped out a climate strategy roadmap, reflecting its recognition of and proactive response to global climate and carbon-related challenges, based on its industry characteristics and operational conditions.

Growing energy shortages, global warming, and extreme weather events have made energy management and transition a major global policy focus. HY has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework to systematically identify climate-related risks and opportunities and develop responsive strategies.

The Company recognizes that energy selection and usage not only affect operational costs but also have implications for environmental protection and occupational safety. Improving energy efficiency and reducing energy consumption not only supports cost savings but is also critical to mitigating climate change.

HY Management and Energy Transformation Strategy



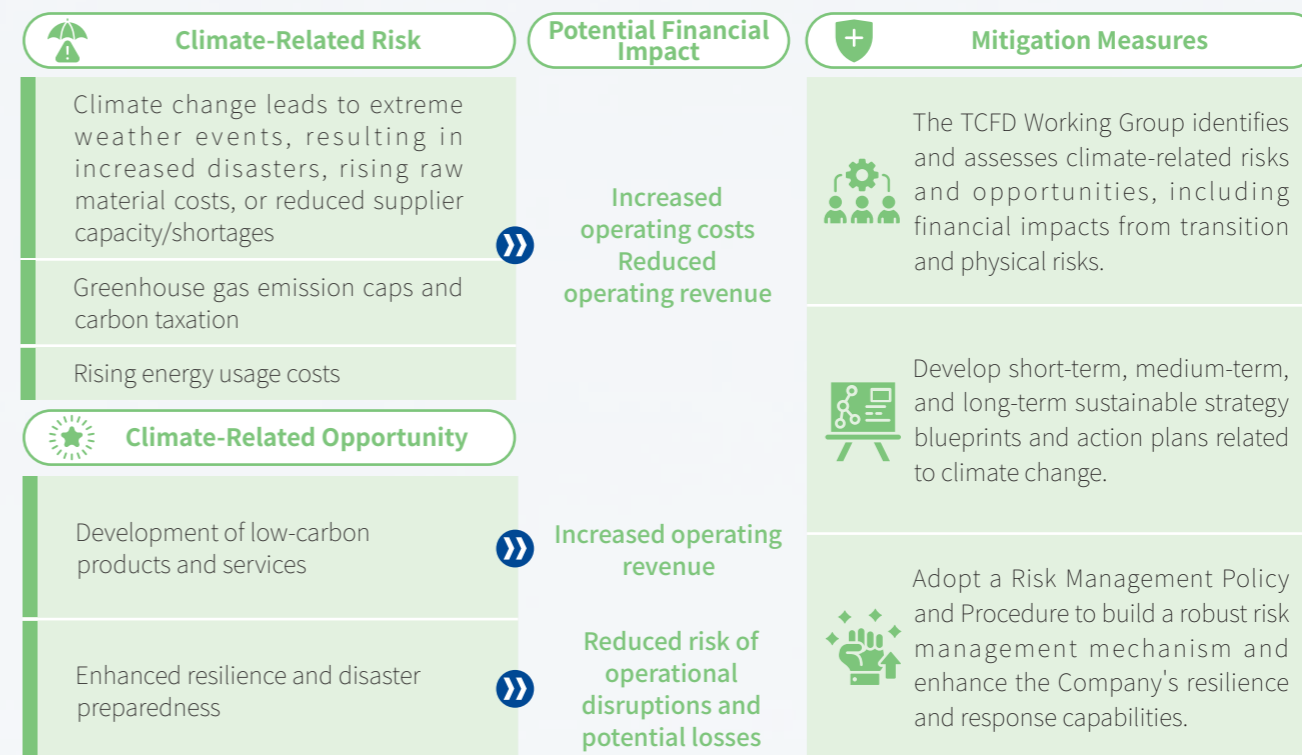
HY's senior management and sustainability committees meet regularly.

Review the relevance and effectiveness of climate and energy strategies and make timely adjustments as needed to manage risks and seize opportunities.

The Administration Department consolidates energy data across all operating sites, identifies key energy types, and formulates short-term, medium-term, and long-term energy-saving plans and targets. The execution of energy policies is closely monitored.

The Company also actively promotes internal education and training programs on energy conservation and carbon reduction to enhance employee awareness and foster a corporate culture committed to low-carbon transformation.

Through this comprehensive carbon management model, HY Electronic aims to continuously strengthen its resilience, reduce financial and operational risks associated with climate change, and steadily advance toward its long-term sustainable development goals.



5.2.2 Energy Consumption (GRI 302-1)

In 2024, HY Electronic's total energy consumption amounted to 48,089.720 gigajoules (GJ).

HY Electronic Energy Consumption Analysis Table

(Unit: gigajoules, GJ)

Energy Source		Direct Energy Consumption		
		2024		
Gasoline	Taiwan			83.285
	Mainland China			76.713
Diesel	Mainland China			180.290
Natural Gas	Mainland China			341.853
Total				682.141
Energy		Indirect Energy Consumption		
		2022	2023	2024
Purchased Electricity	Taiwan	98.053	502.672	240.966
	Mainland China	47,600.280	49,649.040	47,166.613
	Total	47,698.333	50,151.712	47,407.579

Note: Taiwan Glass-Sealed Electronics was not included in the 2022 calculation.

5.2.3 Energy Conservation Measures (GRI 302-4)

In 2024, HY Electronic implemented energy-saving measures by replacing its chiller system and reconfiguring two sets of cooling modules to operate in parallel on a unified main pipeline. This setup allows the entire plant's cooling needs to be

met by operating only one system at a time, thereby reducing energy consumption associated with starting a second chiller unit.

Additionally, 214 lighting fixtures were upgraded to energy-efficient LED panel lights, contributing to a reduction in greenhouse gas emissions.

5.3 Emissions Monitoring

5.3.1 Greenhouse Gas Inventory

(GRI 305-1~305-4)

HY Electronic, Glass-Sealed Electronics, and Yangzhou HY have adopted 2024 as the base year and conduct annual GHG inventories in accordance with ISO 14064-1:2018, covering Categories 1 through 6. The inventory is verified by an independent third-party organization.

The organizational boundary is defined using the operational control approach, covering all emission sources under operational control at each facility.

The 2024 organizational GHG inventory includes emissions of:

Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

Regarding emission categories, indirect emissions from Categories 2 to 6 arise from the Company's operational activities but are not owned or directly controlled by the Company. In accordance with ISO 14064-1:2018, the Company applied materiality assessment criteria to determine whether emissions in Categories 2 to 6 should be included in the inventory.

Based on the assessment, the 2024 GHG inventory includes:

- Category 1: Direct GHG emissions
- Category 2: Energy indirect GHG emissions
- Category 3: Other energy indirect emissions
- Category 4.1: Upstream transportation

2024 Greenhouse Gas Emissions

	Emissions (Unit: tCO ₂ e)		Share of Total Emissions by Category (%)	
	Taiwan	Mainland China	Taiwan	Mainland China
Category 1	23.0417	280.8126	0.17%	2.03%
Category 2	33.0659	7,832.2782	0.24%	56.58%
Category 3~4	380.5814	5,292.0018	2.75%	38.23%
Total	436.6890	13,405.0926	3.16%	96.84%

Note 1: HY Electronic and Glass-Sealed Electronics operate at the same location.

Note 2: Emissions under Categories 3 and 4 exclude Categories 4.2, 4.4, and 4.5.

Note 3: For this year's GHG inventory, emissions estimated based on manual labor hours do not include external workers.

- and distribution
 - Category 4.4: Upstream leased assets
- It excludes:
- Category 4.2, 4.3, 4.5, 5, and 6

For the 2024 inventory, HY Electronic, Glass-Sealed Electronics, and Yangzhou HY prioritized measured values or mass balance methods for emission factors. If unavailable, national default emission factors were applied; where neither was applicable, internationally published emission factors were used.

GWP values were referenced from the IPCC Sixth Assessment Report.

In 2024, the total GHG emissions across Categories 1 to 6 in the Taiwan region totaled 436.6890 metric tons CO₂e.

- Category 1 emissions were 23.0417 metric tons CO₂e, accounting for 0.17% of the total emissions.
- Category 2 emissions were 33.0659 metric tons CO₂e, representing 0.24%.
- Category 3 to 4 emissions totaled 380.5814 metric tons CO₂e, accounting for 2.75% of the total.

In Mainland China, total GHG emissions in 2024 reached 13,405.0926 metric tons of CO₂e.

- Category 1 emissions were 280.8126 metric tons of CO₂e, accounting for 2.03% of the total.
- Category 2 emissions were 7,832.2782 metric tons CO₂e, representing 56.58% of the total emissions.
- Category 3 to 4 emissions were 5,292.0018 metric tons of CO₂e, accounting for 38.23% of the total emissions.

5.3.2 Greenhouse Gas Reduction

(GRI 305-5)

GHG Reduction Targets, Strategies, and Action Plans

The Company has designated 2024 as the base year for its greenhouse gas (GHG) inventory, conducted in accordance with the ISO 14064-1:2018 standard. The verification scope includes all emission sources within the Company's organizational boundary and has been verified by a third-party assurance provider.

HY Electronic implements the following carbon reduction strategies to lower GHG emissions:

1. Promote energy conservation practices, such as turning off lights and computers at the end of the workday, to reduce energy waste.
2. Regularly review contract electricity demand, air conditioning zones, and lighting circuits to enhance energy efficiency.
3. Maintain equipment properly to improve operational efficiency and reduce refrigerant leakage.
4. Centralize procurement to reduce transportation frequency and associated

emissions.

5. Promote green procurement by prioritizing eco-labeled products and low-carbon raw materials to reduce emissions throughout the supply chain.
6. Enhance waste management by implementing and enforcing waste segregation and recycling policies to promote resource reuse and minimize emissions from waste treatment.

5.3.3 Other Air Pollutant Emissions (GRI 305-6 · 305-7)

HY Electronic is committed to air pollution prevention as part of its environmental protection efforts. All facilities in Mainland China comply with local environmental regulations and undergo regular gas monitoring. Primary emissions include acidic waste gases and volatile organic compounds (VOCs), with minor emissions from die-bonding processes.

