

# **2024** ESG REPORT

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## **Sustainability Report**

**Environmental, Social and Governance**

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This is a translation of the 2024 sustainability report (The “sustainability report”) of Nichidenbo Corporation. (The “Company”). This translation is intended for reference only and nothing else, The Company hereby disclaims any and all liabilities whatsoever for the translation. The Chinese text of the sustainability report shall govern any and all matters related to the interpretation of the subject matter stated herein.



The current global environment is facing severe challenges from ongoing conflicts and persistent inflation, with business uncertainty becoming the new normal. The value of an enterprise lies not only in short-term profitability but also in long-term resilience and credibility. For this reason, Nichidenbo embed sustainable development (ESG) deeply into our core business strategy, regarding it as a critical pathway to addressing challenges and creating long-term value.

Facing the impact of climate change, it is incumbent upon us to take action. "Energy saving and carbon reduction" is an important operational indicator for all our operations. In 2023, Nichidenbo led the industry by completing the development of ISO 14064-1 greenhouse gas inventory, establishing a clear roadmap for reducing emission, and actively promoting paperless operations, such as the introduction of electronic shareholder notifications (eNotice) and other initiatives, to reduce resource wastage from the source. We remain steadfast in advancing toward the goals of carbon reduction and net zero, contributing to the sustainability of our planet.

Regarding employee care, we are committed to creating a friendly and healthy workplace, and promoting two-way communication and mutual growth through regularly holding labor-management meetings and providing education and training. In 2024, we organized two sessions of "Group's Healthy Weight Loss" challenge, which not only integrated health and environmental awareness but also strengthened team cohesion. Together, our employees collectively lost 220.6 kg, achieving impressive results. In terms of social participation, we have long been dedicated to caring for society. We have promptly donated NTD 2 million following the Noto Peninsula earthquake in Japan and the Hualien earthquake on April 3, 2024 in Taiwan, actively fulfilling our role as a responsible corporate citizen and working with society to overcome difficulties.

We continue to strengthen our corporate governance. In addition to striving for strong business performance, we have also enhanced the functions of the Board of Directors, improved decision-making transparency, and established rigorous risk control mechanisms. We firmly believe that only through continuous improvement in corporate governance, can we earn the trust of all stakeholders, and lay a solid foundation for sustainable development.

Looking ahead to 2025, the global political and economic situation remains highly uncertain. From tariff barriers arising from geopolitical factors to ongoing exchange rate fluctuations, these challenges continue to deeply impact the stability of the industry's supply chain. Nichidenbo will continue to uphold its sustainable core values, and I will lead the team in advancing various sustainability initiatives, striving to contribute to a trustworthy and sustainable future as an enterprise with greater resilience and accountability.



Nichidenbo Corporation  
Chairman





## About This Report

Welcome to the third publicly issued Sustainability Report of Nichidenbo Corporation (“Nichidenbo,” “the Company”, or “we”). Nichidenbo issues this report annually, regularly disclosing our environmental, social, and corporate governance (ESG) performance beyond financial results. Through our actions, we continue to realize the corporate vision of sustainable operations.

## Report Boundary Scope

The scope of indicator disclosure in this report covers Nichidenbo Corporation, the source of financial-related data is Nichidenbo’s financial statements for the year 2024, while information of environmental and social categories are disclosed with Nichidenbo Corporation as the scope for reporting. For more detailed information on related companies, please refer to the Nichidenbo 2024 Annual Report.

## Regulations, Standards, and Principles Followed by the Report

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021 (GRI Standards) issued by the GRI, with the GRI Standards Index provided in the appendix. It also discloses the sustainability accounting standards indicators issued by the Sustainability Accounting Standards Board (SASB) and information on the Task Force on Climate-related Financial Disclosures (TCFD) by the Financial Stability Board (FSB). In addition, the Report also provides information on the sustainability disclosure indicators for electronic components industry according to Appendix 1-12, Article 4, as well as information on the climate-related information according to Appendix 2, Article 4-1, of the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. For further details, please refer to the appendices.

## Reporting Period of the Report

The reporting period of this Report is from January 1 to December 31, 2024, and is published annually. To demonstrate Nichidenbo’s actions and performance in environmental sustainability, social commitment, and corporate governance, some information will be retrospectively disclosed for periods prior to 2024 or extended into 2025.

## Reporting Period

This Report was published in August 2025, and the next report is expected to be published in August 2026.

## Contact Window

If you have any suggestions or questions regarding Nichidenbo Corporation 2024 Sustainability Report, please feel free to contact us through the channels provided below. To fulfill our responsibility of full corporate information disclosure, this Report is also available on our official website for easy access.

Address	1F., No. 4, Aly. 1, Siwei Ln., Zhongzheng Rd., Xindian Dist., New Taipei City
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## Main Responsible Units and Quality Management Method of the Report

Operating Procedures	Method	Responsible Unit (or Position)
Report Compilation	This report has been prepared in accordance with the Procedures for Sustainability Information Management and is coordinated by the Sustainability Department. The data, strategic goals, and performance indicators disclosed in this Report are verified and provided by the respective responsible departments, and subsequently consolidated, drafted, reviewed, and finalized by the Sustainability Department.	Sustainability Department, relevant responsible departments
Internal Review	After the report is completed and each unit has confirmed its content completeness and accuracy, it will be approved by the respective highest supervisor of the relevant department.	The relevant responsible units and respective highest supervisors
External Guarantee	To enhance the accuracy and credibility of this Report: <ul style="list-style-type: none"> <li>A third-party verification agency, BSI Verification Company, is commissioned to follow the AA1000 AS guarantee standards V3, and use Type 1 Moderate Assurance as the basis for verification, ensuring that the content of this Report complies with GRI standards.</li> </ul>	BSI Group Singapore Private Limited Taiwan Branch
	<ul style="list-style-type: none"> <li>The financial data has been audited and certified by Deloitte &amp; Touche in accordance with International Financial Reporting Standards (IFRS), and uniformly calculated in New Taiwan Dollars</li> </ul>	Deloitte & Touche
Approved Final Draft	The final draft of this Report is submitted by the Sustainability Department for review by the General Manager, and is publicly released following the approval by the Chief Executive Officer and submission to the Board of Directors.	General Manager, Chief Executive Officer

## Sustainability Highlights Performance

## SDGs x ESG Action Performance

Aspects	United Nations SDGs Indicators	SDGs Action Initiatives
Environmental Protection	 	<ul style="list-style-type: none"> <li>In 2024, a greenhouse gas inventory was conducted according to the ISO 14064-1:2018 standard.</li> <li>Suppliers were screened with environmental criteria, with 100% of key suppliers certified under the ISO 14001.</li> <li>All products provided by key suppliers comply with RoHS, REACH, ISO, and IATF standards.</li> <li>The Task Force on Climate-related Financial Disclosures (TCFD) framework was implemented to effectively manage climate-related risks and enhance the Company's climate resilience.</li> </ul>
Social Responsibility	       	<ul style="list-style-type: none"> <li>Nichidenbo and its key suppliers have not experienced significant risks or incidents related to gender and racial discrimination, child labor, forced labor, or other violations of labor rights.</li> <li>In 2024, one employee with disabilities was hired, in compliance with legal requirements.</li> <li>Suppliers were screened with social criteria, with 100% of key suppliers free from the use of conflict minerals and signed the Labor Rights and SA 8000 Declaration.</li> <li>Employees completed a total of 1,919.28 hours of training.</li> <li>The Company supported domestic education, cared for disadvantaged groups, and actively engaged in public welfare, contributing NTD 8.21 million in 2024 and more than NTD 34.09 million in total over the past four years.</li> <li>Two rehabilitation buses were donated to the New Taipei City Government in 2024, marking a total of 12 rehabilitation buses donated over six consecutive years, supporting the rights of people with disabilities and elderly care.</li> <li>Two sessions of "Group's Healthy Weight Loss" challenges were organized in 2024, with a total weight reduction of 220.6 kg, encouraging employees to proactively take a step forward for a sustainable future.</li> </ul>
Corporate Governance	  	<ul style="list-style-type: none"> <li>In 2024, individual revenue reached NTD 1,751,070 thousand, with net operating income of NTD 100,406 thousand, and basic earnings per share of NTD 4.52.</li> <li>In 2024, employee salaries and benefits distributed reached NTD 154,839 thousand.</li> <li>With a resilient information security risk control framework established, there were no violations of cybersecurity regulations, information leaks, fines, or major incidents involving personal data protection in 2024.</li> <li>No complaints leading to legal action due to breaches of customer personal data protection or loss of customer data were received in 2024.</li> <li>In 2024, a total of 10 information security promotions and training courses were held to strengthen employee awareness on information security.</li> <li>In 2024, three new suppliers were evaluated, with no significant deficiencies or risks identified.</li> <li>Customer satisfaction remained high, maintaining a score of over 80 for the third consecutive year.</li> <li>As the Company's Procedures stipulated that an external evaluation on the performance of the Board of Directors shall be conducted every three years, an external professional body, the Taiwan Institute of Ethical Business, was appointed in 2024 to conduct the evaluation, with a result of "excellent" rating. The next assessment is scheduled for 2027.</li> </ul>





# About Nichidenbo

## Operational Overview

Nichidenbo Corporation (Stock Code: 3090) was established in 1993, with its headquarters located in Xindian District, New Taipei City. As of the end of 2024, the number of full-time employees is 160. Upholding the business philosophy of “Integrity, Service, Growth, and Shared Prosperity”, Nichidenbo has grown to become the largest passive component agent in Taiwan, accumulating many years of professional experience. We act as agents for internationally renowned manufacturers, including Nippon Chemi-Con, Panasonic, AIC tech, KEMET, KYOCERA AVX, and Samsung, as well as prominent domestic manufacturers such as EVERLIGHT and Genesys, with application markets extending to PCs, mobile phones, tablets, servers, audio-visual equipment, automobiles, and more, spanning across the 3C electronics, industrial, automotive, and medical electronics sectors.

Company Name	Nichidenbo Corporation
Establishment Date	January 4, 1993
Listing Date	December 31, 2007
Headquarters Location	Xindian District, New Taipei City
Number of Employees	160
Total Paid-in Capital	NTD 2.126 billion
Industry	Electronic Parts/Components Industry
Main Products	Agent for NCC and Panasonic capacitors
Sales Net Amount in 2024 (NTD thousand)	1,751,070

## Nichidenbo Group's Global Operation Locations

Nichidenbo is a corporate entity. For detailed ownership information, please refer to the shareholder structure and major shareholders section of the Nichidenbo 2024 Annual Report. In 2024, our capital totaled NTD 2,125,972 thousand, with revenue reaching NTD 1,751,070 thousand. Nichidenbo and its subsidiaries (collectively, the “Nichidenbo Group”) operate a total of 12 locations, as detailed in the table below.

Company Name	Address
Nichidenbo Corporation	1F., No. 4, Aly. 1, Siwei Ln., Zhongzheng Rd., Xindian Dist., New Taipei City
Lipers Enterprise Co., Ltd.	2F., No. 2, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
Scope Technology Co., Ltd.	2F., No. 4, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
Advance Electronic Supply Inc.	2F., No. 2, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
VIC-DAWN Enterprise Co., Ltd.	4F., No. 2, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
TONSAM Corporation	4F., No. 2, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
KOHO (Taiwan) Co., Ltd.	3F., No. 2, Aly. 1, Siwei Ln., Zhongzheng Road, Xindian Dist., New Taipei City
Lipers (Hong Kong) Enterprise Co., Ltd.	Room 1001-1002, 10th Floor, Tins' Centre Block 3, 3 Hung Cheung Road, Tuen Mun, New Territories, Hong Kong
Nichidenbo (Shenzhen) Trading Co., Ltd.	Room 403, Gemdale Center, 2007 Shennan Boulevard, Futian District, Shenzhen
Hesun Electronics (Shenzhen) Co., Ltd.	Room 404, Gemdale Center, 2007 Shennan Boulevard, Futian District, Shenzhen
Nichidenbo Suzhou Trading Co., Ltd.	Room 1707, SND International Commerce Tower, 28 Shishan Road, Gaoxin District, Suzhou
Nichidenbo Suzhou Trading Co., Ltd. Wuhan Branch	Room 525, Fengming Square, No. 1 Commercial Building, No. 4, Sanjiaohu Road, Wuhan Economic and Technological Development Zone



## Business item

Nichidenbo is a professional capacitor agent in Taiwan. Under the management of an elite team, it continuously promotes the Company's sustainable development with excellent innovation capabilities. To meet the expectations of all stakeholders, all our employees uphold the principles of integrity and pragmatism, working together to achieve organizational goals. Through a commitment to excellence, Nichidenbo has continuously obtained international quality system certifications and has become the largest agent for passive components in the country. In addition to strengthening our presence in the consumer and commercial markets, Nichidenbo has expanded into industrial control and electric vehicle sectors. To meet future demands for new product development and business capacity growth, we are expanding our scale and technical capabilities, and continuously conducting research and development to maintain our leading position in the industry. To support business expansion, Nichidenbo is also actively creating complete international marketing channels and logistics management, strengthening professional training for employees to improve product technical support and after-sales service, and achieving the goal of continually increasing market share. In the future, Nichidenbo will be committed to providing customers with leading product information and comprehensive solutions, connecting the supply chain, and closely collaborating with customers to actively develop and distribute higher quality and more environmentally friendly products, providing new values of smart, energy-efficient, and sustainability for people's lives.

## Nichidenbo Product Sales Situation and Market Overview in the Past 3 Years

Main Product Category	Sales Market	Sales Amount in 2022 (NTD thousand)/Percentage	Sales Amount in 2023 (NTD thousand)/Percentage	Sales Amount in 2024 (NTD thousand)/Percentage
Solid capacitor	Taiwan, Mainland China	921,230 / 48.08%	794,003 / 43.62%	933,643 / 53.32%
Electrolytic capacitor	Taiwan, Mainland China	693,628 / 36.20%	716,657 / 39.37%	510,437 / 29.15%
Others (such as inductor and resistor)	Taiwan, Mainland China	301,087 / 15.72%	309,729 / 17.01%	306,990 / 17.53%

## Execution of ESG Projects

Nichidenbo 2024 Sustainability Report is prepared with each unit independently drafting ESG policies and projects within their respective responsibilities and reporting them to the General Manager and Chief Executive Officer for approval and execution. Each unit also provides the execution results of their ESG projects at the end of the year to the Sustainability Department to integrate and compile the Sustainability Report according to the Procedures for Sustainability Information Management. In 2025, Nichidenbo has established a dedicated unit for promoting sustainable development, the Sustainability Department, responsible for overseeing the Company's corporate responsibility and setting strategies and goals for the direction of sustainable development, as well as regularly reviewing the performance and progress of achieving these objectives.

## Association Qualifications

The associations participated by Nichidenbo in 2024 are as follows:

No.	Organization Name	Membership
1	Fund of Excellent Underprivileged Students, Education Department, New Taipei City Government	Management Committee Member
2	Moxian Welfare And Charity Foundation	Director
3	Taiwan Listed Companies Association	General Member
4	Taiwan Industrial Holding Association	General Member
5	Taipei Electronic Components Suppliers' Association	General Member
6	New Taipei City Industrial Association	General Member

# 01 SUSTAINABLE FUTURE

1.1 Policy Commitment

1.2 Stakeholder Engagement

1.3 Materiality Analysis







## 1.1 Policy Commitment

Nichidenbo upholds the Principles of Corporate Governance and, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, has established an effective corporate governance framework, protecting shareholders' rights, enhancing Board functions, respecting the rights of stakeholders, and improving information transparency. We have also established a comprehensive information disclosure system to ensure that shareholders can obtain the most up-to-date and accurate information about the Company as a basis for their investment decisions. Adhering to the principles of accuracy, completeness, and fair disclosure, we promptly provide various relevant information regarding operations, finances, board resolutions, and our business philosophy and directions.

Nichidenbo is committed to achieving sustainable development and, in line with ESG development directions, continually demonstrating our care for economic governance, human rights and humanities, and environmental conservation. We have promulgated the Sustainable Development Best Practice Principles to embody our vision of shared prosperity and sustainability, and publicly commit that all our operation processes comply with responsible business conduct. The main initiatives and regulatory documents are as follows:

### Nichidenbo Main Advocacy Reference Guidelines

- Due Diligence Guidance for Responsible Business Conduct, Guidelines for Multinational Enterprises, and Principles of Corporate Governance issued by the Organization for Economic Co-operation and Development (OECD)
- United Nations (UN) Guiding Principles on Business and Human Rights
- International Covenant on Human Rights

### International Initiatives Supported by Nichidenbo

#### ESG

The UN 17 Sustainable Development Goals (SDGs) advocate for the integration of social, economic, and environmental sustainability indicators, calling for global cooperation in the pursuit of sustainability.

#### Environment

The Task Force on Climate-related Financial Disclosures (TCFD) helps investors and decision-makers understand an organization's climate-related risks, opportunities, and financial impacts, enabling organizations to overcome the challenges of transition.

#### Society

1. International Labor Organization (ILO), continuously improves employees' working and living conditions and safeguards their rightful rights.
2. Social Accountability 8000 (SA8000), ensures that the human rights, environment, and ethics of supply chain partners comply with international standards of conduct.
3. Responsible Business Alliance (RBA), ensures that supply chain partners can provide a safe working environment and that workers are treated with respect.
4. Responsible Minerals Initiative (RMI), refuses to use conflict minerals.
5. UN Universal Declaration of Human Rights, maintains everyone's basic rights.
6. UN Global Compact, corporate operational strategies and policies for the protection of human rights, labor, environmental protection, and anti-corruption.
7. UN Guiding Principles on Business and Human Rights, prevents commercial activities from adversely affecting human rights.

#### Governance

The UN Convention Against Corruption (UNCAC) establishes a framework for preventing corruption and creating a robust governance system with zero tolerance of corruption.



## Nichidenbo Main Regulatory Documents

Name	Approval Level	Target Audience	Purpose
<b>Sustainable Development Best Practice Principles</b>	Board of Directors	Overall operational activities of Nichidenbo and other enterprises within the Group	To practice corporate social responsibility and promote economic, environmental, and social progress to achieve the goal of sustainable development.
<b>Corporate Governance Best Practice Principles</b>		Nichidenbo	To establish a good corporate governance system and effective corporate governance framework to protect shareholders' rights.
<b>Codes of Ethical Conduct</b>		Directors, supervisors, managerial officers, and other employees of Nichidenbo and other enterprises within the Group	To ensure that the behavior of Nichidenbo directors, supervisors, managerial officers, and other employees complies with ethical standards, and to help stakeholders better understand the ethical standards of Nichidenbo.
<b>Procedures for Ethical Management and Guidelines for Conduct</b>		Directors, supervisors, managerial officers, employees, appointees, and persons with substantive control of Nichidenbo and other enterprises and organizations within the Group	To implement the ethical corporate management policy, and actively prevent dishonest behaviors, specifically regulating matters that Nichidenbo personnel should pay attention to when performing their duties.
<b>Bylaws to Report Cases of Illegal and Unethical Conduct</b>	General Manager	Internal colleagues and customers, suppliers, contractors of Nichidenbo	To implement the provisions of Nichidenbo Codes of Ethical Conduct and Ethical Corporate Management Best Practice Principles, and encourage reporting of any illegal acts or violations of Codes of Ethical Conduct or Ethical Corporate Management Best Practice Principles.
<b>Human Rights Policy</b>		Nichidenbo	To ensure the protection of human rights of employees and all stakeholders, Nichidenbo recognizes and adheres to internationally recognized human rights conventions, including the UN Universal Declaration of Human Rights, UN Global Compact, UN Guiding Principles on Business and Human Rights, and various human rights frameworks and intentions of ILO Conventions. We will never participate in any behavior that disregards or tramples on human rights. Human rights policies are formulated in accordance with the guiding principles of the aforementioned documents to safeguard human rights.

The above guidelines/policies are communicated with internal and external stakeholders via email, relevant meetings, official website or intranet, contract terms, etc.



Nichidenbo  
Important  
Regulations



Nichidenbo  
Human Rights  
Policy



## Human Rights Due Diligence Process

Nichidenbo, in order to fulfill our commitment to human rights, continuously assesses various human rights issues through regular attention to major social issues, data monitoring, and surveys, and proposes specific practices and mitigation measures. Nichidenbo will continue to improve the implementation of human rights due diligence, enhancing the importance of respecting human rights in the workplace and business environment.

Human Rights Policy	Target	Assessment Aspects	Specific Practices And Mitigation Measures
<b>Prohibition of child labor and forced labor</b>	All staff	<ul style="list-style-type: none"> <li>Prohibition of employing child labor.</li> <li>Verify identity and age upon onboarding, applicants who do not meet legal requirements will not be hired.</li> <li>Establish normal working hours and overtime systems in accordance with the law, ensuring no forced labor.</li> </ul>	<ol style="list-style-type: none"> <li>Prohibit the use of child labor under the age of 16, prohibit forced labor and any improper employment discrimination.</li> <li>Do not force or coerce any individual into performing labor against their will, and all regulations regarding employees' daily and weekly normal working hours, overtime, rest days, annual leaves, other types of leaves, and extended working hours comply with legal requirements.</li> <li>Relevant identification documents shall be submitted upon onboarding, applicants who do not meet the minimum legal age for employment will not be hired.</li> </ol>
<b>Elimination of discrimination, respect for diversity, and assurance of equality</b>	All staff	<ul style="list-style-type: none"> <li>Providing employee suggestion channels.</li> <li>Use employee performance and professional skills as evaluation criteria.</li> <li>Ensure diversity and equality in talent recruitment, employment, and rewards.</li> </ul>	<ol style="list-style-type: none"> <li>Develop corporate policies and strategies for Diversity and inclusion (D&amp;I), actively creating a diverse, equal, and friendly corporate culture and work environment to enhance corporate image and reputation.</li> <li>Provide equal employment opportunities and treatment without discrimination based on race, color, gender, religion, political affiliation, nationality, or social origin.</li> <li>Safeguard various labor rights, including minimum wage, working hours (including overtime), insurance, leave, pension systems, termination notice periods, freedom of association, and collective bargaining right.</li> <li>Conduct annual employee performance evaluations and link the results to salary adjustments, promotions, rewards, and transfers.</li> <li>Implement the "Gender Equality in Employment Act", and ensure employees' right to parental leave.</li> <li>Hold quarterly labor-management meetings to facilitate two-way communication and negotiation on topics such as promoting labor-management cooperation, coordinating labor relations, improving working conditions, and planning employee benefits.</li> </ol>
<b>Prohibition of illegal infringement and promotion of a zero-harassment environment</b>	All staff	<ul style="list-style-type: none"> <li>Grievance investigation system and handling procedures.</li> <li>Set up a dedicated hotline and email for handling grievances, and relevant information made accessible at noticeable locations in the workplace.</li> </ul>	<ol style="list-style-type: none"> <li>Zero tolerance for workplace bullying by its management or supervisors, as well as any acts of workplace violence against its employees by colleagues, suppliers, customers, or strangers.</li> <li>Harassment is strictly prohibited, and the Company is committed to creating a safe, equal, and harassment-free work environment free from discrimination.</li> <li>Promulgated the Procedures for the Prevention, Complaint Investigation, and Disciplinary Handling of Sexual Harassment, Procedures for Preventing Illegal Harm while Performing Duties, and Bylaws to Report Cases of Illegal and Unethical Conduct.</li> <li>Employees can voice their concerns through a dedicated mailbox or labor-management meetings, or directly appeal to senior management, to uphold labor rights.</li> </ol>





Human Rights Policies	Target	Assessment Aspects	Specific Practices And Mitigation Measures
Implementation of workplace health and safety	All staff	<ul style="list-style-type: none"> <li>Employee occupational safety and health.</li> <li>Physical workplace safety.</li> <li>Health management and medical consultation.</li> <li>Diverse clubs and employee activities.</li> <li>Childcare subsidies for employees' children.</li> <li>Flexible work schedule system.</li> </ul>	<ol style="list-style-type: none"> <li>1. Appoint occupational safety and health management personnel responsible for supervising, implementing, and promoting occupational safety and health management plans.</li> <li>2. Arrange occupational safety and health education and training for employees.</li> <li>3. Conduct regular inspections of all tools and equipment used in the workplace, ensuring that unsafe or uncertified equipment or tools is not utilized.</li> <li>4. Assign designated personnel such as fire safety managers and first-aid personnel to strengthen safety measures for employees within the workplace.</li> <li>5. Hold fire drills, establish and organize self-defense fire brigades, and plan community safety evacuation routes every six months.</li> <li>6. Conduct and report regular annual inspections of firefighting equipment.</li> <li>7. Arrange regular health checkups for employees each year and employ medical personnel to provide on-site health-related services, and hold regular health seminars to ensure employees' well-being.</li> <li>8. Promote employee interaction and team spirit through various club activities (e.g. bowling club, badminton club, triathlon club, cycling club, aerobics club, and outdoor trail ecological exploration club) and occasional family days or local and overseas employee trips.</li> <li>9. Provide flexible work schedules to help employees balance work, family life, or further education needs.</li> <li>10. Create a breastfeeding-friendly environment and offer childcare subsidies each year for employees with children under the age of 12.</li> </ol>
Protection of personal information and privacy	All staff	<ul style="list-style-type: none"> <li>Regularly review of stored personal data servers.</li> <li>Strengthen access control for personnel entering and exiting the server room.</li> <li>Establish an Information Security Task Force to develop an information security risk management framework.</li> <li>Conduct regular cybersecurity audits and enhance software and hardware equipment.</li> </ul>	<ol style="list-style-type: none"> <li>1. Establish a dedicated information security unit with an appointed information security officer and specialized personnel responsible for promoting information security policies, planning information security systems, and monitoring and executing information security management operations.</li> <li>2. Regularly update antivirus software and enhance hardware firewalls to block viruses effectively.</li> <li>3. Regularly conduct data backups and restoration tests, as well as regular disaster recovery simulations.</li> <li>4. Properly manage user accounts and permissions, and regularly check system permission settings to prevent leakage of confidential information.</li> <li>5. Ensure that the Company's IT department regularly inspects personal data storage servers for potential attacks or data breaches involving employee and customer information.</li> <li>6. Strengthen access control of personnel entering and exiting the server room to prevent leakage of important personal data.</li> <li>7. Implement employee education and training programs to enhance their awareness and capabilities in information security and personal data protection.</li> </ol>



## Incorporate Policy Commitments

Nichidenbo adheres to responsible business conduct. To foster a corporate culture of integrity and honesty, and to meet the expectations of investors and other stakeholders, the Board of Directors has approved and issued the Procedures for Ethical Management and Guidelines for Conduct and other related regulations, detailing the Company's policies, guidelines, operating procedures, codes of conduct, and grievance mechanisms, requiring employees and business partners to comply with these standards when conducting business to prevent dishonest behavior, with the aim of shaping a corporate culture of integrity and accountability for the Company, demonstrating our commitment to the highest ethical standards in all business activities.

When implementing sustainable policy commitments, we integrate them into the Company's internal control system by formulating relevant content within the Articles of Incorporation, work rules, and other internal documents, and incorporating them into operational policies and procedures. The Company's directors are responsible for fulfilling their duty of care, supervising and supporting management in practicing sustainable development, regularly reviewing implementation effectiveness, and driving continuous improvement. To effectively fulfill our commitment to sustainable development, we also promote green supply chains and green marketing externally, aiming to achieve sustainability through collaboration across upstream and downstream industry resources.

## Promotion and Advocacy of Responsible Business Conduct

To ensure that Nichidenbo employees understand and implement the Company's policy commitments, ethical corporate management principles, and professional ethics, regular education and training is conducted annually for both new hires and existing staff to enhance their understanding of professional ethics and regulatory compliance. The training activities in 2024 are summarized as follows.

Nichidenbo also requires business partners to comply with social and environmental responsibility requirements, including but not limited to the RBA Code of Conduct, the Universal Declaration of Human Rights, ILO Conventions, national laws, and the Social Accountability 8000 standard.

Nichidenbo complies with the laws and regulations of the competent authorities on corporate governance, honest operations, environmental protection, and labor rights. To ensure a full and truthful legal compliance, regular education and promotion are conducted for employees, promoting the concept of honest operations in the daily business execution of all employees. Additionally, irregular updates on new regulations from the competent authorities are communicated to the Board of Directors every year to ensure their understanding of the significance of the updates.



## Nichidenbo 2024 Trainings

Course	Target (New staff / All staff / Individual staff)	Training method (Internal training/ External training)	Number of trainees	Completion rate
Corporate ESG Practical Project: Case Studies on Legal Liabilities of "Gender Equality and Human Rights"	Individual staff	Internal training	14	100%
Educational training on sexual harassment	Individual staff	External training	3	100%
2024 Intellectual Property and Integrity Promotion Conference	All staff	Internal training	98	61%
Internal training for new employees (Note)	New staff	Internal training	22	100%

### Note:

- In addition to general onboarding guidance, internal training for new employees also includes education and trainings related to responsible business conduct such as Sexual Harassment Awareness Education, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Bylaws to Report Cases of Illegal and Unethical Conduct, Procedures for Handling Material Inside Information, and Insider Trading Prevention Management.
- In 2024, there were 23 new employees, in which one resigned on the first day of employment and did not receive internal training for new employees, thus there were 22 trainees.
- Calculation method of completion rate:
  - New staff: Number of trainees / All new staff of Nichidenbo
  - All staff: Number of trainees / All staff of Nichidenbo
  - Individual staff: Number of trainees / All target staff of the training session

## Mechanism for Seeking Advice and Raising Concerns

Integrity and responsible business conduct are the foundation of sustainable business operations. Therefore, Nichidenbo has established various complaint reporting and suggestion channels to encourage stakeholders to report, lodge complaints, or provide relevant suggestions regarding dishonest or unethical behavior, as well as any operational activities that impact the environment, economy, society, and human rights.

