

Stock Code: 6913

VSO Electronics Co., Ltd.

2025 Sustainability Report

Publication Date: August 31, 2026

Website of This Report

https://www.vso-corp.com/en/esg-area/Sustainability_Report

ESG Information Disclosure

<https://esggenplus.twse.com.tw/inquiry/report?lang=en>

Notice to Readers

This English version of the Sustainability Report is a translation of the Chinese version. In the event of any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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1. Report Information

1.1 Message from Management

Dear Stakeholders of VSO,

In 2025, global industries continued to be driven by the rapid development of artificial intelligence (AI), high-speed computing, cloud infrastructure, and digital transformation, while also facing multiple challenges such as geopolitical tensions, supply chain restructuring, climate change, and the net-zero transition. Beyond pursuing operational growth, enterprises must also balance environmental protection, social responsibility, and corporate governance, embedding sustainability principles deeply into their business strategies and corporate culture in order to strengthen corporate resilience and create long-term value.

VSO has always upheld the core values of integrity management and forward-looking innovation, focusing on the research and development, manufacturing, and sales of high-end cable and connector assembly products, centered on the six major iSMART application fields: Industrial (industrial control and IoT), Server & Storage (cloud servers and data storage systems), Medical (medical devices), Automotive (in-vehicle systems and connected vehicles), Renewable Energy, and Telecom (5G communications). As demand for AI servers, high-speed transmission, and smart applications continues to grow, we continue to invest in product R&D, process optimization, and smart manufacturing, deepen our cooperative relationships with global customers, and continuously expand into international markets, steadily enhancing our corporate competitiveness.

Sustainable development has become an indispensable cornerstone of corporate operations. Since establishing the Sustainable Development Committee in 2023, and expanding its responsibilities and renaming it the "Sustainable Development and Risk Management Committee" in 2024, we have integrated sustainability governance with business operations and established a cross-departmental collaboration mechanism, continuously enhancing organizational resilience and risk response capabilities. In 2025, VSO participated in the Corporate Governance Evaluation for the first time and achieved a ranking in the top 20% of TPEx-listed companies, an achievement that not only recognizes the Company's years of continuous progress in corporate governance and information transparency, but also lays a stronger foundation for advancing toward ESG governance.

In terms of the environment, we continue to promote energy conservation, carbon reduction, energy management, and smart manufacturing, continuously improving energy performance through the ISO 50001 Energy Management System to enhance energy efficiency and reduce carbon emissions. At the same time, we are progressively refining our GHG inventory and supply chain carbon management mechanisms, working together with suppliers to build a low-carbon and resilient green supply chain. In addition, we continue to evaluate opportunities in low-carbon technology development, advancing innovation and sustainability in tandem to create new growth momentum for the Company.

In terms of society, we firmly believe that talent is the most important asset for the Company's sustainable development. VSO continues to build a safe, healthy, diverse, and friendly work environment, placing importance on talent cultivation, career development, labor rights, and employee care, while continuously improving our training and benefits systems to enhance organizational competitiveness and employee loyalty. VSO's Vietnam plant and Ji An plant have both successfully

obtained RBA (Responsible Business Alliance) certification, demonstrating that the Company meets international electronics industry supply chain standards in human rights protection, labor rights, occupational safety and health, environmental protection, business ethics, and management systems. This reflects VSO's commitment to corporate social responsibility and sustainable supply chain management, and further strengthens customers' trust in the Company's sustainability management capabilities. We also continue to support disadvantaged athletes, promote ecological protection at our plant sites, and encourage colleagues to participate in volunteer services, putting corporate citizenship into concrete action.

In terms of corporate governance, we uphold the principle of integrity management and continue to enhance the functions of the Board of Directors, internal controls, risk management, and regulatory compliance mechanisms to improve the quality of business decision-making and governance effectiveness. In response to the growing global information security risks, the Company continues to deepen its information security management and digital governance capabilities, and will begin implementing ISO 27001 information security certification in 2026, with the aim of building a more resilient operating system. We also continue to optimize our stakeholder communication mechanisms and improve the quality of information disclosure, actively responding to stakeholder expectations and preparing fully for the new era of ESG evaluation.

Finally, on behalf of VSO, I would like to extend my sincere gratitude to all stakeholders for their long-standing support and trust. Looking ahead, VSO will continue to drive growth through innovation, build trust through governance, and create value through sustainability, striving to contribute further to social well-being and environmental sustainability. We will also continue to face every challenge with a steady and grounded attitude, working together to build a sustainable future.

VSO Electronics Co., Ltd.

Chairman: Jerry Chien

1.2 About the Company

1.2.1 Company Profile

VSO Electronics Co., Ltd. (hereinafter "VSO" or "the Company") was established in 1994 and serves as the most trusted partner for electronic component solutions, primarily engaged in the research, design, and manufacturing of cable and connector assemblies. Its products are applied across the iSMART fields, including Industrial applications, Server & Storage (cloud servers), Medical devices, Automotive (in-vehicle systems and connected vehicles), Renewable Energy, and Telecom (5G network communications). VSO also distributes engineering plastic functional materials from renowned global manufacturers, which can be applied to optical lenses as well as electronic signal and power connector products.

Organization Name	VSO Electronics Co., Ltd.
Company Type	TPEX-listed Company
Stock Code	6913
Chairman	Jerry Chien
President	Star LIN
Date of Establishment	August 13, 1994
Headquarters Location	Jhong He District, New Taipei City
Industry	Electronic Parts and Components Industry
Main Products and Services	Cloud servers (including general-purpose and AI servers), smart IoT/industrial control, automotive cable and connector assemblies, and optical materials
Paid-in Capital	NT\$438,488 thousand
Net Sales	NT\$2,631,512 thousand
Number of Employees	1,244
Country of Operation	Republic of China (Taiwan)
Headquarters Address	7F, No.880 Zhong Heng Road, Zhong He Dist., New Taipei City 23586, Taiwan, R.O.C

1.2.2 Value Chain Overview

VSO has been deeply engaged in the cable and connector assembly industry for more than thirty years, playing a key role as a "midstream R&D and manufacturer" in the industry value chain. Upstream, the Company sources raw materials from suppliers of wires and cables, connectors and terminals, copper materials, engineering plastic pellets, printed circuit boards (PCBs), and packaging materials. Through its own R&D and design, assembly and manufacturing, and quality inspection capabilities, the Company integrates these raw materials into high-end cable and connector assembly products, which are then supplied downstream to system manufacturers, brand customers, and distributors, ultimately applied across the six major iSMART fields.

[Upstream | Raw Material Suppliers] VSO maintains long-term and close partnerships with suppliers of raw materials and components, covering wires and cables, connectors/terminals, copper materials, engineering plastic pellets, PCBs, and packaging materials, with a supply chain

footprint spanning Taiwan, China, and Vietnam (supplier distribution by region is approximately 9% in Taiwan, 84% in China, 5% in Vietnam, and 2% elsewhere). Through robust supply chain management, the Company ensures a stable and reliable supply of materials while working with suppliers to build a resilient green supply chain.

[Midstream | VSO's Own Operations] VSO's R&D and operations headquarters is located in Jhong He, New Taipei City, Taiwan, overseeing R&D, operations management, and global business; VSO Ji An and VSO Viet Nam serve as its primary production bases, responsible for engineering R&D, assembly and manufacturing, and quality assurance testing; the Suzhou and Dongguan sites are responsible for sales, engineering, and other functions.

[Downstream | Corporate Customers and End Applications] VSO's customers include system manufacturers, ODM/OEM manufacturers, and major brand companies. As demand for AI servers, high-speed transmission, and smart applications continues to grow, the Company is deepening its cooperative relationships with global customers, with products ultimately applied across the six major iSMART fields: Industrial (industrial control), Server & Storage (cloud servers and data storage), Medical (medical devices), Automotive (in-vehicle systems and connected vehicles), Renewable Energy, and Telecom (5G communications).

[Value Chain Process] Upstream Raw Material Suppliers → [Midstream] VSO: R&D and Design → Assembly and Manufacturing → Quality Assurance Testing → [Downstream] Corporate Customers → Six Major iSMART End Applications

VSO's value chain encompasses upstream and downstream suppliers, customers, and partners, as detailed below:

Value Chain	Type	Number
Suppliers	Raw material/component suppliers (wires and cables, connectors/terminals, copper materials, engineering plastic pellets, PCBs, packaging materials, etc.)	467
Customers	Corporate customers (system manufacturers, ODM/OEM, major brand companies, etc.)	68

In 2025, the following material changes occurred in VSO's value chain:

1. Enhancement of Supply Chain Sustainability Capabilities:

The Vietnam plant obtained RBA (Responsible Business Alliance) certification at the end of 2025, strengthening the supply chain's management standards in labor rights, occupational safety, and business ethics.

2. Supplier Structure Adjustment:

To ensure stable material supply and quality, VSO added and optimized its key suppliers in 2025, adding 53 new suppliers and phasing out 31, due to reasons such as quality failures, company name changes, and natural replacement due to product end-of-life (EOL).

3. Capacity and Site Expansion:

In response to growing demand for high-end applications such as AI servers, the Company expanded its production capacity and deepened cooperation with key customers: the high-speed

cable production lines at VSO Viet Nam (Bac Ninh plant) were expanded from 2 lines (semi-automatic) to 5 lines (2 fully automatic lines and 3 semi-automatic lines).

4. Product Mix Optimization:

Driven by demand for AI servers and high-speed transmission, the proportion of cloud server-related cable and connector assemblies increased: the revenue share of Server & Storage products rose from approximately 21% in 2024 to approximately 29% in 2025, an increase of about 8 percentage points compared to 2024 (a year-over-year increase in amount of approximately 68.94%).

1.3 Report Information

1.3.1 Basis of Preparation

This report is prepared with reference to the 2021 GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI), and discloses information in accordance with the standards of the Sustainability Accounting Standards Board (SASB). In addition, this report has been prepared in accordance with the Taipei Exchange's "Operating Directions for Preparation and Filing of Sustainability Reports by TPEx Listed Companies" and the "Corporate Sustainability Practice Principles for TWSE/TPEx Listed Companies," to specifically describe the Company's related actions and results in corporate social responsibility, and to disclose this information to stakeholders. The relevant comparison tables can be found in the appendix.

1.3.2 Reporting Period and Frequency

VSO has published its sustainability report for the preceding year on a regular annual basis since 2024. This report is the third report published by VSO, disclosing financial and non-financial information primarily covering the period from January 1, 2025 to December 31, 2025, including management approach, material topics, performance, value chain management, and environmental and social initiatives, and is also published on the Company's website. Past reports can be downloaded from the ESG Corporate Sustainability Development section of VSO's official website.

Date of previous report: August 2025

Date of this report: August 2026

The reporting period of this report is consistent with that of the consolidated financial statements. For the sake of completeness and comparability, some sections may include information from before January 1, 2025, or after December 31, 2025, which will be noted accordingly in the relevant sections.

1.3.3 Reporting Boundary and Scope

The organizational boundary of the performance disclosed in this report covers operating sites directly or indirectly 100% owned by VSO, including, in Taiwan, VSO Electronics Co., Ltd. and LINKUPON INTERNATIONAL LIMITED (hereinafter "Linkupon International"); in China, VSO Electronics (Suzhou) Co., LTD. (hereinafter "VSO Suzhou"), Ji An VSO Electronics Co.,

LTD. (hereinafter "VSO Ji An"), Ji An VSO Electronics Co., LTD. Dongguan Branch (hereinafter "VSO Dongguan"), Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company (hereinafter "Linkupon Kunshan"), and Zhangjiagang Free Trade Zone Linkupon Material Trading Limited Company Dongguan Branch (hereinafter "Linkupon Dongguan"); and VSO (Viet Nam) Electronics Co., LTD. (hereinafter "VSO Viet Nam").

1.3.4 Restatement of Information

There were no restatements of information in VSO Electronics Co., Ltd.'s 2025 ESG Report.

1.3.5 External Assurance

This report has not been assured by an independent third-party verification body.

1.3.6 Responsible Unit for the ESG Report

For any questions regarding the content of this report, please contact us through the following channels:

Contact Unit: Office of the Chairman

Contact Person: Vic Chien, Special Assistant

Tel: +886-2-3234-3038

Email: ir@vso-corp.com

Company ESG Section Website: <https://www.vso-corp.com/zh-tw/esg-area>

2. Sustainable Management

2.1 Sustainability Strategy

VSO Electronics upholds the concept of sustainable management by incorporating environmental protection, technological innovation, corporate governance, and social responsibility into its operating strategy. Through concrete actions, the Company implements its corporate sustainability goals, reduces the impact of its operations on the environment and society, and creates long-term value for the Company, its employees, and stakeholders.

The Company's key sustainability strategies are as follows:

- **Environmental Protection:** Focuses on reducing carbon emissions by installing solar power generation systems on the rooftops of the Company's own plant buildings, progressively expanding system installations and capacity to increase the utilization rate of renewable energy, improving energy efficiency through energy management, and promoting the circular economy, with clear targets and plans established for each initiative.
- **Technological Innovation:** Emphasizes technological innovation in support of sustainable development, including the development of green, energy-saving product designs, automation, and smart solutions.
- **Corporate Governance:** Strengthens the establishment and implementation of internal audit and internal control systems, and enhances the transparency of financial information.
- **Social Responsibility:** Places greater emphasis on employee care and social concern, including initiatives in occupational safety, training and development, and community engagement.

In view of the growing attention to human rights and biodiversity issues in recent years, VSO Electronics has established internal systems and a working environment that respect human rights, diversity, equity, and inclusion, and is committed to promoting the inclusion of talent worldwide. In response to biodiversity challenges, the Company is committed to installing solar photovoltaic systems and increasing the utilization rate of renewable energy to address climate-related disasters. At the same time, VSO Electronics will refer to the TNFD disclosure framework and dedicate resources to conservation and restoration work related to the biodiversity targets it has identified.

Going forward, the Company will continue to uphold sustainable development as a core value, actively participating in international conferences and collaborations, and promoting the installation of renewable solar photovoltaic systems and environmental protection measures to address the challenges of climate change and biodiversity loss. Through innovation and integration, we will continue to improve our products and services to meet customer needs while reducing negative impacts on the environment. At the same time, we will continue to give back to society by supporting community development and assisting disadvantaged groups, thereby promoting the advancement of public welfare causes. Through these efforts, we aspire to become an enterprise that contributes to society and the environment, and to work hand in hand with our global partners to achieve the shared goal of sustainable development.