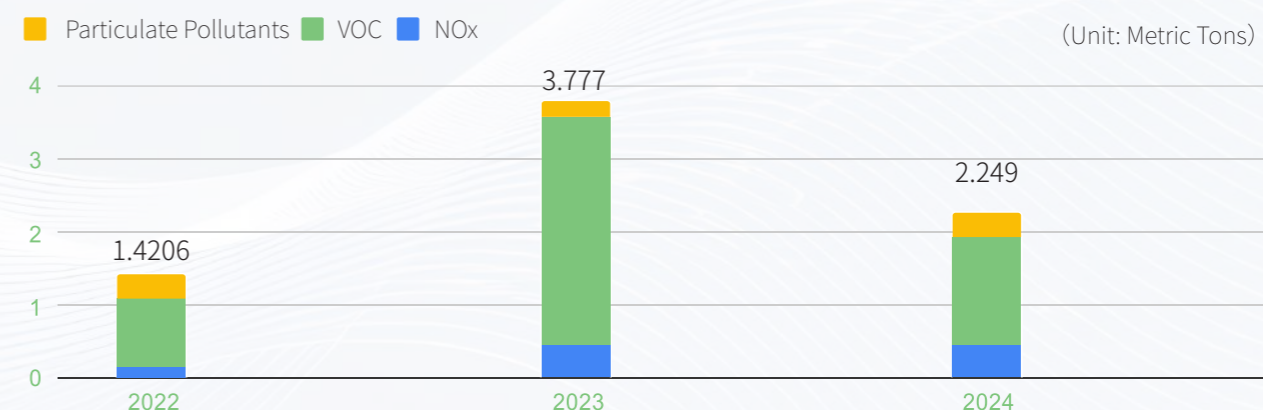
Air pollutants are collected through fume hoods and treated via pulse-type dust collectors. VOCs generated during production are treated using activated carbon adsorption systems. Certified third-party agencies regularly test all emissions to ensure compliance with emission standards.

Historical Air Pollutant Emissions

(Unit: Metric Tons)

Pollutant	Emission Standard	2022	2023	2024
NOx	≤ 0.639	0.1326	0.4551	0.46
VOC	≤ 4.318	0.944	3.1209	1.469
Particulate Pollutants	≤ 0.411	0.344	0.201	0.32
Total Hazardous Gases		1.4206	3.777	2.249

Note: Figures represent the average of three third-party test results.



5.4 Water Resource Management

5.4.1 Water Risk and Impact Assessment (GRI 303-1, 303-2)

Hong Yang's site in Taiwan functions primarily as an office center. According to the World Wide Fund for Nature (WWF) "Water Risk Filter" assessment, this site is located in a low water-stress area. Nonetheless, it remains necessary to formulate water conservation policies.

Our manufacturing site is situated in Yangzhou, China, in the middle and lower reaches of the Yangtze River, an area with relatively abundant water resources. Based on the WWF Water Risk Filter assessment, this site falls within a medium to low water-stress area. In recent years, the Yangtze River Basin has experienced alternating periods of drought and heavy rainfall, resulting in extreme hydrological events. As a result, the stability of water resource allocation has become a long-term concern.

The Company continues to monitor changes in water resource risks in its operational regions, and is committed to enhancing water use efficiency and reuse mechanisms to reduce the impact of water stress on operations and fulfill its corporate responsibility for sustainability.

In compliance with regulatory requirements, Hong Yang Technology conducts an annual evaluation and review of the impacts of water use and wastewater discharge. In accordance with local environmental protection bureau regulations, soil testing is conducted each year to reduce the fluoride concentration in low-discharge wastewater.

Water Risk and Impact Pathway Assessment (GRI 303-1)

The Company refers to the World Wide Fund for Nature (WWF) Water Risk Filter to identify the level of water stress and related risks at each site. The assessment includes the analysis of water source locations, wastewater discharge destinations, as well as the quality of both intake and discharged water. A water resource context map is developed for each site to assess the potential environmental and social impacts and their extent.

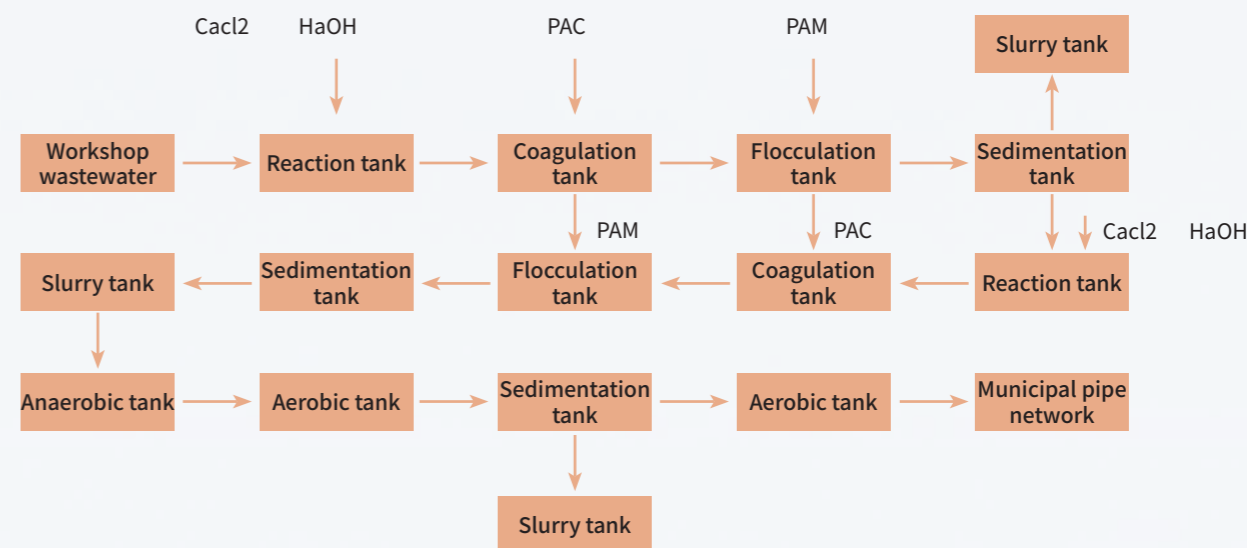
Wastewater Discharge Quality Standards (GRI 303-2)

In accordance with local regulations, the Company establishes internal wastewater quality standards. All outsourced wastewater is properly treated internally before being discharged in compliance with relevant legal requirements.

Site	Region	Water Quality Indicator	Regulatory Minimum Standard	HY ELECTRONIC Internal Standard	HY ELECTRONIC Internal Standard
Yangzhou HY ELECTRONIC	Yangzhou, Jiangsu Province	pH Value	6-9 mg/L	6-9 mg/L	All water quality test results meet local regulatory standards. All wastewater discharge and associated fees comply with applicable regulations.
		Suspended Solids	250 mg/L	250 mg/L	
		Chemical Oxygen Demand (COD)	300 mg/L	300 mg/L	
		Cationic Surfactants	1 mg/L	1 mg/L	
		Petroleum Hydrocarbons	5 mg/L	5 mg/L	
		Tin	5 mg/L	5 mg/L	
		Nitrogen	35 mg/L	35 mg/L	
		Chloride	15 mg/L	15 mg/L	
		Phosphorus	3 mg/L	3 mg/L	
		Ammonia Nitrogen	20 mg/L	20 mg/L	
		Chromium	0.3 mg/L	0.3 mg/L	
		Nickel	0.5 mg/L	0.5 mg/L	

Wastewater Treatment Overview

Hong Yang actively maintains its wastewater treatment operations. The primary discharge is directed to the municipal sewage pipeline network and subsequently treated at the Tangwang Wastewater Treatment Plant. The wastewater treatment process is outlined as follows.



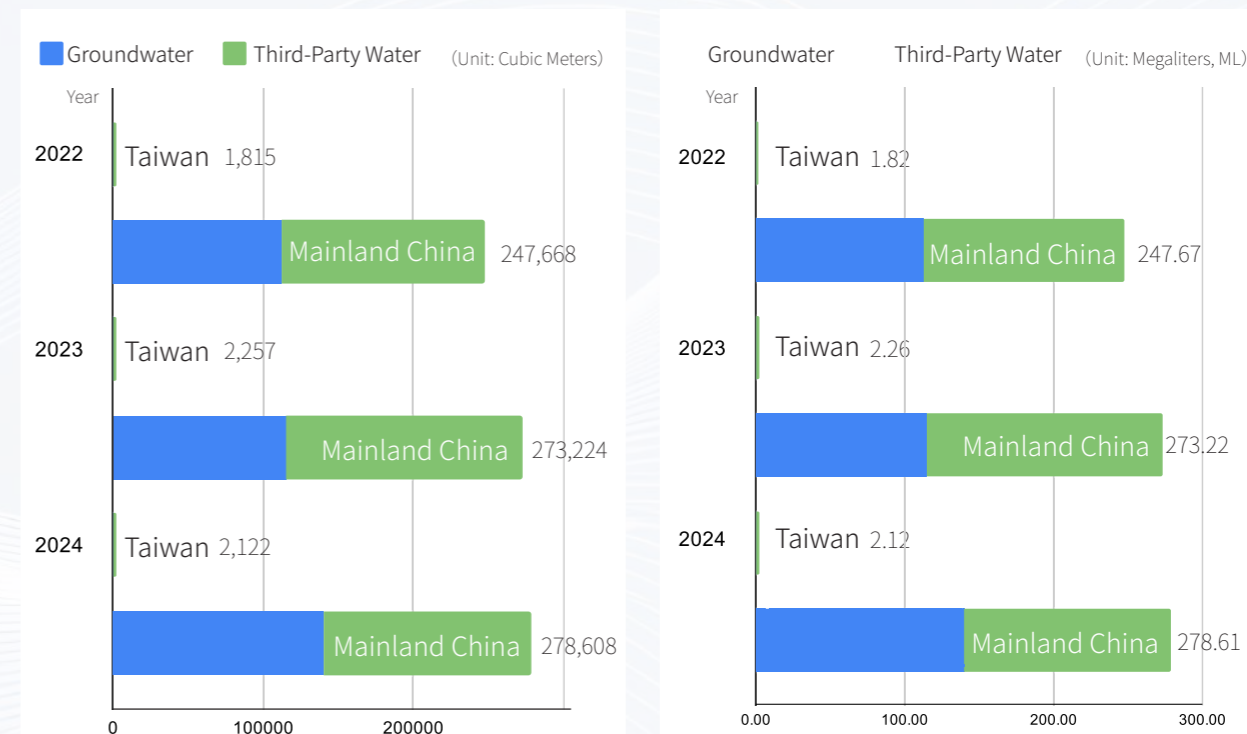
follows.

Looking ahead, we aim to enhance the operation and maintenance of our wastewater treatment system to a more advanced and mature level, with the goals of achieving in-plant water recycling and reducing the overall volume of wastewater requiring external treatment.