Nichidenbo has provided a whistleblowing channel on the official website, allowing both internal and external personnel to directly report illegal activities to us through a public whistleblowing mailbox. The option of anonymous reporting is also available. The handling unit is required to keep the identity of the informant and the details of the incident confidential, and, unless necessary for investigation, information will not be shared with third parties unrelated to the incident, preventing any unfair or adverse treatment. Relevant protection mechanisms, case acceptance procedures, and standards for handling violations are expressly specified in the Bylaws for Reporting Illegal and Unethical Conduct. In 2024, Nichidenbo did not receive any complaints or reports.



**Nichidenbo Stakeholder Contact Email**





## 1.2 Stakeholder Engagement

### Identify Communication Targets

Following the five principles of the AA1000SES Stakeholder Engagement Standard: influence, attention, responsibility, dependency, and diverse perspectives, identified six stakeholder groups were identified based on their importance to Nichidenbo: employees, shareholders/investors, competent authorities, suppliers, customers, and banks. In 2024, we will continue to engage with stakeholders and understand their needs and expectations through diverse communication channels. The assessment results in 2024 remain unchanged from the previous year.

### Communication and Management of Stakeholders

To fulfill corporate social responsibility, attention should be paid to stakeholders' equity, while pursuing sustainable operation and profit, focus on environmental, social, and Corporate Governance issues, and incorporate them into the Company's management policies and operational activities to achieve the goal of sustainable operation. Nichidenbo, through the following effective communication platform with stakeholders, understands the reasonable expectations and needs of stakeholders, whether it is economic, social, or environmental questions, complaints, or suggestions on internal and external issues, Nichidenbo will handle them appropriately with the principle of integrity and provide feedback or improvement plans to achieve effective communication.


In addition, to ensure effective communication with a wide range of stakeholders through the Sustainability Report, Nichidenbo has also set up a dedicated "Stakeholder Zone" on the official website, providing exclusive contact channels for stakeholders. For any questions, suggestions, or complaints regarding material topics or other report contents, stakeholders may use this mailbox to maintain smooth and effective communication with the Company.






**Nichidenbo Stakeholder Zone**



## Issues of Concern of Stakeholders and Stakeholder Engagement In 2024 are as follows:

Stakeholder	Importance and purpose of communication to Nichidenbo	Concern issues	Communication channel	Communication frequency	Communication performance in 2024
 <b>Employee</b>	<p>Employees are the key force in achieving the Company's sustainable development. Through regular meetings and close interaction with employees via electronic platforms, we are committed to creating a diverse, equal, and healthy work environment, providing professional training and development opportunities, inspiring creativity and work motivation, to jointly achieving sustainable development goals.</p>	<ul style="list-style-type: none"> <li>• Labor relations</li> <li>• Employee welfare and health care</li> <li>• Business performance and communication</li> <li>• Talent training</li> <li>• Human rights equality</li> </ul>	Labor-management meeting	Quarterly	<ul style="list-style-type: none"> <li>• In 2024, a total of 4 labor-management meetings were held, with no labor disputes or related losses, indicating good labor-management relations.</li> <li>• A performance appraisal interview was conducted once in 2024, and promotions and salary adjustments were made based on the appraisal results. Through performance appraisals, we hope to gain a deeper understanding of each employee's work performance and contributions, and to provide them with corresponding development opportunities.</li> <li>• The 2024 annual departmental reports was held on January 20, 2025.</li> <li>• In 2024, a total of 6 Employee Welfare Committee meetings were held, primarily discussing annual employee travel, holiday gift vouchers, birthday cash gifts, and year-end banquets.</li> <li>• Birthday parties were held every two months, with a total of six birthday parties held in 2024.</li> <li>• Irregular internal and external seminars and workshops are held, and a video learning platform is promoted to enhance employees' professional knowledge and skills. In 2024, the average training hours per employee was 12 hours.</li> <li>• An internal service satisfaction voting activity is conducted every November to enhance cross-departmental service quality and efficiency. Employee complaint mailbox and hotline are also provided to promote smooth communication channels and equal employment opportunities for employees. In 2024, one internal service satisfaction survey was conducted, and the voting rate was 80.6%, with a total of 129 participants.</li> </ul>
			Performance appraisal interviews and salary adjustments	Annually	
			Supervisors' meetings	Weekly	
			Business meetings and management meeting	Monthly	
			Employee health checkups	Annually	
			Employee Welfare Committee meetings	Quarterly	
			Lectures / education and trainings / seminars	Irregularly	
			Annual reports of each department	Annually	
			Internal service satisfaction survey	Annually	
			Employee grievance mailbox and hotline hr@ndb-group.com	Permanent	





Stakeholder	Importance and purpose of communication to Nichidenbo	Concern issues	Communication channel	Communication frequency	Communication performance in 2024
 <b>Shareholder/ Investor</b>	<p>Nichidenbo provides all shareholders with the capital necessary for the Company's operations so that we can generate profits for shareholders in a stable business model. We disclose operating and financial information in a transparent manner to protect the basic rights and interests of our shareholders and investors.</p>	<ul style="list-style-type: none"> <li>Business performance</li> <li>Information disclosure transparency</li> <li>Shareholder participation and market position</li> </ul>	Company website, Market Observation Post System	Monthly / Quarterly	<ul style="list-style-type: none"> <li>The General Shareholders' Meeting was held on June 25, 2024, to communicate face-to-face with shareholders and fulfill responsibilities to them.</li> <li>In 2024, we were invited to participate in 2 domestic investor conferences.</li> <li>In 2024, 32 significant announcements were published in Chinese/English on the Company's website.</li> <li>In 2024, a total of 9 calls from institutions/investors were handled. The topics of communication include "how shareholders could change their mailing address", "matters relating to souvenirs for Shareholders' Meeting, e.g. where, how and what will be included in the souvenirs", and "matters relating to investor conference, e.g. time and location of the investor conference".</li> </ul>
			Departmental communication and working meetings	Irregularly	
			Investor Conference	Annually	
			Annual Shareholders' Meeting	Annually	
			Investor Relations Enquiry Window deputy-spokesman@ndb-group.com	Permanent	
			Investor Presentation System	Permanent	
			Reply to shareholder phone inquiries	Real-time	
 <b>Competent authority</b>	<p>Strictly follow the rules and regulations of the competent authorities and cooperate in the execution of audits and supervision.</p>	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Corporate governance</li> </ul>	Publicizing the laws and regulations of the competent authorities	Irregularly	<ul style="list-style-type: none"> <li>In 2024, we participated in 5 online seminars organized by the Taiwan Stock Exchange (Listed Company Business Promotion Seminar, Legal Compliance Promotion Seminar on Insider Equity Transactions, Listed Company sustainability report Preparation and Production Function Seminar, Corporate Governance Evaluation Promotion Course, Green Sustainable Finance and Net-Zero Carbon Reduction Promotion Course).</li> <li>In 2024, over 142 official electronic documents were exchanged with competent authorities.</li> </ul>
			Official correspondence	Irregularly	
			Competent Authority Contact Window deputy-spokesman@ndb-group.com	Permanent	
 <b>Supplier</b>	<p>Excellent suppliers can provide high-quality and stable raw materials. Nichidenbo hopes to assist each other and work together with manufacturers, focusing on quality and implementing sustainable supplier management to provide a more ESG-friendly industrial environment.</p>	<ul style="list-style-type: none"> <li>Supplier sustainable management</li> <li>Supplier information acquisition and communication</li> </ul>	Supplier / Processor evaluation	Every two years	<ul style="list-style-type: none"> <li>To promote new products, suppliers organize new product briefings or seminars via in-person or video conferences, and accompany sales teams to client sites for product introductions or conduct explanations via video conferences, to facilitate marketing and drive business growth. A total of 3 new product presentations/seminars were held in 2024.</li> </ul>
			Supplier meetings	Monthly	
			Supplier Enquiry Window jan@ndb.com.tw	Irregularly	
			New product presentation / seminar	Irregularly	



# 01 Sustainable Future



20

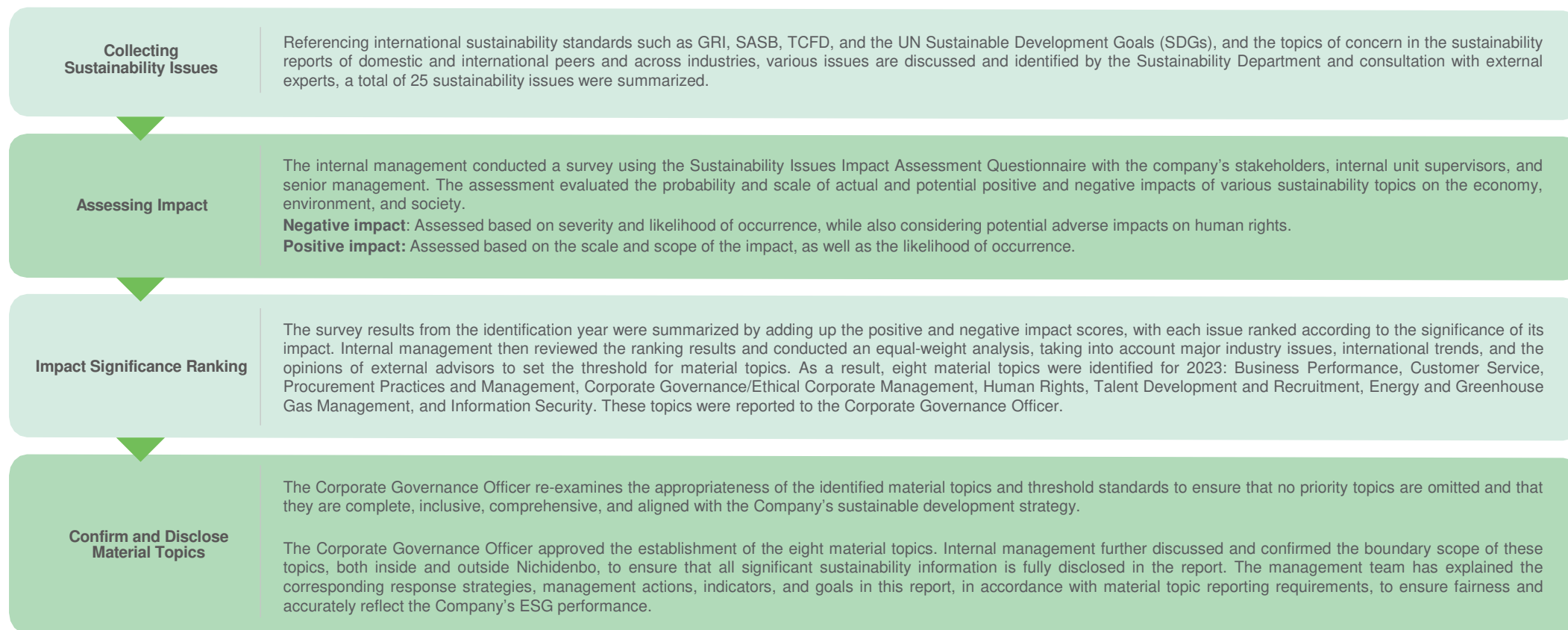
Stakeholder	Importance and communication objectives for Nichidenbo	Focus on issues	Communication channel	Communication frequency	Communication situation in 2024
 <b>Customer</b>	<p>To protect customer information, Nichidenbo has strengthened its information security controls to maintain customer trust and eliminate any doubts about our products and services. Additionally, customer shipping demands are a primary revenue source for Nichidenbo. We listen to customer needs, stay informed about industry trends, and provide professional consultation to meet expectations and achieve mutual growth.</p>	<ul style="list-style-type: none"> <li>Information security</li> <li>Customer protection, communication and service</li> </ul>	Hardware firewall / backend data backup	Permanent	<ul style="list-style-type: none"> <li>In 2024, there were no significant cybersecurity incidents, including violations of information security or customer data leaks.</li> <li>A customer satisfaction survey was conducted in 2024, with customer satisfaction reaching 85 points.</li> <li>In 2024, we were invited to participate in the "Sustainable Supply Chain ESG Training Camp" and "ESG Sustainable Action Workshop—Online Course on Greenhouse Gas Inventory" organized by our Group's clients, reflecting our commitment to supporting and promoting corporate ESG initiatives and training through active engagement.</li> </ul>
			Email	Real-time	
			Brand and customer enquiry window jacky@ndb.com.tw nelson-hsu@ndb-group.com	Permanent	
 <b>Bank</b>	<p>Banks are an important source of operating capital for Nichidenbo. Through close communication, and demonstrating our value with excellent operational performance and sustainable initiatives, Nichidenbo secure stable and competitive operating capital.</p>	<ul style="list-style-type: none"> <li>Integrity in business operations and transparency of information</li> <li>Information security and risk management</li> <li>Service quality, relationship maintenance, and sustainable management planning</li> </ul>	Company website / Market Observation Post System	Monthly / Quarterly	<ul style="list-style-type: none"> <li>Communicate irregularly with bank contact points via phone, communication software, and email to confirm the accuracy of operational processes and documents, with a minimum of 1,040 contacts in 2024.</li> <li>Attended 12 meetings related to foreign exchange hedging and 2 training courses or lectures hosted by financial institutions in 2024.</li> <li>Meet at least once a year with each bank to discuss the renewal of credit facilities, maintaining a good credit relationship and striving for better financing conditions to meet the Company's business expansion needs. Conducted a total of 45 face-to-face interviews with banks.</li> </ul>
			Update antivirus software	Weekly	
			Update online banking password	Every six months	
			Phone / communication software / email	Irregularly	
			Lectures / forums / seminars	Irregularly	
			Bank relationship enquiry window doris-hsu@ndb-group.com	Permanent	
			Face-to-face interview	Irregularly	

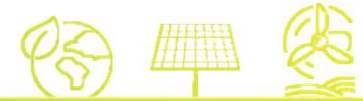


## 1.3 Materiality Analysis

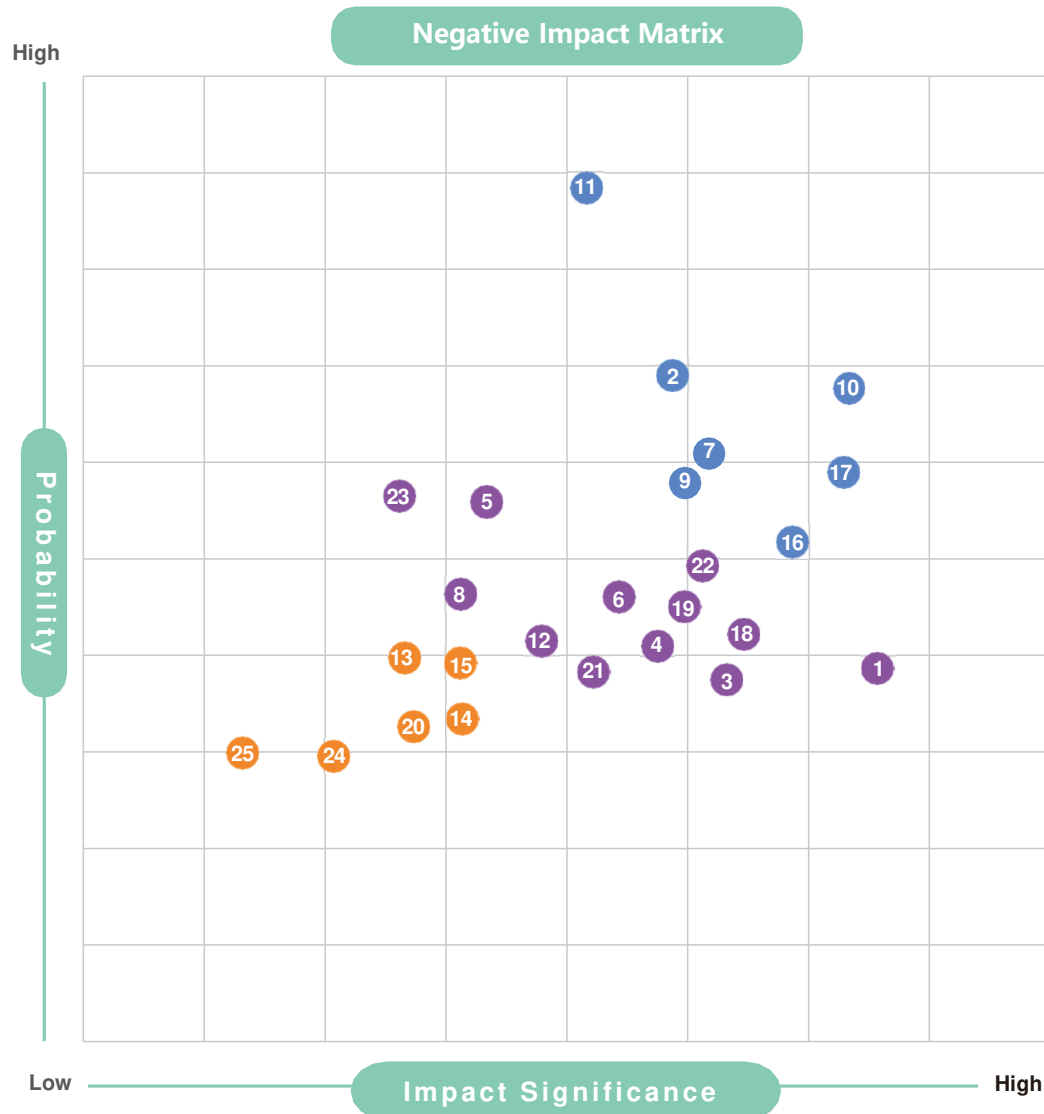
Nichidenbo reviews its material topics and related impacts on a biennial basis. The identification of material topics was completed in 2023, making 2024 the second year in the materiality analysis cycle, which is to review the identification results in 2023. The Company examined changes in the impacts of the sustainability issues identified in 2023, including material topics. Since there were no material changes in Nichidenbo's operations and business relationships in 2024, and that there were also no material changes in the impact significance for each topic identified in 2023, also taking into account the feedback from stakeholders and discussions held by the Company with external expert consultants in dedicated meetings, the Corporate Governance Officer approved the continuation of the material topics identified in the previous year, which means the eight sustainability issues for 2024 are: Business Performance, Customer Service, Procurement Practices and Management, Corporate Governance/Ethical Corporate Management, Human Rights, Talent Development and Recruitment, Energy and Greenhouse Gas Management, and Information Security.

### Material Topic Identification Process





## Nichidenbo 2023 Materiality Analysis Results (Reviewed and Continued in 2024)



### 7 Primary Negative Impact Topics

- 2 Economic performance
- 7 Customer Services
- 9 Energy and Greenhouse Gas Management
- 10 Information Security
- 11 Talent Development and Recruitment
- 16 Human Rights
- 17 Procurement Practices and Management

### 12 Secondary Negative Impact Topics

- 1 Corporate Governance/Ethical Corporate Management
- 3 Regulatory Compliance
- 4 Product Quality and Safety
- 5 Green Products and Innovative Services
- 6 Occupational Safety and Health
- 8 Supply Chain Management
- 12 Labor Relations
- 18 Employee Care and Labor Protection
- 19 Marketing and Labeling
- 21 Tax Responsibility
- 22 Risk Management
- 23 Digital Transformation

### 6 Continuously Monitored Negative Impact Topics

- 13 Climate Change and Adaptation
- 14 Hazardous Substance Management
- 15 Waste Management
- 20 Social Welfare
- 24 Water Resources and Wastewater Management
- 25 Biodiversity



## Nichidenbo 2023 Materiality Analysis Results (Reviewed and Continued in 2024)



### 7 Primary Positive Impact Topics

- |   |   |
|---|---|
| 1 Corporate Governance/Ethical Corporate Management | 11 Talent Development and Recruitment   |
| 2 Business Performance                              | 16 Human Rights                         |
| 7 Customer Service                                  | 17 Procurement Practices and Management |
| 10 Information Security                             |   |

### 12 Secondary Positive Impact Topics

- |  |                                       |
|--|---------------------------------------|
| 3 Regulatory Compliance                | 15 Waste Management                   |
| 4 Product Quality and Safety           | 18 Employee Care and Labor Protection |
| 6 Occupational Safety and Health       | 19 Marketing and Labeling             |
| 8 Supply Chain Management              | 20 Social Welfare                     |
| 9 Energy and Greenhouse Gas Management | 21 Tax Responsibility                 |
| 12 Labor relations                     | 22 Risk Management                    |

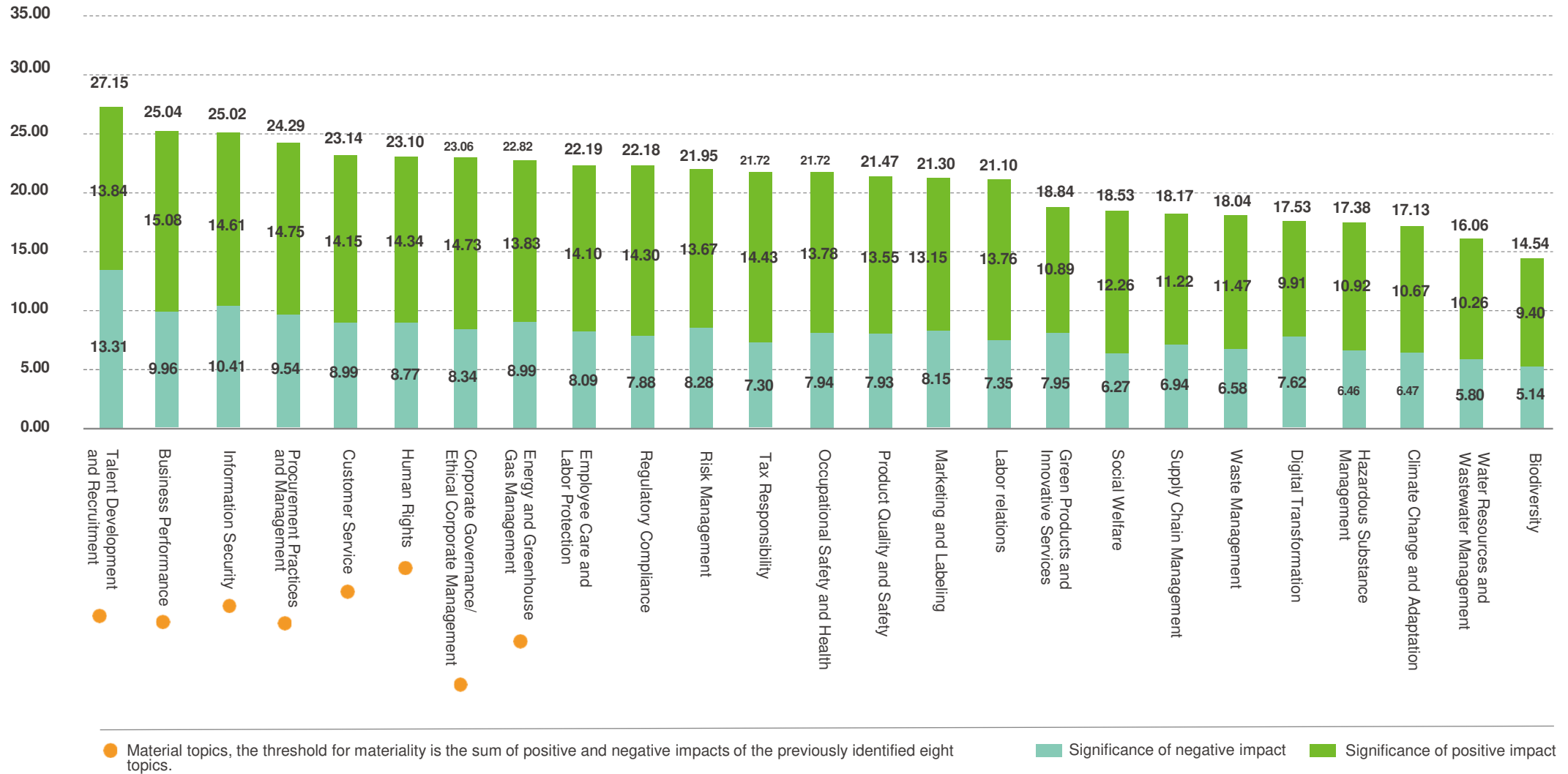
### 6 Continuously Monitored Positive Impact Topics

- |  |  |
|--|--|
| 5 Green Products and Innovative Services | 23 Digital Transformation                    |
| 13 Climate Change and Adaptation         | 24 Water Resources and Wastewater Management |
| 14 Hazardous Substance Management        | 25 Biodiversity                              |






## Assessment of the Significance of Positive and Negative Impacts of Sustainability Issues







## List of Material Topics and Value Chain Boundaries for 2024

Aspect	Material Topics	Value Chain Boundary Impact			Corresponding Impact		Explanation of Impact
		Upstream Electronic component manufacturer	Nichidenbo Operation	Downstream Product manufacturer	Actual	Potential	
 <b>Governance /Economy</b>	<b>Corporate Governance and Ethical Corporate Management</b>	●	●	●	■	□	Positive Impact  To establish a sound governance system and operation, Nichidenbo integrates the corporate governance framework with relevant laws, regulations, and best practice principles, to ensure sustainable operations for the Company through robust governance mechanisms and ethical management, protecting our reputation and image, and building trust of investors and clients.
							Negative Impact  If the corporate governance framework fails to effectively integrated with relevant laws, regulations, and best practice principles, with inadequate governance system and operations and mismanagement by the Board of Directors and functional committees, poor decisions, financial losses, reputational damage, and reduced customer trust may be resulted, ultimately harming the interests of investors and clients.
	<b>Business Performance</b>	●	●	●	■		Positive Impact  Good performance not only allows Nichidenbo to continue operating, but also creates stable and more job opportunities, creating value for all stakeholders of Nichidenbo.
							Negative Impact  Poor business can hinder Nichidenbo's ongoing operation, resulting in investor losses. In addition, failure to grasp market trends and establish a sound financial structure may lead to profit decline on the electronic components and ICT end-product markets, affecting the interests and expectations of stakeholders.

● Direct impact    ● Indirect impact    ■ Actual positive impact    □ Potential positive impact    ■ Actual negative impact    □ Potential negative impact



## List of Material Topics and Value Chain Boundaries for 2024

Aspect	Material Topics	Value Chain Boundary Impact			Corresponding Impact		Explanation of Impact	
		Upstream Electronic component manufacturer	Nichidenbo Operation	Downstream Product manufacturer	Actual	Potential		
 Governance /Economy	Information Security	●	●	●	■	□	Positive impact	Nichidenbo continues to establish a comprehensive information security management system and measures to avoid information security threats. Through sound information security management measures, we protect relevant information (including personal data) of employees and all business partners cooperating with Nichidenbo, to gain workers' trust and enhance our corporate reputation.
							Negative impact	If security measures failed to be effectively implemented, it may cause leakage of sensitive and critical information, affecting interests of customers and stakeholders, business interests, cooperative operations, and reputation.
 Environment	Energy and Greenhouse Gas Management	●	●	●	■	□	Positive impact	We actively cooperate with the government to promote corporate greenhouse gas inventory operations, and report the execution progress quarterly to the Board of Directors, continuously control the completion status of greenhouse gas inventory and verification disclosure schedules, seek reduction opportunities, propose improvement plans, and gradually enhance greenhouse gas reduction performance.
							Negative impact	Poor energy management policies may lead to energy waste, increasing operating costs, and failure to respond to the net-zero trend, which may increase the negative impact on the environment during operations.

● Direct impact  
 ● Indirect impact  
 ■ Actual positive impact  
 □ Potential positive impact  
 ■ Actual negative impact  
 □ Potential negative impact

## List of Material Topics and Value Chain Boundaries for 2024


Aspect	Material Topics	Value Chain Boundary Impact			Corresponding Impact		Explanation of Impact	
		Upstream Electronic component manufacturer	Nichidenbo Operation	Downstream Product manufacturer	Actual	Potential		
 Society	Procurement Practices and Management	●	●	●	■		Positive impact	Through a good procurement management system, Nichidenbo effectively controls delivery times and maintain system prices, and at the same time implement sustainable procurement practices, adjust shipping and packaging methods (such as pallet and carton recycling and reuse) to effectively utilize resources, enhancing overall operational efficiency and meet customer needs.
							Negative impact	A lack of a sound procurement management system, inability to effectively control delivery times and maintain system prices, and failure to implement sustainable procurement practices may result in unstable supply quality, higher costs, and non-compliance with standards such as RoHS, REACH, ISO, and IATF. These issues not only damage the Company's reputation, but also negatively impact the environment and society, thereby affecting the interests of stakeholders.
	Customer Service		●	●	■	□	Positive impact	Provide customers with high-quality integrated solutions, and update market information in a timely manner to help customers produce competitive products.
							Negative impact	If there is no sound customer service and complaint mechanism, causing harm to customer interests, it may lead to customer distrust and affect long-term cooperation relationships.

● Direct impact    ● Indirect impact    ■ Actual positive impact    □ Potential positive impact    ■ Actual negative impact    □ Potential negative impact





## List of Material Topics and Value Chain Boundaries for 2024

Aspect	Material Topics	Value Chain Boundary Impact			Corresponding Impact		Explanation of Impact	
		Upstream Electronic component manufacturer	Nichidenbo Operation	Downstream Product manufacturer	Actual	Potential		
 Society	Talent Development and Recruitment		●	●	■	□	Positive impact	Employees are the Company's most important assets. Nichidenbo places great emphasis on talent and professional skill development, providing comprehensive basic training and assistance related to employee career growth.
							Negative impact	Failure to provide comprehensive basic training and assistance related to employee career development may lead to the risks of low work efficiency and talent loss.
	Human Rights	●	●	●	■	□	Positive impact	Nichidenbo values the human rights of every employee and stakeholder, strives to develop diverse and inclusive (D&I) corporate policies and strategies, and actively establishes a diverse, equal, and friendly corporate culture and work environment, while enhancing the Company's image and reputation.
							Negative impact	Failure by the Company to safeguard the basic human rights of employees and partners may cause the lost of trust towards the Company from employees and partners.