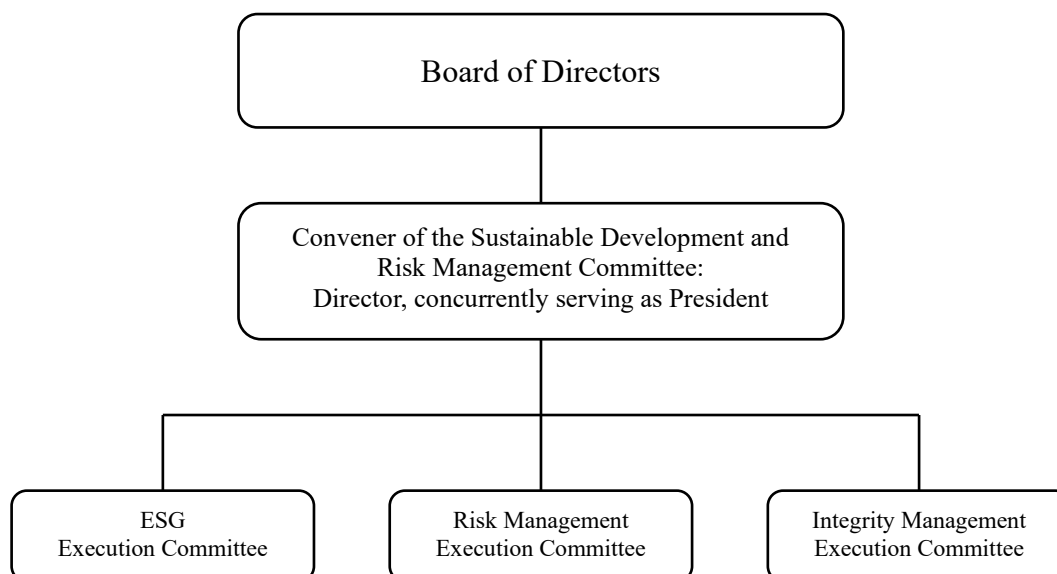
2.2 Mechanism for Promoting Sustainable Development

2.2.1 Governance Structure for Promoting Sustainable Development

VSO Electronics has established the Sustainable Development and Risk Management Committee as the Company's highest-level dedicated sustainability unit. The Sustainable Development and Risk Management Committee is composed of one director and two independent directors. The Committee has formulated the Organizational Charter of the Sustainable Development and Risk Management Committee, which has been approved by the Board of Directors, to govern its authority and responsibilities. The Committee is primarily responsible for managing, deciding on, and overseeing the Company's governance strategies for material ESG issues related to its operations, as well as the effectiveness of policy implementation and the achievement rate of targets, and reports the results to the Board of Directors on a regular annual basis. The Board of Directors must assess the likelihood of success of these strategies, regularly review their progress, and, where necessary, urge the management team to make adjustments.

The convener of the Sustainable Development and Risk Management Committee is the director concurrently serving as President. Under the Committee, three execution committees — the ESG Execution Committee, the Risk Management Execution Committee, and the Integrity Management Execution Committee — are established according to their respective functions and responsibilities, each headed by a senior executive appointed as chairperson. The execution committees are responsible for identifying material ESG topics related to the Company's operations, formulating management strategies and targets, and jointly preparing the annual sustainability report. The chairperson of each execution committee regularly reviews its progress and target achievement, and reports the results and progress to the Sustainable Development and Risk Management Committee.

◆ Sustainable Development and Risk Management Committee



Description of the Responsibilities of Each Execution Committee

Team	Responsibilities
ESG Execution Committee	Responsible for advancing the Company's sustainability strategy and annual work plan, integrating matters related to the environment (E), social (S), and governance (G), regularly reviewing implementation effectiveness, and reporting to the Sustainable Development and Risk Management Committee to achieve the Company's sustainable management goals.
Risk Management Execution Committee	Responsible for advancing risk management work in accordance with risk management policies and procedures, enhancing the Company's risk governance capability and operational resilience, and reporting regularly to the Sustainable Development and Risk Management Committee.
Integrity Management Execution Committee	Responsible for promoting integrity management, regulatory compliance, and a culture of corporate ethics, establishing mechanisms to prevent dishonest conduct, ensuring that the Company's operations comply with integrity and regulatory requirements, and reporting regularly to the Sustainable Development and Risk Management Committee.

2.2.2 Operations

Advancement of Material Sustainability Matters

The Sustainable Development and Risk Management Committee of VSO Electronics holds regular discussions on the results of ESG strategy implementation. When a material ESG incident occurs, such as a significant grievance case or a serious negative impact event, the Committee is required to report the relevant department's investigation findings and response measures to the Board of Directors. The matters reported by the Committee to the Board are listed below.

Matters Reported by the Sustainable Development and Risk Management Committee to the Board of Directors in 2025

Board Meeting Date	Key Reporting Points
January 16, 2025	● Report on 2024 Sustainability Promotion Status ● Report on 2024 Stakeholder Communication Status ● Report on 2024 Risk Management Implementation Status ● 2025 Annual Sustainability Execution Plan
March 13, 2025	● Report on Q1 2025 Environmental Sustainability Implementation Status
August 11, 2025	● Approval of the 2024 ESG Report
November 10, 2025	● Report on 2025 Integrity Management Implementation Status ● Report on 2025 Information Security Management Implementation Status ● Report on 2025 Intellectual Property Management Implementation Status

2.3 Board of Directors and Functional Committees

2.3.1 The Board's Role and Achievements in Sustainability Governance

2.3.1.1 Role and Oversight in Sustainability Governance

Board Oversight of Sustainability Project Implementation

The Board of Directors is responsible for guiding and overseeing the Company's long-term business strategy. Each year, the Sustainable Development and Risk Management Committee formulates sustainability strategies and implementation guidelines based on material topics and the Company's business vision, and reports them to the Board of Directors. Once approved by resolution, the related policies are implemented.

The execution committees under the Sustainable Development and Risk Management Committee are responsible for formulating sustainability project guidelines, conducting risk assessments, and developing response measures. Each execution committee regularly reviews changes in risk, management status, and the progress of sustainability project implementation. The chairperson of each execution committee compiles the relevant information and reports it to the Sustainable Development and Risk Management Committee, whose convener then reports to the Board of Directors, thereby fulfilling the Board's oversight responsibility for sustainable development and risk management.

Sustainability Reporting Management

Each year, the Sustainable Development and Risk Management Committee coordinates the assessment of material topics, investigating the impacts of various ESG issues on the economy, environment, and people to identify the material topics for the year, which are then reported to the Board of Directors.

The execution committees under the Sustainable Development and Risk Management Committee collect the relevant content and data, which are reviewed by each execution committee's chairperson before being submitted to the convener of the Sustainable Development and Risk Management Committee for compilation. Once completed, the sustainability report is submitted to the Board of Directors for review and, upon approval, is released to the public.

Report Data Collection and Drafting	Report Compilation	Internal Review	External Verification
Data collection and drafting by the execution committees under the Sustainable Development and Risk Management Committee	Compilation by a person designated by the convener of the Sustainable Development and Risk Management Committee	Review and approval by the Board of Directors	None

2.3.1.2 Performance Evaluation of Sustainability Management Oversight

Board Performance Evaluation

To implement corporate governance and enhance the functioning of the Board of Directors, the Company has established the Board of Directors Performance Evaluation Procedures. Self-evaluations of the Board of Directors, functional committees (including the Audit Committee, the Remuneration and Nomination Committee, and the Sustainable Development and Risk Management Committee), and individual director performance are conducted regularly each year. The evaluation covers aspects such as attitude toward sustainable management, professional competence, understanding of duties and responsibilities, participation in Company operations, internal control, and continuing education. In 2025, the Board of Directors, functional committees, and individual directors all completed their performance evaluations in accordance with the Board of Directors Performance Evaluation Procedures, with overall self-evaluation results rated as “Excellent” across the board. The performance evaluation results were reported to the Board of Directors on March 12, 2026.

The performance evaluation covers the following three aspects:

1. Professional Competence and Decision-Making Effectiveness: The Board of Directors has four independent directors whose professional backgrounds cover the electronics industry, finance and accounting, and taxation, among other fields. Their diverse expertise and extensive practical experience help enhance the quality of the Board's decision-making and oversight effectiveness.
2. Oversight of Internal Control: The Board of Directors has established the Audit Committee and the Sustainable Development and Risk Management Committee to assist in overseeing material matters such as internal control, risk management, and sustainable development. Under the Sustainable Development and Risk Management Committee, three execution committees — the ESG Execution Committee, the Risk Management Execution Committee, and the Integrity Management Execution Committee — are further established, led by senior executives who advance the related work and regularly review implementation status, helping the Board of Directors track the effectiveness of risk management and sustainability

initiatives.

3. **Attitude Toward Sustainable Management:** The Board of Directors oversees the Company's sustainability strategy and the implementation of various projects through the Sustainable Development and Risk Management Committee, while each execution committee advances sustainability work according to its responsibilities and compiles the results for reporting to the Committee and the Board, thereby implementing sustainability governance. In addition, the Company has incorporated ESG performance indicators into managers' performance evaluations to reinforce the pursuit of ESG goals.

2.3.1.3 Continuing Education on Sustainable Development

Director Training

The Company arranges continuing education courses for its directors each year to enhance their knowledge of corporate governance, economic, environmental, and social issues, and to strengthen the Board's capability to manage risk. In 2025, the total continuing education hours for all directors reached 72 hours, averaging 8 hours per director, exceeding the regulatory recommendation of 6 hours. Details of the Board's continuing education are available on page 25 of the Company's 2026 Annual Report for the Shareholders' Meeting.

In addition, the Company's directors participated in the following sustainability-related courses or seminars in 2025:

Type	Date	Course/Seminar Name	Hours	Number of Participants
In-Person Course	March 27, 2025	Domestic and International Development Trends in Carbon Pricing Mechanisms	3 hours	1 person
	October 2, 2025	New Perspectives on Corporate Governance in 2026 – Embracing Change	3 hours	1 person
Forum/Seminar	July 9, 2025	2025 Cathay Sustainable Finance and Climate Change Summit	3 hours	1 person
	August 22, 2025	2025 Taishin-Shin Kong Net-Zero Summit	3 hours	4 persons
	August 26-28, 2025	2025 ESG Summit	6 hours	1 person
	October 16, 2025	15th Taipei Corporate Governance Forum	6 hours	1 person

2.3.2 Board Structure and Operations

2.3.2.1 Members and Diversity

Board Composition

The current Board of Directors of the Company is composed of nine directors (including four independent directors), of whom one is female, representing 11%. The term of the current Board runs from May 12, 2025 to May 12, 2028. Detailed information on individual members (such as gender, age, and concurrent positions held at the Company or other companies) is available on pages 4 to 5 of the Company's 2026 Annual Report for the Shareholders' Meeting.

Item	Category	Percentage
Gender	Male	89%
	Female	11%
Age	≤ 40 years old	11%
	41-60 years old	33%
	≥ 61 years old	56%

2.3.2.2 Board Operations

To implement corporate governance and enhance the functioning of the Board of Directors, the Company is committed to establishing performance goals to strengthen the Board's operational efficiency. The Board's functions are actively reinforced through performance evaluations, a diverse Board composition, and the appointment of a corporate governance officer. To enable directors to fully exercise their functions, the Company has procured liability insurance for its directors to ensure that their rights and responsibilities are reasonably safeguarded and to create maximum benefit for shareholders. In addition, to ensure the independence of the Board's oversight, directors with a conflict of interest in a given proposal recuse themselves from the related discussion and voting, and do not vote by proxy on behalf of other directors.

The Board of Directors is primarily responsible for overseeing the operation and management of the executive team to ensure that the Company operates properly and continues to grow. To implement the Company's ESG policy and its corporate vision of becoming “an internationally influential and respected centenary enterprise of excellence that makes life better by connecting humanity with technology,” the Company has established the “Corporate Governance Best Practice Principles” and the “Management and Control Operations for the Prevention of Insider Trading” to further enhance its corporate governance performance.

The Company's Board of Directors meets at least once per quarter. In 2025, a total of 8 Board meetings were held, with an actual attendance rate of 99%.

2.3.2.3 Nomination and Selection

The Company nominates director candidates based on their academic and professional background, the opinions of independent directors, and relevant regulations such as the “Director Election Procedures, the “Organizational Charter of the Remuneration and Nomination Committee,” and the “Corporate Governance Best Practice Principles,” while also taking into account the diversity and independence of nominees, their ability to respond to organizational challenges, and stakeholder input. Following review by the Board of Directors, the list of candidates is submitted to the shareholders' meeting for election by vote. In addition, pursuant to the Company Act, a shareholder holding one percent or more of the Company's total issued shares may submit a list of director candidates to the Company in writing.

2.3.2.4 Recusal from Conflicts of Interest

Pursuant to the recusal provisions set out in the “Rules of Procedure for Board of Directors Meetings,” when a director, the director's spouse, a relative within the second degree of kinship, or a company with which the director has a controlling or subordinate relationship has an interest

in a matter under discussion, the director shall proactively disclose the material content of such interest at the meeting. If the interest is likely to prejudice the Company's interests, the director shall recuse himself or herself from the related discussion and voting, and shall not exercise voting rights on behalf of other directors.

In addition, matters related to director recusal, including the director's name, a description of the interest involved, and the recusal status, are fully recorded in the meeting minutes to ensure transparency and compliance. According to the 2025 Board meeting minutes, all proposals involving a conflict of interest of a director were handled with disclosure of the interest and recusal in accordance with the regulations, and were fully recorded in the meeting minutes, fully demonstrating the professionalism and impartiality of the Company's Board operations. Please refer to pages 14 to 15 of the Company's 2026 Annual Report for the Shareholders' Meeting for further disclosure.

Information regarding cross-shareholdings with other stakeholders, as well as information on controlling shareholders and related parties, has been disclosed on the Market Observation Post System, the Company's website, and pages 6 and 41 of the Company's 2026 Annual Report for the Shareholders' Meeting.

2.3.2.5 Remuneration Policy

Remuneration Structure and Determination Process

Pursuant to the Company's Articles of Incorporation as approved by resolution of the shareholders' meeting, director remuneration is set at no more than 2% of the Company's pre-tax profit for the year (before deducting employee and director remuneration), after setting aside amounts to cover accumulated losses, if any profit remains, and is paid in cash. Director remuneration includes fixed cash compensation, variable director remuneration, stock options, stock bonus, retirement benefits or severance payments, and various allowances. The Remuneration and Nomination Committee refers to industry benchmarks and individual director performance as the basis for adjusting individual remuneration. In addition to fixed salary and retirement pension, performance bonuses are calculated based on the achievement of various performance indicators. Please refer to pages 9 to 10 of the Company's 2026 Annual Report for the Shareholders' Meeting for the 2025 director remuneration, the director remuneration bracket table, and payment standards.

The remuneration system for VSO Electronics' senior management is proposed by the Remuneration and Nomination Committee for the Board of Directors' approval. In addition to fixed salary and retirement pension, performance bonuses are calculated based on the achievement of various performance indicators, and senior management is subject to the same retirement system as other employees. The Remuneration and Nomination Committee meets at least twice a year, with additional meetings convened as necessary, to review the remuneration policies, systems, and implementation status for directors and managers, and to submit recommendations to the Board of Directors. Its responsibilities include:

1. Regularly reviewing the Organizational Charter of the Remuneration and Nomination Committee and proposing amendments.

2. Establishing and regularly reviewing the performance evaluation standards, annual and long-term performance goals, and the policies, systems, standards, and structure of remuneration for the Company's directors and managers.
3. Regularly evaluating the achievement of performance goals by the Company's directors and managers, and determining the content and amount of their individual remuneration based on the results of the performance evaluation standards.
4. Establishing standards for the diversity of background — including professional knowledge, skills, experience, and gender — and independence required of Board members and senior managers, and using these standards to identify, review, and nominate candidates for director and senior management positions.
5. Building and developing the organizational structure of the Board of Directors and its committees, conducting performance evaluations of the Board, its committees, individual directors, and senior managers, and assessing the independence of independent directors.
6. Establishing and regularly reviewing director continuing education plans and succession plans for directors and senior managers.
7. Formulating the Company's Corporate Governance Best Practice Principles.