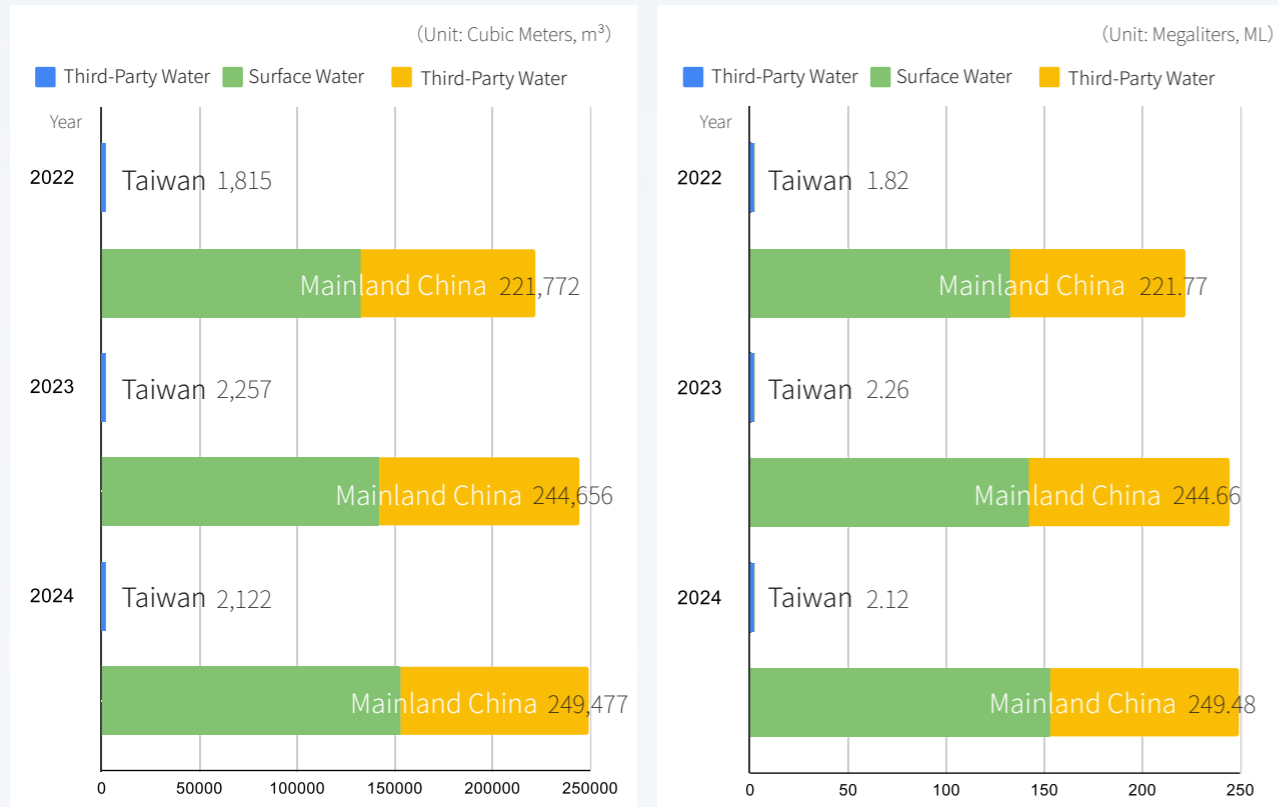
5.4.2 Water Withdrawal, Discharge, and Consumption (GRI 303-1, 303-2~303-5)

In 2024, Hong Yang Technology's total water withdrawal was 280.73 million liters, with an estimated total water discharge of 251.60 million liters and an estimated total water consumption of 29.13 million liters.

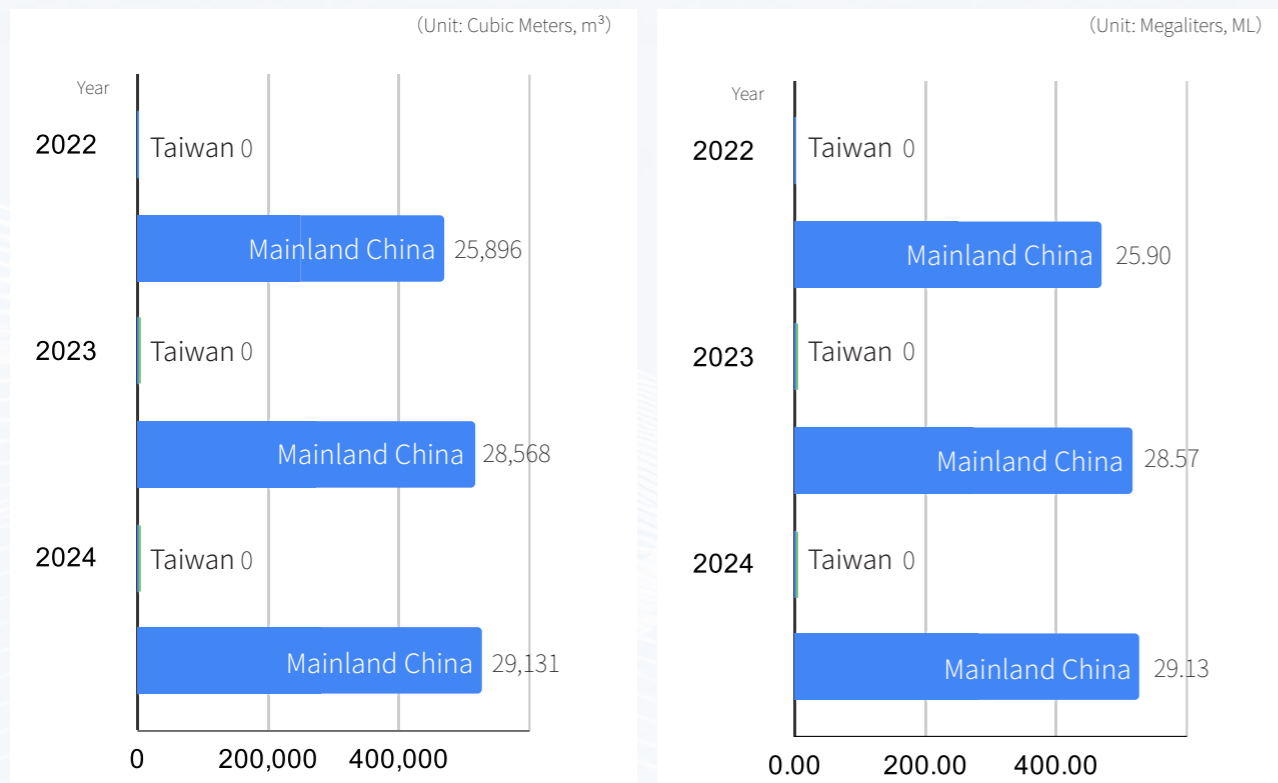
Water Withdrawal



Water Discharge



Water Consumption



Note: All of the Company's operational sites are located in areas classified as non-water-stressed.
 Note: According to GRI Standards, it is recommended to report water data in megaliters (ML). To align with both practical measurement methods and international standards, this report presents data in both megaliters (ML) and cubic meters (m³), where 1 megaliter is equivalent to 1,000 cubic meters, or 1,000 metric tons, or 1,000 kiloliters of water.

5.5 Waste Management

5.5.1 Waste Impact Assessment

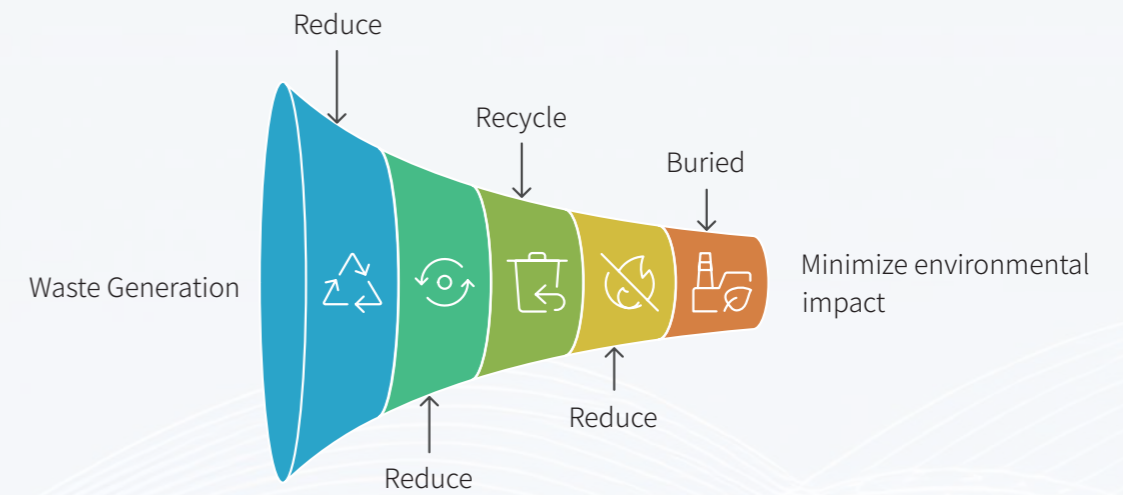
(GRI 306-1~305-5)

Hong Yang has established the “Waste Management Regulations,” implementing two core strategies—Circular Economy and Risk Control—to enhance resource efficiency and reduce environmental impact.

In terms of circular economy, the Company adopts a full-process waste management

approach, applying the 3R principles—Reduce at the source, Reuse in processes, and Recycle for resource recovery—through all stages from R&D and manufacturing to final disposal. Incineration or landfill is only used as a last resort when reuse or recycling is not feasible. Waste treatment within the plant prioritizes regulatory compliance and environmental friendliness. Recyclable and reusable materials are processed first. Non-recyclable waste is stored in centralized areas for incineration, and residuals that cannot be incinerated are disposed of in landfills in accordance with applicable regulations.

Waste Management Measures



Classification	Type	Incineration (%)	Landfill (%)	Reuse (%)	Recycling (%)	Industrial Wastewater Treatment (%)	Others (%)
Hazardous Industrial Waste	Process-related hazardous waste	8.38%	18.42%	62.11%	5.71%	5.38%	-
Non-Hazardous Industrial Waste	Cartons, plastic films, EPS	-	-	-	100%	-	-
General Waste	Domestic waste	72.76%	0.75%	-	15.36%	-	11.13%

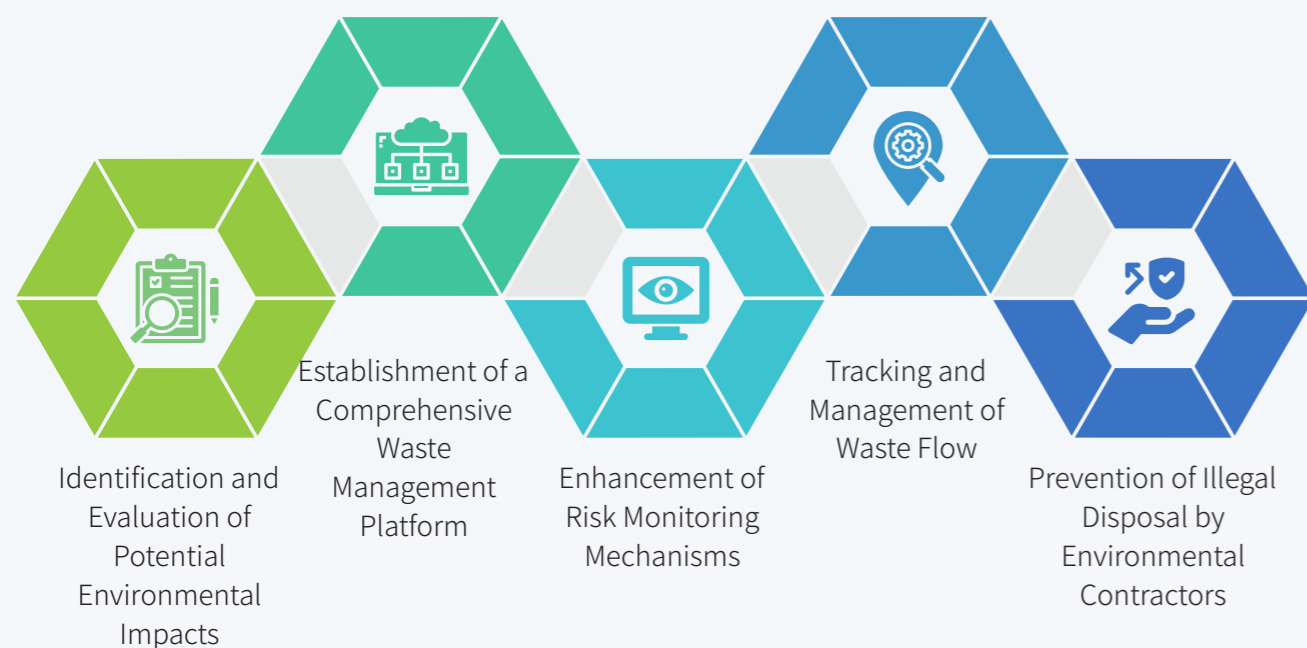
Note: Treatment ratios for general waste are based on data from the Ministry of Ecology and Environment and the “China Statistical Yearbook” provincial announcements in Mainland China.