● Direct impact  
 ● Indirect impact  
 ■ Actual positive impact  
 □ Potential positive impact  
 ■ Actual negative impact  
 □ Potential negative impact

# 02 CORPORATE GOVERNANCE

2.1 Corporate Governance and Ethical Corporate Management

2.2 Business Performance


2.3 Information Security





## 2.1 Corporate Governance and Ethical Corporate Management

### Management Policy

Material Topic			Corporate Governance and Ethical Corporate Management
<b>Linking SDGs</b> 			SDG 16 Peace, Justice and Strong Institutions
<b>Policy or Commitment</b>			<p><b>Corporate Governance:</b> Corporate Governance Best Practice Principles, Regulations Governing Procedure for Board of Directors Meetings, Rules Governing the Scope of Powers of Independent Directors, Audit Committee Charter, Sustainable Development Best Practice Principles, Self-Evaluation or Peer Evaluation of the Board of Directors</p> <p><b>Integrity in Business:</b> Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Insider Trading Rules, Procedures for Handling Material Inside Information, Codes of Ethical Conduct, Bylaws to Report Cases of Illegal and Unethical Conduct</p> <p><b>Commitment:</b> "Integrity is the foundation; service is the principle; growth is the goal; and co-prosperity is the essence" are the four major principles of the Nichidenbo.</p>
<b>Indicators and Targets</b>			<div> <p><b>Short-term goals (2025–2026):</b></p> <ul style="list-style-type: none"> <li>Using the corporate governance evaluation indicators and regulatory authority laws, occasionally review or revise the corporate governance related regulations.</li> <li>Strengthen corporate governance measures, improve corporate governance evaluation ranking, continuously enhance Board of Directors functions, and create sustainable corporate value.</li> </ul> </div> <div> <p><b>Medium to long-term goals (2027–2032):</b></p> <ul style="list-style-type: none"> <li>Continuously cooperate with the competent authorities and legal regulations to establish relevant systems and strengthen ethical corporate management.</li> </ul> </div>
<b>Effectiveness Tracking Mechanism</b>			<ul style="list-style-type: none"> <li>Implement rigorous internal control audits and propose improvement plans</li> <li>Perfect the corporate governance organizational structure, establish relevant functional committees (such as Audit Committee, Remuneration Committee), each performing its duties.</li> <li>Every year, performance evaluations are conducted for the Board of Directors and various functional committees.</li> </ul>
<b>Annual Action and Performance</b>			<ul style="list-style-type: none"> <li>To ensure the effective implementation of the Company's ethical corporate management policy and to continuously improve internal control and risk management mechanisms, the Ethical Corporate Management Promotion Task Force holds regular annual meetings to report to the Chairman on the operation and implementation of the Company's ethical corporate management policy, and to submit the meeting results to the board of directors. In 2024, one meeting was held.</li> <li>Performance evaluations of the board of directors, directors, and functional committees have been conducted for 2024, and the overall performance evaluation results are all rated as 'excellent'.</li> <li>In 2024, the external evaluation of the board of directors was conducted by the Taiwan Institute of Ethical Business. The relevant evaluation conclusions and recommendations have been submitted to the board of directors.</li> </ul>

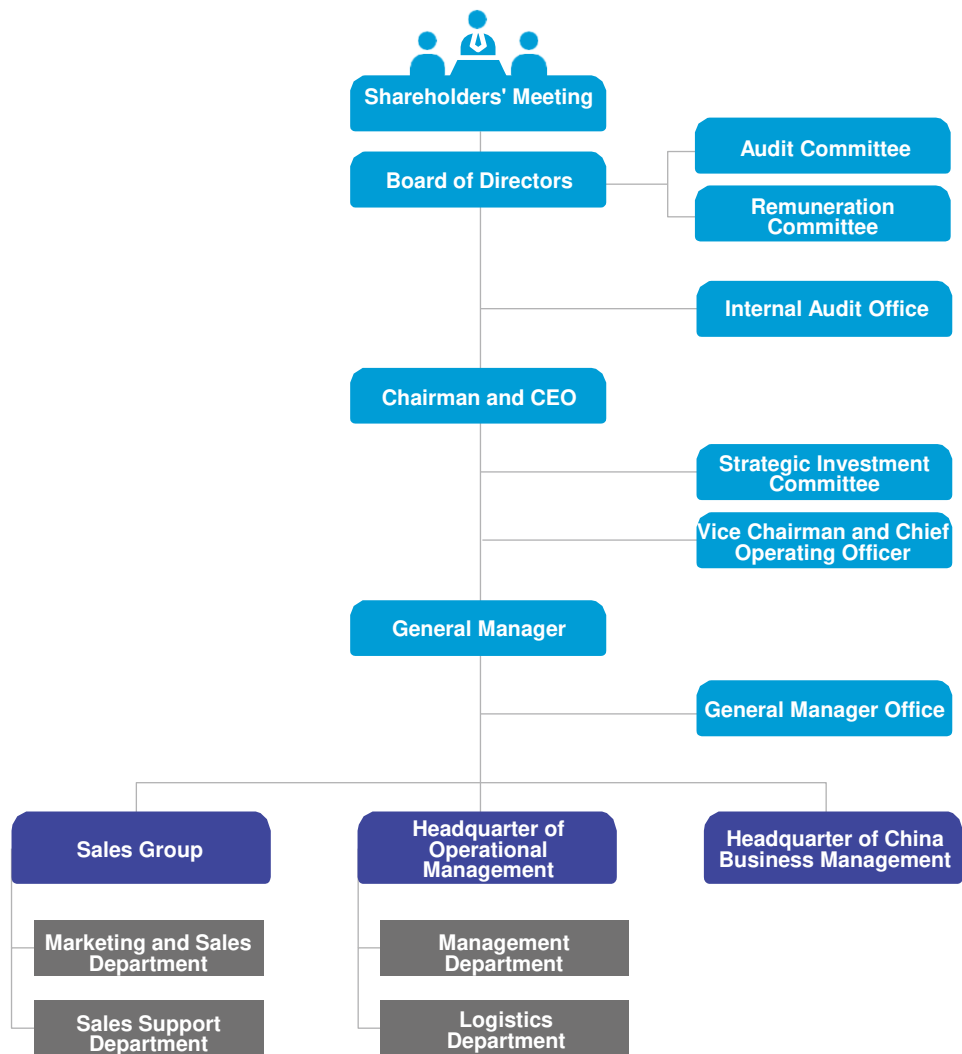




## Governance Structure and Responsibilities

### Corporate Governance Organization Chart

To learn more about the corporate governance structure, please see the Nichidenbo official website.



### Board of Directors

The Board of Directors serves as the highest governance body of Nichidenbo. Its primary responsibilities include guiding the Company's strategy, overseeing management, and ensuring accountability to the Company and its shareholders. The corporate governance framework and related practices are designed to ensure that the Board fulfills its duties in accordance with applicable laws, the Articles of Incorporation, and Shareholders' Meeting resolutions.

The 14th term of the Board of Directors was re-elected in June 2024 for a three-year term, comprising eight directors, including four independent directors, representing 50% of the board. Mr. CHOU, WEI LIN serves as Chairman of the Board and concurrently as Chief Executive Officer (CEO), providing strong and consistent leadership to ensure the effective planning and execution of long-term business strategies. To strengthen board functions and enhance corporate governance, the majority of directors do not hold positions as employees or managers of the Company. The Chairman maintains direct and transparent communication with all directors regarding business operations and strategic objectives. Among the independent directors, two possess professional expertise in business operations, while the other two have accounting and financial analysis backgrounds, enabling them to effectively fulfill their supervisory roles. The Company also provides annual training for directors to expand their professional knowledge and enhance board effectiveness. In 2024, the Board of Directors held a total of six meetings, at least one every quarter, with an annual average attendance rate of directors reaching 98%.

The Board of Directors is committed to rejuvenation and diversity. In future elections, director nominations will align with the Company's development strategy, the external and internal business environment, and the principle of gender equality in board composition. The Company will continue to invite qualified candidates to join the Board to ensure balanced governance. In the 2024 election, nominees were selected with an emphasis on bringing in experts from diverse fields. Currently, one female director serves on the Board. Moving forward, when evaluating board candidates, the Company will consider both business needs and gender balance, appointing directors with varied professional backgrounds to incorporate a broader range of perspectives into board deliberations.



### Nomination and Selection of the Highest Governing Body

In accordance with the Company's Procedures for Election of Directors and Corporate Governance Best Practice Principles, the election of all directors adopts a candidate nomination system, and the composition of the Board of Directors considers diversity standards. Director candidates are recommended based on factors such as company size, business nature, and diversity of expertise (e.g., law, accounting, industry, finance, marketing, or technology). The nomination, review, and announcement of directors are conducted in compliance with legal procedures. All directors assuming office must sign a consent to serve, performing their duties in good faith, and the Company purchases liability insurance for directors to mitigate their risk while executing their responsibilities.

Nichidenbo on June 25, 2024 fully re-elected the 14th term of the Board of Directors with a total of eight seats, consisting of four general directors and four independent directors. Independent director candidates were reviewed by the Board on May 8, 2024, considering diversity, independence, academic and professional background, industry experience, and relevant skills impacting organizational performance. All candidates were in compliance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, as well as the regulations in the Company Act. Accordingly, WU, CHIA HSUN; SU, MING YANG; HSU, HSOU CHUN; and WAN, GUO WEI were included in the Nichidenbo's 14th term independent director candidate list and were elected as 8 directors (including 4 Independent Directors) at the Annual Shareholders' Meeting on June 25, 2024.

Nichidenbo initiated a Chairman succession plan many years ago. After the founder and Chairman Mr. HUANG, JEN HU led the Company for over 25 years, based on experience inheritance and sustainable business operations, Mr. CHOU, WEI LIN took over as Chairman after the Director and Supervisor re-election at the Annual Shareholders' Meeting in June 2018. After the full re-election of Directors at the Annual Shareholders' Meeting in June 2024, Mr. CHOU, WEI LIN continued to serve as Chairman for this term.





Nichidenbo Board of Directors members

Job Title	Name	Gender	Age (Note 2)	Operational Judgment	Accounting and Financial Analysis	Business Management	Crisis Management	Industry knowledge	International Market View	Leadership decision	Have held any other Director / Supervisor Positions	Board of Directors meeting attendance in 2024
Chairman	CHOU, WEI LIN	Male	60–64 years old	●		●	●	●	●	●	Yes	6
Vice Chairman	LEE, KUN CHAN	Male	60–64 years old	●		●	●	●	●	●	Yes	6
Director	YU, YAO KUO	Male	50–54 years old	●		●	●	●	●	●	No	6
Legal Entity Representative Director	HUANG, PEI CHING	Female	35–39 years old	●		●	●	●	●	●	Yes	6
Independent Director	WU, CHIA HSUN	Male	70–74 years old		●		●				Yes	6
Independent Director	SU, MING YANG	Male	65–69 years old	●		●	●	●	●	●	No	5
Independent Director	HSU, HSOU CHUN	Male	55–59 years old		●	●	●		●		Yes	6
Independent Director	WAN, GWO WEI	Male	60–64 years old	●		●	●	●	●	●	No	4

Note:

1. The Board of Directors was fully re-elected on June 25, 2024, with a total of 8 seats, including 4 independent directors.

2. According to GRI standards, 1 director aged 30–50, 7 directors aged over 50.



## Supervision and Management of Impact

The Board of Directors directly participates in supervising and managing Nichidenbo's performance and risk management in economic, environmental, and social topics, and makes the final decisions. The Board of Directors will consider economic, environmental, and social themes and their impacts, risks, and opportunities, as well as stakeholders' opinions during important matters of resolution. For the status of stakeholder agreements, please refer to the stakeholder agreements section of this Report.

To enhance Nichidenbo's efficiency in Corporate Governance, protect shareholders' interests, and strengthen the functions of the Board of Directors, in 2023, Management Department LAI, NAN CHUN Vice President will serve as Corporate Governance Officer. Vice President LAI, NAN CHUN already has more than 10 years of experience in supervisory positions in auditing for publicly traded companies. The primary responsibilities of the Corporate Governance Officer include handling matters related to the Board of Directors and Annual Shareholders' Meeting in accordance with the law, preparing minutes for the Board of Directors and Annual Shareholders' Meeting, assisting the Director in assuming office and continuing education, providing the Director with the necessary information for business execution, and assisting the Director in complying with laws and other matters stipulated by the Articles of Nichidenbo or contracts. As of December 31, 2024, the Corporate Governance Officer had participated in four external training courses, totaling 18 hours.

## Board of Directors in the Role of Sustainability Reporting

The Company's sustainability report is coordinated and compiled by the Sustainability Department, while the data, strategic goals, and performance indicators disclosed in the report are confirmed and provided by various responsible units, and then integrated, compiled, proofread, and revised by the Sustainability Department. After the report is completed and each unit has confirmed its content integrity and accuracy, it will be approved by the highest authority of the relevant unit. The final complete draft is submitted by the Sustainability Department for review by the General Manager, and will be publicly released after approval by the Chief Executive Officer. In 2024, the Sustainability Report was submitted on August 6, 2025 for discussion and approval by resolution of the Board of Directors.

## Functional Committee

To effectively implement operational risk impact management and identify the Company's impact on the economy, environment, and people, Nichidenbo has established Audit Committee and Remuneration Committee under the jurisdiction of the Board of Directors. All major proposals that need to be reported to the Board of Directors undergo prior review and verification, which also enhances the quality of the Board of Directors' resolutions.

## Audit Committee

The Audit Committee is mainly responsible for executing corporate risk management. The Committee is appointed by the Annual Shareholders' Meeting to select four Independent Directors, and these four Independent Directors form the Audit Committee, which meets at least once every quarter. It reviews the expression of fair presentation of quarterly and annual financial reports, the effectiveness of internal control systems and related policies and procedures, matters involving the Directors' own interests, the independence and competence of certifying accountants and accounting firms, significant assets or derivative commodity transactions, significant capital loans, issuance or private placement of equity-like securities, and the control of existing or potential risks of the Company. The Audit Committee decides whether to report to the Board of Directors based on the significance of the risk report. In 2024, the Audit Committee convened six times, with an average attendance rate of 96%. For information on members and operations of the Audit Committee, please refer to Nichidenbo's official website and the Market Observation Post System.

## Remuneration Committee

The Company, in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange promulgated by the Financial Supervisory Commission of the Executive Yuan, established the Remuneration Committee upon approval by the Board of Directors on December 12, 2011. At the same time, the Remuneration Committee Charter was formulated, and four members were appointed to the committee.

The primary responsibilities of the Remuneration Committee are to formulate and regularly review policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managerial officers, regularly evaluate and determine their remuneration, and submit the recommendations to the Board of Directors for discussion. The scope of duties of the Remuneration Committee includes:

1. Regularly review the "Remuneration Committee Charter" and propose amendments.
2. Establish and regularly review the performance evaluation standards of Nichidenbo directors and managerial officers, annual and long-term performance goals and salary remuneration policies, systems, standards, and structures.
3. Regularly evaluate the performance target achievement of Nichidenbo directors and managerial officers, and based on the evaluation results obtained from the performance evaluation standards, determine the content and amount of their individual salary remuneration.



The Remuneration Committee holds at least three meetings each year, and in 2024, it held three meetings with an attendance rate of 100%. For information on members and operations of the Remuneration Committee, please refer to the Nichidenbo's official website and the Market Observation Post System.



Nichidenbo  
Audit Committee



Nichidenbo  
Remuneration Committee



Market Observation  
Post System





## Mechanism to Avoid Conflict of Interest

The Chairman of the Company's highest governance body is Mr. Chou, Wei-Ling, who concurrently serves as Chief Executive Officer. This dual role enhances management efficiency and decision execution, enabling the Chairman to communicate operational updates and strategic objectives directly to the Board. Among the current directors, two independent directors possess professional expertise in accounting and finance, effectively strengthening the Board's oversight function. To further enhance governance capacity, the Company provides annual training for all directors, expanding their professional knowledge and improving the effectiveness of Board operations. In accordance with the "Regulations Governing Procedure of Board of Directors Meetings of Public Companies," the Company has established its own "Rules of Procedure for Board of Directors Meetings," which include clear principles on conflict-of-interest avoidance. To prevent and mitigate conflicts of interest, directors are required to adhere to strict ethical standards, exercise prudence, and fulfil their fiduciary duties with integrity. Directors must disclose any material personal or institutional interests related to agenda items at Board meetings. If such interests could jeopardize the Company's best interests, the director must abstain from discussion and voting and may not act as a proxy for other directors. Details regarding the implementation of conflict-of-interest avoidance measures are disclosed in the Company's 2024 Annual Report.

## Communicating Key Major Events

In addition to the regular meetings held by each committee and reporting to the Board of Directors, the company's management also regularly provides important reports and information of Nichidenbo to the Director (as explained below), and communicates promptly regarding any critical major events.

- Accounting department: Quarterly business report and financial report
- Internal audit department: Quarterly internal audit report

During the reporting period, a total of 32 significant messages were released on the Market Observation Post System, mainly including financial and Corporate Governance information; please refer to the significant messages released by the Company on the Market Observation Post System.

## The Continuing Education Status of the 2024 Director Members

To stay abreast of global management trends and enhance corporate governance and risk management capabilities, members of Nichidenbo's Board of Directors are committed to continuously improving their industry expertise and governance experience, thereby strengthening the collective intelligence of the Company's highest governance body in sustainable development. Nichidenbo arranges advanced training courses for the Board, covering topics in economics, environment, and social issues, to enhance the knowledge and strategic insights required for effective governance. Additionally, to ensure Directors remain informed, Nichidenbo regularly distributes updates on new regulations and guidance from securities regulatory authorities, as well as information from promotional and industry meetings. Based on feedback from the annual self-evaluation of Directors, Nichidenbo continuously improves information delivery and training programs to ensure Directors have the necessary expertise to fulfil their leadership and supervisory responsibilities. In 2024, the 14th term of the Board of Directors completed a total of 78 training hours, averaging 9.75 hours per Director. For further details on the continuing education of directors in 2024, please refer to the "Summary table of rate of attendance (or of attendance as a non-voting participant) and continuing education status of each director and supervisor" on the Market Observation Post System.



Market Observation Post System "Summary table of rate of attendance (or of attendance as a non-voting participant) and continuing education status of each director and supervisor"





## Board of Directors Performance Evaluation

To implement corporate governance and enhance the functions of Nichidenbo’s Board of Directors, establish performance goals to improve the Board of Directors operational efficiency, Nichidenbo sets “Self-Evaluation or Peer Evaluation of the Board of Directors”, conducting at least one internal Board of Directors performance evaluation annually. The performance evaluation procedure is: determine the units and scope to be evaluated for the current year, determine the evaluation method, select the appropriate evaluation execution units, each execution unit collects relevant information and distributes performance evaluation self-assessment questionnaires to relevant members, separately tabulate the self-assessment results for the Board, individual directors, and functional committees, and summarize the evaluation results of all items. Finally, the Board of Director’s affairs unit consolidates all evaluation results and submits them to the Board for review and improvement. The measurement items and evaluation results of the 2024 Board of Directors’ performance evaluation are shown in the table below. The results were reported to the Board in March 2025. Moving forward, Nichidenbo will continue refining the Board’s performance evaluation process, incorporating environmental, human rights, and economic assessment criteria to better align the performance with sustainable values.

The performance evaluation of the Company’s Board of Directors is conducted at least once every three years by an independent external professional institution or a team of external experts and scholars. In 2024, we commissioned an external professional institution, the Taiwan Institute of Ethical Business, to conduct the Board’s performance evaluation. Both the institute and its executive committees are independent and have no business dealings with Nichidenbo. This evaluation assesses the Board’s performance across four dimensions: Board professionalism, Board decision-making, Board oversight of internal controls, and Board attitude toward sustainable operations. The evaluation utilized relevant internal company regulations and records, assessment questionnaires, and interviews with directors. The results of the external evaluation were reported to the Board of Directors on November 6, 2024.





## Performance Evaluation Implementation Status of the Board of Directors in 2024

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content		Evaluation Results
Execute once every year	January 1, 2024–December 31, 2024	Overall Board of Directors	Board of Directors Self-Assessment	1. Degree of participation in company operations 2. Improve the decision-making quality of the board of directors 3. Board of Directors composition and structure	4. Board of director selection and continuous education 5. Internal control	Overall average score 4.89 (5 as full score)
Execute once every year	January 1, 2024–December 31, 2024	Individual Directors	Director Member Self-Assessment	1. Understanding of the company's goals and missions 2. Director responsibilities awareness 3. Degree of participation in company operations	4. Internal relationship management 5. Board of director selection and continuous education 6. Internal control	Overall average score 4.92 (5 as full score)
Execute once every year	January 1, 2024–December 31, 2024	Remuneration Committee	Committee Self-Assessment	1. Degree of participation in company operations 2. Remuneration Committee Duties Recognition 3. Improve the decision-making quality of the Remuneration Committee.	4. Remuneration committee composition and member appointment 5. Internal control	Overall average Score 5 (5 as full score)
Execute once every year	January 1, 2024–December 31, 2024	Audit Committee	Committee Self-Assessment	1. Degree of participation in company operations 2. Audit Committee Responsibilities Awareness 3. Improve the decision-making quality of the Audit Committee.	4. Audit committee composition and member selection 5. Internal control	Overall average score 4.96 (5 as full score)
Execute once every three years	November 1, 2023–October 31, 2024	Overall Board of Directors	External Professional Institution, Taiwan Institute of Ethical Business	1. Board of Directors professionalism (composition and structure of the Board of Directors, selection and continuous education of Director) 2. Board of Directors decision-making (degree of participation in company operations, improvement of Board of Directors decision-making quality)	4. Board of Directors' emphasis on internal control and supervision 5. Board of Directors' attitude towards sustainable operations	Overall average score 4.95 (5 as full score)



### Remuneration Policy For Directors And Managerial Officers

The annual remuneration for Nichidenbo's directors includes salary, transportation allowance, and director compensation. Salaries are determined with reference to industry standards. If a director holds additional positions within the Company, remuneration for those roles is authorized by the Board of Directors and handled by the Chairman in accordance with the Company's internal management regulations. The Remuneration Committee proposes the remuneration of the Chairman and directors to the Board based on their level of participation in Company operations and the value of their contributions. Travel expenses are determined by the Board with reference to industry standards and are paid based on directors' attendance at Board meetings. Directors' remuneration is also governed by the Company's Articles of Incorporation, which stipulate that when the Company has profits in a fiscal year, no more than three percent may be allocated for directors' compensation. In addition, overall consideration is given to each director's individual participation in Company operations and performance evaluation. Factors include the implementation of the Company's core values and operational management capabilities, financial and business performance indicators, integrated management metrics, ongoing education and engagement in sustainable operations, and any notable contributions or significant negative events. These considerations are incorporated into the performance appraisal and remuneration decisions.

The managerial officers' remuneration includes salary, bonuses, and employee compensation. Salaries, bonuses, and employee compensation are determined with reference to industry salary levels, the scope of responsibilities, contributions to the overall operations of the Company, and performance achievements. This is handled in accordance with the employee salary management measures and related regulations set by the Company. Among these, employee compensation is handled in accordance with the provisions of the Company's Articles of Incorporation. When the Company has profits in a fiscal year, no less than five percent is allocated for employee compensation. In addition, overall consideration is given based on each individual's level of participation in the Company's operations and performance evaluation. The aspects considered include the achievement of work performance goals, professional knowledge and potential, internal management and leadership, and ESG sustainable management performance, as well as other special contributions or significant negative events, all of which are incorporated into the performance evaluation and remuneration decisions.

The remuneration for directors and the compensation for managerial officers are determined based on recommendations from the Remuneration Committee and are submitted to the Company's Board of Directors for discussion and approval.

Regarding directors, the remuneration of managerial officers is reviewed periodically based on their level of participation and contribution to Nichidenbo's operations, aiming to balance sustainable business performance with risk management. Additionally, Nichidenbo has purchased liability insurance for all directors and managerial officers to mitigate potential risks. This insurance transfers potential damages arising from the execution of duties to the directors, managerial officers, and the company.

In addition, to advance the Company's sustainable development vision and strategy, starting in 2024, ESG (environmental, social, and governance) indicators will be incorporated into the performance evaluations of senior managerial officers, directly linking ESG performance to compensation. This approach aims to enhance their accountability and impact in promoting the Company's sustainability. By integrating ESG metrics into compensation and incentive mechanisms, we seek to motivate our leadership team to actively embrace social and environmental responsibilities while driving steady company growth, collectively fostering a sustainable corporate future.



## Performance Appraisal Items for Senior Managerial Officers (Supervisors at the level of Vice President and above)

Performance Indicators		Weighting	Specific Description
Strategy and Business Management Indicators (70%)		70%	<ul style="list-style-type: none"><li>• Formulate concrete action plans for work objectives, arrange all available resources in the most effective manner, and actively implement directives from superiors.</li><li>• Possess the professional knowledge required for work, effectively apply it in daily life, and be able to propose operational process improvement plans to enhance efficiency.</li><li>• Able to actively review and efficiently improve managed operations, frequently communicate with subordinates, and dedicated to resolving departmental challenges; skilled at inspiring subordinates' potential, actively achieving work goals, possessing leadership, and demonstrating sound internal management.</li></ul>
ESG Sustainable Business Indicators (30%)	Environment	5%	<ul style="list-style-type: none"><li>• Enhance energy-saving and carbon reduction effectiveness, implement various energy-saving and carbon reduction measures, and continuously participate in environmental protection activities.</li></ul>
	Society	15%	<ul style="list-style-type: none"><li>• Promote sustainable development of the economy, society, and environment together with suppliers.</li><li>• Work closely with customers, regularly understand and respond to customer needs through various channels, and provide the best customer service.</li><li>• Support and respect international labor rights standards, without discrimination in treatments based on gender, age, race, etc., embrace correct human rights concepts, and create a diverse and equal working environment.</li></ul>
	Governance	10%	<ul style="list-style-type: none"><li>• Irregular review or revise regulations related to corporate governance, establish relevant systems in accordance with the requirements of the competent authorities and legal regulations, and strengthen ethical corporate management.</li><li>• Enhance information security awareness to ensure information security.</li></ul>

## Remuneration Determination Process

The remuneration policies, systems, standards, and structures for Directors and senior managerial officers are all formulated and reviewed by the Remuneration Committee. The Committee includes independent directors to provide external diverse perspectives and opinions, and holds regular meetings every year, inspects and ensure the competitiveness and reasonableness of salary compensation. Additionally, Nichidenbo also, through the Annual Shareholders' Meeting, allows stakeholders to review the reasonableness of the Board of Directors' remuneration. The 2024 remuneration proposal was reported at the Shareholders' Meeting on June 25, 2024.



## Policy on Reclaiming Bonuses from Improper Benefits

To strengthen the conduct, professional ethics, and capabilities of the Company and its employees, Nichidenbo has established the Guidelines for the Adoption of Codes of Ethical Conduct, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, work rules, employee reward and punishment regulations, and other relevant policies. Employees who violate these regulations will be required to return any improperly obtained benefits and may face disciplinary actions based on the severity of the offense, including reduction of bonuses, demotion, dismissal, and, if necessary, reporting to competent authorities, referral to judicial authorities for investigation, or pursuing damages through legal proceedings. These measures ensure that all employees, including managerial officers, fulfil their management and supervisory responsibilities, adhere strictly to professional ethical standards, and support the Company's sustainable growth and development.

## Regulatory Compliance

Operating in compliance with regulatory requirements and laws is a fundamental responsibility for businesses and a key component of sustainable operations. Nichidenbo has established a dedicated Legal Department to ensure that all business activities comply with local government regulations. This department closely monitors the formulation and latest amendments of laws that may impact the Company, addressing the needs of various departments to ensure that their operations meet relevant requirements. In 2024, there were no penalties, sanctions, or non-monetary actions due to major legal or regulatory violations (Note), and no fines were imposed for regulatory noncompliance.

Note: Significant violations and irregularities are determined in accordance with the "Procedures for Releasing Significant Information and Criteria for Judgment" of the Market Observation Post System.

## Requirements for Product and Service Information and Labeling

Nichidenbo adheres to the principles of ethical corporate management, ensuring that all electronic components it sells are accurately labeled and fully disclosed. The products represented by the Company are all original domestic and international brands, covering categories such as semiconductors, passive components, connectors, and sensors. All products have passed ISO 14001 environmental management system certification and comply with relevant environmental and safety regulations, ensuring that product and service information and labeling are 100% aligned with regulatory requirements and customer expectations. For each product, the Company provides the following information for customer reference:

- Product technical specifications and performance parameters
- Usage and application recommendations
- Place of origin and manufacturer information
- Compliance with environmental and product safety regulations (such as RoHS, REACH, conflict substance restrictions, etc.),
- Safety warnings and handling procedures







To ensure information accuracy and regulatory compliance, Nichidenbo strictly follows the technical data and product labeling provided by original equipment manufacturers, without unauthorized modifications or deletions. Product managers are responsible for reviewing the completeness and accuracy of all product information, ensuring that any data shared with customers undergoes internal verification procedures. Product information is primarily provided through the company website, product catalogs, and customized technical documents, with additional technical support available based on customer needs. In 2024, there were no incidents of non-compliance with regulations related to product or service health and safety, product information and labeling, or marketing and communication laws. Going forward, the Company will continue to regularly review its product information disclosure processes in accordance with relevant regulations, such as the Consumer Protection Act and the Commodity Labeling Act, to ensure transparency, compliance, and responsible marketing that meets market and customer expectations.

Compliance Training

To provide immediate legal and regulatory support and consultation to various departments, Nichidenbo has established a dedicated legal service desk. Employees can access relevant information and materials through internal folders or emails. Additionally, the Company periodically conducts regulatory education and training sessions and distributes related updates. This approach ensures that employees stay informed about the latest regulations, enabling them to review and update their operational practices to avoid inadvertent violations. At the same time, it strengthens employees’ compliance and ethical awareness, helping Nichidenbo fulfil its core corporate social responsibility.