Please refer to page 11 of the Company's 2026 Annual Report for the Shareholders' Meeting for the 2025 salary bracket table for senior management.

Linkage Between Remuneration and Sustainability Performance

The remuneration of the Company's managers is determined in accordance with the Company's relevant employee management measures and performance management measures, taking into comprehensive consideration the human resources market conditions, industry benchmarks, the Company's salary and benefits policies, and the Company's overall operating performance and financial condition. Managers' performance evaluation items are divided into the following two major categories, which serve as the basis for granting bonuses and variable remuneration:

1. Financial Indicators

Based on management profit and loss statements, the contribution of each business group or department to the Company's profit is assessed, together with the annual target achievement rate of individual managers.

2. Non-Financial Indicators

This includes the practice of the Company's core values, operational management capability, and the degree of participation in sustainable management, among other factors. In addition, sustainability performance indicators account for 20% of the overall performance evaluation of senior managers (including the President and Vice Presidents), covering the achievement of targets related to climate change mitigation and adaptation, workplace safety and health, and information disclosure, and other related areas.

Senior Management Departure and Retirement Policy

The advance notice period for departure of the Company's senior management is determined in accordance with local government regulations. The number of notice days and the method of calculating severance pay are the same as for other employees, and no payments or in-kind benefits other than severance pay are provided to departing directors and senior management.

Remuneration Ratio

Employee remuneration at VSO Electronics primarily consists of the following items: base salary (including basic pay, meal allowance, and special allowances such as position allowances for direct labor personnel), year-end bonus, and employee compensation. Remuneration is determined under a position-based pay system, with employee salary standards established with reference to market salary levels, the Company's financial condition, and organizational structure, while ensuring gender equality. Under the same job grade and seniority, the ratio of base salary between female and male employees is 1:1.

In 2025, the average salary of full-time non-managerial employees was NT\$1,071 thousand, and the median salary was NT\$872 thousand, fully demonstrating the fairness and market competitiveness of the Company's remuneration distribution.

2.3.3 Structure and Operations of Functional Committees

2.3.3.1 Remuneration and Nomination Committee

The Company established the Remuneration Committee on September 6, 2022. On March 13, 2025, the Board of Directors approved renaming the Remuneration Committee to the Remuneration and Nomination Committee. The term of the current Remuneration and Nomination Committee runs from June 12, 2025 to May 11, 2028. The Committee is composed of three independent directors and is responsible for assisting the Board of Directors in formulating policies, systems, standards, and structures for the performance evaluation and remuneration of directors and managers. The Committee regularly evaluates and reviews the performance appraisal, salary, bonuses, and remuneration payment methods of employees, managers, and directors, compares them with industry benchmarks, and submits recommendations to the Board of Directors for discussion. In 2025, the Remuneration Committee and the Remuneration and Nomination Committee held a combined total of 6 meetings, with an attendance rate of 100%. Detailed information on individual members and the Committee's operations is available on pages 16 to 17 of the Company's 2026 Annual Report for the Shareholders' Meeting.

2.3.3.2 Audit Committee

The Audit Committee is composed of all independent directors and meets at least once per quarter. The Committee's purpose is to oversee the fair presentation of the Company's financial statements, the effective implementation of internal controls, the Company's compliance with laws and regulations, the Company's management of existing or potential risks, and the appointment or dismissal, independence, and performance of the certifying accountant. Following the full re-election of directors at the shareholders' meeting on May 12, 2025, the number of

independent directors increased from three to four. In 2025, the Audit Committee held a total of 8 meetings, with an attendance rate of 100%. Detailed information on individual members and the Committee's operations is available on pages 26 to 27 of the Company's 2026 Annual Report for the Shareholders' Meeting.

2.3.3.3 Sustainable Development and Risk Management Committee

The Company established the “Sustainable Development Committee” on March 27, 2023 to implement the Company's sustainability goals and strengthen sustainability and risk governance. To further integrate the sustainable development and risk management mechanisms, the Committee was renamed the “Sustainable Development and Risk Management Committee” on November 11, 2024. The Committee is composed of one director and two independent directors, and all members have jointly elected Director Mr. Star LIN to serve as convener and chairperson of meetings. The “ESG Execution Committee,” the “Risk Management Execution Committee,” and the “Integrity Management Execution Committee” are established under the Committee, each responsible for advancing matters related to sustainable development, including formulating sustainability plans, aligning with the competent authorities' net-zero policies, developing and implementing related measures, and preparing the sustainability report. In 2025, the Sustainable Development and Risk Management Committee held a total of 3 meetings, with an attendance rate of 100%. Detailed information on individual members and the Committee's operations is available on the Company's website.

3. Stakeholders and Material Topics

3.1 Stakeholder Engagement

Identification of Stakeholders

VSO Electronics refers to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015) — Dependency, Responsibility, Tension, Influence, and Diverse Perspectives — to identify groups or organizations that influence, or are influenced by, the Company. The stakeholders identified as directly related to the Company are customers, employees, suppliers, shareholders/investors, and competent authorities/media.

To understand and respond to the issues of concern to our stakeholders, we provide a variety of communication channels to engage with them, allowing stakeholders to raise opinions at any time so that we can understand and respond to the sustainability issues they care about. The communication mechanisms and topics of concern for each stakeholder group in 2025 are summarized in the table below.

Stakeholder	Description of Relationship	Communication Channel	Communication Frequency	Key Topics of Concern	Responsible Unit	Communication Outcomes
Customers	Product/Service Users	Customer Satisfaction Survey	Annual	- Supply Chain Sustainability Management - Green Design and Product Sustainability Responsibility - Customer Relationship Management - Product Quality and Safety - Information Security and Personal Data Protection	Sales Department	- Held new product briefings and technical exchange activities for customers to strengthen customer relationships and enhance product awareness. - Published 4 news updates on the Company website and 22 posts on LinkedIn to enhance information disclosure and engagement. - Regularly conducted customer satisfaction surveys, with results by location as follows: Taipei: 54 companies surveyed in H1 (88.1 points) 43 companies surveyed in H2 (86.8 points) Ji An: 22 companies surveyed in H1 (96 points) 25 companies surveyed in H2 (94 points) Suzhou: 10 companies surveyed in H1 (94.7 points) 11 companies surveyed in H2 (96.0 points) Vietnam: 4 companies surveyed in H1 (95 points) 4 companies surveyed in H2 (90 points)
		Business Review Meeting	Monthly			
		Meetings on Specific Topics	Aperiodic			
		On-site Visits	Aperiodic			
		Supplier Audits Conducted by Customers	Aperiodic			
		Business Department	Ongoing			
Employees	Important Asset for Company Operations	Employee Welfare Committee / Overseas Labor Union	Aperiodic	- Labor Relations and a Friendly Workplace - Human Rights - Talent Attraction and Retention - Information Security and Personal Data Protection - Corporate Governance and Operations - Talent Development and Training - Occupational Safety and Health and Employee Benefits - Employee Performance Evaluation Mechanism - Labor-Management Relations - Occupational Health	Administration Division	- Implemented employee health management, achieving a 100% health examination rate for new employees; each site regularly organizes employee physical examinations with good overall participation. - Continued to strengthen occupational safety and health management; each plant conducted fire drills, safety training, and occupational injury prevention measures, with no major occupational accidents
		Employer-Employee Meeting	Quarterly			

Stakeholder	Description of Relationship	Communication Channel	Communication Frequency	Key Topics of Concern	Responsible Unit	Communication Outcomes
		Business Unit Communication Meetings	Monthly	and Safety ● Talent Development		occurring during the year. ● Promoted employee care and welfare measures, including club activities (yoga, golf), birthday parties, employee trips, and various employee events, enhancing employee cohesion. ● Established sound employee care mechanisms; each plant provides basic medical supplies and health support measures to ensure employee safety and health at work. ● Strengthened onboarding integration and retention mechanisms by promoting a mentor system and new employee training courses; the 2025 retention rate for new employees was 76%. ● Implemented diversity and equal employment practices, hiring persons with disabilities in compliance with local regulations. ● Established a sound compensation and promotion system, regularly conducting salary surveys and promotion evaluations to build a fair and reasonable performance evaluation and development mechanism. ● Provided comprehensive insurance coverage and welfare systems, including group insurance and occupational injury-related insurance measures. ● Actively promoted talent development, with each site holding internal and external education and training courses and professional programs to strengthen employees' professional capabilities and cross-regional exchange. ● Promoted corporate culture and employee participation activities, including volunteer activities, environmental sustainability activities, and social participation, enhancing employees' sense of corporate identity.
		Dedicated Hotline and Employee Grievance Mailbox	Ongoing			
		Communication Meetings and Internal Email	Ongoing			
		Employee Intranet and Social Media Grievance Mailbox hq.relationship@vso-corp.com	Ongoing			
Suppliers	Supply Chain Business Partners	Supplier Evaluation and Audit	Aperiodic	● Information Security ● Green Design and Product Sustainability Responsibility ● Supply Chain Sustainability Management ● Product Quality and Safety ● Raw Material Management ● Integrity and Regulatory Compliance	Materials Management Division/ Quality Assurance Center	● Promoted supply chain sustainability management by conducting a supplier carbon emissions and management system questionnaire survey, sending questionnaires to 497 suppliers (excluding agents), with 326 suppliers responding, of which 29 have obtained ISO 14064-1 certification. ● Implemented the supplier evaluation and audit system; 41
		Project Meetings	Aperiodic			
		Supplier ESG Communication and Performance Evaluation	Annual			

Stakeholder	Description of Relationship	Communication Channel	Communication Frequency	Key Topics of Concern	Responsible Unit	Communication Outcomes
		Integrity and Ethics Reporting Hotline and Mailbox hq.relationship@vso-corp.com	Ongoing			suppliers were planned for evaluation in 2025, and all had been completed as planned by the end of December, achieving a 100% completion rate. ● Strengthened the quality management system by obtaining IATF 16949:2016 automotive quality management system certification (valid from 2025/1/21 to 2028/1/20).
Shareholders/Investors	Capital Providers	Investor Relations Section of Company Website	Ongoing	● Corporate Governance and Operations ● Integrity and Regulatory Compliance ● Forward-looking Risk and Crisis Management ● Supply Chain Sustainability Management ● GHG Inventory and Energy Management ● Information Security	Finance and Accounting Division/Marketing Division	● Through both periodic and aperiodic engagement mechanisms, explained the Company's current operating conditions and future development to shareholders and investors, and responded promptly to related concerns. ● Established an investor relations contact point to respond promptly to shareholder and investor inquiries by phone and email. ● Regularly disclosed annual reports, quarterly financial reports, and monthly revenue information on the investor relations section of the Company website and the Market Observation Post System (MOPS) to enhance information transparency. ● Convened the Annual General Meeting of Shareholders in accordance with the law to safeguard shareholder rights and participation in major corporate decisions. ● Participated in 2 institutional investor conferences to strengthen communication and interaction with the capital market. ● Completed the Group's annual self-conducted carbon emissions inventory, strengthening environmental information disclosure and management. ● Promoted the use of renewable energy, completing and commissioning the second phase of solar power generation facilities to improve energy efficiency and sustainability performance.
		Investor Service Hotline and Email on Company Website	Ongoing			
		Company News Announcements on Company Website	Aperiodic			
		Market Observation Post System (MOPS)	Updated on an aperiodic basis as required by regulations			
		Annual General Meeting / Extraordinary General Meeting of Shareholders	Annually/As needed			
		Institutional Investor Conference	Aperiodic			
		Investor Relations Contact ir@vso-corp.com	Ongoing			
Competent Authorities/Media	Regulatory Compliance	Print and Electronic Media Interviews	Aperiodic	● Corporate Governance and Operations ● Corporate Image ● Integrity and Regulatory Compliance ● Risk Management ● Communication with Competent Authorities ● Innovation Development and Application ● Labor Relations and a Friendly Workplace ● Occupational Safety and Health	Administration Division/Finance and Accounting Division/Marketing Division	● Announced revenue information on the Market Observation Post System (MOPS) each month as required by regulations, ensuring the timeliness and transparency of information disclosure. ● Continuously monitored and complied with the latest laws and regulations, regularly reviewing the Company's regulatory compliance status to strengthen corporate governance.
		Operating Results Investor Conferences, Media Interviews, and Press Releases	Aperiodic			
		Dedicated Media Contact	Ongoing			
		Revenue Information Disclosure	Monthly			

Stakeholder	Description of Relationship	Communication Channel	Communication Frequency	Key Topics of Concern	Responsible Unit	Communication Outcomes
		Regular Updates to Company Website and MOPS Information	Monthly/Quarterly/Annually			● Participated in promotional and seminar activities held by competent authorities and related organizations (8 events in total). ● Strengthened media communication, with approximately 97 print media reports and 1 video media report. ● Supported government policy in promoting occupational safety and health management. ● The Ji An plant participated in industry exchange and Taiwanese business association networking events, strengthening cooperative relationships with the local government and industry.
		Participation in Government Agency Events or Consultation Meetings	Aperiodic			

3.2 Process for Determining Material Topics

Materiality Assessment

VSO Electronics refers to the four AA1000 AccountAbility Principles — Materiality, Inclusivity, Responsiveness, and Impact — and follows GRI 3: Material Topics 2021 to further assess the significance of material topics' impacts on the economy, environment, and human rights. The steps taken are as follows:

1. Understanding the Organizational Context

VSO Electronics takes into consideration its critical operating resources and each link in its supply chain and value chain, while also monitoring international sustainability trends and the topics of concern to overseas investment rating agencies for the industry. This process resulted in a total of 10 sustainability topics, comprising 3 environmental-related, 4 social-related, and 3 governance-related topics.

2. Identifying Impacts and Assessing Significance

Based on the list of sustainability topics identified in the previous step, VSO Electronics further assesses the actual and potential positive and negative impacts of each sustainability topic

- ◆ Actual or potential positive impacts may arise when the Company has relevant management policies in place for a given sustainability topic and effectively implements them, resulting in good or significant performance; these represent the positive effects on the economy, environment, and society generated by sustainable development
- ◆ Actual or potential negative impacts may arise when the Company fails to implement, or does not adequately manage, a given sustainability topic; these represent the negative effects that the Company's overall operations have on the external economy, environment, and society

3. Prioritizing Impacts

At VSO Electronics, department heads identify sustainability topics relevant to the Company based on current operating conditions, industry development trends, regulatory requirements, and stakeholder concerns. Through cross-departmental discussion, the importance of each topic to the

Company's operations and sustainable development is assessed and ranked, thereby confirming the material sustainability topics.

