

Fulfillment of sustainable development and its deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof:

Criteria	Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof	
	Y	N		Summary
I. Has the Company established the governance framework for promoting sustainable development and an exclusively (or part-time) dedicated unit for promoting it? Is the executive level authorized by the Board of Directors to handle relevant affairs? What is the status of the monitoring the implementation of the policy by the Board of Directors?	V		The Company has adopted the “Sustainable Development Best Practice Principles,” through which the Board of Directors periodically reviews corporate governance practices and actively promotes corporate social responsibility.	No significant deviation
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?	V		The Company has adopted the "Sustainable Development Best Practice Principles," striving to balance sustainable operations and profitability while emphasizing environmental protection, social responsibility, and corporate governance. These principles are integrated into the Company's management strategies and daily operations, with efforts to participate in social welfare initiatives and enhance the disclosure of corporate social responsibility information.	No significant deviation
III. Environmental Issues 1. Has the Company established a suitable environmental management system based on its industrial characteristics?	V		The Company’s industry characteristics do not involve environmental pollution concerns.	No significant deviation
2. Has the Company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment?	V		Besides installing recycling bins for resource sorting, the Company actively promotes the social responsibility of recycling resources. The Company has invested in environmentally sustainable	

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			equipment focused on energy efficiency and green energy, and has disclosed the investment amount, equipment details, and quantifiable data on energy savings and carbon reduction. 1. Equipment: 99.99 kWp (kilowatt-peak) solar photovoltaic system 2. Investment: NT\$3,660,000 3. Energy-saving performance: In 2024, the system generated 148,080 kWh of electricity. Based on a carbon emission factor of 0.474 kg CO _{2e} per kWh, this generation reduced carbon emissions by approximately 70 tons of CO ₂ .	
3. Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to related issues?	V		The Company is committed to supporting the government's environmental protection initiatives on energy conservation and carbon reduction while closely monitoring the impact of climate change on its operations.	
4. Has the Company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions of GHG and water consumption, or other waste management?		V	The Company actively aligns with the government's environmental protection initiatives, continuing to implement paperless operations to reduce annual paper usage.	No significant deviation
IV. Social Issues 1. Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?	V		The Company recognizes and voluntarily adheres to internationally accepted human rights standards, including the "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," and "International Labour Organization." The Company complies with labor laws by establishing work regulations, employee handbooks, and other personnel policies to safeguard employees' legal rights and interests.	No significant deviation

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2. Has the Company formulated and implemented reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?	V		The Company has implemented work rules and personnel policies that fully comply with the Labor Standards Act, covering key employment terms such as minimum wage, working hours, leave entitlements, pension contributions, labor and health insurance, and compensation for occupational injuries. An Employee Welfare Committee, elected by the employees, is responsible for administering a range of employee benefits. The Company's compensation policy is merit-based, taking into account individual capabilities, contributions to the Company, and overall performance, with a strong link to business results. According to amendments to the Articles of Incorporation approved by the Board of Directors, the Company shall allocate between 2% and 10% of its annual profits for employee compensation. Of this amount, at least 45% must be distributed to rank-and-file employees, ensuring that business performance is fairly reflected in employee rewards. The Company is committed to promoting workplace diversity and equality by ensuring equal pay and advancement opportunities for both male and female employees. Women hold 25% of managerial positions. The Company also hires employees with disabilities in accordance with legal requirements and provides inclusive job assignments and accessible workplace facilities to support their needs.	
3. Has the Company provided a healthy and safe work environment and has it organized health and safety training for its employees on a regular basis?	V		The Company complies with relevant safety regulations by clearly marking areas or facilities where safety or occupational hazards may exist and by providing necessary	

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			protective equipment. All employees are required to complete general occupational safety training every three years to strengthen safety awareness and prevent workplace incidents. Regular health check-ups are also arranged for employees. In the current year, the Company reported zero cases of occupational injuries and zero fire incidents.	
4. Has the Company established effective career development and training plans for its employees?	V		Each department within the Company is tasked with developing and implementing career development and training plans tailored to employees' skills and expertise.	
5. Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing, and labeling, and formulated relevant consumer protection policies and grievance procedures?	V		As the Company specializes in customized products, all client-specific specifications and production requirements are strictly followed as outlined in the contracts and are treated with confidentiality. To safeguard client privacy, the Company has implemented a "Personal Data Protection Management Policy" that governs the secure handling and use of personal information. Additionally, all transaction details are protected in line with confidentiality agreements to prevent any unauthorized disclosure. For any customer concerns or complaints, the Company's official website features dedicated "Stakeholders" and "Contact Us" sections, offering direct service hotlines and a feedback box to ensure prompt and comprehensive response to all inquiries.	
6. Has the Company formulated a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? How well are those policies	V		The Company has implemented both the "Supplier and Contract Manufacturer Management Procedures" and the "Supplier Corporate Social Responsibility Guidelines" to ensure that its suppliers meet standards related to environmental protection and workplace safety. These	The Company does not currently assess the environmental or social

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implemented?			measures reinforce a shared commitment to social and environmental responsibility and encourage joint efforts toward green technology development. The Company also conducts regular annual evaluations to assess and ensure supplier compliance.	impact of its suppliers' past activities.
V. Has the Company, following internationally recognized principles or guidelines, prepared and published reports, such as its sustainability report, to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?		V	Looking ahead, the Company plans to compile a sustainability report in accordance with internationally accepted reporting standards and the timeline outlined in the "New Corporate Governance Blueprint."	The Company has not yet prepared a sustainability report but is gradually implementing measures in compliance with regulatory requirements.
VI. If the Company has established its own sustainability guidelines in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," please describe any operational differences between the Company's practices and the established principles: The Company has adopted its "Sustainability Best Practice Principles" in line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies." Any differences in implementation have been addressed as previously stated.				
VII. Additional information relevant to the Company's sustainability efforts:				
<p>1. Giving Back to Society NEMS is dedicated to social contribution and regularly organizes charitable initiatives to support low-income families. These programs, which include the distribution of essential supplies, are carried out with active employee participation, reflecting the Company's commitment to compassion and social responsibility. The Company will continue to invest in public welfare to foster a more caring and positive society.</p> <p>2. Community Engagement NEMS places strong emphasis on local community engagement, aiming to create a warm, supportive environment through meaningful actions. Ahead of major holidays, the Company delivers gift packages to local senior citizens, with employees personally delivering the items and engaging in conversations to foster connection and care. These efforts highlight the Company's dedication to being a responsible corporate citizen.</p>				

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3. Supporting Children Are Us with Compassion			<p>NEMS actively supports social causes by partnering with the Children Are Us Foundation, purchasing their products as corporate gifts to spread love and goodwill. This initiative not only conveys support but also helps create stable employment opportunities for individuals with developmental disabilities. The Company remains committed to advocating for vulnerable communities and building a more inclusive and compassionate society.</p> <p>For more details, please refer to the Corporate Social Responsibility section on the Company's official website: https://www.nemstek.com.tw.</p>	