The Situation of Compliance-related Education And Training of Nichidenbo In 2024

Training Course	Course Objectives and Benefits	Training Target	Total Number of Trainees	Total Training Hours
Enterprise risk identification and compliance management —Sales contracts and accounts receivable	Enhance employees' legal literacy and strengthen their awareness on legal compliance, to prevent them from inadvertently violating laws due to unfamiliarity with the regulations and in turn violating the Company's ethical corporate management.	New staff and all staff	15	30
Promotion on intellectual property and honesty and integrity			98	147
New staff contract (including intellectual property, confidentiality), basic legal education and training on the use of seals and debt security			22	22



## Communication And Training Regarding Anti-corruption Policies And Procedures

Nichidenbo advocates ethical corporate management, adhering to high ethical standards in all commercial activities, and opposes corruption and bribery. We adopt a zero-tolerance attitude and establish relevant policies on ethical corporate management to set clear anti-corruption and anti-bribery guidelines. These guidelines apply to everyone—from members of the Board of Directors to business partners—and all employees receive communication and training to help prevent bribery and corruption.

Nichidenbo conducts annual education and training on anti-corruption policies and procedures for all employees, including senior managerial officers. In 2024, the Intellectual Property and Integrity Promotion Conference was held to disseminate anti-corruption information to all staff. No incidents of corruption occurred in 2024, nor were there any litigations or judgments related to anti-competition, anti-trust, or monopoly regulations.

## Communication Situation Regarding Anti-corruption Policies And Procedures In 2024

Category	Communication Channel / Method	Number of People Communicated	Percentage of People Communicated
New staff	Education and promotion	22	100%
All staff	Education and promotion	160	100%

## Risk Management

Nichidenbo aims for sustainable business operations as our corporate goal, ensuring continuous operations through comprehensive risk management. Following the principle of materiality, the Company conducts “risk identification” for risks related to our operations, “risk analysis” to evaluate the likelihood and impact of each risk, and “risk control” to implement effective mitigation measures. This approach actively reduces the negative impacts of various risk events, protects stakeholder interests, and maintains the Company’s image to achieve the vision of sustainable operations.





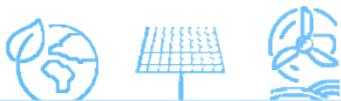
## Nichidenbo Risk Impact and Response Strategies and Actions

Risk Type	Risk Cause Description	Response Strategies and Actions	Responsible Unit
Financial Risk	<ol style="list-style-type: none"> <li>1. US sanctions on Russian crude oil, US-China trade friction, and strikes at East Coast ports have led to shipping delays and soaring shipping costs, increasing the risk of higher transportation costs.</li> <li>2. The ongoing Russia-Ukraine war and tensions in the Middle East have led to a surge in raw material costs and inflation, resulting in increased industry operating costs and a risk of declining profits.</li> <li>3. Sustained high interest rates have increased the risk of higher financing costs for companies.</li> <li>4. Electronic distributors are constrained by the increasingly shorter life cycle of electronic components and the significant fluctuations in downstream industries. This often leads to risks such as longer accounts receivable periods, shorter accounts payable periods, and high inventory costs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Through price comparison, negotiation, and finding other transportation alternatives and cooperating with suppliers, reduce the company's freight.</li> <li>2. Adjust the financing methods in a timely manner according to financial planning and interest rate trends.</li> <li>3. Regularly evaluate the repatriation of overseas subsidiary earnings to reduce the impact of operating capital restrictions due to political factors.</li> <li>4. Strengthen the management of supplier financing and customer accounts receivable insurance or the sale of accounts receivable; and seek multiple financing or hedging channels to reduce business risks.</li> </ol>	Finance Department
Interest Rate Risk		<ol style="list-style-type: none"> <li>1. Increase financing channels: adopt accounts receivable from customers, or through the issuance of commercial paper guarantees (CP) and increase financing financial institutions structure, and timely adjust the financing methods in response to financial planning and interest rate trends to reduce financial costs.</li> <li>2. Through legal channels, use inter-company loans between parent and subsidiary companies to reduce the group's operating capital costs.</li> </ol>	
Exchange Rate Risk		<ol style="list-style-type: none"> <li>1. Collect information on exchange rate fluctuations at any time to fully grasp exchange rate trends. (Refer to daily foreign exchange news or the latest information on bank interest and exchange rates, and engage foreign exchange consultants to share recent important foreign exchange changes and exchange rate forecasts monthly.)</li> <li>2. Take hedging measures to adjust foreign currency positions to cope with changes in the external competitive environment and reduce the impact of exchange rate fluctuations. Hedging measures primarily involve adjusting the group's positions through foreign currency purchases/sales/pre-purchases/pre-sales.</li> </ol>	
Regulatory Risk	The government's risk of formulating regulations for related industries, such as human resources and trade-related regulatory restrictions.	<ol style="list-style-type: none"> <li>1. The Human Resources Department regularly checks human resources-related regulations and conducts evaluations and audits every year.</li> <li>2. Collaborate with Hao Hsiang Law Office to seek professional assistance on industry-related regulations based on the needs of each unit.</li> </ol>	Human Resources Department and Legal Department




## Nichidenbo Risk Impact and Response Strategies and Actions

Risk Type	Risk Cause Description	Response Strategies and Actions	Responsible Unit
<b>Climate Change Risk</b>	<ol style="list-style-type: none"> <li>1. Regulatory and reputational risks that may arise from government restrictions on carbon emissions and related international initiatives.</li> <li>2. Climate change has made extreme weather increasingly frequent, which can easily lead to property losses and increase the company's operating costs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Replacing energy-saving and water-saving equipment in office areas and promoting carbon emission reduction guidelines, such as replacing water-cooled air conditioning systems with split-type air conditioners, to reduce energy consumption and water usage.</li> <li>2. The Company uses 2022 as the base year to regularly monitor and manage Category 1: direct greenhouse gas emissions, Category 2: indirect emissions from imported energy, and gradually expand the identification of Category 3 to 6 greenhouse gas emissions, progressively establishing and planning energy-saving strategies and actions, and advocating for international greenhouse gas and global warming issues.</li> </ol>	<b>Administration Department and Sustainability Department</b>
<b>Supply Chain Management Risk</b>	<ol style="list-style-type: none"> <li>1. Supplier certification and supplier contract validity.</li> <li>2. The risk of whether the supplier's delivery period, quality control, quality certification, customer complaint handling situation, transportation, etc. are qualified.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regularly review the validity of supplier certifications.</li> <li>2. Regularly sign procurement contracts with key suppliers and processing plants to protect the company's interests.</li> <li>3. Regularly complete various supplier assessments, recognize excellent suppliers through evaluations, and foster mutual support to create a win-win situation.</li> </ol>	<b>Purchasing Department</b>
<b>Occupational Safety Risk</b>	<ol style="list-style-type: none"> <li>1. An employee operating machinery caused an accident.</li> <li>2. The hardware facilities of the company building or factory area cause safety risks.</li> <li>3. Enhance colleagues' safety awareness and improve emergency response capabilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Add industrial safety awareness to the training course before new employees take office.</li> <li>2. Affix safety reminder signs to warehousing equipment and arrange for employees to undergo occupational safety and health education and training.</li> <li>3. The building is declared once every two years.</li> <li>4. Fire drills are arranged twice a year.</li> </ol>	<b>Logistics Department and Administration Department</b>
<b>Information Security and Personal Data Risk</b>	<ol style="list-style-type: none"> <li>1. Risk of external hacker intrusion.</li> <li>2. Risk of ransomware infection.</li> <li>3. Risk of confidential information leakage.</li> <li>4. Risks such as insufficient electricity and equipment failure.</li> </ol>	<ol style="list-style-type: none"> <li>1. Join TWCERT/CC Alliance to patch vulnerabilities based on cyber security notifications.</li> <li>2. Install a firewall and antivirus software to prevent external intrusions and reduce the risk of computer virus infections.</li> <li>3. Properly handle personnel accounts, manage permissions, and regularly conduct system permission settings checks to prevent confidential information leakage.</li> <li>4. Regularly perform data backup and restoration tests, and conduct regular disaster recovery drills.</li> </ol>	<b>Information Department</b>



2.2 Business Performance

Management Policy

Material Topic		Business Performance	
<div>Linking SDGs</div> <div></div>		SDG 8.3 promotes policies that support job creation and enterprise growth.	
<div>Policy or Commitment</div>		Coordinate the Group's financial strategy, integrate and plan Group resources, evaluate and execute various Group investment or fundraising operations, effectively utilize funds, achieve the Company's short, medium, and long-term investment returns, and enhance shareholder interests.	
<div>Indicators and Targets</div>		<div>Short-term goals (2024–2025):</div> <ul style="list-style-type: none"><li>Based on the principle of steady financial operations, maintain good interactions with various banks, and actively strive for more favorable interest rate conditions from banks to meet the needs of future expanding operations.</li><li>Irregular acquisition/disposal of long-term and short-term investment regulations assessment and capital planning and execution.</li><li>Continuously monitor market interest rate changes, flexibly and adaptively utilize various financing item, and obtain competitive operating funds.</li><li>Collect information on exchange rate fluctuations at any time, grasp exchange rate trends, and take hedging measures: continue to execute the Group's USD/JPY hedging.</li><li>Adjust the product portfolio in line with the development trends of the agency product line, continuously introduce new components for agency market development, establish overseas bases and other diversified business strategies, and actively increase revenue.</li></ul>	<div>Medium to long-term goals (2026–2033):</div> <ul style="list-style-type: none"><li>Continuously improve capital management performance, strengthen stakeholders' confidence in Nichidenbo, and create a foundation for sustainable benefits.</li></ul>
<div>Effectiveness Tracking Mechanism</div>		<ul style="list-style-type: none"><li>Implement rigorous internal control audits and propose improvement plans.</li><li>Regularly assess and track the usage of funds.</li><li>Every year, issue financial statements in accordance with the law.</li></ul>	
<div>Annual Action And Performance</div>		<ul style="list-style-type: none"><li>Revenue in 2024 reached NTD 1,751,070 thousand, operating profit NTD 100,406 thousand, and basic earnings per share NTD 4.52.</li><li>Employee salaries and benefits NTD 154,839 thousand, community investment NTD 8,210 thousand.</li><li>In 2024, three new sustainable development fixed deposits were added, totaling NTD 300,000 thousand.</li></ul>	





## Economic Performance

Nichidenbo has maintained stable operations for a long time, creating maximum benefits for stakeholders. In 2024, revenue reached NTD 1,751,070 thousand, operating profit NTD 100,406 thousand, and earnings per share NTD 4.52.

### Direct Economic Value Generated and Distributed by the Organization

Unit: NTD thousand

		2022	2023	2024
Direct Economic Value Generated	Operating Revenue	1,915,945	1,820,389	1,751,070
	Non-operating Income	1,449,554	669,314	910,829
Economic Value Distributed	Operating Cost	1,553,546	1,545,366	1,476,827
	Employee Salary and Benefits	215,385	146,686	154,839
	Payments to Investors	742,743	1,184,956	742,472
	Payments to Government	106,047	70,177	70,341
	Community Investment	9,775	5,080	8,210
Retained Economic Value		738,003	(462,562)	209,210

Note:  
1. Retained economic value = Direct economic value generated - Economic value distributed  
2. For information regarding non-operating income, please refer to Nichidenbo's parent company only financial statements for previous years.



Government Financial Subsidy

In 2024, Nichidenbo received a total of NTD 63,912 financial subsidy from the government.

Unit: NTD

Subsidizing Unit	Item	Amount
Ministry of Labor	2023 Annual Childcare Measures Funding Subsidy (Note)	16,200
Ministry of Labor	2024 Annual Childcare Measures Funding Subsidy	15,300
Labor Affairs Department of the New Taipei City Government	2024 Annual Childcare Measures Funding Subsidy	25,500
Bureau of Labor Insurance of the Ministry of Labor	2024 Maternity Check-up Leave Salary Subsidy	6,912
Total		63,912

Note:  
The 2023 Annual Childcare Measures Funding Subsidy was actually received by the Company in 2024 due to processing time.

Tax Policies and Governance

Nichidenbo upholds the spirit of adhering to tax compliance and fulfilling corporate social responsibilities, aiming to create corporate value and improve tax risk management. We have formulated tax governance policies and transfer pricing policies, established a sound tax management system and tax governance culture, and set up prompt and efficient handling procedures. Nichidenbo establishes the following tax governance policies to further enhance corporate value, fulfill our corporate social responsibilities, perform our duties as a corporate citizen, and achieve sustainable corporate development.

Organization and Responsibilities Related to Tax Governance

The organization and responsibilities related to tax governance are as follows:

General Manager

General Manager YU, YAO KUO is the highest decision-maker for establishing an effective tax risk management mechanism for Nichidenbo, based on the overall operational strategies and business environment, approving overall tax governance policies and irregularly reviewing tax strategies to ensure effective operation of tax management.

Tax Administration Unit

The Tax administration unit is the Accounting Department, and it regularly reports tax-related management situation to General Manager YU, YAO KUO.

## Tax Governance Policies, Control, and Risk Management

Nichidenbo's tax governance is based on transparency and legal compliance, adhering to the following tax policies and codes of conduct:

- 1 Regulatory Compliance**
  - Commit to complying with local tax regulations and legislative intent at each operational site, and in accordance with international tax standards, accurately calculate taxes and file and pay within the statutory deadline, fulfilling tax obligations.
  - The company's tax filings are all entrusted to local large-scale accounting firms, and the annual financial data is provided by the company to Deloitte & Touche for tax filing.
- 2 Information Transparency**
  - Ensure the transparency of tax reporting information, such as submitting transfer pricing reports to tax authorities as required.
  - Ensure that tax assessments related to decision-making are conducted with the participation of a qualified and experienced internal tax team and external experts.
  - Regularly disclose tax information to stakeholders through public channels (such as the official website and Annual Report) to ensure transparency.
  - Using legal and transparent tax incentive policies, not using methods that violate the spirit of the law to enjoy tax reductions.
- 3 Business Substance**
  - The corporate structure and transactions comply with commercial substance, do not use tax structures intended to avoid tax liabilities, and do not transfer profits to low-tax regions for tax avoidance.
  - Related Party Transactions should comply with the principles of regular transactions and strive to follow the transfer pricing regulations of tax laws in each operating region, fulfilling tax obligations in the areas where value is created.
  - Based on mutual trust, information transparency, and regulatory compliance, interact with tax authorities in an honest, upright, respectful, and fair manner, and proactively raise significant tax issues to help improve the tax environment and system.
- 4 Integrity in Communication**
  - Transactions between related enterprises comply with the transfer pricing principles published by the Organization for Economic Co-operation and Development (OECD) and the relevant regulations of the Base Erosion and Profit Shifting (BEPS) Action Plan.
  - Establish a relationship of mutual trust and honest communication with tax authorities in various operating regions, providing industry practical perspectives and professional insights to assist in improving the tax environment and system.
- 5 Risk Management**
  - Establish a solid tax risk management framework and organizational culture, while also considering the overall tax burden optimization, risk management, and sustainable value impact of Nichidenbo, prudently assess tax risks and response measures.


## Communication Guidelines with Stakeholders on Tax-Related Issues

The main stakeholder of Nichidenbo is the government tax authority, and all tax filing and payment operations are conducted in accordance with the relevant laws and regulations of each country. In cases of ambiguity regarding applicable laws during daily operations, we contact the government agency liaison directly or through Deloitte & Touche to clarify the appropriate handling procedures. In the event of a tax audit, upon receiving notice, we promptly prepare the necessary documentation and fully cooperate with the tax authorities for verification.

To demonstrate transparency in the Company's tax governance policies, information regarding tax matters of interest to other stakeholders, such as shareholders and investors, is disclosed in the stakeholder section of the Company's official website, included in the annual report for the respective year, and presented during the Shareholders' Meeting.

## 2.3 Information Security

### Management Policy

Material Topic		Information Security			
<div>Linking SDGs</div> <div></div>	SDG 9.c Universal Access to Information and Communication Technology				
Policy or Commitment	To strengthen cyber security risk management, we regularly review cyber security policies through the Cyber security executive team and continuously invest in management resources related to cyber security to ensure cyber security.				
Indicators and Targets	<div>Short-term goals (2024–2025):</div> <ul style="list-style-type: none"><li>Review existing information security measures, and regularly examine, update, and improve relevant documents and processes.</li><li>Zero information security incidents occurred.</li></ul>		<div>Mid-term goals (2026–2028):</div> <ul style="list-style-type: none"><li>Improve information security operating procedures, conduct information system inventory and risk assessment, and carry out social engineering exercises.</li><li>Continuously maintain zero information security incidents.</li></ul>		<div>Long-term goals (2029–2033):</div> <ul style="list-style-type: none"><li>Enhance personnel information security education and training, improve the information security awareness of all employees, and strengthen various information security systems through the PDCA continuous improvement cycle process.</li></ul>
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"><li>The information security executive team is the executive unit for promoting information security work, responsible for reviewing various information security management programs to ensure their appropriateness and effectiveness, and to ensure the cyber security of Nichidenbo.</li><li>Daily check the data backup and record it in the "Computer Backup Data and Offsite Storage Record Form".</li><li>Conduct regular firewall audits.</li><li>Every Wednesday, conduct an antivirus scan on each computer.</li></ul>				
Annual Action and Performance	<ul style="list-style-type: none"><li>No violation of information security, causing major information security incidents such as customer information leakage and fines.</li><li>Complaints leading to legal action due to violations of customer personal data protection or loss of customer data.</li><li>The “Operational System Permissions Regular Audit” was completed to prevent data leakage.</li><li>In 2024, 2 disaster recovery drills were conducted to strengthen the Company's information security incident handling capabilities.</li><li>In 2024, a total of 10 information security awareness promotions and information security courses were conducted to strengthen employees' information security awareness.</li></ul>				

## Information Security Management

To strengthen information security risk management, Nichidenbo has established a dedicated information security unit, implemented an information security risk management framework, developed information security policies and specific management measures, and allocated resources to information security management. The Company continuously reviews and evaluates the Group's "Information Security Management Procedures" and various security management measures to ensure their appropriateness and effectiveness, thereby safeguarding Nichidenbo's information security.

The dedicated information security unit regularly reviews information security management policies and related procedures. All unit members implement these procedures in accordance with established guidelines. Routine inspections of servers and other equipment are conducted to promptly detect issues. Information security risk assessments are performed, and audits are coordinated to ensure operational accuracy and effectiveness. Any errors, vulnerabilities, or risks are immediately addressed to maintain a continuous improvement cycle in information security management.

The Company's dedicated information security unit oversees, manages, and supervises all information security operations, focusing on the services provided by the IT department and relevant company departments. Periodic tests are conducted to verify the effectiveness of security systems, along with related information security awareness programs and training courses. Through IT department operations and the implementation of security policies, a safe and secure information environment is provided, ensuring the protection of all company services.

Information security policies are regularly reviewed to reflect the latest developments in government regulations, technology, and business operations, ensuring the effectiveness of practical security measures. In 2024, there were no major information security incidents, including breaches of information security, customer data leaks, or fines. Additionally, no complaints or legal actions arose from violations of customer personal data protection or loss of customer information.





## Information Security Management Measures

Item	Measures Explanation
<b>Prevent External Intrusion</b>	<ol style="list-style-type: none"> <li><b>1. Firewall</b> <ul style="list-style-type: none"> <li>Perform daily checks and record them in the "Server Host Check and System Test Form". All firewalls are functioning normally.</li> </ul> </li> <li><b>2. Antivirus software</b> <ul style="list-style-type: none"> <li>In addition to the real-time protection function of the antivirus software, a full scan is conducted on every computer at noon every Wednesday.</li> <li>Through the central control mechanism, restrict users from disabling the antivirus software.</li> <li>During the annual regular computer check, review the antivirus updates and filtering status of each computer.</li> </ul> </li> </ol>
<b>Prevent Data Leakage</b>	<ol style="list-style-type: none"> <li><b>1. Information equipment</b> <ul style="list-style-type: none"> <li>When personal information devices (PC, NB) are used within the company, an application must be submitted to obtain internal network access.</li> </ul> </li> <li><b>2. Network isolation</b> <ul style="list-style-type: none"> <li>The internal network and guest network are isolated and cannot access each other.</li> </ul> </li> <li><b>3. System permission check</b> <ul style="list-style-type: none"> <li>The "Operational System Permissions Regular Audit" was completed in November 2024.</li> </ul> </li> </ol>
<b>Data Backup and Related Checks</b>	<ol style="list-style-type: none"> <li><b>1. Data backup</b> <ul style="list-style-type: none"> <li>Daily check the data backup and record it in the "Computer Backup Data and Offsite Storage Record Form".</li> </ul> </li> <li><b>2. Data restoration test</b> <ul style="list-style-type: none"> <li>Conduct data restoration tests on the test machine twice a month and record them in the "Server Host Check and System Test Form".</li> </ul> </li> <li><b>3. System permission check</b> <ul style="list-style-type: none"> <li>Perform daily server host checks and record them in the "Server Host Check and System Test Form".</li> </ul> </li> <li><b>4. Computer check</b> <ul style="list-style-type: none"> <li>The computer check was completed in September 2024, and the results were recorded in the "Computer Installation Specification Checklist".</li> </ul> </li> </ol>
<b>Information Security Incident Handling</b>	Disaster recovery drills were conducted on April 2, 2024 and July 17, 2024, and the results were recorded in the "Disaster Recovery Plan Execution Report".
<b>Cybersecurity Promotion</b>	The Information Department irregularly issues cybersecurity awareness emails or courses and shares practical cases to enhance colleagues' cybersecurity awareness. In 2024, cybersecurity promotions and events were held. There were a total of 10 information security courses.

## Personal Data Management Policy

To ensure that the Company's confidential information, trade secrets, and personal data are properly protected, and to continuously strengthen information security capabilities, all related information operations should comply with applicable domestic and international laws and regulations. The Company also implements measures to safeguard confidential information, including:

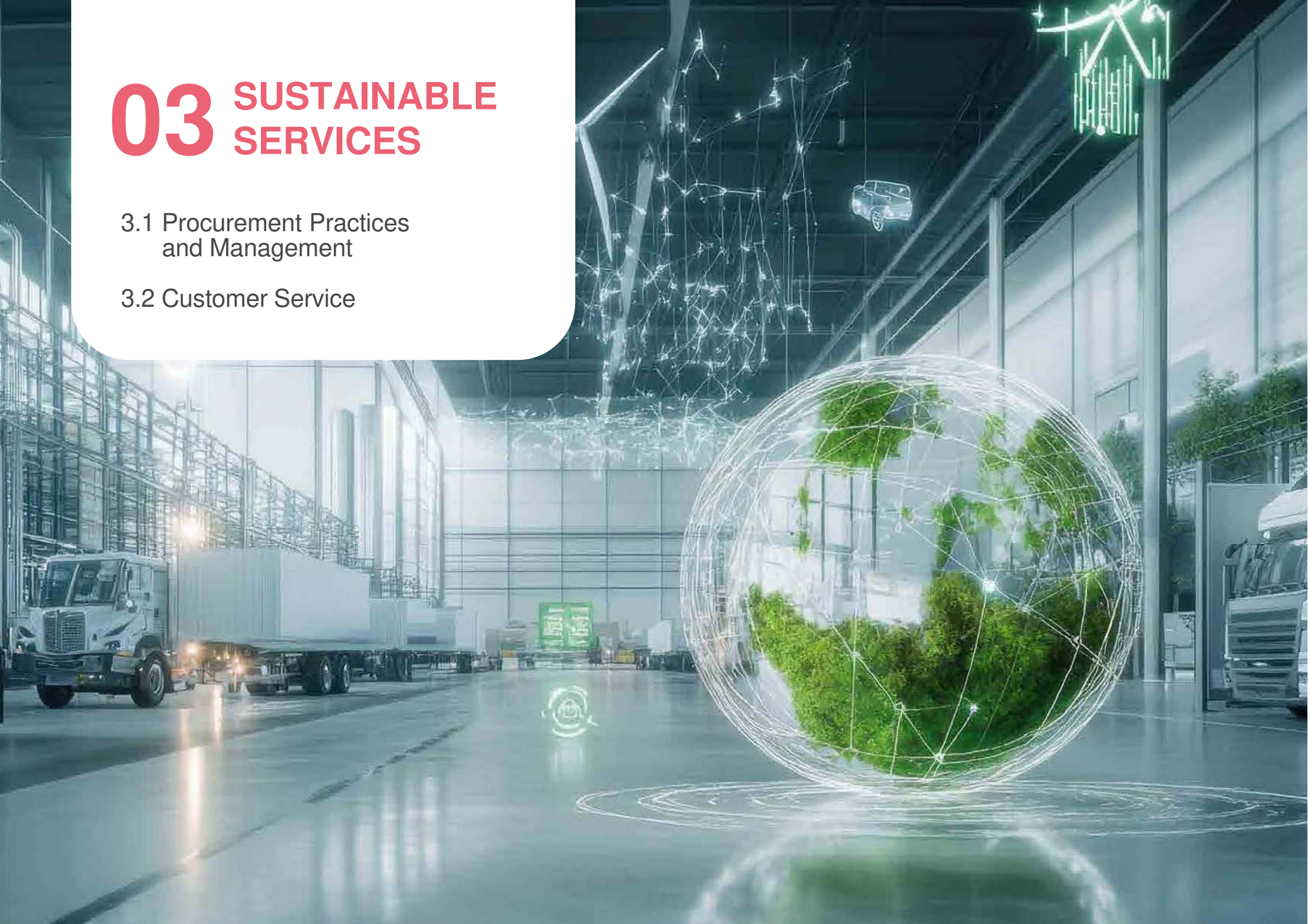
1. Implement employee training to enhance staff awareness and capabilities in information security.
2. Promote the practice of shutting down computers and monitors after work, and locking screens or enabling password protection when temporarily away from the workstation to prevent unauthorized access to sensitive information.

All personal data of employees and customers are regularly monitored by the Company's IT department. They check whether the servers storing personal data have been attacked or compromised, and strengthen access control to the data center to prevent unauthorized disclosure of sensitive information.

# 03 SUSTAINABLE SERVICES

3.1 Procurement Practices and Management

3.2 Customer Service





3.1 Procurement Practices and Management

Management Policy

Material Topic		Procurement Practices and Management	
<div>Linking SDGs</div> <div></div>	<div>SDG 17.10 Promote a universal trading system under the World Trade Organization</div> <div>SDG 17.14 Enhance policy coherence for sustainable development</div> <div>SDG 17.16 Enhance the Global Partnership for Sustainable Development</div>		
Policy or Commitment	Focus on suppliers' ESG performance, exert influence to encourage suppliers to collectively prioritize sustainability issues, and enhance the resilience of the industrial ecosystem.		
Indicators and Targets	<div>Short to medium-term goals (2025–2027):</div> <ul style="list-style-type: none"><li>The proportion of key suppliers maintaining the use of non-conflict area metals is 100%.</li></ul>		<div>Long-term goals (2028–2032):</div> <ul style="list-style-type: none"><li>Promote the sustainable development of the economy, society, and environment together with suppliers, and work hand in hand to build a sustainable supply chain for the passive components industry.</li></ul>
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"><li>The procurement unit regularly conducts evaluations of suppliers.</li></ul>		
Annual Action and Performance	<ul style="list-style-type: none"><li>In the year 2024, a total of 3 new qualified suppliers were added, with the percentage of new suppliers selected based on environmental standards being 100%.</li><li>Strengthen the role of suppliers as green partners, whose products all comply with RoHS, REACH, ISO, IATF standards.</li></ul>		



## Sustainable Value Chain

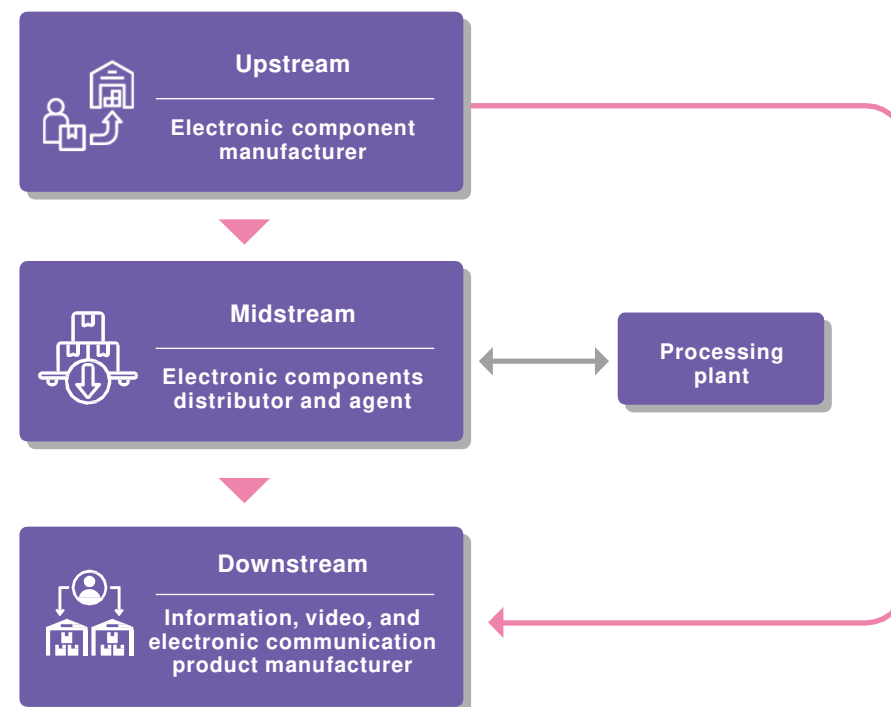
### Value Chain Overview

Nichidenbo specializes in the agency and sales of Japanese-brand passive components, serving as a parts supplier within the ICT, industrial control, and automotive industry chains. The Company sources key products such as NCC and Panasonic electrolytic capacitors and other passive components from upstream suppliers. After coordinating with customers regarding R&D and procurement needs, the Company delivers to downstream finished product manufacturers. In 2024, there were no significant changes in the supply chain or in the business relationships between the Company and its upstream and downstream partners.