4. Determining Material Topics

VSO Electronics' material topics comprise a total of ten items: "Climate Change Strategy and Management," "GHG Inventory and Energy Management," "Supply Chain Sustainability Management," "Occupational Health and Safety," "Talent Attraction and Retention," "Social Participation," "Customer Service and Product Quality," "Corporate Governance and Regulatory Compliance," "Information Security Risk," and "R&D and Innovation." Strategies and management targets are subsequently planned and set for each of these topics.

3.3 List of Material Topics

List of Material Topics

Following the assessment process, the Sustainability Team consolidated the significance of sustainability topic impacts with the level of stakeholder concern, and identified 10 material topics, including:

◆ **Environmental Aspect**

Climate Change Strategy and Management, GHG Inventory and Energy Management, Supply Chain Sustainability Management.

◆ **Social Aspect**

Occupational Health and Safety, Talent Attraction and Retention, Social Participation, Customer Service and Product Quality.

◆ **Governance Aspect**

Corporate Governance and Regulatory Compliance, Information Security Risk, R&D and Innovation.

There were no material differences between VSO Electronics' 2025 material topics and those of the previous year.

3.4 Management of Material Topics

Policies and Commitments, Actions Taken, and Implementation Status of Performance Targets and Indicators

The Company formulates corresponding policies and management actions based on the nature of the impacts of each material topic. Dedicated units are responsible for tracking the effectiveness of policy and strategy implementation, and targets and indicators are established with regular review of the achievement rate. The management measures for each material topic are described below.

● Climate Change Strategy and Management

Impact Description	Installing solar photovoltaic facilities to increase the use of renewable energy, and introducing an energy management system as well as digital and intelligent manufacturing production and solutions to address the impacts and challenges of climate change.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Environmental Management Policy	General Manager	All Employees
Management Actions	1. Build up a reserve of production management and technical personnel to meet shipment requirements. 2. Increase the local procurement ratio at the Vietnam plant to 49.14% (approximately 17.28% in 2024). 3. Organize two safety evacuation drills. 4. Organize one chemical spill prevention drill. 5. Organize one power and water outage emergency drill. 6. Organize one typhoon/flood disaster prevention emergency drill.		
Process for Tracking the Effectiveness of Actions	1. VSO Ji An recruited 43 production management and technical personnel in 2025. 2. VSO Viet Nam's local procurement ratio was 34% in 2025 (18% in 2024). 3. VSO Ji An held plant-wide safety evacuation drills in June and December 2025; VSO Viet Nam completed safety education and training on 6/15. 4. VSO Ji An organized an on-site chemical spill prevention drill in June 2025. 5. VSO Ji An conducted a water and power outage emergency drill in late October. 6. VSO Ji An conducted a flood disaster prevention emergency drill in early November; VSO Viet Nam participated in Typhoon No. 3 prevention and control activities in July 2025; VSO Suzhou took part in government fire safety promotion events on January 8 and March 2, 2025; 11 employees of VSO Suzhou participated in a park-wide fire drill on March 3, 2025.		
Targets and Indicators	Short-term targets: 1. 100% of production plants have developed and drilled emergency response plans for extreme weather (typhoons/floods/high temperatures), with 100% annual drill coverage 2. 100% of hazardous waste storage areas have been renovated to meet regulatory standards, with a 100% compliant disposal rate for hazardous waste such as waste enameled wire and waste organic solvents 3. Completed basic environmental protection training for all employees, with 100% testing coverage for the 10 hazardous substances controlled under RoHS Medium-term targets: 1. Scope 1 + Scope 2 carbon emission intensity reduced by $\geq 20\%$ compared to the base year 2. $\geq 50\%$ of core suppliers (accounting for the top 80% of procurement value) have completed climate risk assessments and proposed contingency plans		

	Long-term targets: 1. Production plants meet the Company's self-established or industry-recognized "Climate Resilient Plant" standard (covering the three dimensions of physical resilience, operational resilience, and supply chain resilience)
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Note: Physical resilience (the disaster resistance capability of plant hardware facilities) focuses on physical assets such as plants, equipment, and infrastructure, addressing heavy rain, high temperatures, typhoons, flooding, and power restrictions; operational resilience (emergency management of internal production processes) focuses on production management systems, personnel, and scheduling processes to enable rapid resumption of production after a disaster occurs; and supply chain resilience (risk resistance in upstream and downstream material supply) focuses on the stable supply of upstream raw materials and components, avoiding material supply disruptions caused by climate disasters.

● GHG Inventory and Energy Management

Impact Description	Promoting effective energy management measures helps reduce energy consumption and improve energy efficiency; conducting a carbon inventory in accordance with ISO 14064-1 helps establish indicators and targets for reducing GHG emissions, further reducing environmental impact.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Environmental Policy and Energy Management Policy	General Manager	Employees
	Supplier GHG Inventory Work Instructions	General Manager	Suppliers
Management Actions	1. Obtain data from existing suppliers' management systems in August 2025 to confirm the status of ISO 14064-1 implementation. 2. Reduce comprehensive energy consumption per unit of output value by 2%. 3. Core production plants obtained ISO 50001:2018 energy management system certification.		
Process for Tracking the Effectiveness of Actions	1. In August 2025, VSO Ji An conducted a carbon emissions and management system questionnaire survey of 497 suppliers (excluding agents), with 326 suppliers responding, of which 29 had obtained ISO 14064-1 certification. 2. As of 2025, VSO Ji An's comprehensive energy consumption per unit of output value was 140.98 kgce/10,000 yuan, a 4.7% decrease from the target value of 147.91 kgce/10,000 yuan.		
Targets and Indicators	Short-term targets: 1. Conduct a year-on-year inventory and disclose the previous year's carbon emissions data as required for the sustainability report. 2. The core production site passed the ISO 50001:2018 Energy Management System certification. 3. Establish a digital GHG emissions management platform to enable emissions data collection, calculation, and report generation. 4. Comprehensive energy consumption per unit of output value (kg of standard coal equivalent per unit of output value) reduced by $\geq 2\%$ compared to the previous year.		

	Medium-term targets: 1. By 2030, achieve a $\geq 20\%$ reduction in Scope 1 + Scope 2 carbon emission intensity compared to the base year. 2. Renewable energy accounts for $\geq 30\%$ of total annual electricity consumption across all plants. Long-term targets: 1. By 2050, achieve "net-zero" emissions for Scope 1 + Scope 2 carbon emissions across all plants.
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● Supply Chain Sustainability Management

Impact Description	Implementing supply chain sustainability management reduces the environmental impact, operating risks, and costs of VSO Electronics' products, enabling us to continue providing responsible, high-quality products and services to our customers.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Supplier Management Procedures	General Manager	Suppliers
Management Actions	1. Regularly conduct QCDS performance evaluations of suppliers. Suppliers scoring below 60 points receive guidance and coaching; those unable to improve within the specified period are removed from the list of qualified suppliers. Suppliers scoring between 60 and 70 points are designated as backup suppliers. 2. Percentage of total procurement from suppliers meeting internationally recognized product responsibility standards. 3. Number and percentage of suppliers audited.		
Process for Tracking the Effectiveness of Actions	1. In 2025, VSO Ji An conducted QCDS performance evaluations of suppliers with monthly transactions as required, with no suppliers rated C or D. 2. In August 2025, VSO Ji An conducted a carbon emissions and management system questionnaire survey of 497 suppliers (excluding agents), with 326 suppliers responding, of which 29 had obtained ISO 14064-1 certification. 3. VSO Ji An planned to conduct evaluation audits of 41 existing qualified suppliers in 2025, and completed all audits as required.		
Targets and Indicators	Short-term targets: 1. Conduct supplier carbon emissions and green certification surveys covering 100% of core suppliers 2. Incorporate ESG indicators into supplier performance evaluations; ESG dimension weighting in annual supplier performance evaluations $\geq 15\%$		

	Medium-term targets: 1. Establish a supplier ESG risk classification system (e.g., red-yellow-green rating); 100% of high-risk suppliers develop and track improvement plans 2. Low-risk suppliers account for 80% of the green supply chain Long-term targets: 1. Low-risk suppliers account for 100% of the green supply chain
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● Occupational Health and Safety

Impact Description	The Company places great importance on employee occupational health and safety. Through hazard identification, risk assessment, and preventive measures, occupational injuries and health hazards can be reduced, creating a safe and healthy working environment and safeguarding the rights of employees, contractors, and other stakeholders.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Workplace Safety and Health Policy	General Manager	All employees, contractors, visitors, and other personnel working on Company premises
Management Actions	1. Zero major occupational safety incidents at each plant. 2. 100% completion rate for all safety education and training. 3. Workplace hazard factor testing conducted ≥ 1 time/year. 4. 100% health examination rate for new employees.		
Process for Tracking the Effectiveness of Actions	1. VSO Ji An organized 14 safety education and training courses, achieving a 100% completion rate for all courses; VSO Suzhou organized 7 safety education and training courses, achieving a 100% completion rate for all courses. 2. VSO Ji An completed workplace occupational hazard factor testing in September, with all factors within safe limits. 3. VSO Ji An has fully (100%) implemented health examinations for new employees, requiring a passing health check before onboarding; VSO Taipei's employee health examination rate was 94% in April; VSO Suzhou has fully (100%) implemented health examinations for new employees, requiring a passing health check before onboarding; VSO Viet Nam achieved a 100% employee health examination completion rate in August.		
Targets and Indicators	Short-term targets: Complete 100% of occupational safety education and training, complete plant-wide risk assessments, achieve a 100% improvement rate for major deficiencies, and raise the employee health examination completion rate to 100%.		

	Medium-term targets: Continue to maintain zero occupational injuries and zero disabling injuries; achieve a 100% improvement completion rate for high-risk hazard items at plants; achieve an employee health promotion activity participation rate of over 80%. Long-term targets: Achieve zero major occupational accidents while continuing to maintain ISO 45001 certification and pass external audits. Establish a company-wide safety culture, with the number of safety improvement proposals growing by 10% year over year. Incorporate safety performance into the performance management of department heads, continuously improving occupational health and safety performance, and making occupational safety and health performance a key indicator of the Company's sustainable development.
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● Talent Attraction and Retention

Impact Description	The electronic components manufacturing industry faces challenges such as intense competition for technical talent, a declining birth rate, and a shortage of senior technical talent. Failure to attract and retain outstanding talent would affect product quality, process improvement, R&D innovation, production efficiency, and customer delivery times, thereby impacting the Company's competitiveness and sustainable development. Conversely, sound recruitment, retention, and talent development mechanisms help enhance employee cohesion and organizational stability, strengthen technical succession and innovation capacity, and lay the foundation for the Company's sustainable operations.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Talent Recruitment and Employment Policy, Employee Education and Training Policy, and Performance Evaluation and Reward/Discipline System	General Manager	All Employees
Management Actions	1. Employee turnover rate below 10%. 2. Average employee satisfaction survey score above 85 points. 3. Establish an internal employee referral incentive program to improve recruitment efficiency and stabilize talent retention.		
Process for Tracking the Effectiveness of Actions	1. 2025 turnover rates: VSO Taipei 3.16%; VSO Ji An 4.51%; VSO Suzhou 2.35%; VSO Viet Nam 11.97%. 2. 2025 average employee satisfaction survey scores: VSO Taipei 74.4 points; VSO Ji An 82.7 points. 3. VSO Taipei, Ji An, Suzhou, and Vietnam have all established internal employee referral incentive programs.		

Targets and Indicators	Short-term targets: Recruitment achievement rate $\geq 90\%$; three-month retention rate for new employees $\geq 90\%$; average employee training hours ≥ 20 hours/person; involuntary turnover rate maintained below 3%. Medium-term targets: Employee turnover rate controlled below 10%; recruitment lead time for key positions shortened by 20%; succession coverage rate for key positions reaching 80%; employee satisfaction reaching above 85 points. Long-term targets: Establish a comprehensive talent development and succession system, with 100% succession coverage for key positions; employee retention rate above 90%; annual training hours per employee reaching over 40 hours; become a regionally competitive employer of choice in the electronic components industry, continuously enhancing talent attractiveness and employee engagement.
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● Social Participation

Impact Description	Through social participation, charitable activities, and educational partnerships, the Company can enhance its corporate image, promote local development, and cultivate industry talent, building relationships of mutual trust with stakeholders and thereby enhancing its capacity for sustainable operations. At the same time, encouraging employees to participate in volunteer activities helps foster a positive culture and a sense of belonging, thereby improving workforce stability and productivity.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Corporate Social Responsibility Policy	General Manager	All employees, all departments, and the Company's related stakeholders
Management Actions	At least four social participation activities per year.		
Process for Tracking the Effectiveness of Actions	1. VSO Taipei Q1 employee activity - 2/19 recycled oyster shell powder therapeutic planting DIY workshop; Q2 employee activity - 4/12 SDGs "Fun Farming and Food" event; Q3 employee activity - 9/6 Coffee Festival volunteer activity. 2. In March, VSO Ji An participated in the county-wide women workers' tug-of-war competition, with the Company's team winning first place. 3. On 5/30, VSO Ji An participated in the county health commission's occupational health management training and assessment, obtaining a training certificate. 4. VSO Ji An organized a rice dumpling-making competition ahead of the Dragon Boat Festival, with 11 teams participating.		

	5. On 6/11, VSO Ji An held a safety production knowledge competition, awarding the top 3 places in both team and individual categories. 6. On 6/24, VSO Ji An participated in a seminar held by the municipal electronics and information alliance and SGS to learn about the latest environmental regulations and carbon tax rules. 7. In September, VSO Ji An participated in the Ji An Taiwan Affairs Office's "Mid-Autumn Reunion, Addressing Concerns, Promoting Development" networking event for Taiwanese compatriots and their families. 8. On 8/21, VSO Suzhou participated in the company park's fire safety competition, achieving an excellent ranking.
Targets and Indicators	Short-term targets: Continue sponsoring the cycling training program for remote schools in Yilan; hold at least 4 social welfare activities per year; achieve an employee volunteer participation rate of over 20%; accumulate over 300 hours of volunteer service. Medium-term targets: Expand the number of participants in the cycling training program for remote schools in Yilan; raise the employee volunteer participation rate to over 35%; achieve over 600 hours of volunteer service per year; hold over 6 community welfare and environmental protection activities. Long-term targets: Establish a company-distinctive corporate volunteer system with an employee volunteer participation rate of over 50%; deepen industry-academia collaboration and establish a long-term talent development mechanism; continuously grow the amount of resources invested in social welfare each year; become a representative sustainable enterprise in the local community, continuously creating positive social impact.

● Customer Service and Product Quality

Impact Description	High-quality products and sound customer relationship management can increase customer satisfaction, loyalty, and repurchase rates, build long-term business partnerships, expand the customer base, and thereby enhance the Company's competitiveness and market share.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Product Quality and Customer Management Policy	General Manager	Employees
Management Actions	1. Incoming material inspection pass rate. 2. Process yield rate. 3. Average customer satisfaction survey score above 90 points.		