From a risk control perspective, the Company conducts annual environmental impact identification and assessments based on the “Environmental Consideration Identification Procedure.” A comprehensive waste management platform is in place to strengthen risk monitoring, enabling the effective tracking and management of waste flows. This system also helps prevent illegal dumping by environmental service providers,

including treatment, recycling, and disposal contractors, thereby mitigating potential risks to local communities and natural ecosystems.

Through systematic management and continuous optimization, Hong Yang has established a risk-oriented waste management model that ensures the efficient use of environmental resources.

Environmental Aspect Identification Process



5.5.2 Waste Management Policy

The Company has designated responsible units for the control, disposal, and reporting of industrial waste generated from operations. In

accordance with local regulations, waste cleanup and disposal plans are prepared and submitted for approval. All waste disposal is handled by qualified and certified local contractors.

Responsible Units for Waste Management



The Company utilizes a management system to track the types, quantities, and flow of waste. A dual strategy of in-house treatment and outsourced disposal is employed, depending on

the attributes, nature, origin, and regulatory requirements of each hazardous waste type, ensuring full compliance with applicable laws and regulations.

Dual Process of In-house Treatment and Outsourced Disposal



This standardized process allows the Company to maintain complete traceability and compliance throughout the entire hazardous waste lifecycle—from generation and storage to

transport and final treatment—enhancing transparency and accountability in waste management.

5.5.3 Waste Collection and Disposal

In 2024, the total volume of waste collected and disposed of by the Company amounted to 559.18 metric tons. Of this, hazardous industrial waste accounted for 516.84 metric tons (92.43%); non-hazardous industrial waste amounted to 16.10 metric tons (2.88%); and general waste totaled 26.24 metric tons (4.69%).

2024 Waste Classification and Disposal Summary (Unit: Metric Tons)

Year	Category	Description	Generated Volume	On-site Disposal	Transferred for Treatment
2024	Hazardous Industrial Waste	Waste Electronic Components	29.51	0.00	29.51
		Waste Cleaning Solvents	3.49	3.49	0.00
		Waste Isopropyl Alcohol	3.82	3.82	0.00
		Waste Bleaching Agents	1.64	1.64	0.00
		Waste Acetone	22.61	22.61	0.00
		Waste Photoresist and Developer	2.72	2.72	0.00
		Nickel-Containing Sludge	1.51	1.51	0.0
		Nickel Plating Wastewater	28.62	9.61	19.01
		Sludge from Wastewater Treatment	212.53	93.69	118.84
		Waste Ammonia Water	42.89	18.22	24.67
		Waste Acid	158.46	0.00	158.46
		Spent Activated Carbon	3.54	3.54	0.00
		Waste Packaging Materials	4.59	4.59	0.00
		Filter Cartridges	0.91	0.91	0.00
	Non-Hazardous Industrial Waste	Cartons, Plastic Films, EPS	16.10	0.00	16.10
General Waste	Domestic Waste	26.24	22.21	4.03	
Total			559.18	188.56	370.62

Note 1: The classification of hazardous and non-hazardous waste is based on local regulations applicable at each site.
 Note 2: The Taiwan site only generates domestic (household) waste.
 Note 3: Taiwan's domestic waste volume is estimated based on the Ministry of Environment's average of 1.382 kg per person per day.
 Note 4: Domestic waste in Mainland China is estimated based on the "China Statistical Yearbook" average of 0.669 kg per person per day for each province.
 Note 5: Waste electronic components include defective products and e-waste, all of which are 100% recycled.

(Unit: Metric Tons)

Classification	Type	Generated Volume	On-Site Retention	Off-Site Transfer
Hazardous Industrial Waste	Process-Related Hazardous Waste	516.84	92.43%	0.00
Non-Hazardous Industrial Waste	Cartons, Plastic, Films, EPs	16.1	2.88%	0.00
General Waste	Domestic Waste	26.24	4.69%	0.00
Total		559.18	100%	0.00



6

Workplace Management

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6.1 Human Capital

6.1.1 Human Resource Management

(GRI 406-1)

At Hong Yang Technology, employees are regarded as the Company's most valuable asset. Accordingly, we formulate human resource management procedures, compensation mechanisms, and workplace regulations in compliance with the labor laws of our operating regions. We also regularly review updates to labor legislation to ensure the protection of employees' fundamental labor rights.

The Company strictly prohibits the employment of child labor, all forms of discrimination, workplace sexual harassment, and forced labor. An independent grievance mechanism has been established to provide employees with a safe, equitable, and free working environment.

Our hiring practices emphasize academic and professional qualifications, integrity, and a strong enthusiasm for the role. In compliance

with the law, we also employ individuals with disabilities to ensure their right to work is protected. Employees at the same level (or with equivalent competencies) are entitled to the same benefits, compensation structures, and training opportunities, regardless of gender, age, or nationality.

Annual performance evaluations are conducted as a basis for decisions regarding retention, promotion, salary adjustment, and bonus distribution.

6.1.2 Talent Recruitment and Employment

(GRI 2-7、202-2、401-1、402-1、405-1)

As of the end of 2024, Hong Yang Technology employed a total of 329 individuals, comprising 59 full-time employees in Taiwan and 270 full-time employees in Mainland China. In addition, there were 9 non-employee workers based in Mainland China.

Based on employment type, the workforce included 59 full-time employees in Taiwan and 270 full-time employees in Mainland China.

Employee Structure as of Year-End 2024

(Unit: Persons)

Category		Gender	Taiwan	Mainland China
By Type of Employment Contract		Male	17	92
		Female	42	178
		Other	0	0
		Number of Regular Employees	59	270
		Grand Total (Regular Employees)		329
By Working Hours	Full-Time Employees	Male	17	92
		Female	42	178
		Other	0	0
		Number of Full-Time Employees	59	270
		Grand Total (Full-Time Employees)		329

Note: This table excludes non-employee workers.

Definitions:

- Regular Employees: Individuals employed under open-ended (non-fixed term) labor contracts.
- Full-Time Employees: Employees whose weekly working hours meet the local legal definition of full-time employment.

Diverse Employee Composition

In Taiwan, the workforce is comprised of male and female employees, accounting for 28.81% and 71.19%, respectively. Additionally, 72.88% of employees fall within the 30–50 age group. In Mainland China, male and female employees accounted for 34.07% and 65.93%, respectively, with 72.59% of employees in the 30–50 age range.

To promote workforce diversity, the Company adheres to relevant domestic and international regulations when recruiting foreign nationals and

overseas employees. We carefully assess potential risks such as immigration and visa regulations, and assist in managing related procedures, including visas, work permits, and relocation. We also support employees by providing local living information, in coordination with regional teams, to help them adapt quickly and enjoy a positive workplace environment.

Senior management appointments prioritize local talent. In 2024, 100% of senior executives in Taiwan were residents, whereas 52.2% of senior executives in Mainland China were also residents.

Employee distribution by position level and diversity indicators as of year-end 2024

(Unit: Persons)

Region	Position Level	Staff	Entry-Level Management	Mid-Level Management	Senior Management	Total
Taiwan	Number of Employees	21	4	9	25	59
	% of Total Employees	35.59%	6.78%	15.25%	42.37%	100%
Mainland China	Number of Employees	78	160	9	23	270
	% of Total Employees	28.89%	59.26%	3.33%	8.52%	100%

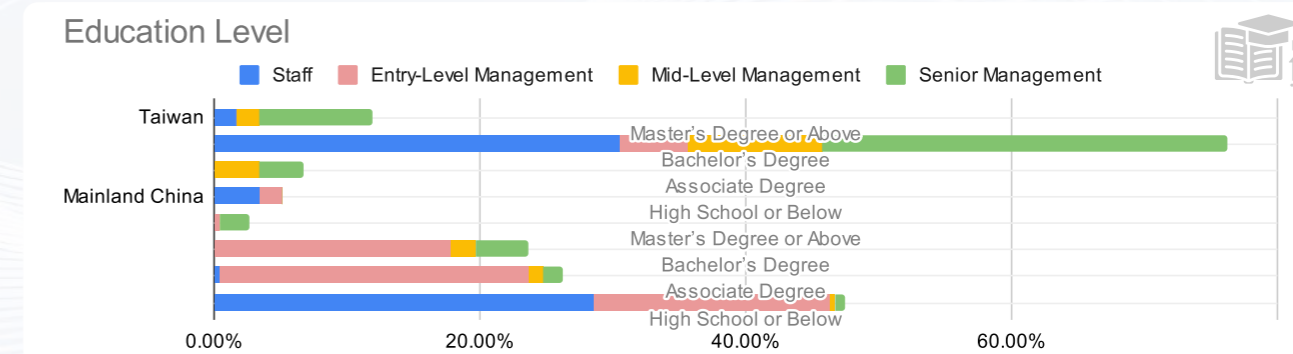
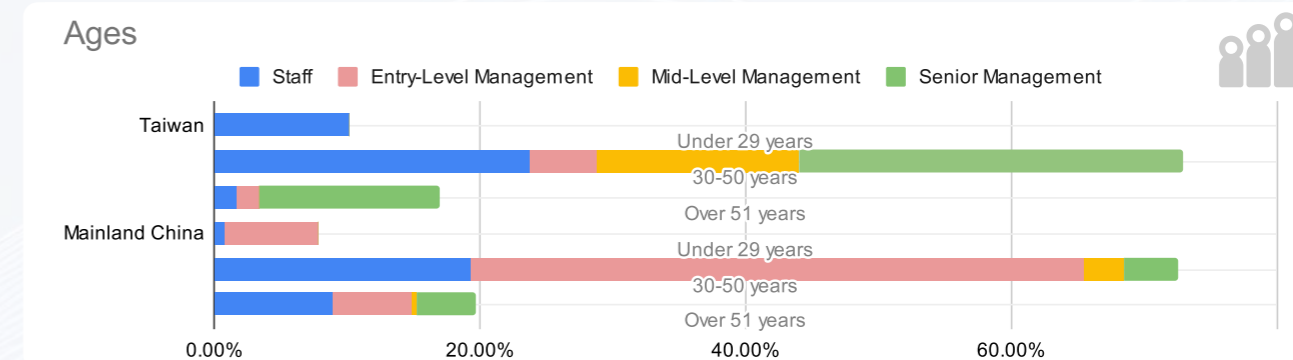
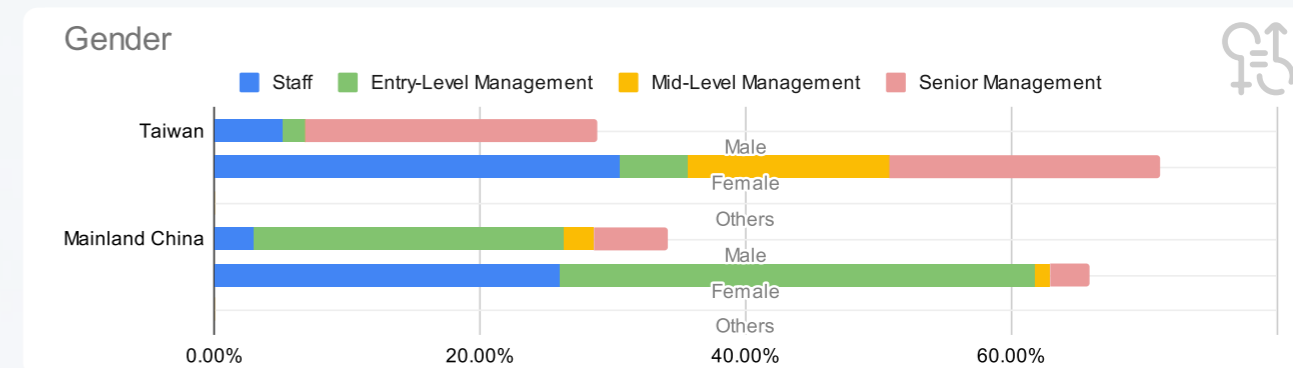
Note: This table does not include non-employee workers.