Nichidenbo has been engaged in distribution and sales for over 30 years, establishing an extensive marketing network and strong brand recognition. We are committed to providing customers with comprehensive solutions and timely services to help reduce inventory pressures for downstream manufacturers, thereby fostering strong customer relationships. In addition, the Company is able to promptly deliver the latest products, technical services, and support, further strengthening long-term partnerships with customers. To meet the component needs of downstream customers establishing overseas factories and to increase the flexibility of spot inventory allocation, the Company has built an extensive distribution network supported by a complete marketing system. This has created a powerful sales channel that effectively enhances the competitiveness of both the Company and its customers. Furthermore, as the service market continues to expand, the Company has increased its ability to secure new product line distribution rights from international suppliers. In 2024, Nichidenbo's top three downstream customers were Super Micro Computer, Inc., Universal Global Scientific Industrial Co., Ltd., and Orient Semiconductor Electronics, Ltd., while the primary products sold were capacitors.

Furthermore, to improve supply chain management, Nichidenbo not only strives for continuous improvement in its core business areas of passive components but also works to enhance collaboration across the upstream, midstream, and downstream supply chain. At the same time, the Company continues to promote ESG-focused improvements with its green partner suppliers and processing plants. Through regular exchanges with management, supplier evaluations, management audits, and experience sharing, Nichidenbo aims to build stronger partnerships with key suppliers and processors, launch more high-quality products and services, and jointly create greater sustainable value.

### Nichidenbo Value Chain





Supplier Overview

Nichidenbo had 28 suppliers in 2024. The main procurement sources include original manufacturers, distributors, processing manufacturers, and affiliated enterprises, divided into four major categories. Based on the procurement amount and criticality of each source, key suppliers are identified. “Key suppliers” are defined as those whose procurement accounts for approximately 99% or more of the original manufacturers’ procurement ratio. The total procurement amount in 2024 was approximately NTD 1.632 billion, with the largest expense allocated to original manufacturers, primarily for products such as capacitors, resistors, inductors, and related components.

Supplier Category	Number of suppliers	Supplier location	Procurement amount (NTD thousand)	Procurement Percentage (%)
Original manufacturer	8	Taiwan	1,415,028	86.65
Seasoning merchant	10	Taiwan, Hong Kong	27,070	1.66
Processing manufacturer	3	Taiwan	244	0.01
Affiliated enterprise	7	Taiwan, Mainland China	190,656	11.68

Supplier Category	Number of key suppliers	Number of non-critical suppliers	Total
Original manufacturer	2	6	8
Seasoning merchant	0	10	10
Processing manufacturer	0	3	3
Affiliated enterprises	0	7	7

Supply Chain Management

Nichidenbo has established the “Supplier Assessment Procedures” to strengthen sustainable supply chain management and conducts annual assessments of suppliers based on these regulations. Suppliers (excluding affiliated enterprises) are evaluated across ten key criteria. The procurement unit carries out a written assessment with a maximum score of 100 points; any score below 60 is considered failing. Qualified suppliers that do not pass are required to make improvements within a specified period; otherwise, cooperation will be discontinued. Nichidenbo conducts supplier evaluations every two years, and the 2023 assessment results showed no significant deficiencies or risks. The next assessment year is 2025.





Nichidenbo Supplier Assessment Top Ten Items

Item		Explanation	Item		Explanation
1		The interaction among the relevant departments is good, and the delivery schedule can be effectively controlled	6		Is there an inspection system for incoming and outgoing goods, and is it being implemented seriously
2		Is the quality control organization sound, and are there sufficient quality control and research and development personnel	7		Is the work attitude and service quality of the staff good
3		Have you obtained quality certification (such as ISO 9001)	8		Is there any production record, and is the defect rate reasonable
4		Packaging and transportation conditions	9		Customer complaint handling situation
5		Process quality control, whether there is self-inspection or intermediate inspection	10		Is there a dedicated department responsible for shipping matters

Nichidenbo Supplier Management Overview

Supplier Type / Relevant Standards and Assessment Requirements		Comply with Relevant International ESG Standards	Passing ISO 9001 Quality Management System Certification	Passing ISO 14001 Environmental Management System Certification	Product Delivery Date / Stable Yield Rate	Proactive Service and Customer Complaints Handling	No Major Violations	Total
Original manufacturer	Main supplier	✓	✓	✓	✓	✓	✓	2
	General supplier	○	✓	✓	✓	✓	✓	6
Processing manufacturer		○	○	○	✓	✓	✓	3
Seasoning merchant		○	○	○	✓	✓	✓	10

Note:

1. Nichidenbo's main suppliers in 2024 are Chemi-Con (NCC) and Panasonic.

2. ✓ Necessary item for Nichidenbo evaluation.

3. ○ Item that Nichidenbo expects this type of supplier to meet, and suppliers who can meet it will be given priority for collaboration.

4. ESG international standards include international regulations such as EU RoHS, China RoHS, REACH, and Prop 65.



New Supplier Selection

For the selection of new suppliers, evaluations are conducted not only on quality, delivery, and price but also on compliance with environmental standards. Priority is given to those that have obtained ISO 14001 environmental management system certification, comply with Chemical Substance Restrictions (REACH), and have no major environmental violations. Suppliers that do not initially meet these standards may only be formally included as qualified suppliers after making improvements within a specified period. In 2024, three new qualified suppliers were added, all of which met environmental standards, representing a 100% compliance rate. Looking ahead, social standards will also be introduced to the supplier selection process to further strengthen sustainable supplier management.

Supplier Code of Conduct

We view suppliers as key partners and extend the principles of sustainable management to our supply chain. In 2025, we established the "Supplier Code of Conduct," which consists of four main sections. This code serves as a common set of values and standards that suppliers are expected to follow when conducting business with Nichidenbo. We also encourage suppliers to go beyond basic requirements and continuously enhance their performance across all areas.

Suppliers Collaborating With Nichidenbo must Comply with the Following Code of Conduct:

Labor and Human Rights	Suppliers must uphold labor and human rights, ensure equal treatment, and refrain from using child labor or engaging in any discriminatory practices. They must provide fair wages and benefits, observe working hours and rest periods, and eliminate workplace sexual harassment, bullying, and other forms of discrimination.
Health and Safety	Suppliers must provide a safe and healthy working environment, offer occupational safety education and training, and commit to reducing workplace injuries.
Environment	Suppliers should comply with relevant local environmental legal requirements to reduce their impact on the environment.
Code of Ethics	To fulfill social responsibility, suppliers should adhere to the highest ethical standards, including operating with integrity, respecting intellectual property rights, complying with relevant confidentiality agreements, protecting privacy, and avoiding conflicts of interest.

Supplier Risk Assessment

Nichidenbo, in order to diversify risks and continuously improve the overall quality of its supply chain, has established the "Supplier Evaluation Procedure" and incorporated this policy as a required component of supplier procurement management. Currently, Nichidenbo's key suppliers in Taiwan are Chemi-Con and Panasonic. In addition to regularly signing procurement contracts, all key suppliers comply with RoHS, REACH, ISO, and IATF standards. If Nichidenbo's customers require suppliers to sign the "Declaration of Hazardous Substance Usage," "Conflict Minerals Declaration," "Labor and Human Rights Statement," or "Integrity, Honesty, and Confidentiality Commitment" to ensure that supplied products, components, corporate governance, and worker rights protection align with the Company's ESG management philosophy, suppliers are able to comply by signing and providing the required documents. When regulations are updated, Nichidenbo proactively notifies customers of the revised statements, declarations, and commitments. For suppliers who fail to meet the Company's requirements, Nichidenbo may terminate or cancel the contract to encourage partners to uphold and enhance corporate social responsibility.



## Environmental Risk

- **Key suppliers 100% passed ISO 14001 environmental management system certification**

To reduce the impact of environmental risks, Nichidenbo continuously requires "key suppliers" to pass ISO 14001 environmental management system certification. In 2024, 2 key suppliers passed the ISO 14001 environmental management system certification, with no significant actual or potential negative environmental impacts.

- **Key suppliers 100% signed back the "Declaration of Hazardous Substance Use"**

Nichidenbo requires suppliers to sign the "Declaration of Hazardous Substance Use" to commit that the products or components supplied comply with the requirements of the declaration. If there is any violation of relevant regulations, it may claim to terminate or cancel the contract to avoid the product affecting human health and environmental safety.

## Social Risk

- **Key suppliers 100% do not use conflict minerals**

Nichidenbo is the agent of capacitor. Although practically unable to control the supply volume and price stability of key materials used by suppliers, we also require suppliers not to use conflict minerals in response to legal and reputational risks related to conflict minerals, to ensure that the minerals used in the Company's products, such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), and cobalt (Co), do not profit from armed conflicts. If the supplier uses the aforementioned minerals, the source of those minerals must be disclosed. In 2024, Nichidenbo conducted an investigation on 2 key suppliers and found no risk of using conflict minerals.

- **Key suppliers 100% signed back the "Labor Human Rights Declaration"**

To avoid social risks related to human rights violations in the supply chain, Nichidenbo conducted social risk and human rights impact assessments for 2 key suppliers in 2024. All of them have signed the "Labor Rights Declaration" to ensure that their labor rights, safety, and health issues meet the baseline requirements of the Company and have taken effective measures to prevent negative incidents from occurring.

- **Key suppliers 100% signed back the "SA8000 Social Responsibility Statement"**

Require 2 key suppliers to sign the SA8000 Social Responsibility Statement, with a response rate of 100%.

## Governance Risk

- **Key suppliers 100% signed the "Integrity, Honesty, and Confidentiality Commitment".**

Request 2 key suppliers to sign the "Integrity, Honesty, and Confidentiality Commitment", with a response rate of 100%.



## Sustainable Procurement

Nichidenbo requires its suppliers to comply with local laws and regulations, embrace the spirit of sustainable development, and fully integrate these principles into their procurement activities. The Company prioritizes the procurement of environmentally friendly original manufacturers, products, and services, taking into account both social responsibility and environmental benefits. Nichidenbo's two key suppliers, Chemi-Con (NCC) and Panasonic, serve as green partners, and all of the products they provide comply with RoHS, REACH, ISO, and IATF standards, thereby balancing economic and environmental value.

We continuously optimize and enhance our green procurement standards and management systems, working with upstream and downstream manufacturers to jointly promote environmental protection, energy conservation and carbon reduction, zero waste, and green product management, thereby building a sustainable supply chain. In 2024, the percentage of local procurement at major operational sites was 98.45%.

## Nichidenbo Local Procurement in 2024

Procurement amount from local suppliers (NTD thousand)	1,607,639
Total procurement amount (NTD thousand)	1,632,998
Percentage of procurement amount from local suppliers (%)	98.45%

- Note:
1. Local procurement percentage calculation method: Procurement amount from local suppliers / Total procurement amount.
  2. "Local" is defined as the country where the organization's important operational base is located: Taiwan.
  3. Important operational location: Nichidenbo Xindian operations headquarters.



Warehouse Operations Optimization

Nichidenbo has comprehensive logistics and inventory management systems, enabling order confirmation, goods preparation, and on-time delivery in the shortest possible timeframe. In addition to providing customers with information on new products and emerging industry developments to support their product planning, Nichidenbo also conveys downstream market information to upstream suppliers. This allows the Company to serve as an intermediary bridge between upstream and downstream players in the electronics industry.

In recent years, electronic products have evolved rapidly, making it increasingly difficult for most customers to manage their electronic component inventories. As a result, reliance on electronic component distributors has grown, further increasing both the opportunities and importance of distributors. The Company has continuously refined its computerized inventory management system, enabling real-time monitoring of procurement and shipment statuses, as well as immediate access to various management information. Additionally, the Company manages inventory and shipment operations in Hong Kong, mainland China, and Southeast Asia through logistics partners. Looking ahead, we will continue to optimize the WMS warehouse management system to streamline order confirmation, goods sorting, and delivery services, ensuring timely responses to customer needs. We are also committed to reducing label paper waste and moving toward a paperless process for inbound and outbound documents, such as inspection slips and shipping notifications, thereby strengthening the Company’s competitive advantage.

In addition, to improve the efficiency of the Company’s warehouse management and the quality of its inventory, all goods from the original factory are stored on shelves or pallets to prevent moisture and maintain product quality. In recent years, new equipment such as electric pallet trucks, electric forklifts, and energy-saving devices like electric drive wheels have been introduced. These investments not only enhance warehouse operation efficiency but also reduce the risk of workplace injuries. Furthermore, storage and transportation staff regularly undergo professional training in compliance with legal requirements, including certification for Class A labor safety and health business supervisors, safety and health training for forklift operators handling loads over one metric ton, fire safety management, and first aid. These measures have significantly reduced the likelihood of occupational safety and health incidents among employees.

The Company actively addresses the potential risks of climate change and is committed to low-carbon operations. Beyond office areas, we particularly emphasize energy-saving and carbon-reduction measures in warehouse management, focusing on two major strategies: “low-carbon transportation” and “packaging material reduction.” In terms of low-carbon transportation, Nichidenbo will, with the customer’s consent, try to pack products together as much as possible to reduce the number of shipments. This not only decreases the use of cardboard packaging materials but also lowers carbon emissions from logistics transportation.

Nichidenbo’s Two Major Strategies in Green Storage


<div>1</div> <div>Low-carbon transportation</div>	Pack products together to reduce the number of shipments, decrease the quantity of cardboard packaging materials, and reduce the carbon emissions from logistics transportation.
<div>2</div> <div>Packaging material reduction</div>	Reuse original factory-supplied cartons, pallets, etc. for shipping operations, and use old packaging materials as fillers.





3.2 Customer Service

Management Policy

Material Topic		Customer Service		
<div>Linking SDGs</div> <div></div>	<div>SDG 17.9 Enhance capacity in developing countries to implement Sustainable Development Goals</div> <div>SDG 17.10 Promote a universal trading system under the World Trade Organization</div> <div>SDG 17.13 Enhance global macroeconomic stability</div> <div>SDG 17.14 Enhance policy coherence for sustainable development</div> <div>SDG 17.15 Respect each country’s leadership to implement policies for sustainable development goals</div> <div>SDG 17.16 Enhance the Global Partnership for Sustainable Development</div>			
Policy or Commitment	In response to market changes and customer delivery schedules, we enhance supply flexibility and actively communicate with original manufacturers to adjust supply prices, thereby meeting and fulfilling customer demands.			
Indicators and Targets	<div>Short-term goals (2025–2026):</div> <ul style="list-style-type: none"><li>● Increase customer satisfaction to above 88 points (2 or more customers).</li></ul>		<div>Mid-term goals (2027–2028):</div> <ul style="list-style-type: none"><li>● Increase customer satisfaction to over 90 points (5 or more customers).</li></ul>	
			<div>Long-term goals (2029–2030):</div> <ul style="list-style-type: none"><li>● Work closely with customers, regularly understand and respond to customer needs in various ways, and increase the product agency portfolio to provide the best customer service.</li></ul>	
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"><li>● Customers conduct regular satisfaction surveys on Nichidenbo annually.</li></ul>			
Annual Action and Performance	<ul style="list-style-type: none"><li>● We continuously update clients on market information and factory production status, ensuring they accurately grasp market dynamics and conditions. In 2024, customer satisfaction reached 85 points, maintaining a high level of over 80 points for three consecutive years.</li></ul>			



Customer Service Management

Nichidenbo always regards original manufacturers and customers as business partners, committed to coexisting and prospering together. The competitiveness of our partners is Nichidenbo’s competitiveness, and their success is our success. By leveraging the team’s expertise, knowledge, and product lines, we provide services that meet customer needs, value their feedback, and continuously create shared value within Nichidenbo’s industry chain ecosystem. Every partner in the industry chain is important, and none of their needs can be overlooked. This approach has earned Nichidenbo recognition from both upstream and downstream partners. Moving forward, Nichidenbo will continue to uphold this spirit to drive sustainable growth.

Customer Satisfaction Survey

Nichidenbo views customer feedback as a key foundation for strengthening customer relationships and gaining a deeper understanding of customer needs through multiple channels. Feedback is reviewed, analyzed, and used to develop appropriate improvement plans annually, forming a comprehensive customer demand response process. In 2024, the Company was unable to fully meet customers’ urgent delivery requirements, leading to a lower evaluation from their material management departments and preventing overall customer satisfaction from reaching the original target of 88 points or higher. Nevertheless, customer satisfaction rose to 85 points compared to 2023 and has remained consistently above 80 points for three consecutive years. Nichidenbo will continue to strengthen communication with customers and optimize its customer demand process to better meet expectations in the future.

Nichidenbo Results of Customer Satisfaction Survey in the Past 3 Years

Year	2022	2023	2024
Recycling rate	100%	100%	100%
Customer satisfaction average score	85.5	80.8	85.0

# 04 ENVIRONMENTAL PROTECTION


## 4.1 Energy and Greenhouse Gas Management





## 4.1 Energy and Greenhouse Gas Management

### Management Policy

Material Topic		Energy and Greenhouse Gas Management		
<div>Linking SDGs</div> <div></div>	SDG 13.3 Build knowledge and capacity to respond to climate change.			
Policy or Commitment	As an agent, Nichidenbo leverages its industry strengths to distribute a variety of green products and actively implements energy-saving and carbon-reduction measures, supporting the development of renewable energy in Taiwan.			
Indicators and Targets	<b>Short-term goals (2025–2026):</b> <ul style="list-style-type: none"><li>Introduced the ISO 14064-1:2018 standard, conducts greenhouse gas inventory every year to track emission reduction effectiveness.</li><li>Continue to implement the electric vehicle subsidy program.</li><li>All warehouse inventory is 100% insured.</li></ul>		<b>Mid-term goals (2027–2029):</b> <ul style="list-style-type: none"><li>Continue to replace energy-saving equipment to enhance energy-saving and carbon reduction effectiveness.</li><li>Implement various energy-saving and carbon-reduction measures (e.g., cardboard recycling and reuse, smart box recycling and reuse, etc.).</li><li>Continue to participate in activities related to environmental protection.</li><li>Water and electricity savings increase year by year 1%, and recyclable waste decreases year by year 1%.</li><li>In 2027, carbon emissions will decrease by 3–5% compared to the baseline year.</li><li>The Taipei office completed the replacement of energy-saving lighting in 2029.</li><li>Complete the inventory of business travel and employee commuting carbon emissions in 2029.</li></ul>	
	<b>Long-term goals (2030–2034):</b> <ul style="list-style-type: none"><li>Plan to use green electricity in the office.</li></ul>			
Effectiveness Tracking Mechanism	<ul style="list-style-type: none"><li>The ISO 14064-1:2018 standard is introduced annually for greenhouse gas inventory to understand the company's greenhouse gas emissions. We continuously review the usage of relevant equipment in office and warehouse areas to ensure effective management and reduction of our carbon footprint, and continuous improvement of environmental performance.</li></ul>			
Annual Action and Performance	<ul style="list-style-type: none"><li>The usage of relevant equipment in office and warehouse areas is reviewed annually to control energy consumption.</li></ul>			



Task Force on Climate-related Financial Disclosures

In recent years, disasters caused by climate change have been frequent around the world. In order to proactively respond to climate disasters and prevent related financial losses, Nichidenbo has adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established in 2015 by the Financial Stability Board (FSB). The Company voluntarily discloses its response policies and preventive measures for managing climate-related risks, as well as the potential financial impacts. Through proper climate adaptation and disaster recovery strategies, Nichidenbo also identifies opportunities to ensure profitability and strengthen its climate resilience in the face of future climate events. As a first step toward managing the potential impacts of climate change and aligning with global trends, the Company is actively implementing carbon reduction measures.

Assessing Climate Risk

Physical Scenario

The Sustainability Department, based on the RCP climate scenarios selected by Nichidenbo, assesses the potential climate disaster impacts at 2.2°C–4.4°C, then simulates climate scenarios with RCP 2.6–RCP 8.5 using public climate model and mapping websites, such as the Taiwan Climate Change Projection and Adaptation Knowledge Platform and the 3D Disaster Potential Map.

IPCC RCP Climate Scenario Types and Related Indicators Adopted by Nichidenbo

Situation	RCP 2.6	RCP 8.5
Temperature rise	~2.2°C	~4.4°C
Climate-related data indicators	Maximum 1-day precipitation amount 215.1 mm Annual average temperature 22.8 degrees	Maximum 1-day precipitation amount 263.6 mm Annual average temperature 25 degrees



## The Maximum 1-Day Precipitation Amount Estimate for Nichidenbo

Rainfall

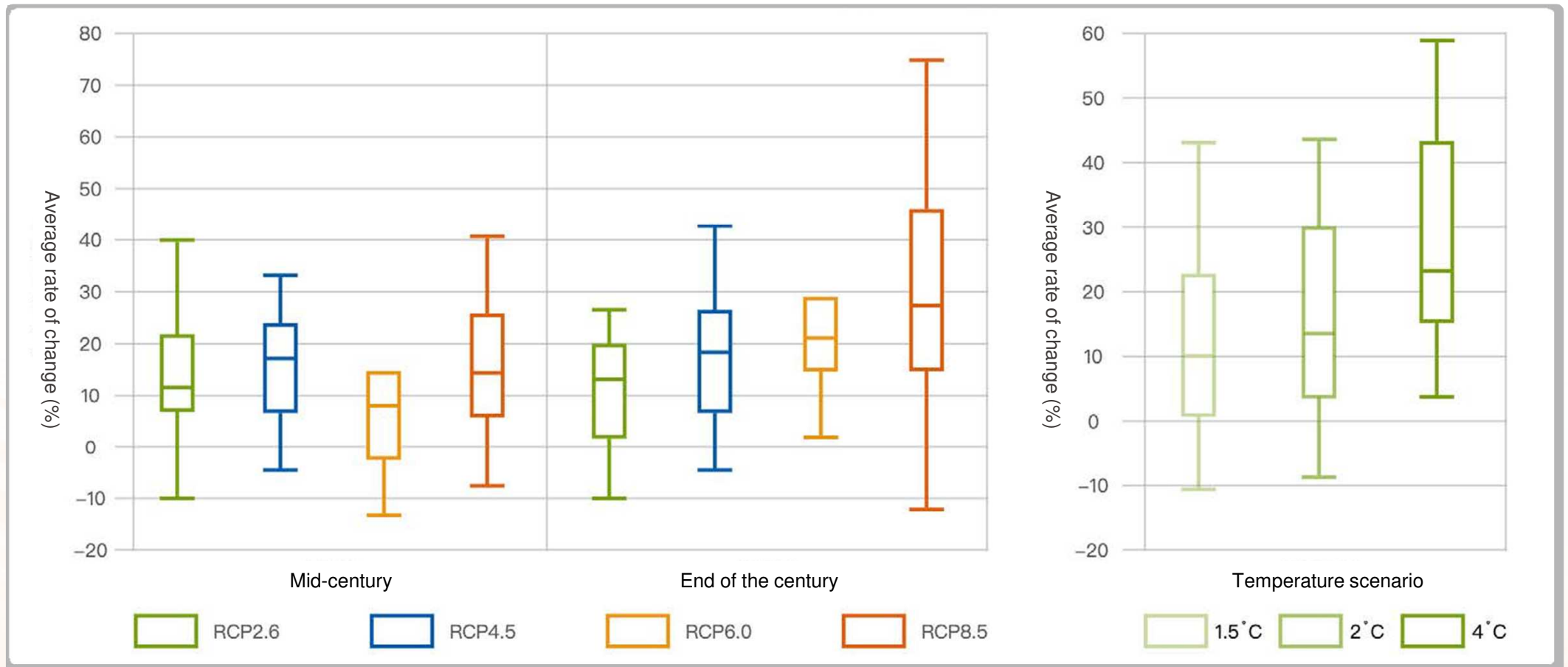
Annual maximum 1-day precipitation amount

County/City

New Taipei City

Annual maximum 1-day precipitation amount in New Taipei City

Baseline: 189.1 millimeters



## Nichidenbo Maximum Daily Rainfall Flood Potential Map

In terms of flooding, it is estimated that by the end of the century, the projected increase in average rainfall and maximum daily rainfall will not exceed the disaster thresholds defined in the 3D Disaster Potential Map (650 millimeters of rainfall within 24 hours). Therefore, Nichidenbo does not currently face an immediate risk of flooding. However, there remains the possibility of transportation disruptions, supply chain interruptions, and employee absenteeism caused by typhoons or other natural disasters.

Regarding annual average temperature, the office located in New Taipei City is not expected to face the risk of a 2°C increase before 2080, except under the RCP 8.5 scenario. Nevertheless, rising temperatures could still result in increased electricity costs for air conditioning, shortened lifespans of equipment and instruments, write-offs and early retirement of existing assets, and higher infrastructure expenses.

To address the potential impacts of extreme weather on operations, Nichidenbo takes precautionary measures such as preparing sandbags and water pumps in advance to prevent flooding. In addition, the Company insures goods annually to transfer the risk of cargo damage.



Xindian Operations Headquarters



Zhonghe (Taipei Logistics Center)



Source: 3D Disaster Potential Map



## Nichidenbo Annual Average Temperature Change Projection



Source: Taiwan Climate Change Projection Information and Adaptation Knowledge Platform

## Transformation Scenario

To respond to the NDCs (Nationally Determined Contributions) of the Paris Agreement and related domestic regulations (e.g. Climate Change Response Act and Renewable Energy Development Act), Nichidenbo conducts scenario analyses to estimate the financial impact of future electricity costs. Under the national goal of reducing greenhouse gas emissions by 50% from BAU levels by 2030, Taiwan's energy policy aims to increase the share of renewable energy from 5.6% in 2019 to 40% by 2030. However, due to the relatively higher cost of renewable energy in Taiwan, the unit price of Taipower electricity is projected to rise from NTD 2.63 per kWh in 2019 to NTD 3.88 per kWh in 2030, leading to higher electricity purchase costs for Nichidenbo.

Based on the Company's electricity consumption of 271,451.91 kWh in 2024, energy expenses could increase to approximately NTD 1,053,233 by 2030. To address this potential impact, Nichidenbo will continue to implement a variety of energy-saving measures to reduce electricity consumption. This includes replacing office equipment with energy—and water-efficient alternatives and promoting carbon reduction guidelines to further decrease both energy and water usage.



## TCFD Four Core Elements

### Climate-related Financial Disclosures Core elements

Core Elements	Action Plan
<b>Governance</b>	<p>The Board of Directors is the highest governing body for climate change management, responsible for ensuring the effective oversight of annual climate-related risks (including climate change issues), as well as reviewing climate-related risks and opportunities, corresponding short, medium, and long term targets, and execution outcomes. Since 2023, Nichidenbo has implemented the ISO 14064-1:2018 standard for greenhouse gas inventories and reports the progress of its GHG inventory to the Board of Directors on a quarterly basis.</p> <p>The Sustainability Department is responsible for consolidating climate-related issues and their potential impacts on both internal operations and external stakeholders. Each responsible unit is tasked with identifying and assessing climate-related risks and impacts within its scope. Senior executives convene to discuss these risks and opportunities, and to develop and manage action plans aimed at adaptation, risk mitigation, and capturing climate-related financial opportunities. Significant risks are reported to the Board of Directors in a timely manner.</p>
<b>Strategy</b>	<p>Nichidenbo's main short, medium, and long term risks and opportunities are presented in the two tables below: "Climate-Related Risks and Potential Operational and Financial Impacts" and "Climate-Related Opportunities and Potential Operational and Financial Impacts".</p> <p>Nichidenbo incorporates the potential impacts of climate change into its overall operational considerations, assessing both the likelihood and magnitude of risks to formulate appropriate response and mitigation plans. Based on its business model and risk strategy, the Company identifies physical and transition risks and opportunities through financial planning. Using scenario simulations, it evaluates potential future climate-related financial impacts, proactively develops forward-looking climate actions, and establishes crisis management mechanisms. These include promoting green energy and environmental protection policies. In response to the global impacts of climate change, Nichidenbo has implemented a range of energy-saving and carbon-reduction measures, such as strengthening office and public-area energy management, reducing waste, prioritizing the procurement of products with energy-saving and eco-friendly certifications, and strictly adhering to government regulations to achieve energy conservation and emission reduction goals.</p>
<b>Risk Management</b>	<p>Based on the latest trends observed by relevant authorities, the Company periodically assesses climate change risks to identify potential financial impacts. These assessments serve as the foundation for policy development and target setting. A comprehensive climate risk management framework has been established, covering identification, assessment, management, recovery, adaptation, and continuous monitoring. Climate change risk management has been fully integrated into the Company's overall risk management system. Please refer to the "Risk Management" section for further details.</p>





## Core Elements

## Action Plan

### Metrics and Targets

To reduce the potential risks and impacts caused by climate change and achieve the goals of energy saving and carbon reduction, use indicators to manage climate change-related risks and opportunities:

- **Energy Saving and Carbon Reduction:** The company has been promoting various energy-saving and carbon reduction measures for the long term, and using 2022 as the baseline, plans to reduce carbon emissions by 3–5% by 2027. The increase and decrease ratios and measures for electricity usage, water resources, and recyclable waste in 2024 are described below:
  - ▶ **Electricity:** Select energy-saving and environmentally labeled products for lighting equipment, and turn off air conditioning and lighting in meeting rooms when not in use. During lunch breaks, only essential lighting is left on in offices and public areas. Electricity consumption is expected to decrease gradually by approximately 1% each year. In 2024, electricity consumption was 271,451.91 kWh, an increase of about 17.44% compared to 2022, mainly due to the addition of two new factory offices, which contributed to higher electricity usage.
  - ▶ **Water Resources:** Promote water conservation by controlling the flow of public restroom faucets, replacing old equipment, and prioritizing the use of faucets and toilets with the "Water Saving Label". Annual water consumption is expected to decrease by approximately 1% each year. In 2024, total water withdrawal was 1.411 thousand cubic meters (1,000 m<sup>3</sup>), a reduction of approximately 18.84% compared to 2022.
  - ▶ **Recyclable Waste:** Promote waste reduction by optimizing the use of official documents and paper, encouraging double-sided printing, or reusing the reverse side. Photocopy paper used is labeled with a green pulp certification. Annual recyclable waste is expected to decrease by approximately 1% each year. In 2024, the total weight of recyclable waste was 13.15 metric tons, an increase of 24.17% compared to 2022, due to the destruction of approximately 201 boxes of new data, which increased the total amount of recyclable waste.
- **Greenhouse Gas Emissions:** In 2024, Category 1: direct greenhouse gas emissions were 73.92 metric tons CO<sub>2</sub>e; Category 2: indirect emissions from imported energy were 134.10 metric tons CO<sub>2</sub>e; Category 3: indirect emissions from transportation were 161.21 metric tons CO<sub>2</sub>e; and Category 4: indirect emissions from the organization's use of products provided by other organizations were 31.69 metric tons CO<sub>2</sub>e. Since 2023, the ISO 14064-1:2018 standard has been adopted for annual greenhouse gas inventories, setting 2022 as the base year. In the future, the Company will regularly monitor and manage Category 1 and Category 2 emission data, gradually expand the inventory scope to include group subsidiaries, and, in accordance with the timeline of the Sustainable Development Roadmap, verify the credibility of emission data through third-party assurance.