Process for Tracking the Effectiveness of Actions	1. Incoming material inspection pass rate: VSO Ji An: Q1 99.72%, Q2 99.73%, Q3 99.73% VSO Suzhou: Q1 99.87%, Q2 99.85%, Q3 99.78% 2. Process yield rate: VSO Ji An: Q1 99.94%, Q2 99.88%, Q3 99.88% 3. Customer satisfaction survey: VSO Taipei: In H1 2025, 54 companies were surveyed with an average satisfaction score of 88.1 points; in H2, 43 companies were surveyed with an average satisfaction score of 86.8 points. VSO Ji An: In H1 2025, 24 companies were surveyed with an average satisfaction score of 96 points; in H2, 25 companies were surveyed with an average satisfaction score of 94 points. VSO Suzhou: In H1 2025, 10 companies were surveyed with an average satisfaction score of 94.7 points; in H2, 11 companies were surveyed with an average satisfaction score of 96 points. VSO Viet Nam: In H1 2025, 4 companies were surveyed with an average satisfaction score of 95 points; in H2, 4 companies were surveyed with an average satisfaction score of 90 points.
Targets and Indicators	Short-term targets: 1. Fewer than 4 customer complaints per month, with 100% completion of root cause analysis and corrective action (8D report or equivalent method) 2. Establish an annual customer satisfaction survey system, with 100% survey coverage of core customers (accounting for the top 80% of revenue) and a customer satisfaction survey score ≥ 90 points (out of 100) Medium-term targets: 1. Continue quality improvement, with zero batch quality incidents for the year 2. Customer satisfaction survey score ≥ 92 points (out of 100) Long-term targets: 1. Reduce the FQC inspection defect rate from 200 PPM to 150 PPM 2. Customer satisfaction survey score ≥ 95 points (out of 100)

● Corporate Governance and Regulatory Compliance

Impact Description	Through a sound corporate governance structure and regulatory compliance mechanisms, the Board of Directors has established a Remuneration and Nomination Committee, an Audit Committee, and a Sustainable Development and Risk Management Committee, to enhance governance transparency, decision-making quality, and risk oversight effectiveness, reduce the negative impact of compliance risks and governance deficiencies on the Company's operations and stakeholders, and promote the Company's sustainable development.
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	Policy Name	Approval Level	Scope of Application
Policy or Commitment	Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles	General Manager	Directors, All Employees
Management Actions	1. Implement the audit plan approved by the Board of Directors. 2. Assign relevant personnel to participate in continuing education as required, and complete reporting of training hours. 3. Conduct quarterly promotion of integrity management, ethical conduct, insider trading prevention, and related regulatory training, improving the test completion rate.		
Process for Tracking the Effectiveness of Actions	1. Upon completion of each audit item, the audit report and follow-up report are prepared and submitted for approval, and delivered by email to each independent director on the Audit Committee for review by the end of the following month. 2. Sent personnel to participate in relevant regulatory courses held by competent authorities to stay abreast of the latest regulatory developments (8 events); total director continuing education hours in 2025 amounted to 72 hours, covering topics such as corporate governance and sustainable development; the corporate governance officer completed 15 hours of external continuing education as required; the chief accounting officer completed 12 hours of external continuing education as required. 3. Conducted quarterly promotion of integrity management, ethical conduct, insider trading prevention, and related measures through internal presentations and tests, raising all employees' awareness of regulatory compliance. The 2025 test response rate was 89.24%.		
Targets and Indicators	Short-term targets: ● Maintain zero major regulatory violations. ● Directors and related governance personnel complete statutory continuing education courses as required, achieving a 100% completion rate. ● Achieve a 100% completion rate for integrity management, codes of ethical conduct, and regulatory compliance promotion. ● Achieve a compliance education, training, and test completion rate of over 90%, raising employee awareness of regulatory compliance. Medium-term targets: ● Maintain zero major regulatory violations while continuing to strengthen regulatory compliance and risk prevention mechanisms.		

	● Continuously improve the operational effectiveness of the Board of Directors and its functional committees, strengthening governance oversight and decision-making quality. ● Deepen integrity management, ethical conduct, and regulatory compliance education and training, building a compliance culture with participation from all employees. ● Progressively refine compliance risk management and tracking mechanisms to reduce operational and governance risk. Long-term targets: ● Maintain zero major regulatory violations, establishing a robust regulatory compliance management culture. ● Continuously enhance the quality and transparency of corporate governance, strengthening stakeholder trust and building a sustainable and resilient governance structure. ● Establish a digitalized regulatory compliance management and risk monitoring mechanism to improve compliance management efficiency, information transparency, and operational resilience.
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● Information Security Risk

Impact Description	Establishing information and communication security hardware and software systems to prevent computer and digital systems from being hacked, causing operational disruption or the theft of confidential information, and to protect the personal data privacy of stakeholders.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	Information Security Policy	General Manager	Employees
Management Actions	1. Whether the disaster recovery drill plan has been completed. 2. Whether recovery completion is confirmed daily. 3. Whether firewall logs are checked daily. 4. Obtain ISO 27001 certification.		
Process for Tracking the Effectiveness of Actions	1. The disaster recovery drill was completed by the end of December, with normal results. 2. Backup completion is confirmed daily without error. 3. Firewall logs are confirmed daily to ensure information security. 4. Due to the SAP implementation, it has been confirmed with the consulting firm that ISO 27001 certification will be obtained in 2026.		

Targets and Indicators	Short-term targets: Pass ISO 27001 third-party certification and obtain the certificate in 2026. Medium-term targets: Implement phishing email tests, with the employee click-through rate declining year over year. Long-term targets: Maintain zero major information security incidents and zero personal data leakage incidents, achieving zero major business continuity disruptions.
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● R&D and Innovation

Impact Description	Investing in emerging technology fields (such as AI, low-carbon technology, and materials innovation) establishes technical barriers to entry and competitive advantage. Process innovation reduces energy consumption, waste, and carbon emissions, helping to achieve the Company's net-zero and sustainable development goals. Building a culture of innovation and cross-departmental collaboration helps attract and cultivate advanced technical and R&D talent, creating a positive cycle.		
Policy or Commitment	Policy Name	Approval Level	Scope of Application
	R&D and Innovation Policy	General Manager	Employees
Management Actions	1. Number of new patents obtained. 2. Establish and implement the "Trade Secret Operating Procedures." 3. Number of new product development projects indicator. 4. R&D expenditure as a percentage of revenue: 5%.		
Process for Tracking the Effectiveness of Actions	1. In 2025, the Company obtained 1 new Taiwan utility model patent, and also obtained a patent license for Molex NextStream. 2. The "Trade Secret Operating Procedures" is expected to be established in 2026. 3. In 2025, R&D expenditure accounted for 4.79% of revenue.		
Targets and Indicators	Short-term targets: Focus on completing regulations, establishing a foundation for internal intellectual property protection, and strengthening R&D momentum. ● Intellectual property protection: Complete the formal establishment and full public implementation of the "Trade Secret Operating Procedures," with internal employee awareness coverage reaching 100%. ● Patent portfolio: Add at least 2 to 3 new patent applications or approvals each year. ● New product development: Launch a mechanism for assessing new market benefits and potential customer creditworthiness, completing at		

	least 10 new product development project evaluations and approvals each year. Medium-term targets: Focus on establishing technical barriers to entry, cross-departmental collaboration, and demonstrating green engineering R&D outcomes. ● Deepening patents and intellectual property: Accumulate at least 10 valid patents, and establish a comprehensive intellectual property risk prevention and monitoring mechanism to ensure zero infringement incidents. ● R&D outcome conversion: Steady growth in the number of new products developed, with at least 3 new products/new processes successfully launched or introduced to the market each year. Long-term targets: Focus on achieving industry-leading technological advantages, shaping an innovation culture, and achieving sustainable development goals (net-zero carbon emissions). ● Industry technology leadership: Become a benchmark among peers in green engineering R&D, with core technologies possessing a high barrier to entry and international market competitiveness. ● Net-zero and sustainability commitment: Invest in low-carbon technology or material innovation projects, combining process innovation and material R&D to reduce overall unit energy consumption or carbon emissions, comprehensively achieving the Company's long-term strategic goals of net-zero carbon emissions and sustainable development. ● Talent and innovation ecosystem: Establish comprehensive cross-departmental collaboration and an innovation culture, successfully attracting and retaining senior technical and R&D talent, forming a positive cycle for the Company's sustainable development.
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4. Governance

4.1 Economic Performance

Operating Performance

In 2025, VSO Electronics recorded total revenue of NT\$2.632 billion, up 21.66% from 2024. Consolidated net income after tax was NT\$204 million, of which net income attributable to the parent company was NT\$189 million, with after-tax earnings per share of NT\$4.34. For further details and analysis of other financial performance, please refer to the Company's consolidated financial statements.

Unit: NT\$ thousand

Item	VSO Electronics' 2025 Financial Performance
Total Assets	2,906,660
Liabilities to Assets Ratio	43.21
Return on Total Assets	7.92
Return on Equity	12.60
Direct Economic Value Generated	
Operating Revenue	2,631,512
Economic Value Distributed	
Operating Costs	1,917,817
Operating Expenses	451,382
Employee Wages and Benefits (Employee Benefit Expenses)	280,115
Payments to Providers of Capital (Cash Dividends)	83,433
Payments to Government (Income Tax Paid)	28,334
Community Investment (Donation Expenses)	87
Economic Value Retained	
Operating Income (Excluding Non-Operating Gains/Losses)	262,313
Net Income After Tax	203,730
Earnings Per Share	4.34

Financial Assistance

In 2025, the Company received total financial assistance from the government of NT\$8,606 thousand, primarily for the purchase of plant facilities and machinery and equipment.

4.2 Tax

Tax Policy

VSO Electronics upholds the principles of integrity management and lawful tax payment, and is committed to refraining from improper tax avoidance through the use of tax havens or low-tax jurisdictions, and from shifting profits through special transaction structures or non-arm's-length transactions to reduce its overall tax burden. The Company complies with the tax laws and regulations of each jurisdiction in which it operates, files and pays all taxes in accordance with the law, and handles intra-group related-party transactions in accordance with the arm's length principle, thereby ensuring that its tax practices are lawful, transparent, and consistent. The Company also continuously monitors domestic and international tax regulations and international tax development trends, and reviews and enhances its related management practices in a timely manner.

Tax Governance System

The Board of Directors oversees the Company's overall governance and material risk management, while tax matters are executed and managed by the Finance Department in accordance with relevant laws and regulations, so as to reduce tax risk and ensure that all tax operations comply with applicable laws and regulations. Going forward, the Company will continue to reference international best practices and competent authority regulations, and evaluate the establishment of a more comprehensive tax governance system and related policies, in order to strengthen its tax governance structure, enhance information transparency, and implement corporate sustainability governance.

Communication and Management of Tax Issues with Stakeholders

VSO Electronics attaches great importance to communication with its stakeholders. Through diverse channels including government authorities, investors, and professional advisors, the Company continuously monitors developments in domestic and international tax laws and policies, and handles all tax matters in accordance with the principles of integrity management and lawful tax payment, so as to enhance tax transparency, reduce tax risk, and safeguard the rights and interests of the Company and its stakeholders.

● **Government Authorities**

The Company's operating sites at home and abroad actively participate in tax law awareness training and other education sessions held by local government authorities or relevant professional institutions, keeping abreast of the latest tax laws, regulatory amendments, and their impact on the Company's operations. Where questions arise regarding the application of tax laws or the arrangement of transactions, the Company proactively consults with tax authorities or its certifying accountants to ensure that all tax matters are handled in compliance with applicable laws and regulations, thereby enhancing the compliance and transparency of tax management.

● **Investors**

In accordance with relevant laws and information disclosure requirements, VSO Electronics discloses financial and tax information related to its operations through channels such as the Market Observation Post System (MOPS), the Company's annual report, sustainability report, and corporate

website, ensuring that information is disclosed openly, transparently, and in a timely manner. Regarding tax issues of concern to investors, the Finance Department continuously tracks changes in domestic and international tax laws and policies and handles them in accordance with relevant regulations to reduce tax risk. Going forward, the Company will continue to enhance the quality of its tax governance and information disclosure, and deepen its interaction and trust with investors.

Annual Tax Payment Status

Information on pre-tax net income and income tax paid in each of VSO Electronics' tax jurisdictions worldwide in 2025 is as follows.

Unit: NT\$ thousand

Country	Operating Revenue	Net Income Before Tax	Income Tax Expense	Effective Tax Rate
Taiwan	1,981,440	274,588	49,588	18.06%
China	1,929,695	26,426	142	0.54%
Vietnam	396,139	(8,964)	1,654	(18.45)%

Note 1: The Company's tax information is calculated based on the corporate income tax expense and undistributed earnings tax required under the tax laws of the respective jurisdictions.

Note 2: The main economic activities in Taiwan, China, and Vietnam include research and development, production, services, and technical support.

Note 3: The income tax expense and effective tax rate for 2025 are calculated in accordance with local tax laws, taking into account various tax incentive policies.

Note 4: All figures in this report are denominated in New Taiwan Dollars.

4.3 Integrity Management

4.3.1 Integrity and Anti-Corruption

VSO Electronics conducts all of its business with integrity, strictly complying with the laws and regulations governing the operation of enterprises in Taiwan and the relevant regulations of the Taipei Exchange (TPEX). The Company has established internal management and control procedures, and requires its subsidiaries at home and abroad to establish their own internal management and control procedures in accordance with the laws and regulations of their respective jurisdictions and the nature of their actual operations, with full compliance with laws and regulations established as an important company policy.

4.3.2 Policies and Education Training

Integrity is a core value of VSO Electronics. Guided by the principles of rejecting corruption and conducting business with integrity, and complying with the laws and ethical standards of the countries in which it operates, the Company has established compliance with laws and regulations as an important company policy. In addition, the Company has adopted the "Code of Ethical Conduct," "Code of Integrity Management," and "Integrity Management Operating Procedures and Guidelines," which are implemented and published on the Company's website. The Company actively promotes regulatory compliance education to raise awareness of compliance among directors, managers, supervisors, and all other employees, ensuring that all business conduct and oversight activities are carried out in compliance with applicable laws and regulations. In 2025, a total of 1,568 participants took part in regulatory compliance promotion activities.

2025 Regulatory Compliance Promotion Results

Promotion Content	Key Points	Frequency	Target Audience	Number of Participants
Prevention of Insider Trading	Prohibition on selling company shares during the quarterly financial report blackout period and treasury share buyback period	Quarterly	Insiders	135
Code of Integrity Management / Integrity Management Operating Procedures and Guidelines	Promotion of internal regulations	Annual	Company-wide (excluding direct labor)	401
Common Violations of the Securities and Exchange Act in Insider Shareholding Change Reporting	Common violations of the Securities and Exchange Act	Quarterly	Insiders	88
Code of Ethical Conduct	Promotion of internal regulations	Annual	Company-wide (excluding direct labor)	426
Prevention of Insider Trading	Promotion of insider shareholding reporting requirements and prohibition of short-swing trading	Annual	Insiders	21
Prevention of Insider Trading	Promotion of internal regulations (including internal material information handling procedures)	Annual	Company-wide (excluding direct labor)	497

4.3.3 Management, Oversight, and Prevention

Under the Sustainable Development and Risk Management Committee, VSO Electronics has established three functional executive committees — the ESG Execution Committee, the Risk Management Execution Committee, and the Integrity Management Execution Committee — responsible for risk management, integrity management, and information disclosure, respectively, in order to identify and monitor the risks that require attention in the course of business operations. Through the implementation of its internal control management system, the Company guards against potential risks of fraud or improper conduct, and its internal audit unit conducts periodic and ad hoc audits, or engages external units for review, to ensure that work is carried out in compliance and to reduce operational risk.