Region	Position Level	Staff	Entry-Level Management	Mid-Level Management	Senior Management	Total
Taiwan	Male	3	1	0	13	17
	Female	18	3	9	12	42
	Others	0	0	0	0	0
Mainland China	Male	8	63	6	15	92
	Female	70	97	3	8	178
	Others	0	0	0	0	0
Taiwan	Under 29 years	6	0	0	0	6
	30-50 years	14	3	9	17	43
	Over 51 years	1	1	0	8	10
Mainland China	Under 29 years	2	19	0	0	21
	30-50 years	52	125	8	11	196
	Over 51 years	24	16	1	12	53

Region	Position Level	Staff	Entry-Level Management	Mid-Level Management	Senior Management	Total
Taiwan	Master's Degree or Above	1	0	1	5	7
	Bachelor's Degree	18	3	6	18	45
	Associate Degree	0	0	2	2	4
	High School or Below	2	1	0	0	3
Mainland China	Master's Degree or Above	0	1	0	6	7
	Bachelor's Degree	0	48	5	11	64
	Associate Degree	1	63	3	4	71
	High School or Below	77	48	1	2	128

Note: This table does not include non-employee workers.

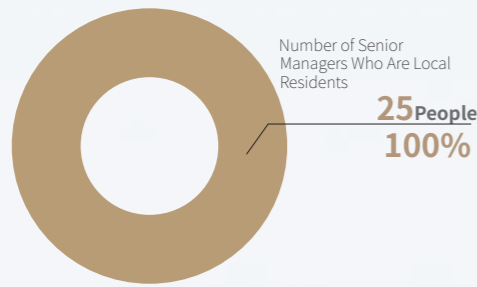
Percentage of Employees by Position Level and Diversity Indicators as of Year-End 2024 (Unit: %)



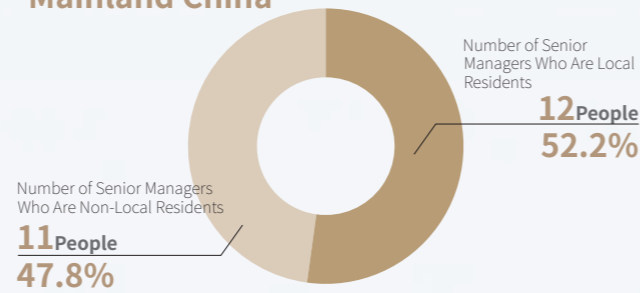
Note: This table does not include non-employee workers.

Number of Senior Management Personnel in 2024

Taiwan



Mainland China



Note: This table does not include non-employee workers.

We maintain a comprehensive recruitment system and are committed to fostering mutual growth with our employees, while also respecting their individual career development choices and preferences. In 2024, the Company welcomed 11 new employees in Taiwan (6 male, 5 female) and 23 new employees in Mainland China (10 male, 13 female), with the majority falling within the 30–50 age group.

During the same period, 50 employees left the Company, including 5 male and 5 female employees in Taiwan, and 14 male and 26 female employees in Mainland China. To protect employee rights and improve the recruitment process, department supervisors conduct exit

interviews with all departing employees to gain a deeper understanding of their reasons for leaving, which serves as a valuable reference for enhancing human resource management.

► Significant Operational Changes and Termination Notice Periods

In the event of major operational changes—such as organizational restructuring, workforce adjustments, force majeure, or unsuitability of an employee—the Company complies with the local labor regulations. Employees are given advance notice within the legally required termination notice period, and severance pay is provided accordingly.

Taiwan Region	Mainland China Region
<ul style="list-style-type: none"> Employed for more than 3 months but less than 1 year: 10 days' notice Employed for 1 year but less than 3 years: 20 days' notice Employed for 3 years or more: 30 days' notice 	<ul style="list-style-type: none"> Regular employees: 30 days' notice Employees under probation: 3 days' notice

Total Number and Percentage of New Hires

Gender	Region	Taiwan		Mainland China	
	Age	Headcount	New hire rate (%)	Headcount	New hire rate (%)
Male	Under 29 years	2	10.17%	5	3.70%
	30-50 years	4		4	
	Over 51 years	0		1	
	subtotal	6		10	
Female	Under 29 years	0	8.47%	2	4.81%
	30-50 years	4		6	
	Over 51 years	1		5	
	Subtotal	5		13	
Total		11	18.64%	23	8.52%

Note: New hire rate (%) = Number of new hires in the category ÷ Total number of employees in the category for the year × 100%

Note: This table does not include non-employee workers.

Total Number and Percentage of Employee Turnover

Gender	Region	Taiwan		Mainland China	
	Age	Headcount	Turnover rate (%)	Headcount	Turnover rate (%)
Male	Under 29 years	0	8.47%	4	5.18%
	30-50 years	3		6	
	Over 51 years	2		4	
	subtotal	5		14	
Female	Under 29 years	0	8.47%	3	9.63%
	30-50 years	4		15	
	Over 51 years	1		8	
	Subtotal	5		26	
Total		10	16.94%	40	14.81%

Note: Turnover rate (%) = Number of employee departures in the category ÷ Total number of employees in the category for the year × 100%

Note: This table does not include non-employee workers.

6.1.3 Labor-Management Agreements (GRI 2-30、407)

Hong Yang Technology is committed to fostering a harmonious and equitable communication platform between employees and the Company. We have established multiple open communication channels—including labor-

management meetings and employee opinion surveys—to safeguard the rights and obligations of both parties, while continuously improving working conditions and labor relations policies.

The Company does not have a labor union, nor has it signed any collective bargaining agreements. However, labor-management meetings are held quarterly.

Types of Employee Communication Channels

Communication Channel	Description
Labor Management Meetings	All employees elect employee representatives through a formal voting process, while the Company appoints management representatives. A total of 4 labor-management meetings were held this year.
Employee Opinion Surveys	Conducted to gather employee feedback on organizational culture, core company values, leadership styles, and suggestions for improvement.

► 2024 Labor-Management Meetings

A total of 4 labor-management meetings were held in 2024. Discussions focused on matters related to all employees, including employee benefits, salary adjustments, workspace improvements, and key policy announcements.

Meeting Title	Number of Participants	Discussion Type
Labor-Management Meeting	6	Voluntary enrollment of employee family members in the Company's group insurance program
Labor-Management Meeting	6	Placement of snacks in the break room; dynamic adjustment of business travel accommodation allowances by region
Labor-Management Meeting	6	Signage for massage chair usage, birthday leave, double compensatory leave for business travel on national holidays, annual salary adjustment, and adding nameplates for meeting rooms
Labor-Management Meeting	6	Salary structure adjustment, seasonal uniform policy, workplace dress code

6.2 Compensation and Benefits

6.2.1 Equitable and Competitive Compensation (GRI 2-21、405-2、202-1)

Hong Yang Technology values talent retention and development by offering competitive compensation packages and comprehensive employee benefits. The Company's compensation standards are determined based on local labor laws, industry benchmarks, and the cost of living, ensuring that salaries are never influenced by factors such as gender, race, language, religion, age, political affiliation, or marital status.

In this inclusive and equitable work environment, starting salaries are equal for all employees, regardless of gender. However, actual total compensation (base salary plus bonuses) may vary based on factors such as

seniority, experience, and job responsibilities. The compensation package comprises base salary, meal allowances, bonuses, and various subsidies. Annual salary adjustments are made in accordance with business performance, and bonuses are granted based on individual performance to encourage employee motivation and shared growth with the Company.

In Taiwan, the ratio of the highest monthly income to the median monthly income of all employees in 2024 was 6.02:1. The ratio of the annual increase in total compensation of the highest-paid individual to the median annual compensation increase for all employees was -4:1.

In Mainland China, the ratio of the highest monthly income to the median monthly income of all employees in 2024 was 5:1. The ratio of the annual increase in total compensation of the highest-paid individual to the median annual compensation increase for all employees was -17:1.

Gender Pay Ratio by Position Level at Key Operating Sites (2024) (Male: Female)

Key Operating Site	Category	Senior Management	Mid-Level Management	Entry-Level Management	General Staff
Headquarters	Base Salary	1 : 1.02	1 : 1.43	1 : 0.71	1 : 1.2
	Total Compensation	1 : 1	1 : 1.59	1 : 0.7	1 : 1.22
Yangzhou Plant	Base Salary	1 : 0.69	1 : 0.87	1 : 0.76	1 : 1.12
	Total Compensation	1 : 0.68	1 : 0.85	1 : 0.76	1 : 1.12

Notes 1: Total annual compensation includes all forms of remuneration provided by the Company throughout the year, such as salary, bonuses, benefits, overtime pay, and other payments.

Notes 2: Ratios are calculated using the base salary and total compensation of male employees as the benchmark (set at 1).