## Climate-Related Risks and Potential Operational and Financial Impacts

Type	Climate-related Risks	Impact Period	Risk Content Description	Potential Operational and Financial Impact	Adjustment and Coping Measures
Transformation Risk	Policies And Regulations				
	Local regulations	Mid term	<ul style="list-style-type: none"> <li>Taiwan has passed the Climate Change Response Act, adopting a carbon fee collection mechanism, with carbon fees to be levied in 2025, thus requiring companies to plan for carbon reduction.</li> </ul>	<ul style="list-style-type: none"> <li>As a passive components agent, if a supplier is a major carbon emitter, we may face situations where the supplier passes carbon emission costs on to product prices, thereby increasing our procurement expenses.</li> <li>If a company fails to establish clear carbon reduction targets or cannot effectively reduce greenhouse gas emissions, it may be noncompliant with government regulations on greenhouse gas reduction and energy management, potentially resulting in carbon fees or carbon taxes. Additionally, this could prevent the company from meeting the carbon reduction targets of its clients' supply chains, which may lead to lost orders and reduced revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with suppliers to promote decarbonization measures within the supply chain. For example, require suppliers to use renewable energy, improve energy efficiency, or adopt low-carbon technologies. These measures can reduce suppliers' carbon emissions, thereby lowering their carbon-related costs.</li> <li>Based on the results of the greenhouse gas inventory and in accordance with the ISO 14064-1:2018 standard, carbon reduction planning is carried out to improve energy efficiency within the company. In the future, the implementation of the ISO 50001 energy management system will be evaluated to further reduce electricity consumption and carbon emissions.</li> </ul>
	Laws and Standards for Energy-Saving Products	Long term	<ul style="list-style-type: none"> <li>The large electricity consumer clause of the "Renewable Energy Development Act" stipulates that electricity consumers with a contract capacity of 5,000 kW or more must generate 10% of their own green electricity within 5 years.</li> </ul>	<ul style="list-style-type: none"> <li>Planning to use green electricity requires a higher initial investment, including the cost of installing renewable energy equipment, which will increase operating expenses.</li> <li>Replacing relevant energy-saving equipment, for example, replacing one energy-efficient air conditioner would increase the operating cost by approximately NTD 180,000 in estimation.</li> <li>Equipment part replacements and rising electricity rates may further raise energy costs.</li> <li>Replacing LED energy-saving lamps is estimated to increase operating costs by approximately NTD 20,000.</li> </ul>	<ul style="list-style-type: none"> <li>Continue planning for the use of green electricity to reduce reliance on traditional energy sources, thereby mitigating risks associated with energy price fluctuations.</li> <li>Although not a major electricity consumer, from 2019 to 2024, energy-saving products were replaced and carbon reduction measures were implemented. The total cost of replacing air conditioners and LED energy-saving lamps was approximately NTD 2.32 million.</li> </ul>

The impact period is defined as: short-term within 1–3 years, mid-term within 3–10 years, and long-term over 10 years.



## Climate-Related Risks and Potential Operational and Financial Impacts

Type	Climate-related Risks	Impact Period	Risk Content Description	Potential Operational and Financial Impact	Adjustment and Coping Measures
Transformation Risk	Reputation				
	Goodwill impairment	Short term	<ul style="list-style-type: none"> <li>There is increasing concern from all sectors and stakeholders regarding climate change issues, focusing on whether enterprises are committed to low-carbon transition.</li> </ul>	<ul style="list-style-type: none"> <li>Goodwill impairment will lead to sales difficulties.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously collaborate with suppliers (original manufacturers) committed to carbon reduction to build a sustainable supply chain.</li> <li>Invest in securities of sustainability-related enterprises, avoid investing in high-carbon emission enterprises, and meet stakeholders' expectations and commitments regarding net zero.</li> </ul>
Physical Risk	Immediate				
	Typhoon, flood, drought, and other extreme weather events	Short term	<ul style="list-style-type: none"> <li>Natural disasters such as torrential rain and floods may cause goods transported by sea and air to be damp and damaged, and transportation services may be suspended or completely interrupted.</li> </ul>	<ul style="list-style-type: none"> <li>Increased probability of goods damage will result in company losses and insurance premium burdens.</li> <li>Delayed product delivery may lead to increased cost of warehousing sales and decreased operating revenue.</li> </ul>	<ul style="list-style-type: none"> <li>To mitigate the potential impact of extreme weather on operations, Nichidenbo insures its goods to transfer the risk of cargo damage. In 2024, the Company purchased cargo transportation insurance and fire insurance for goods (including real estate, office equipment, and other equipment), as well as public liability insurance, with an estimated total premium of approximately NTD 3.116 million.</li> </ul>

The impact period is defined as: short-term within 1–3 years, mid-term within 3–10 years, and long-term over 10 years.



## Climate-Related Risks and Potential Operational and Financial Impacts

Type	Climate-related Risks	Impact Period	Risk Content Description	Potential Operational and Financial Impact	Adjustment and Coping Measures
Physical Risk	Changes in Precipitation (Rainfall) Patterns	Mid term	<ul style="list-style-type: none"> <li>Changes in rainfall patterns would cause flooding, and may increase the frequency and extent of property damage within warehouses.</li> </ul>	<ul style="list-style-type: none"> <li>The rate of goods damage may increase, and to reduce damage to goods during warehousing, more packaging and protective materials may be required, leading to an increase in the cost of warehousing cost.</li> </ul>	<ul style="list-style-type: none"> <li>Utilize scenario simulation tools to assess physical climate risks.</li> <li>Coordinate the procurement of sandbags, water pumps, and other equipment with partner manufacturers to reduce the risk of flooding.</li> <li>Develop contingency plans for water and electricity shortages to effectively minimize recovery time and maintain normal company operations.</li> <li>Continuously optimize the warehouse management system to promptly monitor inventory and logistics, improving efficiency and flexibility.</li> <li>Maintain effective communication with customers to promptly coordinate shipping conditions and meet customer demand, addressing the impact of rising temperatures on product storage.</li> </ul>
	Annual Average Temperature Increase	Long term	<ul style="list-style-type: none"> <li>Rising temperatures affect the storage of goods.</li> <li>Air conditioners must operate at higher cooling intensity.</li> <li>High-temperature environments can cause electronic components within equipment to overheat, accelerating the aging and deterioration of components and affecting office-related equipment, ultimately reducing the lifespan of the equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Rising temperatures will increase the internal temperature of the warehouse. To maintain the quality and safety of goods, additional cooling equipment may be required, resulting in higher energy costs.</li> <li>To maintain a comfortable office temperature, air conditioning usage will increase, leading to higher electricity costs during the summer months (June–September). Electricity costs increased by approximately NTD 65,857 compared to the previous year.</li> <li>To prevent overheating of office equipment, additional equipment may need to be purchased. For example, purchasing one additional computer would increase equipment costs by approximately NTD 30,900 in estimation.</li> </ul>	

The impact period is defined as: short-term within 1–3 years, mid-term within 3–10 years, and long-term over 10 years.



## Climate-Related Opportunities and Potential Operational and Financial Impacts

Type	Climate-related Risks	Impact Period	Potential Operational and Financial Impact	Adjustment and Coping Measures
Resource Utilization Efficiency	<ul style="list-style-type: none"> <li>Paper, waste recycling and reuse</li> <li>Switching to more efficient electrical equipment</li> <li>Reducing water consumption</li> </ul>	Short / Medium term	<ul style="list-style-type: none"> <li>The office implements double-sided printing to reduce paper consumption, thereby lowering the cost of consumables.</li> <li>Reducing electricity usage and carbon emissions. Compared to the previous year's summer electricity bill (June–September), electricity costs increased by approximately NTD 65,857.</li> <li>Maintaining the cleanliness and proper operation of cooling towers prevents scaling and biofilm formation, improving cooling efficiency and reducing water costs.</li> </ul>	<ul style="list-style-type: none"> <li>Nichidenbo customizes its product packaging methods according to customer requirements. In line with the circular economy, packaging materials such as cartons, pallets, and protective fillers are reused from original inbound packaging and existing materials whenever possible.</li> <li>From 2019 to 2024, high-power water-cooled air conditioners were gradually replaced with Grade 1 efficiency split-type air conditioners, and LED energy-saving lighting fixtures were installed, significantly reducing power consumption. The total cost of these equipment replacements was NTD 2.32 million.</li> <li>Since 2022, following the replacement and removal of cooling towers, water usage has decreased by approximately 18.8% compared to 2022.</li> <li>The warehouse management system has been optimized, moving toward a paperless approach for incoming and outgoing documents such as inspection pending notes and shipping notifications.</li> </ul>
Market	<ul style="list-style-type: none"> <li>In response to international environmental protection and carbon reduction trends, market and consumer demand for products in energy-saving (low power consumption) and sustainable (such as electric vehicles, energy storage, etc.) fields has increased, indirectly causing an impact.</li> </ul>	Medium / Long term	<ul style="list-style-type: none"> <li>Partnering with original equipment manufacturers, we provide key components that enhance energy efficiency (such as MLCC), expand into new markets, and broaden our professional agency scope and product line portfolio to gradually increase revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Nichidenbo is targeting new markets, planning business models, and gradually increasing the agency of products such as electric vehicles, energy storage equipment, and network communication devices.</li> </ul>
Resilience	<ul style="list-style-type: none"> <li>Integrate climate change risks and their management to enhance the Company's response capability.</li> </ul>	Long term	<ul style="list-style-type: none"> <li>Strengthen corporate resilience, reduce losses caused by climate change, and simultaneously reduce customer losses.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously identify the operational risks brought by climate and strengthen corporate resilience.</li> </ul>



Energy Management

Nichidenbo mainly uses energy from motor gasoline and purchased electricity, with no use or sale of renewable energy. The total energy consumption in 2024 was 1,244.88 GJ (gigajoule), and the energy intensity was 0.71. Compared with 2022, the total energy consumption increased by approximately 15.78%, this is mainly due to the acquisition of two new factory offices, which contributed to the higher energy use in 2024. In future, Nichidenbo will strive for energy management to gradually improve energy efficiency.

Nichidenbo Internal Energy Usage Situation

Energy Type		Unit	2022	2023	2024
Non-renewable Fuel	Motor Gasoline	Liters	7,437.92	7,642.34	8,188.61
		GJ gigajoule	242.91	249.59	267.43
Use of Purchased Energy	Purchased Electricity	kWh Kilowatt-hour	231,146.72	232,836.53	271,451.91
		GJ gigajoule	832.32	838.40	977.45
Total Energy Consumption		GJ gigajoule	1,075.23	1,087.99	1,244.88
Individual Revenue		NTD one million	1,915	1,820	1,751
Energy Intensity		(GJ gigajoule) / Annual individual revenue (NTD one million)	0.56	0.60	0.71

Note:

1. The data of purchased electricity is mainly based on the actual payment by Nichidenbo Corporation.

2. The source of the energy conversion coefficient is the Ministry of Environment's announcement of the greenhouse gas emission coefficient management table version 6.0.4.

3. The conversion coefficients of various types of energy heat values are based on the energy conversion table of commonly used units by the Ministry of Economic Affairs Energy Administration: gasoline 1 liter = 7,800 kcal; electricity 1 kWh = 860 kcal; 1 kcal = 4.187 KJ; 1 KJ = 1 × 10<sup>-6</sup> GJ (gigajoule).

4. Energy intensity calculation formula: Total energy consumption (GJ) / annual individual revenue (NTD one million).





## Energy Saving and Carbon Reduction

As a distributor of passive components, Nichidenbo does not produce raw materials; however, we are committed to energy saving and carbon reduction in our operations. Moving forward, we will continue replacing outdated, energy-intensive equipment and implementing electricity-saving measures to uphold the company's commitment to energy efficiency and carbon reduction.

## 2024 Nichidenbo Energy Saving and Carbon Reduction Action Plan and Explanation

Item	Action Plan	Detailed Description
1	Office Lighting Equipment	Gradually replacing T5 light fixtures with LED energy-saving lamps and turn off lights during lunch breaks to achieve energy-saving and power-saving effects.
2	Cardboard Box Recycling and Reuse	Original cardboard boxes will be reused for shipping if undamaged and still usable..
3	Smart Box Recycling and Reuse	Two types of packaging materials are used when shipping products. The first type being plastic packaging materials, which are widely used as they are durable and can meet supplier requirements. The second type is smart boxes, which are reusable packaging that can be used again upon arrival. This approach not only saves costs but also reduces waste and lessens the environmental impact of the Company's operations.
4	Using Recycled Paper	The paper used for office machines are replaced with recycled paper.
5	Use TDCC eNotice for Dividend Distribution	In 2024, shareholders used eNotice for a total of 2,591 instances, joining efforts in supporting carbon reduction and net zero, moving towards a new digital future.
6	Use Recyclable Outer Boxes for Shareholders' Meeting Souvenirs	The soap outer package for the 2024 Shareholders' Meeting souvenir is a recyclable box printed with soy ink, reducing waste and promoting resource reuse.
7	Encourage Sales employees to Use Electric Vehicles	An energy-saving and carbon reduction bonus of NTD 5,000 is provided per vehicle per month.



## Greenhouse Gas Emissions

The Company conducts greenhouse gas (GHG) inventories for Category 1, 2, 3, and 4 in accordance with the international standard ISO 14064-1:2018, using parent company only financial statements as the boundary. In 2024, the emissions of Nichidenbo were: Category 1 (Direct GHG emissions) 73.92 metric tons CO<sub>2</sub>e; Category 2 (Indirect emissions from imported energy): 134.10 metric tons CO<sub>2</sub>e; Category 3 (Indirect emissions from transportation): 161.21 metric tons CO<sub>2</sub>e; and Category 4 (Indirect emissions from using products provided by other organizations for organizational use): 31.69 metric tons CO<sub>2</sub>e. The sources of Category 1 emissions include gasoline used by fleet vehicles, refrigerants, septic tanks, and other sources; Category 2 emissions mainly come from consumption of electricity purchased from Taiwan Power Company, totaling 271,451.91 kWh; and Category 3 and Category 4 emissions include upstream and downstream transportation and distribution, purchased products and services, and activities related to fuel and energy that not included in Category 1 or 2.

### Nichidenbo's Greenhouse Gas Emissions and Greenhouse Gas Emission Intensity (Category 1 + Category 2) Over the Past Three Years

Unit: metric ton CO<sub>2</sub>e

Total emissions		2022	2023	2024
Category 1 Direct GHG emissions	Gasoline for fleet vehicles	17.53	18.01	19.30
	Refrigeration	5.55	5.92	5.92
	Septic tank	13.20	13.09	13.94
	Fire extinguisher	0	23.46	34.76
Category 2 Indirect emissions from imported energy	Purchased electricity	114.42	115.25	134.10
Total GHG emissions (Category 1 + Category 2)		150.70	175.73	208.02
Revenue (individual revenue NTD one million)		1,915	1,820	1,751
GHG emission intensity		0.08	0.10	0.12

Note:

- Types of gas included in Category 1 are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons; and the type of gas included in Category 2 is carbon dioxide.
- Energy-related data for GHG calculations (e.g. gasoline and electricity usage) are based on actual payments made by Nichidenbo Corporation.
- Nichidenbo Corporation has no biogenic carbon dioxide emissions.
- As the annual GHG inventory has been conducted according to ISO 14064-1:2018 since 2023, 2022 is set as the baseline year.
- The GHG quantity is compiled using the operational control method.
- Calculation method: Category 1 and 2: Activity data × Emission factor × GWP value. Category 1 emission factors reference the GHG Emission Factor Management Table, Version 6.0.4 (Ministry of Environment, 2019). Electricity emission factor is based on the purchased electricity emission factor announced by the Ministry of Economic Affairs Energy Administration, with 2024 referencing the 2023 factor: 0.494 kg CO<sub>2</sub>e/kWh. GWP values follow estimates from the IPCC Sixth Assessment Report.
- Category 1 emissions increased in 2024, mainly due to the purchase of two gas-powered fire extinguishers, increased use of fleet vehicles, and an increase in the number of employees.
- Category 2 emissions increased in 2024, mainly because Nichidenbo acquired two new factory offices, resulting in higher annual electricity consumption.
- GHG emission intensity calculation formula: Total GHG emissions (Category 1 + Category 2) (metric ton CO<sub>2</sub>e) / Individual revenue (NTD one million); The types of gas included are carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons.



## Nichidenbo Greenhouse Gas Emissions (Category 3 + Category 4) in the Last Three Years

Unit: metric ton CO<sub>2</sub>e

Total emissions		2022	2023	2024
<b>Category 3</b> <b>Indirect emissions from transportation</b>	Upstream transportation and distribution	12.19	44.39	2.72
	Downstream transportation and distribution	149.15	209.48	158.49
<b>Category 4</b> <b>Indirect emissions from using products provided by other organizations</b>	Purchasing products and services (tap water)	0.41	0.39	0.33
	Fuel and energy-related activities (not included in Category 1 or Category 2 activities)	26.98	27.27	31.36
<b>Total greenhouse gas emissions (Category 3 + Category 4)</b>		188.73	281.53	192.90

Note:

- 1.The type of gas included in Category 3 and 4 is carbon dioxide.
- 2.Nichidenbo Corporation has no biogenic carbon dioxide emissions.
- 3.Since the annual GHG inventory has been conducted according to the international standard ISO 14064-1:2018 since 2023, 2022 is set as the baseline year.
- 4.The upstream transportation and distribution screening principle is based on the purchase amount from suppliers in that year of 90%.
- 5.The calculation method for Category 3 and 4 is activity data × emission factor × GWP value. The emission factor values for Category 3 and 4 are quantified by referring to the product carbon footprint information network. The GWP values adopt the estimates from the IPCC Sixth Assessment Report.



## Water Resource Management

Nichidenbo places great importance on the disclosure of water withdrawal data and assesses water stress using the World Resources Institute's "Aqueduct Water Risk Atlas". Both the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center) fall within the low to medium (10%–20%) water stress category, indicating that they are not located in areas with high water resource stress. The company's water supply is 100% sourced from third-party municipal water systems and is used exclusively for domestic purposes.

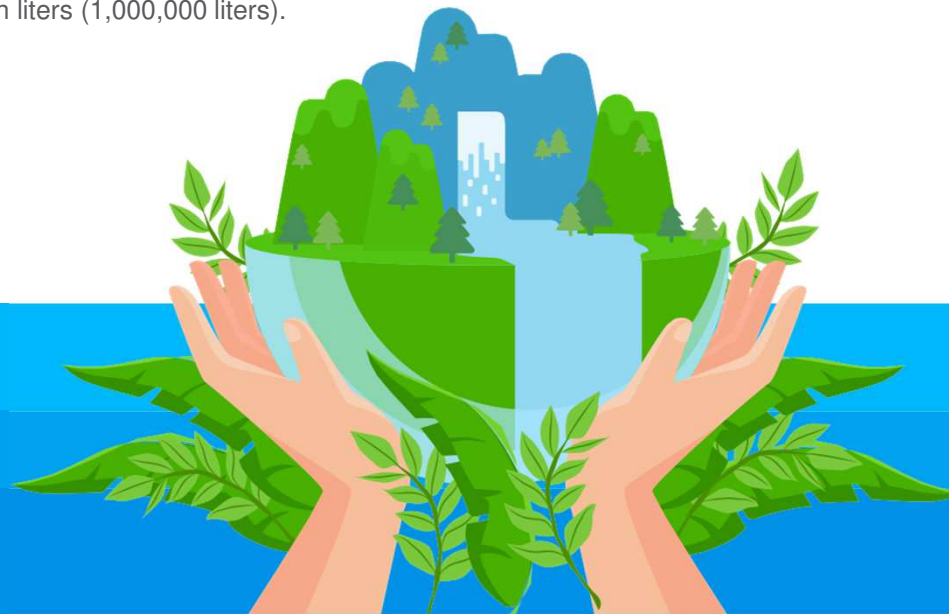
To promote sustainable water use, Nichidenbo has implemented water-saving initiatives, such as replacing cooling towers with split-type air conditioners and promoting water conservation practices. These efforts help reduce the Company's water usage impact. In 2024, Nichidenbo's total water withdrawal was 1.411 thousand cubic meters (1,000 m<sup>3</sup>), approximately 18.84% lower than the previous year, with 0% sourced from high water stress areas.

In 2024, the Company did not receive any penalties related to environmental pollution from wastewater discharge.

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### Note:

1. The water withdrawal statistics for 2024 include the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center). Due to the nature of the industry, Nichidenbo does not engage in production and does not use water for raw material manufacturing. The discharged wastewater is domestic wastewater from the operation sites, and sewage is uniformly treated by the management committee. Due to limitations in drainage and water consumption measurement methods, only water intake is disclosed.
2. 1 thousand cubic meters (1,000 m<sup>3</sup>) = 1 million liters (1,000,000 liters).





Waste Management

Nichidenbo does not generate industrial waste during manufacturing, nor does it produce hazardous waste. The Xindian Operations Headquarters primarily handles general household waste, while Zhonghe (Taipei Logistics Center) mainly generates general business waste, such as bubble wrap, packing straps, PE film, and wooden pallets. Improper disposal of these materials could still impact the environment. Nichidenbo minimizes the use of cartons and packaging materials by centralizing packaging and shipping, and strives to reuse original inbound cartons and existing materials for shipping cartons, pallets, and protective fillers. Damaged packing straps and plastic films are legally entrusted to qualified professional environmental recycling companies for proper disposal. Wooden pallets are assessed for wear and tear; reusable pallets are returned to suppliers for recycling, while non-reusable pallets are handed over to park suppliers for recycling and disposal, conserving resources and reducing carbon emissions.

Nichidenbo also carefully selects waste disposal contractors. Its subsidiary, Lipers Enterprise Co., Ltd., has entered into a contract with Xinlong Environmental Protection Co., Ltd. for waste removal and disposal, the contractor has been verified to be qualified and permitted by the competent authority. Through control audits, Nichidenbo also checks emergency response procedures and permit validity periods, aiming to minimize the negative impact of operational waste on the environment.

Nichidenbo continues to promote and advocate the implementation of office waste sorting and reduction among employees. Sorted waste is collected and transported by qualified building contractors. In 2024, the total weight of recyclable waste was 13.15 metric tons, a 24.17% increase compared to 2022, mainly due to the destruction of approximately 201 boxes of paper documents. Nichidenbo will continue to improve environmental performance and contribute further to environmental protection.



Unit: metric ton

Types Of Waste	Amount Of Recyclable Waste		
	2022	2023	2024
Xindian Operations Headquarters (Note)	4.59	4.23	7.15
Zhonghe (Taipei Logistics Center)	6	6	6
Total amount of recyclable waste	10.59	10.23	13.15

Note:  
The scope of recyclable waste statistics for 2022–2024 includes Nichidenbo and six subsidiaries (Lipers, Scope, Jianlue, VIC-DAWN, TONSAM, and KOHO (Taiwan)).



# 05 SOCIAL INCLUSION

5.1 Talent Development and Recruitment

5.2 Human Rights



5.3 Safe Workplace Environment





## 5.1 Talent Development and Recruitment

### Management Policy

Material Topic		Talent Cultivation and Recruitment	
Linking SDGs  		SDG 4.4 Increase the number of people with relevant skills for financial success. SDG 4.5 Eliminate all discrimination in education. SDG 8.5 Full employment and equal pay for work of equal value.	
Policy or Commitment		Through comprehensive education and training programs, diverse and abundant training resources are provided to all employees to enhance their professional skills and collective knowledge.	
Indicators and Targets		<b>Short-Term Goals (2025–2026):</b> <ul style="list-style-type: none"> <li>Continuously provide a variety of educational and training resources to increase employee training hours, aiming for the average training hours per employee to exceed the previous year. This helps enhance employees' professional knowledge and management skills. In addition, employee performance evaluations are conducted annually to ensure continuous development and maintain high work performance.</li> <li>As the social environment evolves and national policies are updated, new welfare programs are introduced to improve employee retention.</li> </ul>	<b>Medium to Long-Term Goals (2027–2032):</b> <ul style="list-style-type: none"> <li>Establish a succession mechanism to develop management capabilities among supervisors at all levels, ensuring that suitable successors can be quickly identified when critical positions become vacant, thereby maintaining business continuity and stability.</li> <li>Foster employee alignment with the company's mission, vision, and culture, and cultivate pride in the organization.</li> </ul>
Effectiveness Tracking Mechanism		<ul style="list-style-type: none"> <li>Review the average hours of education and training annually.</li> <li>Regularly check performance and career development.</li> </ul>	
Annual Action and Performance		<ul style="list-style-type: none"> <li>Since 2023, the Company has established and continuously promoted an online video platform. In 2024, the total training hours of Nichidenbo employee reached 1,919.28 hours, with an average of 12 hours per employee. Compared with 2023, the total training hours increased by 323.9 hours, and the average training hours increased by 1.3 hours per employee, demonstrating our continuous efforts in employee training.</li> <li>Employees undergoing performance evaluation in 2024 accounted for 98.65% of the employees who should be evaluated.</li> <li>In 2024, a total of 4 Employee Welfare Committee meetings and 4 labor-management meetings were held, along with monthly departmental meetings, achieving two-way communication through these meetings.</li> </ul>	



## Enterprise Human Resources Overview

Nichidenbo is committed to creating a friendly workplace with equality, diversity, and inclusivity, by utilizing workforce diversity and upholding equal rights. The company values the different perspectives, beliefs, interpersonal styles, and social backgrounds that each employee brings, enabling everyone to perform at their best and contributing to sustainable business operations and value creation.

Nichidenbo does not consider race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, physical or mental ability, blood type, etc. when employing personnel, and does not provide any differential treatment for the above reasons. All employees are treated equally in promotions and training opportunities. Nichidenbo is also dedicated to maintaining a workplace environment free from discrimination, bullying, harassment, defamation, infringement, and violence, gradually embedding the principles of equality and diversity into our corporate culture.

## Talent Distribution

As of December 31, 2024, the total number of employees at Nichidenbo was 160, with no significant change compared with the previous year. The gender distribution of employees was 79 male (49.38%) and 81 female (50.62%). All employees are full-time, with no fixed-term contracts or part-time (hourly wage) staff.

Apart from the 160 employees, Nichidenbo signed an “Environmental Cleaning and Maintenance Contract” with a cleaning company in 2024, with one on-site cleaning personnel. During the reporting period, the number of non-employee workers did not show significant fluctuations compared with the previous period.

Nichidenbo is committed to developing a diverse and rich talent composition, and providing employment opportunities for people with disabilities. According to Article 38 of the People with Disabilities Rights Protection Act, the number of employees with disabilities shall be no less than 1% of the total number of employees, and no less than 1 person. In 2024, Nichidenbo has employed one person with a disability in compliance with this regulation. In the future, Nichidenbo will continue to provide more job opportunities for people with disabilities to promote diversity and inclusion, enhancing the overall competitiveness of the Company.



## Nichidenbo Employee Workforce Structure Breakdown (by Gender)

Category	Group	Male		Female		Category Subtotal	
		Number of people	Percentage to the group	Number of people	Percentage to the group	Number of people	Percentage to the group
Employment contract	Permanent employee	79	49.38%	81	50.62%	160	100%
Employment type	Full-time employee	79	49.38%	81	50.62%	160	100%

Note:

1. Statistics cover Nichidenbo Corporation's Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
2. The Number of employees as of December 31, 2024 is calculated based on actual headcount.

## Nichidenbo Group's Global Operational Locations Employee Workforce Structure Breakdown (by Gender, Work Region)

Category	Group	Male		Female		Category Subtotal		Work Region / Taiwan Area		Work Region / Mainland China Area		Work Region / Hong Kong Area		Category Subtotal	
		Number of people	Percentage to the group	Number of people	Percentage to the group	Number of people	Percentage to total employees	Number of people	Percentage to the group	Number of people	Percentage to the group	Number of people	Percentage to the group	Number of people	Percentage to total employees
Employment contract	Permanent employee	165	44.96%	202	55.04%	367	100%	302	82.29%	55	14.99%	10	2.72%	367	100%
Employment type	Full-time employee	165	44.96%	202	55.04%	367	100%	302	82.29%	55	14.99%	10	2.72%	367	100%

Note:

1. Statistics cover Taiwan area: Nichidenbo Corporation, Lipers Enterprise Co., Ltd., Scope Technology Co., Ltd., Advance Electronic Supply Inc., VIC-DAWN Enterprise Co., Ltd., TONSAM Corporation, KOHO (Taiwan) Co., Ltd.; mainland China area: Nichidenbo (Shenzhen) Trading Co., Ltd., Lipers Electronic (SZ) Co., Ltd., Nichidenbo (Suzhou) Trading Co., Ltd., Nichidenbo (Suzhou) Trading Co., Ltd. Wuhan Branch; and Hong Kong area: Lipers (Hong Kong) Enterprise Co., Ltd.
2. The number of employees as of December 31, 2024 is calculated based on the actual headcount. The total number of employees of the Nichidenbo Group is 302 in the Taiwan area; 55 in the mainland China area; and 10 in the Hong Kong area.