To guard against potential improper conduct such as violations of ethical standards or dishonest behavior, the Company has established an internal whistleblowing email mailbox for all employees to report to the Company. The Company also protects employees who file reports or participate in investigations from unfair retaliation or mistreatment.

Before establishing business transactions with agents, suppliers, customers, or other business partners, the Company first assesses their legal compliance, integrity-related policies, and whether they have any record of involvement in dishonest conduct. In the course of business dealings, the Company explains its integrity management policy and related regulations to the counterparty, and explicitly refuses to directly or indirectly offer, promise, solicit, or accept any improper benefit in any form or under any name. Should dishonest conduct be discovered, the Company will

immediately terminate the business relationship and place the party on a list of parties with whom it will not do business. When entering into contracts with other parties, the Company incorporates its integrity management policy into the contract terms, which include at a minimum: clear and reasonable payment terms, provisions for handling instances of dishonest conduct, and provisions for handling violations of the prohibition on commissions, kickbacks, or other improper benefits.

2025 Whistleblowing and Grievance Cases Received Regarding Regulatory Violations, Dishonest Conduct, and Human Rights

Description		2025	2024	2023
Reporting Channels	1. In-person reporting: face-to-face explanation	-	-	-
	2. Telephone reporting: stakeholder communication contact line (02) 3234-3038	-	-	-
	3. Written reporting: mailing or delivering documents to VSO Electronics' receiving unit	-	-	-
	4. Whistleblowing mailbox: hq.relationship@vso-corp.com	-	-	-
Handling Status		-	-	-

2025 Statistics on Regulatory Violations

Regulation / Year	2025	2024	2023
Economic/Financial Regulation and Integrity Management	-	-	-
Environmental	-	-	-
Social, Labor, and Occupational Safety	-	-	-

4.4 Communication Channels and Grievance Mechanism

To prevent employees from suffering unlawful infringement by employers, supervisors, colleagues, or service recipients in the workplace while performing their duties, and to prevent external workplace violence in work-related environments — including physical, verbal, psychological, and sexual harassment that causes physical or psychological harm — VSO Electronics has established employee grievance and sexual harassment prevention measures.

4.4.1 Employee Grievances

Employees at all global sites who suffer unlawful physical or psychological infringement while performing their duties or handling duty-related matters in the workplace or related environments may report such incidents verbally or in writing directly to their supervisors at all levels or to the Management Center. In addition, each global site has established physical employee suggestion boxes as needed for the workplace, allowing employees to submit any comments, suggestions, or grievances directly to the responsible unit. At the head office, a dedicated employee grievance email mailbox has been established and is posted with a direct link on the Company's internal website, with dedicated personnel handling grievance cases from employees at all global sites.

4.4.2 Prevention of Workplace Sexual Harassment

VSO Electronics is committed to fostering a diverse, equitable, and inclusive workplace, and to implementing the principle of gender equality in employment. No tangible or intangible act in

violation of gender equality in employment or sexual harassment is permitted in the workplace where employees at any global site perform their duties. Such prohibited conduct is clearly specified in the "Employee Code of Conduct," and the Company has established "Measures for the Prevention of Sexual Harassment, Grievance Handling, and Disciplinary Action," under which a dedicated sexual harassment prevention hotline and email mailbox have been set up and posted on bulletin boards at all global worksites and on the Company's internal website. Under this mechanism, grievances are handled confidentially to protect the privacy and related rights of both parties, thereby maintaining a harmonious, friendly, and secure working environment among employees.

4.4.3 Response and Handling

Personnel involved in handling reports or grievances, and the process itself, must remain neutral and be conducted with objectivity, fairness, and impartiality, ensuring protection of the rights and privacy of both parties involved in the reported or grieved case. Supervisors at all levels, the human resources unit, and members of the Grievance Committee involved in the process shall conduct investigations and handle the case within the prescribed timeframe.

2025 Reports and Grievance Cases Handled

Communication (Grievance) Channel	Cases Accepted		
	Taiwan Headquarters	China	Vietnam
Employee Suggestion Box hq.relationship@vso-corp.com	-	-	-
Electronic Grievance Mailbox hq.relationship@vso-corp.com	-	-	-
Employee Forums	Not yet established	-	Not yet established
Labor-Management Meetings	-	-	-
Sexual Harassment Grievance hq.relationship@vso-corp.com 02-3234-3038	-	-	-

4.5 Risk Management

4.5.1 Risk Management Policy and Mechanism

VSO Electronics adopts a preventive policy for risk management. In addition to establishing a rigorous internal control system in accordance with the law, the internal audit department conducts periodic and ad hoc reviews to ensure that implementation complies with regulations, and reports on the operation of the Company's risk management to the Audit Committee and the Board of Directors. In the fourth quarter of 2024, the Company's Board of Directors renamed the Sustainable Development Committee as the Sustainable Development and Risk Management Committee, under which a Risk Management Executive Committee was established as the unit responsible for executing risk control work, reporting periodically on risk management matters to the Sustainable Development and Risk Management Committee.

VSO Electronics promotes and implements risk management within its existing operational management organization and internal control system. The Risk Management Execution Committee actively identifies, addresses, and controls the risks that must be considered in the course of operations, and requires the heads of each functional unit to take responsibility for risk management, analyzing and monitoring the risks within their respective units on a tiered basis, so as to ensure that risk control mechanisms and procedures are implemented in a timely and effective manner.

4.5.2 Risk Management Process

Process	Description
Risk Identification	Risk identification is the critical first step in initiating the risk management process. A misjudgment during identification — such that a significant high-level risk is not correctly identified — may result in a failure to adopt corresponding response and control measures, allowing a crisis to emerge immediately. VSO Electronics takes into account the current impact of global warming and climate change, the international political situation, changes in the economic environment of various regions, and relevant stakeholders, and, with reference to the Company's strengths, weaknesses, opportunities, and threats, conducts a broad search for all risks, identifying potential internal and external risks so as to avoid overlooking any material risk.
Risk Analysis and Assessment	Members of the risk management team and each unit discuss risk tolerance levels. The identified risks are then analyzed based on their likelihood of occurrence, the severity of their potential impact, and the Company's existing risk response measures, from which material risks are selected.
Risk Control	After measuring and consolidating risks, each unit adopts appropriate response strategies and measures for the risks it faces, including accepting (acceptable) risk, studying and adopting appropriate internal controls or other mechanisms to reduce risk, and transferring risk to other parties to bear or share.

Process	Description
Information Communication and Transmission	The Company ensures that both internal personnel and external stakeholders understand the risks the Company faces and support its risk response measures, and that information is communicated and transmitted effectively and in a timely manner both within the Company and between the Company and its external stakeholders, so as to implement the risk management control function and enhance external trust in VSO Electronics.
Monitoring and Review	In response to changes in the environment, international political conditions, government policy, laws and regulations, or business operations, each unit shall continuously conduct routine self-assessment and review during the course of operations to monitor changes in various risks. Internal audit periodically and on an ad hoc basis assesses relevant risk control mechanisms and processes to provide reasonable assurance that risk management (including internal control) continues to operate effectively, and reports on the operation of the Company's risk management (including internal control) to the Audit Committee and the Board of Directors. In addition, the Risk Management Execution Committee reports on risk governance to the Sustainable Development and Risk Management Committee and the Board of Directors at least once a year.

4.5.3 Risk Identification and Response

After identifying, analyzing, and assessing the frequency of occurrence of risk events and the severity of their impact on the Company's operations and finances, VSO Electronics adopts response and control strategies for the material risk items identified, so as to keep the outcomes arising from various uncertainties within an expected and acceptable range, thereby achieving the Company's sustainable development goals.

◆ Environmental Sustainability Aspect

Potential Risk	Response Strategy	2025 Annual Results Report
Operational Disruption Caused by Climate Anomalies	Strengthening third-location production capacity	◆ Dispatched 7 person-times of Taiwanese and Chinese cadre staff on long-term assignment to Vietnam to enhance local technical capability. ◆ Supported 31 person-times of technical backbone staff or supervisors for VSO Viet Nam's manufacturing engineering,

Potential Risk	Response Strategy	2025 Annual Results Report
		quality assurance, warehousing, materials, and production control units. ◆ The proportion of local procurement at VSO Viet Nam increased from 18% in 2024 to 34% in 2025.
	Adoption of ISO 14064 GHG inventory	◆ Completed a self-conducted GHG emissions inventory in 2025.
	Implementation of emergency response management procedures	◆ VSO Ji An emergency response personnel completed fire equipment usage drills, and all employees completed fire evacuation drills and chemical spill prevention drills as planned. ◆ VSO Suzhou held typhoon prevention and control drills. ◆ VSO Viet Nam completed fire evacuation drills.
	Planning renewable electricity procurement, adopting internal and external carbon reduction measures, and incorporating carbon management into KPI performance indicators	◆ All energy consumption indicators were achieved for the full year. ◆ The Phase II solar photovoltaic installation (265KW) at VSO Ji An was completed and put into operation in the second half of the year.
Increased Operating Costs	Optimizing smart manufacturing by leveraging AI digital technology, IoT, and big data analytics to improve efficiency, quality, mobility, and flexibility, respond quickly to customer delivery schedules, and reduce costs	◆ Added 6 fully automated high-speed cable production lines, 3 automatic housing insertion machines, X-ray inspection equipment, the icalc system, Teflon extrusion machines, and other advanced production and inspection equipment. ◆ The VSO Ji An plant achieved a Digitalization Rating of Level L6; the site was successively recognized as a Municipal-level and Provincial-level Enterprise Technology Center.
	New product application and development to increase product market value	◆ This year, the Company continued to deepen development of high-speed interfaces, completing design revisions and validation sample production, which were provided to customers for evaluation and verification. ◆ The Company has actively positioned itself in the new PCIe interface SFF-TA-1035, obtaining the relevant license and completing related samples,

Potential Risk	Response Strategy	2025 Annual Results Report
		which are now being promoted to customers to initiate the subsequent verification process, strengthening the Company's technology positioning in the next-generation high-speed transmission field.
Suppliers Failing to Keep Pace with Decarbonization Affecting Carbon Reduction Effectiveness	Developing high-quality suppliers and conducting selection and evaluation of new suppliers, based on Quality (Q), Cost (C), Delivery (D), and Service (S), with Environmental (E), Social (S), and Governance (G) as targets, to build a comprehensive supplier sustainability management model	◆ VSO Ji An conducted a carbon emissions and management system questionnaire survey of 497 suppliers (excluding agents), of which 326 suppliers responded, and 29 of them had obtained ISO 14064-1 certification (Note: 9 in 2024). ◆ A total of 53 new suppliers were developed, comprising 25 manufacturers and 28 original manufacturers & agents.
	Requiring high-energy-consumption suppliers to obtain external verification of energy management (ISO 50001)	◆ A survey was conducted of 30 suppliers who had attended the supplier carbon emissions briefing sessions in 2023 and 2024, of which 25 had provided 2025 carbon emissions data (Category 1 + Category 2): total carbon emissions of 61,949.88 tCO₂e/year. ◆ Calculated based on the proportion delivered to VSO, the total was 428.9 tCO₂e, with the top three suppliers accounting for approximately 133.47 tCO₂e, or approximately 31%.

◆ Social Responsibility Aspect

Potential Risk	Response Strategy	2025 Annual Results Report
Workplace Safety Risk	Installing safety protection equipment, conducting automatic inspections to ensure safe equipment use, regularly conducting workplace environment monitoring, and providing necessary safety protection gear to prevent injury or health hazards during work.	◆ Taipei: 1. No major occupational injuries and no occupational diseases. 2. New hire physical examination rate 100%; employee health examination rate 94% as of April 2025 (excluding senior management health checks). 3. All new employees completed "General Employee Safety Training." 4. A golf club was established in August (Thursday evenings), holding its first activity on 8/28; a yoga club also meets on Monday evenings.

Potential Risk	Response Strategy	2025 Annual Results Report
	Regularly conducting safety and hazard risk education and training for employees, along with fire safety awareness training, and performing periodic inspection and maintenance of electrical equipment and facilities.	◆ Ji An: - Achieved 100% implementation of new employee health examinations, requiring a passing health check prior to onboarding. - In October, organized on-the-job occupational health examinations for personnel exposed to occupational hazards; 188 persons participated, with no occupational diseases found. - Organized contractors to conduct occupational hazard factor monitoring in the workplace; all factors were within safe limits and met working condition requirements. - Organized 14 safety education and training courses, achieving a 100% completion rate for all safety training. - Implemented three-tier (company-level, department-level, and team-level) safety training for new employees prior to starting work, with special post personnel required to hold a certificate before starting work. - Obtained ISO 45001:2018 Occupational Health and Safety Management System certification in October (2025/10/15–2028/10/14). ◆ Suzhou: - No major occupational injuries and no occupational diseases. - Government safety awareness sessions held on 1/8 and 3/2. - A 2-hour park-wide fire drill was held on 3/3, with 11 participants. - Hazardous materials custodian training in April. - Conducted safety education and training (participated in government safety awareness sessions, park-wide fire drills, and Wuzhong District safety meetings). - Organized an employee walking activity in October with 10 participants and in November with 10 participants, to encourage employee health activities. ◆ Vietnam: - No major occupational injuries and no occupational diseases. - Employee health examination rate 100%. - Conducted chemical handling, first aid, and labor safety drill training in May; fire safety training in June. - All new employees are assessed before being allowed to start work.
	Strictly enforcing safety regulations and imposing corresponding penalties for violations to demonstrate seriousness. Organizing more employee health activities to encourage participation, and providing external counseling and stress-relief courses for employee mental health.	