Notes 3: Minimum wages at all key operating sites do not differ by gender.

The Company strictly complies with all labor regulations in the regions where it operates. In Taiwan, the standard starting salary exceeds the minimum wage mandated by the

Labor Standards Act. In all other regions, the Company fully adheres to local minimum wage requirements.

2024 Ratio of Average Base Salary of Entry-Level Employees to Local Minimum Wage

(Average Base Salary of Entry-Level Employees: Statutory Minimum Wage)

Key Operating Site	Category	Male	Female	Average
Headquarters	Senior Management Employees	3.08 : 1	2.65 : 1	4.62 : 1
	Entry-level Full-time Employees	1.08 : 1	1.49 : 1	3.68 : 1
Yangzhou Plant	Senior Management Employees	6.20 : 1	4.71 : 1	1.86 : 1
	Entry-level Full-time Employees	2.63 : 1	2.07 : 1	1.78 : 1

Notes 1: The statutory monthly minimum wage in Taiwan for 2024 is NT\$27,470.

Notes 2: The statutory monthly minimum wage in Mainland China for 2024 is NT\$11,091.

Notes 3: Exchange rates were converted using the Q4 2024 financial report rate of 4.4543.

6.2.2 Comprehensive Employee Welfare Measures

(GRI Index : 401-2 、 201-3)

To enhance employee cohesion and increase market competitiveness, Hong Yang Technology has implemented various welfare measures. An

employee welfare committee, composed of staff members, is responsible for planning and executing various employee welfare initiatives. The current welfare measures provided by the Company include :

Welfare Measures at Hong Yang Technology

Bonus Program

Includes bonuses for the three major holidays, Labor Day bonuses, and performance-based bonuses for sales personnel.

Annual Merit Increase

Annual Salary Adjustment Based on Performance

Insurance

Employee group insurance covers life insurance, medical insurance, disability insurance, and travel accident insurance (for business trips). Retirement System: 6% of employees' salaries is contributed to their pension accounts with the Bureau of Labor Insurance.

Employee Health Checkup

Regular health checkups are provided for employees.

Parental Leave

In compliance with the Labor Standards Act, employees who have served for more than 6 months and have children under the age of 3 are eligible to apply for this benefit.

To safeguard the rights and interests of retired employees, the Company handles employee retirement in compliance with the Labor Standards Act. In addition, in compliance with the Labor Pension Act (New Pension System), the Company contributes retirement funds to individual labor pension accounts. Once

employees meet the eligibility criteria for retirement, they may apply to the competent authorities to withdraw the accumulated pension funds.

Retirement System	Contribution Details
Taiwan (New System)	Employees in Taiwan are subject to either the Labor Standards Act or the Labor Pension Act. Those who joined the Company on or before June 30, 2005, are entitled to retirement benefits under the old pension system. Employees who joined on or after July 1, 2005, are covered under the new pension system.
Mainland China	For employees in Mainland China, contributions are made in compliance with the regulations of the central government and local policies of Yangzhou City.

Note: For detailed information on pension contributions, please refer to page 32 of the consolidated financial statements for this year.



6.2.3 Family-Friendly Workplace

(GRI Index : 405-2、401-3)

To foster a family-friendly work environment, the Company reported a return-to-work rate of 50% in Taiwan for employees who took parental leave in 2024, indicating that half of the employees returned to work after completing their leave. As there were no employees in 2023 who returned from parental leave and remained employed for a

full year, the retention rate for employees one year after returning from leave in Taiwan for 2024 was 0%.

In Mainland China, the return-to-work rate in 2024 for employees who took parental leave was 67%, indicating that more than half of these employees returned to work after their leave. Furthermore, the retention rate one year after returning to work in 2024 stood at 75%.

Analysis of Employees Taking Parental Leave

Category	Taiwan			Mainland China		
	Male	Female	Total	Male (註)	Female	Total
Number of employees eligible for parental leave during the year (A)	1	3	4	N/A	3	3
Number of employees who applied for parental leave during the year (B)	0	2	2	N/A	3	3
Number of employees due to return from parental leave during the year (C)	0	2	2	N/A	3	3
Number of employees who returned to work during the year (D)	0	1	1	N/A	2	2
Number of employees who returned from parental leave in the previous year (E)	0	0	0	N/A	4	4
Number of employees still employed 12 months after returning from leave (F)	0	0	0	N/A	3	3
Parental leave application rate (%) (=B/A)	0%	67%	50%	N/A	100%	100%
Return-to-work rate (%) (=D/C)	0%	50%	50%	N/A	67%	67%
Retention rate (%) (=F/E)	0%	0%	0%	N/A	75%	75%

Note: According to local regulations in Mainland China, male employees are not eligible for parental leave.



6.3 Workplace Safety

6.3.1 Occupational Safety and Health Management

(GRI Index : 403-1~403-8)

Employees are the most valuable assets of the Company. HY Electronic is committed to

providing a safe, healthy, and secure working environment. The Company continually strengthens its occupational safety and health management system by adopting international standards, implementing regulatory compliance, enhancing training programs, and reinforcing risk prevention management, with the goal of establishing a “zero occupational accident” workplace.

1. Management System and Regulatory Compliance

To ensure effective occupational safety and health management, the Company has adopted and been certified under the ISO 45001:2018 Occupational Health and Safety Management System. Following the PDCA cycle—Plan, Do, Check, Act—the Company performs risk identification and corrective actions, establishes systematic operational procedures, and enhances risk control and emergency response capabilities.

Three key system audits are conducted annually to ensure the system operates effectively:

- In February each year, an external third party is commissioned to review the system's suitability, adequacy, and effectiveness.
- In mid-September, an internal audit is conducted to verify the compliance and effectiveness of the system.
- In late December, cross-departmental teams conduct "hazard identification and risk assessment," organized by the system management unit.

The Company has established and implemented the following core management procedures:

- HY-2-0023 Emergency Preparedness and Response Management Procedure
- HY-3-0039 Work-Related Injury Handling Procedure

2. Emergency Management and Drill System

The Company has established a "Safety Emergency Response Leadership Team" comprising 27 members, divided into six subgroups: Command, Emergency Rescue, Communications, Post-Incident Recovery, Evacuation and Alert, and Incident Investigation. Each group has clearly defined roles and responsibilities. Based on the HY-2-0023 Emergency Procedure, contingency plans have been developed for potential emergency scenarios, including earthquakes, fires, and explosions. Regular emergency drills and training sessions are conducted accordingly.

The Emergency Drill Guidelines explicitly state that, in the event of danger, employees must prioritize personal safety and evacuate promptly to designated safe zones.

3. Safety Education and Training

HY Electronic enhances employees' safety awareness and response capabilities through regular occupational safety and health training programs. A total of 2,609.2 hours of training were conducted.

Course topics include:

1. Safety Protection for High-Temperature Operations
2. Proper Use of Personal Protective Equipment (PPE)
3. Operation of Fire Hydrants and Fire Extinguishers
4. Three-Level Safety Education (Company-Level, Department-Level, and Position-Level)
5. Hazard Identification and Risk Prevention Training

New employees must complete a pre-employment health examination and occupational safety and health training before onboarding. Current employees undergo annual health checkups, while those in special operations receive designated health screenings and individualized health management.

4. Supply Chain Safety Management

HY Electronic (Cayman) Limited also extends occupational safety and health requirements to its supply chain. Supplier audits are conducted to manage risks and drive improvements. According to Module 11, "Environmental and Social Responsibility" in the HY-2-0017-15 Supplier Quality Assessment Form, health and safety review items are explicitly included to prevent and mitigate risks associated with external operations.

6.3.2 Occupational Injuries and Occupational Diseases

(GRI 403-2, 403-9, 403-10)

HY Electronic (Cayman) Limited has established a standardized reporting procedure for occupational safety and health (OSH) incidents. In the event of an OSH-related incident, including work injuries or traffic accidents, the individual involved must immediately notify their on-site supervisor or direct manager. For traffic accidents where the employee is not primarily at fault, the incident must first be reported to the police, and an official report of responsibility determination should be obtained from the authorities.

Once the report is received, the supervisor or manager must immediately inform the relevant department head, the safety unit manager, and the administration department.

Following a work-related injury, the injured employee must pay for medical expenses in cash and retain the receipts for reimbursement purposes. The National Health Insurance card

must not be used to pay for medical treatment, as it may affect the subsequent work injury claim. The accident scene must be documented with written statements from two witnesses, including copies of their identification cards. These documents must be submitted to the administration department for compilation and reporting of work injuries. Preliminary incident information must be submitted within 24 hours of the occurrence.

Within one week of the incident, the department manager and safety unit are required to convene an accident investigation meeting to analyze root causes and propose corrective and preventive measures. Cross-departmental dissemination of findings is required to prevent recurrence. The Vice President must attend the meeting to ensure a high level of oversight and accountability.

The administration department is responsible for compiling the necessary documentation for work injury certification, including the work injury application form, accident report, witness information, employee information, a copy of the company's business registration, and the

employee's labor contract. All documents must be stamped with the company seal and submitted to the local labor bureau by the administration department for official certification.

In 2024, HY Electronic (Cayman) Limited recorded a total of 3 occupational injury incidents. Among these, 3 were 0 severe cases and 0 fatalities.

Employee Occupational Injuries and Occupational Diseases – Statistics Table

Item (Unit)	Taiwan	Mainland China
Total hours worked by employees (hours) ⁷	119,744	693,833
Total hours worked by non-employees (hours)	0	29,694
Number of occupational injury fatalities (cases)	0	0
Occupational injury fatality rate ¹	0	0
Number of severe occupational injuries (cases) ²	0	0
Severe occupational injury rate ³	0	0
Number of recordable injuries (cases) ⁴	0	3
Recordable injury rate ⁵	0	0.83
Number of occupational disease cases (cases)	0	0
Occupational disease incidence rate ⁶	0	0

Notes 1: Occupational Injury Fatality Rate = (Number of fatalities due to occupational injuries ÷ Total hours worked) × 200,000

Notes 2: Severe Occupational Injuries refer to injuries that prevent the employee from recovering to their pre-injury health condition within 6 months, excluding fatalities.

Notes 3: Severe Occupational Injury Rate = (Number of severe occupational injury cases ÷ Total hours worked) × 200,000

Notes 4: Recordable Injuries refer to all occupational injuries in a given year, including both severe injuries and fatalities.

Notes 5: Recordable Injury Rate = (Number of recordable injuries ÷ Total hours worked) × 200,000

Notes 6: Occupational Disease Incidence Rate = (Number of occupational disease cases ÷ Total hours worked) × 200,000

Notes 7: Total Hours Worked is estimated as: number of active employees at month-end × daily working hours × number of working days in the month as announced by the competent authority.

Occupational Injury Records for Non-Employees

In 2024, there were 0 occupational injury incidents involving external workers at HY Electronic worksites. Among these, there were 0 severe cases and 0 fatalities.