## Diversity of Governance Units and Employees

### Nichidenbo Employee Job Category Distribution

Category	Gender	Age	2022	Percentage to total employees (%)	2023	Percentage to total employees (%)	2024	Percentage to total employees (%)
Supervisor	Male	Under 30 years old	0	0%	0	0%	0	0%
		30–50 years old	14	9.40%	14	9.40%	15	9.38%
		Over 50 years old	8	5.37%	10	6.71%	10	6.25%
	Female	Under 30 years old	0	0%	0	0%	0	0%
		30–50 years old	12	8.05%	11	7.38%	11	6.87%
		Over 50 years old	7	4.70%	10	6.71%	11	6.87%
Non-supervisor	Male	Under 30 years old	4	2.68%	4	2.68%	6	3.74%
		30–50 years old	44	29.53%	42	28.19%	47	29.38%
		Over 50 years old	2	1.34%	1	0.67%	1	0.63%
	Female	Under 30 years old	8	5.37%	8	5.37%	8	5.00%
		30–50 years old	42	28.19%	43	28.86%	44	27.50%
		Over 50 years old	8	5.37%	6	4.03%	7	4.38%
Total			149	100%	149	100%	160	100%

Note:

- Statistics cover Nichidenbo Corporation's Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
- Supervisor refers to positions of level 7 or above, such as: Assistant Manager, Manager, Director, Assistant Vice President, Vice President, General Manager, and Chairman.





The Percentage of Hiring Local Residents for Senior Management Positions

The key operational bases of Nichidenbo are located in Taiwan. Nichidenbo prioritizes hiring local talent, and in 2024, all senior management are Taiwanese, resulting in a 100% local senior management employment rate.

Nichidenbo Senior Management Information

2024	
Total number of senior management	47
Senior management from the local area	47
Percentage	100%

- Note:
- 1.Senior management is defined as positions of level 7 and above, such as: Assistant Manager, Manager, Director, Assistant Vice President, Vice President, General Manager, and Chairman.
  - 2.Nichidenbo's key operational bases include the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
  - 3.Percentage = Senior management from the local area / Total number of senior management x 100%.

Staff Turnover

New employee

To meet the Company's growing talent needs, Nichidenbo hired a total of 23 new employees in 2024, including 11 male and 12 female employees, with a total new hire rate of approximately 14.38%. The Company looks forward to recruiting more young talent to join Nichidenbo and to carry forward the expertise and experience of a leading agent in passive components.

Resignation and Retention

In terms of employee retention, a total of 14 employees left Nichidenbo in 2024, including 5 male and 9 female employees, with an overall turnover rate of approximately 8.75%. When an employee applies for resignation, separate interviews are conducted respectively by the supervisor and the Human Resources Department to understand the reasons for the departure, providing a basis for future company improvements. Furthermore, adjustments on job duties, work location, or internal transfer opportunities may be offered based on the employee's expertise to retain talent. Nichidenbo will continue to strengthen work-life balance, enhance managerial skills, and provide career development opportunities to promote employee retention.



## Nichidenbo Statistics of New Employees and Departed Employees in 2024 (Note 1)

Region	Age	New employee				Departed employee			
		Male	%	Female	%	Male	%	Female	%
Taiwan Area	Under 30 years old	5	21.74%	4	17.39%	0	0%	4	28.58%
	30–50 years old	6	26.09%	8	34.78%	5	35.71%	5	35.71%
	Over 50 years old	0	0%	0	0%	0	0%	0	0%
Total number of employees (Note 2)		160							
Total number of new employees		23							
Total new hire rate (%) (Note 3)		14.38%							
Total number of departed employees		14							
Total turnover rate (%) (Note 4)		8.75%							

Note:

1. Statistics cover Nichidenbo Corporation's Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
2. As of December 31, 2024, the total number of employees at Nichidenbo was 160 (including the actual number of employees who applied for return from parental leave for the year, a total of 1 person).
3. Percentage of new employees by category (%) = Number of new employees by category / total number of new employees for the year x 100%.
4. Percentage of departed employees by category (%) = Number of departed employees by category / total number of departed employees for the year x 100%.
5. Total new hire rate (%) = Total number of new recruits for the year / Total number of employees for the year x 100%.
6. Total turnover rate (%) = Total number of resignations for the year / Total number of employees for the year x 100%.



## Parental Leave

The Company fully complies with the Gender Equality in Employment Act and advocates for SDG 5 “Gender Equality”, supporting employees’ rights to raise the next generation and ensuring their rights to parental leave. After being employed by the Company for six months, employees may apply for unpaid parental leave for each child before the child turns three years old, but the total leave period may not exceed two years. During the unpaid parental leave, employees may continue participating in their existing social insurance plans.

## Statistics on the Number of Employees Taking Unpaid Parental Leave in the Past Three Years





	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Number of employees eligible for parental leave in the year (A)	8	5	4	5	2	5
Number of actual parental leave applicants in the year (B)	0	1	0	1	0	1
Application rate (B / A)	0%	20%	0%	20%	0%	20%
Number of employees who should return to work from parental leave in the year (C)	-	2	-	2	-	1
Actual number of employees who returned to work in the year (D)	-	1	-	2	-	1
Return-to-work rate (D / C)	-	50%	-	100%	-	100%
Number of employees who returned to work in the previous year (E)	-	1	-	1	-	2
Number of employees who returned to work for a full year in the previous year (F)	-	0	-	1	-	1
Retention Rate (F / E)	-	0%	-	100%	-	50%

Note: The “-” for number of people indicates that none is scheduled return to work or actual return to work situation; the “-” for rate indicates that the denominator for the calculation is 0, and the return rate or turnover rate is not calculated.



## 5.2 Human Rights

### Management Policy

Material Topic	Human Rights	
<p><b>Linking SDGs</b></p>    	<p>SDG 5.2 Eliminate all forms of violence and exploitation against all women.  SDG 8.5 Full employment and equal pay for work of equal value; 8.7 End modern slavery, trafficking, and child labor.  SDG 10.2 Promote social, economic and political inclusion of all; 10.3 Ensure equal opportunity and eliminate discrimination.  SDG 16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children; 16.b Promotes and enforces non-discriminatory laws and policies.</p>	
<b>Policy or Commitment</b>	<p>Support and respect relevant international labor rights standards, without discrimination based on gender, age, race, etc., provide transparent complaint channels, enabling collective employees to have correct human rights concepts, and creating a diverse and equal working environment.</p>	
<b>Indicators and Targets</b>	<p><b>Short-Term goals (2025–2026):</b>  Continuously promote gender equality and human rights, prohibit sexual harassment and workplace bullying, and advocate for a zero-harassment work environment.</p>	<p><b>Medium to Long-Term Goals (2027–2032):</b>  While striving to develop economic performance, continue to promote diverse talent development and equality.</p>
<b>Effectiveness Tracking Mechanism</b>	<ul style="list-style-type: none"> <li>Set in place measures for the prevention, complaint investigation, and disciplinary handling of sexual harassment.</li> <li>Create channels for labor-management communication, and hold labor-management meetings irregularly.</li> </ul>	
<b>Annual Action and Performance</b>	<ul style="list-style-type: none"> <li>To safeguard various labor interests and build a diverse and equal work environment, internal human rights policies have been formulated. Implement human rights due diligence to effectively identify, assess, and manage human rights risks.</li> <li>In 2024, neither the Company nor our key suppliers had any significant risks or incidents related to discrimination, use of child labor, forced labor, or other violations of labor rights.</li> <li>In 2024, one disabled employee was employed, meeting the quota required by regulation.</li> </ul>	



## Human Rights and Labor Interests Protection

Nichidenbo prohibits the employment of child labor under the age of 16, prohibits forced labor and any form of improper employment discrimination, and requires suppliers to follow international labor standards and labor-related laws at their business locations. In 2024, after internal assessment, Nichidenbo identified no significant risks of forced or compulsory labor incidents at our operational sites or among suppliers. To protect various labor interests, Nichidenbo has formulated relevant policies covering minimum wage, working hours (including overtime), insurance, leave, pension systems, contract termination notice period, freedom of association, and collective bargaining rights. The company provides equal job opportunities and fair treatment without discrimination based on race, color, gender, religion, political affiliation, nationality, or social origin.

In 2024, neither the Company nor our key suppliers had any significant risks or incidents related to discrimination, use of child labor, forced labor, or other violations of labor rights.

### Nichidenbo labor interests related measures explanation

#### Lay Off and Retirement Plan

- If it becomes necessary to terminate an employment relationship, Nichidenbo will comply with Article 16 of the Labor Standards Act, give advance notice to terminate contract, and provide severance pay and job search leave.
- For employees who intend to continue working, we assist in adjusting job duties or providing internal transfer and training opportunities, such as moving from operations to logistics. If the employee's skills do not match the current job, Nichidenbo may also recommend transferring to other subsidiaries to better utilize the employee's expertise and abilities.
- For departing employees, opportunities for retention or reassignment are also explored, while confirming the employee's willingness to return to Nichidenbo in the future, respecting individual choice.

#### Labor-management Agreement

Nichidenbo, although no labor union has been established, holds regular labor-management meetings every quarter according to Article 83 of the Labor Standards Act. When necessary, interim meetings may be convened to facilitate bilateral communication and negotiation on topics such as promoting labor-management cooperation, coordinating labor relations, improving working conditions, and planning employee welfare.

In 2024, the resolution items negotiated during labor-management meetings included deferred special leave matters, adjustment of rest days and working days for 2025, the addition of "birthday leave" as a benefit in 2025, and work-from-home arrangements during natural disasters. These resolutions apply to all 302 employees of the Nichidenbo Group in Taiwan, accounting for 100% of the Taiwan workforce.

Additionally, to protect employees' human rights and various rights and interests, Nichidenbo has established measures for the prevention, complaint investigation, and disciplinary handling of sexual harassment, as well as bylaws for reporting illegal or unethical conduct, in accordance with the Act of Gender Equality in Employment. These policies are publicly displayed in the workplace. Employees can express concerns via mailboxes, labor-management meetings, or directly to senior management, ensuring labor rights are upheld and a friendly working environment is maintained. In recent years, Nichidenbo has had no cases of discrimination.

#### Shortest Notice Period for Operational Changes

After discussions in the labor-management meeting, major operational changes affecting employee rights and corresponding countermeasures will be implemented.

- Before implementing significant operational changes, employees are notified in advance in accordance with the Labor Standards Act and their years of service: employees with more than 3 months but less than 1 year of service are notified 10 days in advance; those with more than 1 year but less than 3 years are notified 20 days in advance; and employees with more than 3 years of service are notified 30 days in advance, to safeguard their work rights.
- During the reporting period, Nichidenbo did not experience any significant operational changes.





## Nichidenbo Employee Welfare Measures

Nichidenbo upholds the business philosophy of mutual prosperity by offering competitive salaries, diverse benefits, and profit-sharing with employees, while fostering an equal and inclusive workplace environment. In addition to providing full-time employees with legally mandated rights such as labor and health insurance, special leave, maternity leave, and parental leave, the company also offers a wide range of benefits, including flexible shifts, disability insurance, pensions, emergency assistance, wedding and childbirth gifts, and funeral subsidies. Furthermore, to show care and celebrate employees' birthdays, a special birthday leave benefit will be introduced starting in 2025, aiming to enhance employee well-being and cultivate a happy, equitable workplace.

Basic Welfare	Insurance	<ul style="list-style-type: none"> <li>In addition to the basic labor insurance and national health insurance as required by the government, the Company also offers a comprehensive group insurance plan for employees, which includes accidental death and disability insurance, accident insurance, and travel insurance for business trips, providing employees with a more complete insurance coverage and protection.</li> </ul>
	Leave	<ul style="list-style-type: none"> <li>Leaves are granted in accordance with the provisions of the Labor Standards Act, including national holidays, special leave, marriage, bereavement, sick leave, public leave, and parental leave.</li> </ul>
	Pension system	<ul style="list-style-type: none"> <li>The pension system applicable under the Labor Standards Act (old system) is a defined benefit retirement plan. The payment of employee pensions is calculated based on the years of service and the average salary of the six months prior to the approved retirement date. A portion of the total monthly salary of employees, 2%, is allocated to the employee pension fund and deposited into a special account at the Bank of Taiwan under the name of the Labor Retirement Reserve Fund Supervisory Committee. In 2024, this special account's balance is NTD 9,041,192.</li> <li>The pension system (new system) applicable under the Labor Pension Act is a government-managed defined contribution retirement plan, with 6% of the employee's monthly salary contributed and deposited into a personal account at the Labor Insurance Bureau according to the monthly contribution wage scale approved by the Executive Yuan. The pension expense recognized in 2024 was NTD 5,340,190.</li> </ul>
	Flexible work shifts	<ul style="list-style-type: none"> <li>To create a friendly workplace environment, and to enable employees to balance work and family life or further study needs, flexible work shift options are provided.</li> </ul>
Rewards and Benefits	Salary, bonus, and employee compensation	<ul style="list-style-type: none"> <li>According to the employee salary management measures and related regulations set by the company, when the company has annual profits, no less than 5% will be allocated as employee compensation, and at the same time, the overall consideration will be based on the individual's participation in the company's operations and performance evaluation. For details regarding the average and median salaries of the Company's non-supervisory full-time employees, as well as the changes in these two figures compared to the previous year, please refer to the Market Observation Post System &gt; Summary Reports &gt; Corporate Governance &gt; Employee Welfare and Compensation Statistics &gt; Salaries of Non-Supervisory Full-Time Employees &gt; Salary Information for Non-Supervisory Full-Time Employees.</li> </ul>
	Year-end bonus and subsidy	<ul style="list-style-type: none"> <li>The Company Joint Employee Benefits/Welfare Committee, in addition to distributing holiday cash or gift vouchers, also provides subsidies such as wedding cash gifts, maternity cash gifts, hospitalization allowances, and funeral allowances.</li> </ul>



## Nichidenbo Employee Welfare Measures

Health Promotion	Regular health check-up	<ul style="list-style-type: none"> <li>Conduct annual health check-ups and monthly on-site consultations with an occupational nurse, providing follow-up management and care for employees with abnormal health check results. In 2024, the subsidy amount reached approximately NTD 779,000.</li> </ul>
	Club activities	<ul style="list-style-type: none"> <li>To enrich employees' after-work recreational activities and promote interaction, communication, and team spirit, employees are encouraged to form clubs that support physical and mental well-being or educational development, with subsidies provided by the Company in coordination with the employee benefits and welfare committee.</li> </ul>
Comprehensive Facilities	Breastfeeding room and childcare subsidy	<ul style="list-style-type: none"> <li>The Company provides a breastfeeding-friendly environment and, to help reduce employees' childcare burdens, offers annual childcare subsidies for children under 12 years old. In 2024, employees who applied for the 2023 annual childcare subsidy received a total of NTD 125 thousand. In 2025, a total of 36 employees applied for the 2024 childcare subsidy, and NTD 116 thousand was distributed.</li> </ul>
Welfare Committee and Various Subsidies	Welfare fund	<ul style="list-style-type: none"> <li>Source of funding: Based on 0.5% of each employee's monthly salary and 0.05% of the company's total monthly operating revenue, funds are allocated and deposited into a special account managed by an "Employee Benefits/Welfare Committee" established jointly by labor and management. The Company's allocation of welfare fund expenses for this year is NTD 1,332,301.</li> <li>Scope of expenditure: In addition to the aforementioned holiday bonuses, wedding, funeral, and celebratory allowances, as well as maternity subsidies, the fund also covers insurance expenses, community activity subsidies, and company and department activity subsidies.</li> </ul>
	Birthday celebration	<ul style="list-style-type: none"> <li>Nichidenbo Joint Employee Welfare Committee in principle holds a birthday celebration every 2 months and provides birthday cash gifts for employees.</li> </ul>
	Annual event	<ul style="list-style-type: none"> <li>To foster camaraderie among employees, the Company's Welfare Committee provides annual domestic and international travel subsidies for employees and occasionally organizes employee family days, birthday parties, and other activities. In 2024, the total travel subsidy for employees' trips amounted to NTD 1,297,400.</li> </ul>
	Car loan	<ul style="list-style-type: none"> <li>Employees making car purchase for work-related duties will be provided with preferential loans by the Company for their capital expenditure.</li> </ul>
	Telephone bill and computer equipment allowance for business use	<ul style="list-style-type: none"> <li>For employees who need to use their personal mobile phones for work-related duties, as well as those who use their personal computer equipment for official business, the company provides a monthly allowance.</li> </ul>



Human Resources Development

Diverse Training Channels

Nichidenbo is committed to nurturing talent and enhancing employee capabilities, we implement a comprehensive education and training system, which id divided into pre-employment training and on-the-job training. From new staff departmental functional training, internal and external courses (such as ethical corporate management, legal compliance, accounting training, or major legal seminars), to mid- and senior-management leadership programs, all training is planned by dedicated personnel. With diverse learning platforms, such as in-person lectures, external training participation, and online learning videos, Nichidenbo continuously refines our training programs. Additionally, the training department periodically provides information on various courses. For example, as a member of the Taipei Electronic Components Suppliers’ Association, employees are encouraged to participate in relevant educational programs when they are held. In 2024, Nichidenbo regularly conducted training, promoted corporate governance regulations, and continued to advance video-based learning programs. Employee feedback has been positive, with employees not only enhancing their self-worth and save time but also developing their professional skills.

Nichidenbo Employee Training Situation in 2024

Employee Category	Calculation Method	Male	Female	Subtotal
Supervisor	Actual number of people during the reporting period	25	22	47
	Training hours during the reporting period	259.31	417.46	676.77
	Average training hours during the reporting period	10.37	18.98	14.40
Non-supervisor	Actual number of people during the reporting period	54	59	113
	Training hours during the reporting period	618.86	623.65	1,242.51
	Average training hours during the reporting period	11.46	10.57	11.00
Total	Hours during the reporting period	878.17	1,041.11	1,919.28
	Total number of employees at the end of the reporting period	79	81	160
	Average training hours per employee	11.12	12.85	12.00

Note:  
1. Statistics cover Nichidenbo Corporation's Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).  
2. Supervisor refers to positions of level 7 or above, such as: Assistant Manager, Manager, Director, Assistant Vice President, Vice President, General Manager, and Chairman.



In response to the digitalization of corporate internal training, Nichidenbo, in addition to conducting in-person lectures, planned the establishment of an online learning platform for corporate education and training starting in 2023. This platform offers a series of digital courses with audio-visual teaching materials, enabling employees to enhance their job skills, improve self-worth, save time, and continuously develop professional abilities through ongoing learning and training.

## Total Study Hours For Nichidenbo Employees In 2024

Employee Training Program	Program Description	Total Learning Hours	Participants
<b>Internal Training for New Employees</b>	Familiarize new employees with the processes of each unit and basic functional training, enabling them to work independently.	243	New staff
<b>Digital Audio-visual Learning</b>	Cultivate professional capabilities for all employees, such as sales techniques, effective communication, and management skills for supervisors.	448.38	New staff and all staff
<b>Occupational Safety and Health Education and Training</b>	Arrange external occupational safety and health education training to enhance the relevant knowledge of employees and award certificates.	64	New staff and all staff
<b>Legal Compliance Education and Training</b>	Conduct various regulatory training sessions and publish announcements (such as intellectual property, trade secrets, insider trading, etc.) occasionally to strengthen employees' compliance and ethical awareness, thereby fulfilling the Company's fundamental corporate social responsibility.	494.4	New staff and all staff
<b>Information Security</b>	Improve employees' awareness and capabilities on information security and personal data protection, to reduce risks and losses caused by data breaches or cyberattacks.	51.7	New staff and all staff
<b>Other Courses</b>	Enhance employees' professional skills and the mid-to-senior executives' leadership skills through relevant education and training, including courses offered by Including internal departmental heads, such as seminars introducing electronic products, and external participation in education sessions for important regulations.	617.8	New staff and all staff



Performance and Career Development

Nichidenbo values employees’ career development and has established a comprehensive promotion and compensation system. In addition to probationary assessments for employees after three months of employment, annual performance evaluations are conducted regularly. These evaluations review job performance, employees’ career or further education plans, and other work-related issues. Based on the results, adjustments to salary, promotions, rewards, and transfers are made, linking performance to human resource management and strengthening Nichidenbo’s human capital. After performance evaluations, department supervisors submit promotion lists, which the HR department consolidates. For managerial-level positions and above, a promotion evaluation meeting is held. Nominated employees prepare presentation reports, and the highest-level department supervisors serve as evaluation committee members to score and decide whether to approve the promotion.

Nichidenbo 2024 Employee Performance Review

Employee Category	Calculation Method	Male	Female	Subtotal
Supervisor	Total number of employees at the end of the reporting period	25	22	47
	Number of employees regularly receiving performance and career development reviews	25	22	47
	Percentage of employees regularly receiving performance and career development reviews	100%	100%	100%
Non-supervisor	Total number of employees at the end of the reporting period	54	59	113
	Number of employees regularly receiving performance and career development reviews	48	53	101
	Percentage of employees regularly receiving performance and career development reviews	88. 89%	89.83%	89.38%
Total	Total number of employees at the end of the reporting period	79	81	160
	Total number of employees regularly receiving performance and career development reviews	73	75	148
	Percentage of employees regularly receiving performance and career development reviews	92.41%	92.59%	92.50%

Note:

1. Statistics cover Nichidenbo Corporation's Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).

2. As of December 31, 2024, the total number of Nichidenbo employees was 160.

3. During the performance review period, 1 male and 1 female employee resigned, 4 male and 4 female employees were in the probationary period, and 1 female employee was on long-term leave and has returned to work for less than three months, so they did not participate in the performance review for 2024.

4. Supervisor refers to positions of level 7 or above, such as: Assistant Manager, Manager, Director, Assistant Vice President, Vice President, General Manager, and Chairman.



## 5.3 Safe Workplace Environment

### Occupational Safety and Health Management

Nichidenbo attaches great importance to the health of our employees. To ensure personal safety and prevent occupational hazards, Nichidenbo implements occupational safety and health management based on the Occupational Safety and Health Act. The scope of workplace covered by the occupational safety and health management are the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center), including all employees and non-employees at these locations, with no workers excluded. While the occupational safety and health management system has not yet received external audits or certifications, plans for gradual implementation in future are underway.

Nichidenbo has established the “Occupational Safety and Health Work Code” according to with Occupational Safety and Health Act and relevant regulations, to continuously conduct occupational hazard risk assessments and improve management work on occupational safety and health through the PDCA (Plan-Do-Check-Act) cycle quality management.

### Occupational Safety and Health Management Coverage Rate for 2024

Number of Company employees	160
Number of workers (non-employees)	1
Number of employees and workers (non-employees) covered by occupational safety and health management	161
Percentage of employees and workers (non-employees) covered by occupational safety and health management	100%
Number of employees and workers (non-employees) subject to internal audit of occupational safety and health management	161
Percentage of employees and workers (non-employees) subject to internal audit of occupational safety and health management	100%



**Note:**

- 1.The number of Company employees refers to the number of existing employees as of December 31, 2024, and the statistical scope covers all employees at the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
- 2.The number of workers (non-employees) refers to the on-site cleaning personnel assigned by the cleaning company which has signed a “Environmental Cleaning Maintenance Contract” with the Company.



Nichidenbo Occupational Safety and Health Work Code Coverage

Key Tasks in Eight Major Areas	Measures and Practices
Maintenance Inspection of Machinery, Equipment, or Appliances	All on-site machinery, equipment, and tools must be inspected before use. Key functions, such as power supplies and conveyor belts, should undergo thorough monthly checks. Additionally, all machinery and equipment must be inspected according to the annual inspection plan. The use of equipment or tools that do not meet safety standards or have not been verified as qualified is strictly prohibited.
Work Safety and Health Standards	In the workplace, employees must strictly adhere to all safety and health equipment installed according to regulations, such as using work platforms or safe access equipment and wearing protective gear like safety belts and helmets to prevent fall hazards when working at heights. Additional measures are implemented to prevent electrical hazards and the collapse of stacked objects. In the event of an immediate danger, the person in charge of the workplace must promptly halt operations and ensure that workers retreat to a safe area.
Safety and Health Education Training and Disaster Drill	Employees are required to undergo training in occupational safety, health, and disaster prevention. The Company provides necessary on-the-job training as well as regular refresher courses in accordance with the Occupational Safety and Health Education and Training Regulations. New employees or those changing job assignments must participate in training relevant to their specific roles and regulatory requirements.
Health Guidance and Management Measures	Regular general health check-ups are conducted annually, complemented by monthly on-site occupational nurse interviews and consultations. The Company provides measures to promote physical and mental well-being, including health and hygiene education and guidance for employees. Health protection measures are also implemented for specific groups, such as pregnant and postpartum women, in accordance with the Maternity Health Protection Implementation Regulations. This includes the provision of lactation rooms, hazard assessments, graded management, and work adjustments to ensure their health during pregnancy, after childbirth, and while breastfeeding. For details on health management for high-risk occupational hazard workers and occupational disease prevention, please refer to the "Occupational Safety Hazard Risk Management" section.
First Aid and Rescue	In the event of an accident or disaster, follow the "Emergency Response Plan" SOP and internal notification and handling procedures, categorized by general first aid, traumatic bleeding, electric shock, fractures, and respiratory or cardiac arrest.
Preparation, Maintenance, and Use of Protective Equipment	Protective measures installed in workplaces, machinery, and equipment should be regularly inspected and maintained to ensure their performance is unimpaired. Personal protective equipment should also be properly cleaned, maintained, and stored after use. When engaged in electrical work or activities involving proximity to high-voltage electrical lines, workers must strictly use insulated protective equipment.
Accident Notification and Report	In the event of an accident, Nichidenbo implements emergency rescue measures according to the emergency response plan and immediately notifies the employer, the workplace supervisor, labor safety and health personnel, and other relevant staff using the fastest possible method. The Company then conducts an investigation, analyzes and records the cause of the incident, and formulates appropriate countermeasures. In the case of fatal accidents, as designated by the competent authority, the incident must also be reported to the labor inspection agency within 8 hours.
Other Matters Related to Safety and Health	If a worker violates the provisions of the code, the competent authority may be notified to impose penalties in accordance with the law, depending on the severity of the circumstances. Workers not employed by this unit who enter this unit for work should also comply with relevant regulations.

### Occupational Safety and Health Personnel and Education and Training

In accordance with the "Occupational Safety and Health Management Regulations" of the Ministry of Labor, Executive Yuan, Nichidenbo, as a distributor of passive components, is classified under its respective industry category. Although the overall risk is low and a formal safety and health committee has not yet been established, safety and health measures are implemented for all employees, activities, and work areas in compliance with the Regulations. Personnel from the Administration and Logistics Departments who hold safety and health education and training for class-1 qualifications serve as safety and health management officers, responsible for supervising and promoting occupational safety and health initiatives. In 2023, one employee from the Administration Department has been trained and obtained safety and health education and training for class-1 manager of occupational safety and health affairs qualification, bringing the total number of dedicated personnel, including fire safety managers and first aid staff, to five, thereby strengthening the safety protection measures for employees in the workplace, ensuring that employees can work with peace of mind in a healthy and safe environment.

Nichidenbo formulated the "Occupational Safety and Health Work Code" in 2019, which was submitted to a labor-management meeting and confirmed by five labor representatives. After being reviewed and approved by the New Taipei City Labor Inspection Office, it was officially announced and implemented to ensure employee safety. Annual first aid practices and fire drills, safety training for professional personnel (such as forklift operators), and regular retraining for specialized job types are conducted to equip employees with essential safety knowledge. Occupational safety and health management personnel receive on-the-job training every two years, and the Administration Department proactively monitors expiration dates of certificates and gives reminders for retraining. Dedicated personnel, including fire safety managers, first aid staff, and forklift operators, are legally required to undergo on-the-job training every three years.

To prevent accidents, Nichidenbo also regularly conducts safety education and training, such as holding fire drills every six months. Through accident investigation and analysis, employees gain an understanding of the causes of accidents, which helps reduce incidents and strengthens overall health and safety awareness. Responses to emergencies differ at different locations. In Zhonghe (Taipei Logistics Center), a set of SOP for disasters and accidents will be carried out immediately by the Logistics Department. At the Xindian Operations Headquarters, the emergency response mechanism will be activated by the self-defense fire organization, which includes a command squad, notification and liaison squad, firefighting squad, evacuation guidance squad, safety protection squad, and medical squad. In 2024, major accident drills were conducted to familiarize team members with response procedures and measures. These drills enhanced the team's emergency response capabilities and strengthened inter-departmental collaboration, ensuring swift and effective handling of unexpected incidents.



In 2024, Nichidenbo continued to hold fire drills and first aid practices, with the self-defense fire organization consisting of different squads to assist colleagues in responding to emergencies.



Occupational Safety Hazard Risk Management

Common types of occupational safety and health hazards include mechanical, physical, chemical, biological, ergonomic, and psychological hazards. Nichidenbo conducts hazard identification and analysis, assigning risk levels based on occupational accident records. Although the Company does not directly manufacture goods, it acts as a distributor for a large number of original factory parts and components. Some of these goods are relatively heavy, requiring forklift operators to lift and lower them during loading and unloading, which presents relatively high occupational safety and health risks.

Currently, precautions for on-site workers are clearly stipulated in the "Occupational Safety and Health Work Code", including thorough pre-operation checks, inspection of the work environment and equipment, and strict use of personal protective equipment. Any abnormalities must be reported immediately to supervisors. Forklift operators are required to obtain professional certification, and the equipment is being upgraded to electric models. Operators also participate in formal training for "Forklift Operators Handling Loads Over One Metric Ton". In the future, storage and transportation personnel will continue to receive professional functional training, including Class A occupational safety and health supervisors, forklift safety and health education, fire management personnel, and first aid personnel.

For overall workplace safety, the Fire Association organizes fire prevention and first aid training every six months and collaborates with the park management committee to regularly test and maintain fire safety equipment. Simulations are conducted to practice reporting, first aid, and other protective measures.