Potential Risk	Response Strategy	2025 Annual Results Report
Talent Shortage Risk	Establishing an online learning platform and management development training courses to help identify outstanding internal talent and establish comprehensive development plans.	◆ Taipei: 1. A talent referral incentive program has been established to encourage employees to refer outstanding talent. 2. Departmental introduction courses were added in April, totaling 7 sessions. 3. SAP-related education and training courses from July to October totaled 78 sessions. 4. High-speed cable (SI) training was conducted in August and October, totaling 3 sessions. 5. Cable Design Guide implementation training courses were held from October to November, totaling 3 sessions. 6. At the monthly meeting, the Technology R&D Division invites engineers from each plant to share work case studies, enabling engineers across plants to exchange knowledge and experience. ◆ Ji An: 1. Technical staff are encouraged to apply for patents, with rewards given to inventors; in December 2024 and January 2025, a total of 1 invention patent and 3 utility model patents were obtained, with bonuses paid to the inventors in each case. 2. VSO Ji An held 106 education and training courses in 2025, with 100% implementation of the training courses from January to December. 3. English training courses were held from April to June (31 participants in total). 4. Two sessions of high-speed cable (SI) training were held in June and October, with a cumulative total of 30 trainees. ◆ Suzhou: 1. Employees are encouraged to refer outstanding talent. 2. Education and training for new employees. 3. An annual education and training plan is designated each year; in 2025, there were 58 training courses totaling 85 hours. ◆ Vietnam: 1. Employees are encouraged to learn Chinese, and may receive a pay raise upon passing an assessment.
	Planning various development programs and implementation plans in line with VSO's development strategy and employees' career paths. Conducting competency inventories and developing competencies according to the company's organizational structure, and utilizing existing resources to plan education and training, ensuring employees are provided with appropriate training and development opportunities.	

Potential Risk	Response Strategy	2025 Annual Results Report
Employee Turnover Risk	Regularly participating in or purchasing external salary market surveys, and updating the company's overall salary positioning based on its compensation strategy, to develop competitive compensation measures and employee benefit programs.	◆ Taipei: 1. Participates in the Ziding salary survey twice a year. 2. Implemented the "New Hire Mentor Program" in April to reduce new hire turnover (2025 new hire retention rate: 76%). 3. Full systemization of the 2025 performance appraisal process. 4. Published the job grade and title table on 11/17, providing employees with diverse career development paths. 5. In January, 1 person was promoted to Project Manager; in July, 4 persons were promoted, including 2 to Senior Manager, 1 to Section Chief, and 1 to Deputy Section Chief. ◆ Ji An: 1. In January, 6 persons were promoted, including 2 to Team Leader, 2 to Group Leader, and 2 to Engineer; a personnel review meeting was held in July, at which VSO Ji An (including its branch companies) promoted 12 persons. 2. In November, the company recommended 13 persons to apply for junior title certification (Assistant Engineer title, eligible to apply for intermediate title review after 3 years). 3. In December, Ji An adjusted the base salary from 1,810 to 1,950. ◆ Suzhou: 1. Promotions and salary adjustments are submitted in January and July each year, taking effect upon approval by the authorized supervisor. 2. Company-wide performance appraisal system operations. ◆ Vietnam: 1. Base salary is higher than local regulatory requirements, with additional skill allowances. 2. Increased full-attendance bonus amount.
	Establishing a fair and objective performance evaluation mechanism that fully considers employees' actual performance and contributions, and rigorously implementing performance appraisal operations, providing good promotion opportunities to motivate employees to be proactive and improve retention.	
Customer Attrition Risk	Committing to customers (product quality, delivery), meeting customer needs (payment terms, after-sales service), protecting customer privacy (confidentiality agreements), to create mutual win-win outcomes.	◆ Taipei: In the first half of 2025, customer satisfaction surveys were conducted with 54 customers, with an average satisfaction score of 88.1; in the second half, surveys were conducted with 43 customers, with an average score of 86.8. ◆ Ji An: In the first half of 2025, customer satisfaction surveys were conducted with 22 customers, with an average satisfaction score of 96; in the second half, surveys were conducted with 25 customers, with an average score of 94. ◆ Suzhou:

Potential Risk	Response Strategy	2025 Annual Results Report
		In the first half of 2025, customer satisfaction surveys were conducted with 10 customers, with an average satisfaction score of 94.7; in the second half, surveys were conducted with 11 customers, with an average score of 96. ◆ Vietnam: In the first half of 2025, customer satisfaction surveys were conducted with 4 customers, with an average satisfaction score of 95; in the second half, surveys were conducted with 4 customers, with an average score of 90.

◆ Economic Development Aspect

Potential Risk	Response Strategy	2025 Annual Results Report
Exchange Rate Risk	Prudently and continuously monitoring international macroeconomic conditions and exchange rate trends, and appropriately adjusting hedging strategies according to foreign currency positions and exchange rate fluctuations, to reduce exchange rate risk arising from operations.	The Finance Department has dedicated personnel who conduct exchange rate hedging for the Company's monthly receivables and payments each month. The dedicated personnel, together with relevant senior management, determine the hedging ratio based on prevailing exchange rates. VSO adheres to a conservative and prudent approach, hedging only the underlying real exposure, and engages in conservative and prudent hedging products.
Risk of Innovative Technology (Intellectual Property Risk)	Increasing patent applications to enhance internal intellectual property protection and prevent infringement of others' intellectual property	Number of new patent applications in 2025: Taiwan – 1 utility model patent. Obtained a Molex Nextstream patent license in November 2025.
	Conducting new market benefit assessments and potential customer credit assessments, and allocating resources for development based on the priority of benefits and future potential	Gen6 cable and product development testing has achieved performance on par with industry standards. DA CEM completed preliminary resistance welding verification, the Multi-Trak product completed development verification, and the GenZ product line completed development. Completed development and shipped to ASUS and Jabil. The Nextstream product completed development of the 1C/2C specifications.

◆ Corporate Governance Aspect

Potential Risk	Response Strategy	2025 Annual Results Report
Compliance Risk	Continuously and closely monitoring changes in domestic and international policies and laws related to operations to ensure the legality of the Company's operations	1. Employees of each operating unit closely monitor changes in domestic and international policies and laws related to operations at all times to ensure the legality of the Company's operations, and cooperate in responding to relevant questionnaires from the Taipei Exchange (TPEX). Professional

Potential Risk	Response Strategy	2025 Annual Results Report
		opinions from lawyers or accountants are sought when necessary. 2. The management unit forwards domestic economic laws and regulations obtained from the competent authority via the "Financial Market Document Electronic Exchange System" to relevant personnel. 3. An audit plan is scheduled each year in accordance with the Regulations Governing Establishment of Internal Control Systems, and is executed in accordance with the audit plan approved by the Board of Directors.
	Sending personnel to attend relevant briefing sessions held by government authorities from time to time, and assessing whether corresponding measures should be adopted and notifying relevant departments in the event of changes	In 2025, the Company attended a total of 8 briefing sessions held by the Taipei Exchange and other organizations.
	Regularly holding internal compliance education and training to promote the Code of Integrity Management, Code of Ethical Conduct, corporate governance, and related regulations, strengthening awareness of legal compliance and the legal sanctions and liabilities associated with violations	Quarterly promotion of integrity management, ethical conduct, insider trading prevention, and material information handling regulations, using internal presentations and quizzes to raise compliance awareness among all employees.
Information Security Risk	Establishing operating procedures for server room management, account and access rights management, and data backup and recovery management to maintain the normal operation of information systems. Data access, firewall protection settings, and system access controls are all authorized in accordance with the authorization hierarchy	1. Disaster recovery drills were completed by the end of December, with normal results. 2. Data backups are verified daily without error. 3. SD-WAN traffic is operating normally; in addition, Ji An's email traffic was rerouted from SD-WAN to a VPN tunnel to avoid affecting ERP operations.
	Updating network equipment in a timely manner to ensure it is capable of blocking the latest attacks, and establishing (offsite) backup mechanisms	1. Network equipment at Ji An is continuously updated or reconfigured, along with inspections for unauthorized SSIDs and network diagnostics. 2. Firmware is continuously updated as planned to avoid information security vulnerabilities. 3. Offsite backup is verified daily without error.
	Implementing information security health checks and employee education, conducting social engineering drills for employees within VSO to improve their ability to identify phishing, attack, and	1. Social engineering drills were not outsourced this year; the Company continued to update collected information and communicate it to

Potential Risk	Response Strategy	2025 Annual Results Report
	virus-laden emails, and raising their awareness and vigilance regarding information security	employees, with the exercise expected to resume next year. 2. EDR hosts are continuously updated, and suspicious computers are inspected to confirm the absence of suspicious information; suspicious PCs are also reinstalled to prevent oversight.
Corporate Image	Coordinating external communication in terms of spokespersons, division of labor, responsibilities, and content	Proactively and promptly responding to media inquiries so that the media obtain accurate information related to the Company's operations and corporate governance: In 2025, the Company was invited to participate in institutional investor conferences held by Mega Securities and Fubon Securities. Approximately 97 print media reports and 1 video media report.
	Actively participating in public relations activities to increase support for and trust in the brand. Enhancing corporate transparency by proactively sharing the brand's achievements and social contributions, thereby strengthening corporate credibility and image	In 2025, VSO was invited by Intel to attend a server liquid cooling seminar in Beijing, China, showcasing its research results in the field of immersion cooling, and engaged in in-depth cooperation with the international coolant brand Perstorp to continue developing comprehensive immersion cooling solutions, demonstrating its technology positioning and ambition in the high-speed server industry. At the same time, VSO holds quarterly community service and employee activities combining themes such as team building, humanistic care, and environmental protection, cultivating corporate culture internally and practicing the spirit of ESG through knowledge promotion and hands-on experiences, thereby strengthening the sustainable value of the enterprise growing together with society.
	Communicating with stakeholders on a regular and ad hoc basis	1. Communicates with stakeholders on a regular and ad hoc basis; in 2025, the Company published 51 material information announcements on the Market Observation Post System in accordance with the review guidelines of the Taipei Exchange. 2. Publishes information from time to time via the corporate website and social media (LinkedIn) to communicate with stakeholders.

4.6 Information Security and Customer Privacy Protection

4.6.1 Information Security Management

Information Security Governance Structure

The IT Department is an independent unit not subordinate to any user department, responsible for coordinating and implementing information security policy, promoting information security awareness, enhancing employees' information security awareness, and collecting and improving the techniques and procedures for the performance and effectiveness of the organization's information security management system. The Audit Office conducts an information security review of the internal control system's information cycle each year to assess the effectiveness of internal controls over the Company's information operations. On January 12, 2023, VSO appointed a Chief Information Security Officer responsible for the Company's information security, formulating information security policy, ensuring the continued security of information operations, and implementing the promotion of information security policy.

Information Security Management System

VSO Electronics' information security control measures are divided into external and internal approaches. Externally, the Company has established firewalls with connection rules, intrusion prevention systems, and other systems to prevent viruses and external hacker intrusions. For internal data security, the Company uses antivirus software with automatic virus definition updates and regularly reviews antivirus reports to reduce the likelihood of virus infection. In addition, data access is controlled, with access functions disabled on personal desktop and laptop computers; servers are equipped with data backup and contingency recovery mechanisms, and disaster recovery drills are conducted to ensure that response mechanisms can be activated immediately in the event of an incident, reducing the risk of operational disruption and further enhancing the protection of the overall information architecture and data security framework.

As of the date of this report, VSO Electronics is undergoing certification for the adoption of ISO 27001 in 2026.

Information Security Training

VSO Electronics has designated information security training as a mandatory course for employees. The Company continuously conducts real-time information security awareness campaigns to strengthen employees' information security protection awareness and guard against malicious email operations, so as to enhance information security awareness and ensure that employees maintain heightened vigilance at all times. In 2025, a total of 7 information security awareness sessions were conducted company-wide (excluding direct labor). In addition, to prevent employees from having abnormal programs implanted through social engineering, social engineering drills involving phishing emails sent to internal staff are conducted once every two years to test employees' sensitivity to information security threats, further enhance their prevention capabilities, and provide employees with the latest information.

4.6.2 Customer Privacy Protection

VSO Electronics conducts all of its business with integrity and ensures that the collection, processing, and use of personal data complies with relevant laws and regulations and the requirements of competent authorities. The Company has established the "Personal Data Protection Management Measures," "Integrity Management Operating Procedures and Guidelines," and "Code of Ethical Conduct," which apply to stakeholders including the Company's internal employees, customers, suppliers, and shareholders, in order to build and shape a corporate culture of integrity. Internal control mechanisms have been established to safeguard information provided by customers. In addition to controlling software and hardware containing technical data, as well as data that may involve the intellectual property rights of customers, suppliers, consultants, and business partners, the Company also enters into confidentiality agreements with such parties to protect the security of confidential information.

In 2025, through concrete internal control mechanisms and the efforts of all employees at operating sites at home and abroad, VSO Electronics had no incidents of privacy infringement, data loss, or confidentiality breaches involving employees, customers, or suppliers that resulted in any complaints, grievances, or claims, or any compensation for damages arising from harm to the rights and interests of customers or suppliers.

4.7 Participation in Associations

Association Membership

VSO Electronics maintains political neutrality and does not participate in political election public relations or make any political donations in the name of the Company, while still encouraging employees to fulfill their civic duties. In 2025, VSO Electronics had no expenditures related to political donations. Nevertheless, given the broad range of applications for the Company's technologies and products, the Company actively participates in relevant industry associations, technology alliances, and exchange activities to acquire new industry and technical knowledge, and to establish good cooperative relationships with enterprises and institutions in relevant fields, so as to promote the sustainable development of the industry, while also focusing on material topics such as technological innovation and trends, corporate governance, sustainable business development, and environmental sustainability.

In 2025, the Company was a member of 17 associations. The external organizations in which the Company participates are listed below:

Category	Name of Association	Description
Industry	1. Taiwan Electronic Connection Industry Association 2. Taiwan Electrical and Electronic Manufacturers' Association (TEEMA) 3. IPC (Association Connecting Electronics Industries) 4. Intelligent Industry Computer and IoT Association 5. Taiwan CISO Alliance	Member

Category	Name of Association	Description
	6. Taiwan Optical Industry Association 7. Ji An Electronic Information Industry Alliance 8. Anfu County Electronic Information Industry Alliance	
R&D and Technology	1. Serial ATA International Organization (SATA-IO) 2. USB Implementers Forum (USB-IF)	Member
Other	1. Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) 2. Low Earth Orbit Satellite Industry Association 3. Ji An Taiwan Compatriot Investment Enterprise Association 4. Houjie Taiwanese Business Association 5. Bac Ninh Province Confederation of Labor 6. Anfu County Committee of the China Council for the Promotion of International Trade (Anfu Chamber of the China Chamber of International Commerce) 7. Anfu County Federation of Industry and Commerce (General Chamber of Commerce)	Member

4.8 Product and Service Management

4.8.1 Sustainable Solution Strategy

To provide customers with a mutually beneficial collaborative economic experience, VSO Electronics offers more than just the manufacture and sale of standardized electronic connection cable assemblies. We provide professional, high-grade raw materials that meet environmental sustainability requirements, and work closely with customers through thorough communication on information related to their product applications, providing a One-Stop Solution covering customized design, sampling, testing, small-batch trial production, and confirmation of mass production, so that our exchange and cooperation can bring out the best in both parties, making us a loyal and sustainable solutions partner to our customers.

VSO Electronics is not only a manufacturer but also a service provider in the field of connection cable assemblies. Backed by professional design and manufacturing capabilities and guided by customer needs, we provide customers with a One-Stop Solution — from customer product requirement design and the provision of trustworthy quality assurance information, to

product change requests. We follow the customer requirement identification process shown to the right to help customers properly resolve their needs before they place purchase orders with VSO Electronics.