7

Social Inclusion

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7.1 Social Investment

7.1.1 Social Investment Strategy and Outcomes

(GRI 413)

Guided by the vision of “community engagement aligned with our core business,” HY Electronic (Cayman) Limited integrates internal capabilities and external ecosystem resources to address social needs and fulfill corporate social responsibility. The Company's social investment strategy aligns with the United Nations Sustainable Development Goals (SDGs), focusing on three main areas: “Educational Collaboration,” “Social Welfare,” and “Environmental Conservation,” to drive sustainable impact.

In the area of public welfare, HY operates under the principle of “giving back to society what it takes from society,” through both monetary and in-kind donations. From 2022 to 2024, the Company donated a total of NT\$1,509,272 and contributed 470 kilograms of

used clothing. In 2024 alone, 370 kilograms of clothing were donated, demonstrating a tangible response to local needs.

To enhance the effectiveness of its philanthropic efforts, HY conducts internal review meetings every six months to evaluate and adjust its strategies. These meetings track the actual impact of various social engagement initiatives, ensuring that resources are directed accurately to meet the needs of beneficiaries and to amplify long-term positive influence. At the same time, the Company encourages employees to actively participate in volunteer activities actively, promoting corporate citizenship through hands-on involvement and fostering a culture that is healthy, safe, and environmentally responsible.

Through institutionalized and committed participation, HY views social inclusion as a key pillar of its sustainability strategy. Looking ahead, the Company will continue to expand both the depth and breadth of its community involvement, staying responsive to societal changes and advancing the vision of mutual prosperity between business and society.

Year	Cash Donations (NTD)	Used Clothing Donations(kg)
2024	\$440,690	370
2023	\$532,690	100
2022	\$535,892	0
Total	\$1,509,272	470



Appendix :

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Independent Limited Assurance Report	88

GRI 1 used: Foundation 2021

Statement of use: HY Electronic reported in accordance with the GRI Standards for the period 2024/01/01 to 2024/12/31

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		203-2 Significant indirect economic impacts	7.1 Social Investment Strategy and Outcomes	73		
GRI 204: Procurement Practices 2016		204-1 Proportion of spending on local suppliers	4.1.2 Supply Chain Structure	40		
GRI 205: Anti-Corruption 2016		205-1 Operations assessed for risks related to corruption	2.4.1 Ethical Business Practices	31		
		205-2 Communication and training about anti-corruption policies and procedures	2.4.1 Ethical Business Practices	31		
		205-3 Confirmed incidents of corruption and actions taken	2.4.1 Ethical Business Practices	31		
GRI 206: Anti-Competitive Behavior 2019		206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices	2.4.1 Ethical Business Practices	31		
GRI 301 : Materials 2016		301-1 Materials used by weight or volume	5.1.1 Raw Material Management Policy and Usage	45		
		301-2 Recycled input materials used	5.1.1 Raw Material Management Policy and Usage	45		
		301-3 Reclaimed products and their packaging materials	5.1.1 Raw Material Management Policy and Usage	45		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
GRI 302: Energy 2016		302-1 Energy consumption within the organization	5.2.2 Energy Consumption	47		This situation does not apply to the Company.
		302-2 Energy consumption outside of the organization			Not applicable	
		302-3 Energy intensity	5.2.2 Energy Consumption	47		
		302-4 Reduction of energy consumption	5.2.3 Energy Conservation Measures	47		
		302-5 Reductions in energy requirements of products and services	5.2.3 Energy Conservation Measures	47		
GRI 303 : Water 2018		303-1 Interactions with water as a shared resource	5.4.1 Water Resource Impact Assessment	50		
			5.4.2 Water Withdrawal, Discharge, and Consumption	51		
		303-2 Management of water discharge-related impacts	5.4.1 Water Resource Impact Assessment	50		
			5.4.2 Water Withdrawal, Discharge, and Consumption	51		
303-3 Water withdrawal	5.4.2 Water Withdrawal, Discharge, and Consumption	51				
303-4 Water discharge	5.4.2 Water Withdrawal, Discharge, and Consumption	51				

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
	GRI 303 : Water 2018	303-5 Water consumption	5.4.2 Water Withdrawal, Discharge, and Consumption	51		
	GRI 304: biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas			Not applicable	This situation does not apply to the Company.
		304-2 Significant impacts of activities, products, and services on biodiversity			Not applicable	
		304-3 Habitats protected or restored			Not applicable	
		304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Not applicable	
	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.3.1 Greenhouse Gas Inventory	48		
		305-2 Energy indirect (Scope 2) GHG emissions	5.3.1 Greenhouse Gas Inventory	48		
		305-3 Other indirect (Scope 3) GHG emissions	5.3.1 Greenhouse Gas Inventory	48		
		305-4 GHG emissions intensity	5.3.1 Greenhouse Gas Inventory	48		
		305-5 Reduction of GHG emissions	5.3.2 Greenhouse Gas Reduction	49		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
	GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	5.3.3 Other Air Pollutant Emissions	49	Not applicable	This situation does not apply to the Company.
		305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.3.3 Other Air Pollutant Emissions	49		
	GRI 306: Effluents and Waste 2020	306-1 Waste generation and significant waste-related impacts	5.5.1 Waste Impact Assessment	53		
		306-2 Management of significant waste-related impacts	5.5.1 Waste Impact Assessment	53		
		306-3 Waste generated	5.5.2 Waste Management Policy	54		
		306-4 Waste diverted from disposal	5.5.3 Waste Collection and Disposal	56		
		306-5 Waste directed to disposal	5.5.3 Waste Collection and Disposal	56		
	GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	2.4.2 Human Rights Policy	32		
		308-2 Negative environmental impacts in the supply chain and actions taken	4.2.1 Supply Chain Management Policy	41		
			4.2.1 Supply Chain Management Policy	41		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
GRI 401: Employment 2016		401-1 New employee hires and employee turnover	6.1.2 Talent Recruitment	59		
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.2.2 Comprehensive Welfare Measures	66		
		401-3 Parental leave	6.2.3 Family-Friendly Workplace	68		
GRI 402 : Labor Relations 2018		402-1 Parental leave	6.1.2 Talent Recruitment	59		
GRI 403 : Occupational Health and Safety 2018		403-1 Occupational health and safety management system	6.3.1 Occupational Safety and Health Management	69		
		403-2 Hazard identification, risk assessment, and incident investigation	6.3.2 Occupational Injuries and Diseases	70		
		403-3 Occupational health services	6.3.1 Occupational Safety and Health Management	69		
		403-4 Worker participation, consultation, and communication on occupational health and safety	6.3.1 Occupational Safety and Health Management	69		
		403-5 Worker training on occupational health and safety	6.3.1 Occupational Safety and Health Management	69		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
GRI 403 : Occupational Health and Safety 2018		403-6 Promotion of worker health	6.3.1 Occupational Safety and Health Management	69		
		403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.4.1 Ethical Business Practices	31		
		403-8 Workers covered by an occupational health and safety management system	6.3.1 Occupational Safety and Health Management	69		
		403-9 Work-related injuries	6.3.2 Occupational Injuries and Diseases	70		
GRI 405: Diversity and Equal Opportunity 2016		403-10 Work-related ill health	6.3.2 Occupational Injuries and Diseases	70		
		405-1 Diversity of governance bodies and employees	2.2.1 Governance Framework	18		
		405-2 Ratio of basic salary and remuneration of women to men	6.1.2 Talent Recruitment	59		
GRI 406: Non-discrimination 2016		406-1 Incidents of discrimination and corrective actions taken	6.2.1 Equitable and Competitive Compensation	65		
			6.2.3 Family-Friendly Workplace	68		
			6.1.1 Human Resource Management	59		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
	GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	6.1.3 Labor-Management Agreements	64		
	GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	2.4.2 Human Rights Policy 4.2.1 Supply Chain Management Policy	32 41		
	GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4.2 Human Rights Policy 4.2.1 Supply Chain Management Policy	32 41		
	GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures			Not applicable	This situation does not apply to the Company.
	GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of Indigenous peoples			Not applicable	This situation does not apply to the Company.
	GRI 413: Local Communities 2016	413-1dos Operations with local community engagement, impact assessments, and development programs 413-2 Operations with significant actual and potential negative impacts on local communities	7.1.1 Social Investment Strategy and Outcomes 7.1.1 Social Investment Strategy and Outcomes	73 73		

Material	GRI Standard	Disclosure item	Report Contents	Page	Explanation Omitted	
					Disclosure Item Omitted	Explanation
	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	2.4.2 Human Rights Policy	32		
		414-2 Negative social impacts in the supply chain and actions taken	4.2.1 Supply Chain Management Policy	41		
	GRI 415: Public Policy 2016	415-1 Political contributions	4.2.1 Supply Chain Management Policy	41	Not applicable	
	GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	4.2.1 Supply Chain Management Policy	41		This situation does not apply to the Company.
		416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	2.4.3 Regulatory Compliance	33		This situation does not apply to the Company.
	GRI 417: Marketing and Labeling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling regulations	2.4.3 Regulatory Compliance	33		
		417-3 Incidents of non-compliance concerning marketing communications regulations	2.4.3 Regulatory Compliance	33		
	GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4.3 Regulatory Compliance	33		

Sustainability Accounting Standards Board Index

Topic	Accounting Metric	Category	Report Contents	Unit	Code
Greenhouse Gas Emissions	(1) Gross global Scope 1 emissions (2) Total emissions from perfluorinated compounds	Quantitative	303.8543 tCO2e	Qualitative	TC-SC-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	None	Not applicable	TC-SC-110a.2
Energy Management in Manufacturing	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of renewable energy	Quantitative	Total energy consumption: 48,089.720 gigajoules (GJ)	Gigajoules (GJ) Percentage (%)	TC-SC-130a.1
Water Management	(1) Total water withdrawn (2) Total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Total water withdrawal: 280.73 thousand cubic meters (million liters) Total water consumption: 29.13 thousand cubic meters (million liters) No operations are located in water-stressed areas	thousand m3 (1000m ³) , Percentage (%)	TC-SC-140a.1
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	Hazardous waste: 516.84 metric tons Recycling rate: 67.82%	metric tons (t) Percentage (%)	TC-SC-150a.1
Employee Health & Safety	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Qualitative	ISO 45001 Occupational Health and Safety Management Certification	Not applicable	TC-SC-320a.1
	Total amount of monetary losses as a result of legal proceedings associated with employee safety and health violations	Quantitative	NT\$0 violations occurred	Presentation Currency	TC-SC-320a.2
Recruiting & Managing a Global & Skilled Workforce	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	No employees require work permits	Percentage (%)	TC-SC-330a.1

Topic	Accounting Metric	Category	Report Contents	Unit	Code
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474-declarable substances	Quantitative	No IEC 62474 declarable substances present	Percentage (%)	TC-SC-410a.1
	Processor energy efficiency at a system level for: (1) servers, (2) desktops, and (3) laptops	Quantitative	The Company does not manufacture processors for servers, desktop computers, or notebook computers at the system level; therefore, processor energy efficiency requirements do not apply to these products.	Varies by product category	TC-SC-410a.2
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Qualitative	Compliant with RoHS, REACH, and other regulatory requirements	Not applicable	TC-SC-440a.1



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Independent Limited Assurance Report

To HY Electronic (Cayman) Limited.:

We were engaged by HY Electronic (Cayman) Limited, to provide limited assurance over the selected information attached as Appendix A (the Subject Matter) of the 2024 HY Electronic (Cayman) Limited Sustainability Report.