Meanwhile, in accordance with legal requirements, the Company implements "Special Appointment Medical Staff On-site Services," with nurses providing a total of 6 hours per month and doctors 6 hours per year to monitor employee health and prevent potential occupational hazards. Employees who believe that the working environment may pose risks of injury or illness can request a transfer to another position. The "Labor Safety and Health Work Code" protects workers from intimidation, threats, or termination of employment due to safety concerns.

Nichidenbo Hazard Identification, Analysis, and Improvement Measures for Occupational Safety and Health Management

Hazard Identification	Hazard Analysis	Risk Level	Improvement Measures
Mechanical hazards	<ul style="list-style-type: none"><li>Unsafe environment or facilities: The warehouse has forklift and pallet trucks.</li></ul>	Medium	<ul style="list-style-type: none"><li>Operation specifications: Company-provided steel-toed safety shoes must be worn during operations, standards such as cargo stacking heights are regulated.</li><li>Job rotation and duty changes: Irregular job rotations or changes in job duties.</li><li>Purchase electric equipment: Replacing forklifts and pallet trucks with electric models, reducing manual handling and lowering accident rate.</li><li>Ensure the implementation of monthly on-site medical care services, including workplace inspections and health consultations for employees, to prevent occupational safety and health hazards.</li></ul>
Chemical hazards	<ul style="list-style-type: none"><li>After evaluation, no such hazards are present</li></ul>	N/A	
Physical hazards	<ul style="list-style-type: none"><li>After evaluation, no such hazards are present</li></ul>	N/A	
Ergonomic hazards	<ul style="list-style-type: none"><li>Handling and dragging heavier goods, equipment vibration, and repetitive work postures can easily cause musculoskeletal injuries and hazards</li></ul>	Medium	



### Occupational Accident Response Handling

Nichidenbo is in a low-risk industry. We already have a manager of occupational safety and health affairs with a safety and health education and training for class-1 license in the Logistics Department, which carries relatively higher occupational safety risks, thus occupational safety situations can be handled with preliminary response measures should they occur. Nichidenbo has not experienced any major occupational incidents to date, nor has any accident investigation procedures been initiated. In the future, Nichidenbo will gradually improve the activation of response center to handle major emergencies, complete the reporting mechanism, and conduct investigation reviews to fully understand the actual situation and impact. Nichidenbo also complies with Article 18 of the Occupational Safety and Health Act, guaranteeing employees' right to retreat and ensuring that personal health and safety are always prioritized in all circumstances. All possible measures are taken to minimize the likelihood of accidents and disasters.

### Occupational Injury Accident Statistics and Analysis

In 2024, Nichidenbo did not experience any occupational accidents involving employees or non-employees. Only two traffic accidents occurred during commuting, and there were no incidents of occupational disease. Relevant occupational injury statistics are as follows: Nichidenbo has established comprehensive occupational safety management measures. If employees encounter commuting accidents or occupational incidents, they may apply for recuperation in accordance with company work rules. They can also file claims and receive relevant subsidies through the accidental injury insurance provided by the Company.







## Nichidenbo 2024 Occupational Incidents Statistics

Item	Male	Female	Total
Number of occupational incidents	0	0	0
Total man-hours worked	145,288	155,064	300,352
Disabling injury frequency rate (FR)	0	0	0
Total days lost due to injury	0	0	0
Disabling injury severity rate (SR)	0	0	0
Number of severe occupational injuries (excluding fatalities)	0	0	0
Severe occupational injury rate	0	0	0
Number of recordable occupational incidents (cases)	0	0	0
Total recordable incident rate (TRIR)	0	0	0
Number of near misses (cases)	0	0	0
Near miss frequency rate (NMFR)	0	0	0

### Note:

1. The scope of occupational injury statistics covers all employees and non-employee workers at the Xindian Operations Headquarters and Zhonghe (Taipei Logistics Center).
2. In 2024, there were no fatalities or fatality rates due to occupational injuries among all employees and non-employee workers.
3. Number of occupational incidents: Refers to workers' illnesses, injuries, disabilities, or deaths caused by buildings, machinery, equipment, raw materials, materials, chemicals, gasses, vapors, dust, etc., at the workplace, or by work activities and other occupational causes. The number of occupational incidents does not include traffic accidents during commuting.
4. Disabling Injury Frequency Rate (FR) = (Number of occupational incidents / Total man-hours worked) × 10<sup>6</sup>, calculated to two decimal places, with the third decimal place and beyond truncated.
5. Disability Injury Severity Rate (SR) = (Total days lost due to injury / Total man-hours worked) × 10<sup>6</sup>, rounded down to the nearest whole number.
6. Number of serious occupational injuries: Refers to injuries from which a worker cannot recover (e.g., amputation), or injuries from which a worker cannot return to their pre-injury health status within six months.
7. Serious occupational injury rate = (number of serious occupational injuries / total man-hours worked) × 10<sup>6</sup>, calculated to two decimal places, with the third decimal place and beyond truncated.
8. Number of recordable occupational incidents: Number of recordable occupational incidents (including commuting accidents as defined by GRI Standards), including fatalities and severe occupational injuries.
9. Recordable Occupational Incident Rate (TRIR) = (Number of recordable occupational incidents × 200,000) / Total man-hours worked.
10. Near Miss Frequency Rate (NMFR) = (Number of near misses × 200,000) / Total man-hours worked.

### Workplace Health Services

#### Occupational Injury and Disease Prevention Management

Nichidenbo has long been actively committed to promoting and paying special attention to a healthy workplace environment. To safeguard employees' physical and mental health, on-site medical services are arranged monthly to provide health consultations. The Company also conducts annual general health check-ups for all employees. In 2024, 105 employees received hospital health check-ups. Nichidenbo implements graded employee health management in accordance with regulations.

Health check results are reviewed by occupational medicine specialists at the responsible health center, who provide free health consultations. On-site medical services also arrange follow-ups for employees with abnormal examination results. If necessary, environmental assessments and health promotion activities, such as encouraging the use of stairs for better fitness, are conducted for suspected work-related health issues. Preventive in-service education is provided for potential workplace hazards, along with irregular health management promotion. Maternal health management is comprehensively addressed, providing guidance and protection during pregnancy and up to one year after delivery. Employees returning from parental leave are also monitored and supported. Personnel with health management levels of 3 or above receive follow-ups the following year, while Level 4 managers receive health consultation and guidance from on-site professional nurses and doctors. As of 2024, Nichidenbo has three employees at Level 3 health management and none at Level 4. Currently, the Company has no special hazard operations, so no specific health examination items require additional monitoring.



## Health Promotion and Care

Having a healthy workforce is an essential element for the sustainable operation of a business. Nichidenbo aims for all employees to achieve a harmonious balance between work, health, and life. The Company is gradually introducing the suggestions of Employee Assistance Programs (EAPs), integrating internal and external resources to help employees solve problems due to health, family, legal, and psychological concerns that affect work performance, improving business operational efficiency, and thereby shaping a healthy corporate culture.

Nichidenbo, in addition to regularly providing on-site health services every month, has implemented four major labor health protection plans since 2022 in accordance with the Occupational Safety and Health Act, Labor Health Protection Rules, and related sub-regulations. These plans include: maternity health protection, prevention of potential diseases under abnormal workloads, musculoskeletal and other ergonomic hazards, and workplace violence or unlawful harm while performing duties. Professional assessments are provided by on-site medical staff, and health education promotion messages are also sent to all employees via email to express our care for employees' health condition.

Health is the most valuable asset in our lives. To safeguard employees' physical and mental well-being and encourage them to adopt a more sustainable lifestyles, Nichidenbo has organized two sessions of group health weight-loss competitions in 2024, achieving a total weight loss of 220.6 kg, fully demonstrating the persistence and efforts of the participating employees. Through this initiative, the employees not only put green eating and living into practice, but also actively moved towards a more sustainable future.

Moreover, the Welfare Committee has also organized sports and recreational clubs, such as Bowling Club, Badminton Club, Triathlon Club, Cycling Club, and Aerobics Club, to allow employees to engage in fitness and social activities outside work. In 2024, a Outdoor Trail Ecological Exploration Club was newly established for employees and their families to connect with nature and understand the importance of environmental protection.



Nichidenbo has a diverse variety of clubs and stress-relieving activities, allowing employees to balance their physical and mental health.



# 06 CHARITABLE SOCIETY





### Listen to Local Needs, Co-create a Virtuous and Beautiful Society

As the largest distributor of passive components in Taiwan, Nichidenbo Corporation operates with the philosophy of “Integrity is the foundation; service is the principle; growth is the goal; and co-prosperity is the essence”. Accumulating years of professional experience, the Company is committed to advancing corporate sustainability and embody co-prosperity. Upholding the principle of “taking from society, giving back to society”, Nichidenbo embraces a people-oriented spirit, and actively considers how best to contribute to society and support the community from the perspective of a local enterprise in New Taipei City.

Nichidenbo actively participates in public welfare initiatives, respecting the human rights and actual needs of disadvantaged groups, with the hope that love and resources are truly delivered to every corner where they are needed, fostering a more harmonious and beautiful society. Nichidenbo Chairman, CHOU, WEI LIN, has been a passionate advocate for philanthropy. Since 2016, Nichidenbo has been focusing our charitable efforts more on education, not only supporting SDG 4 “Quality Education”, but also seeking to address social problems through public welfare while further driving social innovation to help underprivileged students overcome obstacles, which shapes our people-oriented culture of social engagement and care for the disadvantaged. Over the past three years, Nichidenbo has been consistently increasing the donated amounts for social participations. In 2024 alone, the Company contributed NTD 8.21 million, and the total contributions from 2020 to 2024 exceeded NTD 34.09 million, demonstrating our genuine dedication to public welfare.

### Injecting Funds into the Dream Realization Scholarship Fund, Allowing Students to Study with Peace of Mind and Achieve Their Dreams

Even though Taipei City and New Taipei City represent Taiwan’s most vibrant metropolitan area and economic hub, many cases of hidden poverty still exist. Families with financial difficulties, whether due to low income, sudden changes in employment, or unforeseen misfortunes, very likely have to sacrifice their children’s right to education.

Nichidenbo is dedicated to ensuring that all students can pursue their education with peace of mind, and therefore places a primary focus on education in its social welfare initiatives. In 2024, part of the Company’s donations continued to be allocated to student scholarship programs supported by the Taipei City Government, New Taipei City Government, and various foundations. These include contributions to the Foundation of Helping Underprivileged Students of Taipei City Department of Education and the Fund of Excellent Underprivileged Students, Education Department, New Taipei City Government, both of which help students from disadvantaged families focus on their studies and successfully complete their education. In May 2024, the Education Department of New Taipei City held a gratitude press conference under the theme “With Love, Dreams Begin”, bringing together the city government, corporate donors, and scholarship recipients to express appreciation for the long-term support provided by enterprises. Nichidenbo was recognized as one of the representative companies, carrying forward the invaluable spirit of helping students fulfill their dreams.

Nichidenbo has long supported the two dream scholarship programs of the Education Department of New Taipei City and was invited to participate in the “With Love, Dreams Begin” Dream Realization Gratitude Ceremony.





## Donating Rehabilitation Buses to Support Safe Travel

Located primarily in Xindian, with nearly 80% of its employees being New Taipei City residents, Nichidenbo upholds the spirit of giving back to the community and caring for our neighbors. With this commitment, the Company has continued to diversify its public welfare investments. To support individuals with disabilities and the elderly who face mobility challenges and cannot easily access medical care or travel independently, Nichidenbo participated in the New Taipei City Love Platform's rehabilitation bus donation initiative. In 2024, the Company donated two additional rehabilitation buses to the New Taipei City Government, increasing the total number of buses it has donated to 12 over six consecutive years. These rehabilitation buses have become a crucial means of transportation for people with disabilities in New Taipei City, offering accessible travel options and meeting the needs of both people with disabilities and the elderly, serving more than 660,000 passengers annually.



Nichidenbo continued its donation of two rehabilitation buses in 2024, providing safe and worry-free travel services for people with disabilities in New Taipei City.



## Assisting in Post-Disaster Reconstruction

The Noto Peninsula earthquake in Japan on January 1, 2024, and the Hualien earthquake in Taiwan on April 3, 2024, both resulted in collapsed buildings and significant casualties. As a responsible enterprise, Nichidenbo recognises the importance of supporting communities in times of crisis. In response, the Company contributed NTD 1 million each to the Ministry of Health and Welfare Disaster Relief Account – Japan Noto Peninsula Earthquake Relief Program, and the Major Disaster Relief 0403 Hualien Earthquake Fundraising Program. These donations are designated for emergency assistance, reconstruction of damaged infrastructure, and helping affected communities restore their livelihoods.

Nichidenbo believes that the true value of an enterprise lies not only in its economic performance but also in its contributions to society. Through these relief efforts, the Company seeks to convey compassion and solidarity, while encouraging broader participation in public welfare initiatives. Looking ahead, Nichidenbo will remain committed to fulfilling its social responsibility and working towards a better, more resilient future.



Certificate of Appreciation for Nichidenbo donating NTD 1 million to the Japan earthquake relief



Certificate of Appreciation for Nichidenbo donating NTD 1 million to the Hualien earthquake relief in Taiwan



## The Community Participation Situation Of Nichidenbo In 2024

Project	Invest (NTD)	Output and Impact
World Vision Taiwan	60,000	Assist the public welfare project "Help disadvantaged children grow up well."
Chensenmei Social Welfare Foundation, Taoyuan County	60,000	Donations help individuals with intellectual disabilities learn various life and vocational skills, hoping to cultivate the ability for independent living in the future.
Foundation of Helping Underprivileged Students of Taipei City Department of Education	500,000	Nichidenbo ensures that donations are used specifically for their intended purpose, subsidizing students from underprivileged families and those facing urgent difficulties in public and private primary and secondary schools under the jurisdiction of the Taipei City Government Education Bureau, helping them overcome challenges and study with peace of mind.
Ministry of Health and Welfare Disaster Relief Account – Japan Noto Peninsula Earthquake Relief Program	1,000,000	On January 1, 2024, a powerful 7.6 magnitude earthquake struck Japan's Noto Peninsula, causing houses to collapse and resulting in casualties. To assist Japan in disaster relief and reconstruction, Nichidenbo made a donation to help the affected Japanese people overcome their difficulties.
Fund of Excellent Underprivileged Students, Education Department, New Taipei City Government	2,000,000	Nichidenbo ensures that donations are used for their intended purpose, providing subsidies to students from financially disadvantaged families or those facing economic difficulties due to unforeseen family circumstances, allowing them to overcome adversity, study diligently, and successfully complete their education without fear of interruption.
Taiwan Foundation for Disaster Relief (registered with the Ministry of Health and Welfare) — Major Disaster Relief 0403 Hualien Earthquake Fundraising Program	1,000,000	On April 3, 2024, a 7.2 magnitude earthquake struck Hualien, causing building collapses and casualties. To assist in disaster relief and reconstruction, Nichidenbo made a donation to help the victims in Hualien overcome their difficulties.
Social Welfare Department, New Taipei City Government — Rehabilitation Bus	3,590,096	From 2019 to 2024, two rehabilitation buses have been donated every year, with a total of 12 buses donated, assisting people with disabilities and the elderly with their transportation needs.
Total (NTD)	8,210,096	More than NTD 34.09 million was contributed between 2020 and 2024.



# 07 APPENDIX

GRI Standards Index

SASB Standards Index

Sustainability Disclosure Indicator -  
Electronic Parts / Components Industry

Appendix 2 - Climate-Related  
Information

External Guarantee





GRI Standards Index

Statement of use	Nichidenbo has reported content in accordance with GRI Standards for the period from January 1, 2024 to December 31, 2024.
GRI used	GRI 1: Foundation 2021
GRI Sector Standard	Not applicable

Organization and Reporting Practices				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-1 Organization Details	About Nichidenbo	p.6	
	2-2 Entities included in the organization's sustainability reporting	About This Report	p.3	
	2-3 Reporting period, frequency, and contact point	About This Report	p.3	
	2-4 Restatements of information	—	—	No restatements of information in 2024.
	2-5 External assurance	About This Report	p.3	



## Activities and Workers

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	About Nichidenbo	p.6	
		3.1 Procurement Practices and Management	p.54	
	2-7 Employees	5.1 Talent Development and Recruitment	p.83	
	2-8 Workers who are not employees	5.1 Talent Development and Recruitment	p.83	

## Governance

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-9 Governance structure and composition	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-10 Nomination and selection of the highest governance body	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-11 Chair of the highest governance body	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-12 Role of The highest governance body in overseeing the management of impacts	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-13 Delegation of responsibility for managing impacts	2.1 Corporate Governance and Ethical Corporate Management	p.30	



Governance				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-15 Conflicts of Interest	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-16 Communication of critical concerns	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-17 Collective knowledge of the highest governance body	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-18 Evaluation of the performance of the highest governance body	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-19 Remuneration policies	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-20 Process to determine remuneration	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-21 Annual total compensation ratio	—	—	Confidentiality restrictions: Cannot disclose due to internal salary confidentiality restrictions.
	2-22 Statement on sustainable development strategy	Chairman's Address	p.2	



Strategy, Policies and Practices				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-23 Policy commitments	1.1 Policy Commitment	p.11	
	2-24 Embedding policy commitments	1.1 Policy Commitment	p.11	
	2-25 Processes to remediate negative impacts	1.1 Policy Commitment	p.11	
		2.1 Corporate Governance and Ethical Corporate Management	p.30	
		2.3 Information Security	p.50	
		3.1 Procurement Practices and Management	p.54	
		4.1 Energy and Greenhouse Gas Management	p.65	
		5.2 Human Rights	p.90	
		5.3 Safe Workplace Environment	p.97	
	2-26 Mechanism for seeking advice and raising concerns	1.1 Policy Commitment	p.11	
	2-27 Compliance with laws and regulations	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	2-28 Membership associations	About Nichidenbo	p.6	

## Stakeholder Engagement

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	1.2 Stakeholder Engagement	p.17	
	2-30 Collective bargaining agreements	5.2 Human Rights	p.90	

## Disclosures on Material Topics

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-1 Process to determine material topics	1.3 Materiality Analysis	p.21	
	3-2 List of material topics	1.3 Materiality Analysis	p.21	

## Corporate Governance and Ethical Corporate Management

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	2.1 Corporate Governance and Ethical Corporate Management	p.30	
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	205-3 Confirmed incidents of corruption and actions taken	2.1 Corporate Governance and Ethical Corporate Management	p.30	

Corporate Governance and Ethical Corporate Management					
GRI Standard	Disclosure		Corresponding Chapter	Page	Note
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.1 Corporate Governance and Ethical Corporate Management	p.30	
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Corporate Governance and Ethical Corporate Management	p.30	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.1 Corporate Governance and Ethical Corporate Management	p.30	
	417-3	Incidents of non-compliance concerning marketing communications	2.1 Corporate Governance and Ethical Corporate Management	p.30	

Business Performance					
GRI Standard	Disclosure		Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics		2.2 Business Performance	p.46	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.2 Business Performance	p.46	
	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Energy and Greenhouse Gas Management	p.65	
	201-4	Financial assistance received from government	2.2 Business Performance	p.46	



Business Performance				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 207: Tax 2019	207-1 Approach to tax	2.2 Business Performance	p.46	
	207-2 Tax governance, control and risk management	2.2 Business Performance	p.46.	
	207-3 Stakeholder engagement and management of concerns related to tax	2.2 Business Performance	p.46	
GRI 415: Public Policy 2016	415-1 Political donation	—	—	No political donations were made by the Company in 2024.

Information Security				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	2.3 Information Security	p.50	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Information Security	p.50	



Customer Service				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	3.2 Customer Service	p.62	

Note: There are no corresponding GRI specific disclosures in the "Customer Service" chapter.

Energy and Greenhouse Gas Management				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	4.1 Energy and Greenhouse Gas Management	p.65	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.1 Energy and Greenhouse Gas Management	p.65	
	302-3 Energy intensity	4.1 Energy and Greenhouse Gas Management	p.65	
GRI 305: Emissions 2016	305-1 Direct (Category 1) GHG Emissions	4.1 Energy and Greenhouse Gas Management	p.65	
	305-2 Energy indirect (Category 2) GHG emissions	4.1 Energy and Greenhouse Gas Management	p.65	
	305-3 Other indirect (Category 3) GHG emissions	4.1 Energy and Greenhouse Gas Management	p.65	
	305-4 GHG emissions intensity	4.1 Energy and Greenhouse Gas Management	p.65	



## Procurement Practices and Management

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	3.1 Procurement Practices and Management	p.54	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.1 Procurement Practices and Management	p.54	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.1 Procurement Practices and Management	p.54	

## Talent Development and Recruitment

GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	5.1 Talent Development and Recruitment	p.83	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	5.1 Talent Development and Recruitment	p.83	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1 Talent Development and Recruitment	p.83	
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.1 Talent Development and Recruitment	p.83	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.1 Talent Development and Recruitment	p.83	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1 Talent Development and Recruitment	p.83	



Human Rights				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 3: Material Topics 2021	3-3 Management of material topics	5.2 Human Rights	p.90	
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	5.2 Human Rights	p.90	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Human Rights	p.90	
	401-3 Parental Leave	5.2 Human Rights	p.90	
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	5.2 Human Rights	p.90	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.2 Human Rights	p.90	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.2 Human Rights	p.90	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.2 Human Rights	p.90	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2 Human Rights	p.90	

Note: There are no corresponding GRI specific disclosures in the “Charitable Society” chapter.



Other Non-Major Topics				
GRI Standard	Disclosure	Corresponding Chapter	Page	Note
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3 Safe Workplace Environment	p.97	
	403-2 Hazard identification, risk assessment, and incident investigation	5.3 Safe Workplace Environment	p.97	
	403-3 Occupational health services	5.3 Safe Workplace Environment	p.97	
	403-4 Worker participation, consultation, and communication on occupational safety and health	5.3 Safe Workplace Environment	p.97	
	403-5 Worker training on occupational health and safety	5.3 Safe Workplace Environment	p.97	
	403-6 Promotion of worker health	5.3 Safe Workplace Environment	p.97	
	403-8 Workers covered by an occupational health and safety management system	5.3 Safe Workplace Environment	p.97	
	403-9 Work-related injuries	5.3 Safe Workplace Environment	p.97	
	403-10 Work-related ill health	5.3 Safe Workplace Environment	p.97	



## SASB Standards Index

Nichidenbo has selected applicable accounting metrics for disclosure from the 77 industries in 11 sectors listed in the Sustainability Accounting Standards Board (SASB) Materiality Map.

- Sector: Technology & Communications
- Industry: Electronic Manufacturing Services and Original Design Manufacturing

Disclosure Topic		Water Management	
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-140a.1	(1) Total water withdrawn, (2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress	4.1 Energy and Greenhouse Gas Management	p.65

Disclosure Topic		Waste Management	
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-150a.1	(1) Amount of hazardous waste from manufacturing and (2) percentage recycled	4.1 Energy and Greenhouse Gas Management	p.65

Disclosure Topic		Labor Practices	
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-310a.1	(1) Number of work stoppages and (2) total days idle	Nichidenbo had no work stoppages in 2024.	—





Labor Conditions, Health And Safety			
Disclosure Topic			
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-320a.1	(1) Total recordable injury rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees	5.3 Safe Workplace Environment	p.97
TC-ES-320a.2	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Not applicable (as Nichidenbo belongs to the channel service industry, no actual production is involved, it only has storage points and sales points, and does not provide related raw materials, so the evaluation is not applicable to the relevant RBA standards.)	—
TC-ES-320a.3	(1) Non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	Not applicable (as Nichidenbo belongs to the channel service industry, it does not involve actual production, only has storage points and sales points, and does not provide related raw materials, so the evaluation is not applicable to the relevant RBA standards.)	—

Product Lifecycle Management			
Disclosure Topic			
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-410a.1	Weight of end-of-life products and e-waste recovered; percentage recycled	Not applicable (as Nichidenbo belongs to the channel service industry, there are no products and e-waste with an end of lifecycle or can be recycled and reused).	—



Disclosure Topic		Materials Sourcing	
Code	Accounting Metric	Report Chapter/Note	Page
TC-ES-440a.1	Description of the management of risks associated with the use of critical materials	Please refer to the “Supplier Risk Assessment” section for details. In addition, Nichidenbo closely monitors the inventory levels of key products, it manages the appropriate inventory levels through digital optimization, and ensures a stable supply. For further details, please see the “Warehouse Operations Optimization” section.	P.61

Activity Metric

Activity Metric	Code	Explanation
1. Number of manufacturing facilities	TC-ES-000.A	As Nichidenbo belongs to the channel service industry, it does not have any manufacturing facilities, but has one logistics warehouse in total.
2. Area of manufacturing facilities	TC-ES-000.B	As Nichidenbo belongs to the channel service industry, it does not have any manufacturing facilities, but its logistics and warehousing area covers approximately 2,210 square meters.
3. Number of employees	TC-ES-000.C	As of December 31, 2024, the total number of Nichidenbo employees was 160.



## Sustainable Disclosure Indicator – Electronic Parts / Components Industry

NO.	Indicator	Indicator Type	Unit	Report Chapter/Note	Page
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	Gigajoules (GJ), percentage (%)	4.1 Energy and Greenhouse Gas Management	p.65
2	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters (1,000m <sup>3</sup> )	4.1 Energy and Greenhouse Gas Management	p.65
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric ton (t), percentage (%)	4.1 Energy and Greenhouse Gas Management	p.65
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), quantity	5.3 Safe Workplace Environment	p.97
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	Metric tons (t), percentage (%)	Not applicable (As Nichidenbo belongs to the channel service industry, there are no products and e-waste with an end of lifecycle or can be recycled and reused)	—
6	Description of the management of risks associated with the use of critical materials	Qualitative Description	Not applicable	Please refer to the “Supplier Risk Assessment” section for details. In addition, Nichidenbo closely monitors the inventory levels of key products, it manages the appropriate inventory levels through digital optimization, and ensures a stable supply. For further details, please see the “Warehouse Operations Optimization” section.	p.61
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency	NTD 0	—
8	Production by product category	Quantitative	Varies by product category	As Nichidenbo belongs to the channel service industry, no actual production is involved, so related product production is not provided.	—

Note 1: Descriptions including the sale of scraps and the recycling and processing of waste shall be provided.



## Appendix 2 Climate-Related Information

	Item	Report Chapter/Note	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Energy and Greenhouse Gas Management	p.65
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.1 Energy and Greenhouse Gas Management	p.65
3	Describe the financial impacts of extreme weather events and transformative actions.	4.1 Energy and Greenhouse Gas Management	p.65
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Energy and Greenhouse Gas Management	p.65
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts used should be described.	4.1 Energy and Greenhouse Gas Management	p.65
6	If there is a transition plans for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	4.1 Energy and Greenhouse Gas Management	p.65
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No internal carbon pricing in 2024.	—
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	No carbon credits or RECs were used in 2024	—
9	Greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plan (separately fill out in points 1-1 and 1-2).	Please see the tables below.	—



## 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Fiscal Years

### 1-1-1 Greenhouse Gas Inventory Information

**Describe the emission volume (metric tons CO<sub>2</sub>e), intensity (metric tons CO<sub>2</sub>e/NT\$ million), and data coverage of greenhouse gases in the most recent two fiscal years.**

Please refer to the “Greenhouse Gas Emissions” section in Chapter 4.1 Energy and Greenhouse Gas Management of this Report.

### 1-1-2 Greenhouse Gas Assurance Information

**Describe the status of assurance for the most recent two fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.**

There is no greenhouse gas assurance information for 2024. In addition, as Nichidenbo has a paid-in capital of less than NTD 5 billion, and in accordance with the Sustainable Development Roadmap, it will disclose the greenhouse gas assurance status of the parent company only for 2027 in 2028, and the greenhouse gas assurance status of the consolidated companies for 2028 in 2029.

## 1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

**Describe the base year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the achievement of reduction targets.**

Nichidenbo's greenhouse gas inventory is currently at an initial stage. In the future, the Company will consider appropriate reduction targets and develop specific action plans after collecting more emission data.



## External Guarantee



### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Nichidenbo Corporation 2024 Sustainability Report

The British Standards Institution is independent of Nichidenbo Corporation (hereafter referred to as Nichidenbo in this statement) and has no financial interest in the operation of Nichidenbo other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of Nichidenbo only for the purposes of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Nichidenbo. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Nichidenbo only.

#### Scope

The scope of engagement agreed upon with Nichidenbo includes the followings:

1. The assurance scope is consistent with the description of Nichidenbo Corporation 2024 Sustainability Report.
2. The evaluation of the nature and extent of the Nichidenbo's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

#### Opinion Statement

We conclude that the Nichidenbo Corporation 2024 Sustainability Report provides a fair view of the Nichidenbo sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Nichidenbo and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Nichidenbo's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Nichidenbo's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

#### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to Nichidenbo's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 12 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

#### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018), GRI Standards is set out below:

#### Inclusivity

This report has reflected a fact that Nichidenbo has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Nichidenbo's inclusivity issues.

#### Materiality

Nichidenbo publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of Nichidenbo and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Nichidenbo's management and performance. In our professional opinion the report covers the Nichidenbo's material issues.

#### Responsiveness

Nichidenbo has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Nichidenbo is developed and continually provides the opportunity to further enhance Nichidenbo's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Nichidenbo's responsiveness issues.

#### Impact

Nichidenbo has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Nichidenbo has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Nichidenbo's impact issues.

#### GRI Sustainability Reporting Standards (GRI Standards)

Nichidenbo provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the Nichidenbo's sustainability topics. However, the future report will be improved by the following areas:

- It is encouraged not to use "confidentiality constraints" as a reason for omitting the disclosure of GRI 2-21 annual total compensation ratio. The organization should consider referring to international peers' practices to respond to the requirements of the standards and increase the credibility and transparency of the sustainability report.

#### Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

#### Responsibility

The sustainability report is the responsibility of the Nichidenbo's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

#### Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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