Subject Matter and Applicable Criteria

In preparing the Subject Matter of the 2024 HY Electronic (Cayman) Limited Sustainability Report and following selected standards (the Criteria), as set out in Appendix A: Summary of Assurance Subject Matters. The reporting scope of the Subject Matter is described in the "Boundary and Scope" section of the Sustainability Report. The scope of assurance includes governance, environmental and social-related indicators, the selected indicators are detailed in Appendix A.

HY Electronic (Cayman) Limited applied the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, relevant questions and answers, relevant laws and regulations, and the definitions by HY Electronic (Cayman) Limited as stated in the Report.

Management's Responsibilities

The management of HY Electronic (Cayman) Limited are responsible for the preparation, content, and presentation of the Sustainability Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. They need to consider relevant laws and regulations, and using the applicable criteria to fairly prepare and present the Subject Matter. It is also their responsibility to maintain necessary internal controls related to the preparation of Sustainability Reports to ensure that the performance indicators are not materially misrepresented due to fraud or error.

Our Responsibilities

We performed our work in accordance with the Taiwan Standard on Assurance Engagements 3000 (TWSAE 3000) and the International Standard on Assurance Engagements 3000 (ISAE 3000), "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation and the International Auditing and Assurance Standards Board to issue a limited assurance conclusion on whether the Subject Matter is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence-gathering procedures, as appropriate. These procedures included:



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- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report to inquire about the design and implementation of the internal control systems and methods used to collect and report.
- Obtaining the original supporting documentation, quantitative or qualitative, obtained from the information management systems of HY Electronic (Cayman) Limited's main operators or external sources, used in the preparation of the non-financial indicators.
- Based on our understanding of the above matters and the identified areas, we conducted inquiries, observations, examinations, and re-performance tests on the selected samples of the subject matter to obtain limited assurance evidence.
- Obtainment of a management representation letter from the directors and the management of HY Electronic (Cayman) Limited.

This report does not provide any assurance on the effectiveness of the design or implementation of internal control systems related to the 2024 Sustainability Report. The information contained in the 2024 Sustainability Report that pertains to December 31, 2023, and earlier periods was not subject to assurance by our auditors.

Independence and Standards on Quality Management

We have complied with the relevant rules of professional conduct/code of ethics applicable to the practice of public accounting as related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We also apply the Standards on Quality Management 1 (TWSQ M 1), Quality Management for Public Accounting Firms and therefore has in place a quality control system which includes documented policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Inherent Restrictions

There are inherent limitations in this project, particularly non-financial indicators, which are subject to more inherent restrictions compared to financial information. The qualitative interpretation of data, including its relevance, materiality, and accuracy, depends more on individual assumptions and judgments.

Conclusion

Based on our procedures and the evidence obtained as described in this report, nothing has come to our attention that causes us to believe that the materiality assessment process, the selected sustainability information is not, in all material aspects, presented fairly using the Subject matter and criteria for the year ended December 31, 2024.



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No.	Subject Matters	Selected standards (the Criteria)	Page	index
3	Water Consumption Unit: Megaliters, ML	Total water withdrawal and total water consumption are disclosed in accordance with GRI 303-3 (Water withdrawal), GRI 303-4 (Water discharge), GRI 303-5 (Water consumption), and SASB TC-SC-140a.1 reporting requirements. Water withdrawal is calculated based on water utility bills. Water consumption is estimated based on the report issued by a certified water balance testing specialist from a third-party inspection company. The report is reviewed in an audit meeting convened by the Water Resources Bureau, and water consumption is calculated by applying the water consumption ratio per unit of water withdrawal as disclosed in the report. Water discharge is derived by subtracting the estimated water consumption from the total water withdrawal.	51	2
4	Waste Overview Unit: Metric Tons	In 2024, the total volume of waste collected and disposed of by the Company amounted to 559.18 metric tons. Of this, hazardous industrial waste accounted for 516.84 metric tons (92.43%); non-hazardous industrial waste amounted to 16.10 metric tons (2.88%); and general waste totaled 26.24 metric tons (4.69%). General waste is estimated based on the local average daily household waste generation per person and the total working hours of employees at HY Electronic (Cayman) Limited. The volume of hazardous industrial waste is calculated based on transfer manifests provided by licensed third-party waste disposal contractors. The volume of non-hazardous industrial waste is calculated based on transfer manifests and recycling.	56	3



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No.	Subject Matters	Selected standards (the Criteria)	Page	index
	Volume : 16.10 Transferred for Treatment : 16.10 On-site Disposal : 0	records provided by licensed third-party waste disposal contractors.		
5	Occupational Injuries	Note 1: The classification of hazardous and non-hazardous waste is based on local regulations applicable at each site. Note 2: The Taiwan site only generates domestic (household) waste. Note 3: Taiwan's domestic waste volume is estimated based on the Ministry of Environment's average of 1.382 kg per person per day. Note 4: Domestic waste in Mainland China is estimated based on the "China Statistical Yearbook" average of 0.669 kg per person per day for each province. In 2024, HY Electronic (Cayman) Limited recorded a total of three occupational injury incidents. Among these, there were zero severe cases and zero fatalities. Occupational injuries are reported in accordance with GRI 403-9, based on the Occupational Injury Statistics Summary Table, including statistics on occupational fatalities, severe occupational injuries, and recordable incidents that occurred in 2024. Occupational diseases are reported in accordance with GRI 403-10, and the 2024 data on occupational disease cases are compiled based on HR statistical records, the list of special job health examination requirements for workers, and the outcomes of environmental safety meetings.	71	4



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Other Matters

The maintenance of HY Electronic (Cayman) Limited's website is the responsibility of HY Electronic (Cayman) Limited's management. Following the publication of our assurance report on HY Electronic (Cayman) Limited's website, we do not assume responsibility for performing further assurance procedures on any subsequent changes to the subject matter information or applicable criteria disclosed on HY Electronic (Cayman) Limited's website.

GREEN MOUNTAIN SUSTAINABILITY

Alfred Du
Public Accountants and Chartered Accountants

The reference number of the FSC (Financial Supervisory Commission) approval letter: 7775

19 June 2025



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Appendix A: In accordance with Appendix 1-8: Sustainability Disclosure Indicators – Semiconductor Industry (hereinafter referred to as 'Appendix 1-8 of the Operational Guidelines') of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the Summary of Assurance Subject Matters.

No.	Subject Matters	Selected standards (the Criteria)	Page	index
1	This report adheres to the Global Reporting Initiative (GRI) Standards, as issued by the Global Sustainability Standards Board (GSSB), and the Technology and Communications – Semiconductors (TC-SC) sector standards, as established by the Sustainability Accounting Standards Board (SASB).	This report is structured based on the nine requirements of GRI 1: Foundation 2021, the disclosure requirements of GRI 2: General Disclosures 2021, the materiality assessment process as outlined in GRI 3: Material Topics, and the standards for the Technology and Communication – Semiconductors industry published by the Sustainability Accounting Standards Board (SASB).	5	-
2	In 2024, HY Electronic's total energy consumption amounted to 48,089,720 gigajoules (GJ). Gasoline · Diesel · Natural Gas (Direct Energy Consumption) 682,141 GJ Purchased Electricity (Indirect Energy Consumption) 47,407,579 GJ	Energy consumption is disclosed in accordance with GRI 302-1: Energy consumption within the organization, and the reporting requirements of SASB TC-SC-130a.1. The amounts of gasoline and diesel consumed are calculated based on local procurement data. (Note) Natural gas consumption is calculated based on monthly natural gas invoices. Electricity consumption is calculated based on local utility billing statements. Note: The procurement volume for the Xindian office is estimated based on data from CPC Gas cards.	47	1



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No.	Subject Matters	Selected standards (the Criteria)	Page	index
6	Total amount of waste electronic components: 29.51 metric tons Note : Waste electronic components include defective products and e-waste, all of which are 100% recycled.	Disclosure of product life cycle management, specifically electronic waste, is conducted in accordance with Item 5 of Appendix 1-8 of the Operational Guidelines, and is calculated based on weight records and electronic invoices.	56	5
7	In 2024, HY Electronic achieved a 100% signing rate for the Declaration of Compliance with the Supplier Code of Conduct among suppliers of materials, auxiliary materials, and finished products. The declaration includes adherence to the Supplier Code of Conduct, Green Product Environmental Requirements, and the Responsible Mineral Sourcing Policy. 1. Products do not contain hazardous substances. 2. Products comply with EU RoHS and REACH directives. 3. Subcontracted manufacturing sites must meet workplace safety regulations. 4. Suppliers shall not employ illegal labor or child labor; all employees are entitled to their legal employment rights. 5. Suppliers must not use raw materials sourced from conflict-affected regions, including metals from countries surrounding the Democratic Republic of the Congo.	Risk management related to the use of critical materials is disclosed in accordance with SASB TC-SC-440a.1, describing the management approaches and measures implemented for the use of such materials. In accordance with the Supplier Code of Conduct, suppliers of materials, auxiliary materials, and finished products that had regular transactions in 2024 were required to sign a Statement of Conformity to the Code of Conduct.	42	6
8	In 2024, no violations of the Code of Ethical Conduct or the Ethical Corporate Management Principles were committed by any directors, management, employees, or business partners. Additionally, no reports were received through the whistleblower mechanism during the year.	Financial losses resulting from legal proceedings related to anti-competitive behavior are disclosed in accordance with GRI 206-1 on legal actions for anti-competitive behavior, anti-trust, and monopoly practices, and the number of related cases is compiled based on the document tracking system.	32	7



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No.	Subject Matters	Selected standards (the Criteria)	Page	index
9	Annual Sales Performance by Product In 2024, HY Electronic achieved a total product sales revenue of NTS962,378 thousand. Among all product categories, bridge rectifiers and solar diodes accounted for the highest sales, reaching NTS706,663 thousand, which represented 73.43% of the total revenue. (Unit: KPCS, NTS thousand)	The production volume of major products by product category is disclosed in accordance with Item 8 of Appendix 1-8 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies' and GRI 417-1, based on sales system reports and verified against financial statement sales figures.	37	8

Category	Solar Diodes	Bridge Rectifiers	Diodes	Others	Total
Sales Quantity	75,239	155,754	453,860	415,007	1,099,861
Sales Revenue	280,616	426,047	190,910	64,805	962,378
Percentage of Revenue	29.16%	44.27%	19.84%	6.73%	100%



2024  HY Electronic
(Cayman) Limited
Environmental **S**ocial **G**overnance Report