Based on the scope of customers' product applications and their specific requirements, VSO Electronics resolves issues related to specifications, electrical properties, and compatibility, enabling customers' products to be successfully brought to market. Our product and service offerings enhance customer loyalty, fostering closer collaboration with customers and making them important partners in sustainable development.

4.8.2 Customer Complaint and Abnormality Management

As a member of the professional electronics manufacturing services industry, VSO Electronics is oriented toward satisfying customer needs through service. Any abnormality reported by customers regarding VSO's products and services represents a direction for continuous improvement, striving to be better than good. To effectively resolve customer complaints and abnormalities, improve customer satisfaction with VSO's products and services, and provide timely feedback on relevant internal operations and product and service quality, VSO Electronics follows its customer service communication procedures. For customer complaints or reported abnormalities, after analyzing and verifying the root cause, the Company adopts corrective measures and formulates preventive actions. The scope of customer complaints and abnormalities accepted by VSO Electronics covers product design, quality issues, and product design changes, among others. VSO Electronics follows the following customer requirement identification and abnormality analysis processes to help properly resolve issues raised in customer complaints.

Customer Complaint Channel: marketing@vso-corp.com

4.8.3 Marketing and Labeling

VSO Electronics has always aimed to meet customers' specification requirements by providing high-quality products and excellent service, and is committed to complying with and exceeding relevant domestic and international regulatory standards. All electronic products manufactured and sold conform to international standards in terms of specifications and units, and have obtained internationally recognized safety and environmental protection marks, ensuring that product quality and labeling fully comply with the standards of customers and their countries at home and abroad.

In 2025, VSO Electronics had no instances of non-compliance with laws and regulations concerning product and service information and labeling, nor any violations of marketing and communications regulations.

4.9 Supply Chain Management

4.9.1 Supplier Management Policy

The Company is committed to integrating the concept of sustainable development into its procurement decisions and supply chain management. In addition to considering traditional procurement indicators such as quality, cost, and delivery time, the Company also places importance on the impact of environmental protection and social responsibility, reducing the

environmental burden across all operations and manufacturing processes while ensuring the health and safety of workers. The Company has established a Supplier Code of Conduct for suppliers to jointly observe and implement, covering labor and human rights, health and safety, environment, ethical standards, and management systems. The Company incorporates suppliers' compliance with the Code of Conduct as a key evaluation indicator in its procurement decisions, to ensure that its supply chain partners are aligned with the Company's sustainable development philosophy.

On August 11, 2026, the Board of Directors approved the Supplier Code of Conduct; for details, please refer to the Company's website.

Supplier Environmental Sustainability

Suppliers are important partners in VSO Electronics' sustainable operation and development, consisting mainly of two types: manufacturers and agents. Guided by our belief in sustainable operations and the United Nations Sustainable Development Goals (SDGs), we are actively extending our pathway toward achieving Net Zero emissions by 2050 to supply chain management. VSO Electronics addresses five major aspects — raw material management, local procurement, environmental sustainability, social responsibility, and supplier communication — upholding the spirit of integrity, openness, fairness, mutual trust, and mutual benefit, and following internal control regulations related to supplier management. Through close cooperation between supply chain vendors and VSO Electronics, and through two-way, diverse communication and guidance mechanisms, the economic benefits of both VSO Electronics and its supply chain vendors continue to grow, while carbon emissions are gradually reduced, achieving a mutually beneficial, win-win model of cooperation for environmental sustainability and sustainable corporate operations.

Upstream, midstream, and downstream vendors and customers across the industry value chain are like passengers in the same boat, sailing together toward a shared goal of sustainable operation. Environmental protection and sustainable development are therefore closely interconnected among upstream, midstream, and downstream vendors and customers across the industry chain, aligning with the sustainable development goals of SDG 12 and SDG 13, among others. In addition to implementing environmental sustainability and green strategies on its own, VSO Electronics also extends its action plans to upstream supply chain vendors, because according to a survey by CDP (formerly the Carbon Disclosure Project), Scope 3 emissions generated by the upstream and downstream supply chain account for more than 75% of an enterprise's overall carbon footprint. Accordingly, urging, assisting, and guiding suppliers in their net-zero transition is a critical key to VSO Electronics' pursuit of sustainable operations and the achievement of net-zero carbon emissions.

Raw Material Management and Environmental Sustainability

With a corporate mission of creating a better life for humanity, VSO Electronics has always paid close attention to global trends in environmental and ecological protection, and places importance on the potential impact of manufacturing processes and the raw materials used on the environment and ecology. Upholding the principle of integrity management, we comply with the environmental laws and regulations of the locations of our operating sites worldwide, closely monitor the latest developments in environmental issues such as global climate change, and adopt

environmentally friendly actions in our manufacturing and other operating activities. In accordance with relevant international regulations such as the RoHS Directive, REACH, and the Halogen-Free (HF) specification, and incorporating customers' required standards for the prohibition and control of hazardous substances, we have established a hazardous substance-free management system to reduce the environmental impact of our manufacturing processes and enhance our environmental and ecological protection performance.

VSO Electronics strictly requires that the raw material composition of both its product designs and the raw materials supplied by its suppliers comply with environmental technical standards. Environmental substances are classified into "Prohibited Substances," which are completely banned from use, and "Substances Potentially Subject to Future Restriction or Prohibition," which are continuously monitored for potential hazards. As of the end of 2025, VSO Electronics had a total of 458 controlled substances on its list, comprising 150 prohibited substances and 308 substances potentially subject to future restriction or prohibition (including SVHC substances of very high concern). Through concrete action in managing hazardous environmental substances across the supply chain, we manufacture low-toxicity, low-pollution products for our customers, reducing environmental impact and minimizing harm to ecosystems and human health.

4.9.2 Supplier Management and Execution Status

Supplier Social Responsibility

To ensure the prevention of occupational injuries in the working environments of supply chain vendors and to safeguard the safety, health, and non-discrimination of their employees, VSO Electronics requires suppliers to ensure that their business conduct in areas such as labor, health and safety, environment, business ethics, and management systems fully complies with such regulations, and fully complies with the laws and regulations of the countries/regions in which they operate.

1. Suppliers are required, through various types of contracts, to comply with principles of labor rights, integrity management, and environmental protection; suppliers above a certain contract value are required to sign a "Supplier Code of Conduct and Social Responsibility Commitment Statement."

Supplier Carbon Management

According to a survey by CDP (formerly the Carbon Disclosure Project), among the three scopes of corporate carbon emissions, Scope 3 emissions generated by the upstream and downstream supply chain account for more than 75% of the overall carbon footprint. In addition to Scope 1 and Scope 2 emissions that are within its own control, VSO Electronics is actively promoting the construction of a green, low-carbon supply chain, encouraging suppliers to consider energy conservation and emissions reduction, environmentally friendly raw materials, and technologies to reduce energy consumption throughout the product life cycle — including raw materials, production, transportation, storage, distribution, use, and disposal — thereby reducing the negative impact of environmental degradation on climate change and human health.

1. In 2025, VSO Electronics conducted a carbon emissions questionnaire survey of 497 qualified suppliers of raw materials for the manufacturing of VSO Electronics' connection cable assemblies, of which 326 suppliers completed and returned the questionnaire to VSO Electronics, achieving a response rate of 65.59%, of which 29 had obtained ISO 14064-1 certification.
2. In addition, we provided GHG inventory briefings and carbon emissions survey guidance to key suppliers accounting for 80% of procurement value and with a scale of at least 100 employees.
3. In terms of implementing the supplier evaluation and audit system, a total of 41 supplier evaluations were completed in 2025, all in accordance with the plan by the end of December, achieving a 100% completion rate.

4.9.3 Local Procurement

VSO Electronics' main production bases are its Ji An plant in China and its Vietnam plant. To effectively promote local economic development at these production sites, create employment opportunities, and reduce the environmental impact of carbon emissions from logistics and transportation, VSO Electronics strengthens local procurement — sourcing from supply chain vendors located in the same country or region as its manufacturing sites — such that its supply chain vendors are mostly located in mainland China and Vietnam. Statistics show that local procurement value at the China Ji An plant and the Vietnam plant in 2025 was approximately NT\$682,348 thousand and NT\$72,504 thousand, respectively, representing approximately 97.50% and 49.14% of each plant's total procurement value — an increase of 1.42 percentage points and 31.86 percentage points, respectively, compared to 2024. The China Ji An plant's local procurement ratio remained above 95%, while the Vietnam plant not only saw an increase in its local procurement ratio but also local procurement value growth of 2.94 times, with the local procurement ratio rising from 17.28% in 2024 to 49.14%. This demonstrates VSO Electronics' commitment to implementing its local procurement strategy while also contributing to the sustainable development of local industry.

Unit: NT\$ thousand; %

Year	2025				2024			
Plant	China		Vietnam		China		Vietnam	
Procurement Category	Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Local Procurement	682,348	97.50	72,504	49.14	432,819	96.08	24,698	17.28
Taipei/Other	17,472	2.50	75,036	50.86	17,644	3.92	118,230	82.72
Total	699,820	100	147,540	100	450,463	100	142,928	100

Note: Excludes finished goods procurement.

5. Social

5.1 Human Resources Development

5.1.1 Human Rights Policy and Commitments

Human Rights Commitment

VSO Electronics firmly believes that respect for human rights is a core value of sustainable corporate development. To ensure that employees, suppliers, customers, and business partners respect the fundamental human rights of community residents, including local indigenous peoples, the Company not only strictly complies with the laws and regulations of its operating locations, but also supports international human rights conventions such as the Universal Declaration of Human Rights, the two International Covenants, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Global Compact's Ten Principles. The Human Rights Policy has been signed and announced by a director; starting in 2026 the policy content will be reviewed annually and submitted to the Board of Directors for discussion, with implementation performance also reported to the Board, in order to establish a human rights protection environment founded on protection, respect, and remedy, prohibit any acts that infringe upon or violate human rights, and ensure that all personnel receive fair and dignified treatment.

● VSO Electronics Human Rights Policy

URL: <https://www.vso-corp.com/zh-tw/esg-area/b340a3e18bbc4988b7cd49952355a716>

VSO Vietnam obtained a human rights due diligence report (RBA) in 2025, and VSO Ji An also obtained a human rights due diligence report (RBA) in 2026.

Scope of Application

VSO Electronics' Human Rights Policy applies to all employees of the Company and its subsidiaries, and, to the extent reasonably practicable, extends to customers, suppliers, contractors, and the communities where its operating locations are situated. VSO Electronics regularly identifies high-risk operating locations for forced labor, child labor, and potential infringement of the rights of indigenous peoples or minorities, with the primary risks concentrated in manufacturing sites and upstream raw material supply chain vendors, particularly in countries where labor regulations are less rigorously enforced. The Company conducts periodic site visits to prevent forced labor, child labor, and potential infringement of the rights of indigenous peoples or minorities at manufacturing sites and among upstream suppliers.

In 2025, no incidents of forced labor, child labor, or infringement of the rights of indigenous peoples or minorities occurred at the Company's manufacturing sites or upstream supply chain.

Communication Platforms

To ensure the full implementation of its Human Rights Policy, in addition to establishing a group-wide 'Employee Grievance Mailbox,' VSO Electronics has also established 'Sexual Harassment Prevention, Complaint, and Disciplinary Measures' to provide employees with diverse and accessible channels for grievances and communication. In addition, the Company regularly conducts training such as 'Sexual Harassment Prevention Education' and 'Workplace Violence

Prevention Education' to continuously enhance employees' awareness, prevention, and response capabilities regarding human rights issues. In 2025, no human rights violation incidents occurred at the Company.

5.1.2 Workforce Composition

5.1.2.1 Employee Structure

VSO aspires to become an internationally renowned centenary enterprise, and is committed to providing a diverse and inclusive work environment that encourages employee participation and the development of individual talents. During public recruitment, the Company does not discriminate on the basis of race, class, language, belief, religion, age, gender, or education level, creating a diverse, fair, and inclusive workplace where employees feel a sense of belonging and respect and can freely express their thoughts and opinions, thereby promoting communication, cooperation, and trust among employees while stimulating their creativity and innovation. Through fair hiring practices, VSO Electronics expands its talent pool by broadly recruiting employees with diverse backgrounds and expertise to provide more diverse perspectives and creativity, and offers a diverse and inclusive workplace environment for employees at its operating locations worldwide.

As of the end of 2025, VSO Electronics had a total of 1,244 employees, comprising 1,241 full-time employees and 3 part-time employees. There were 95 employees in Taiwan, 840 employees in Mainland China, and 309 employees in Vietnam, with approximately 67.5% of human resources concentrated in Mainland China.

Number of Employees by Employment Type and Gender

Year	Gender	Employment Type		Total
		Full-Time Employees	Part-Time Employees	
2025	Female	893	3	896
	Male	348	-	348
	Total	1,241	3	1,244
2024	Female	772	1	773
	Male	293	-	293
	Total	1,065	1	1,066
2023	Female	715	1	716
	Male	231	-	231
	Total	946	1	947

Note 1: "Full-time employees" refers to employees who have signed a formal labor contract with clearly defined responsibilities, compensation, and benefits.

Note 2: "Part-time employees" refers to employees paid on an hourly basis, with wages paid according to actual hours worked.

Number of Employees by Employment Type and Region

Year	Nationality	Employment Type		Total
		Full-Time Employees	Part-Time Employees	
2025	Taiwan	92	3	95
	China	840	-	840
	Vietnam	309	-	309
	Total	1,241	3	1,244
2024	Taiwan	106	1	107
	China	713	-	713
	Vietnam	246	-	246
	Total	1,065	1	1,066
2023	Taiwan	76	1	77
	China	695	-	695
	Vietnam	175	-	175
	Total	946	1	947

5.1.3 Employee Diversity, Equity, and Inclusion

VSO Electronics respects minority groups and differentiated needs. In 2025, the Company employed 17 employees with disabilities, accounting for 1.4% of all employees. In terms of recruitment, VSO Electronics values diversity and responds to the aging population trend by encouraging women returning to the workforce and retirees to join the Company, while providing professional skills training. The Taiwan headquarters also implements flexible working hours.

VSO Electronics' hiring principle is merit-based selection. To implement the concept of gender equality, recruitment is not restricted by gender. In 2025, female employees accounted for 72% of all employees at VSO Electronics, a decrease of 0.6 percentage points from the previous year, while female managers accounted for 17.8% of all managerial positions, an increase of 1.9 percentage points from the previous year.

Number of Employees by Rank and Gender

Year	Rank	Female		Male		Total	
		Headcount	Percentage	Headcount	Percentage	Headcount	Percentage
2025	Managers	8	0.6	37	3.0	45	3.6
	Non-Managers	888	71.4	311	25.0	1,199	96.4
2024	Managers	7	0.7	37	3.4	44	4.1
	Non-Managers	766	71.9	256	24.0	1,022	95.9
2023	Managers	5	0.5	30	3.2	35	3.7
	Non-Managers	711	75.1	201	21.2	912	96.3

Number of Employees by Rank and Age

Year	Rank	Employee Age			Total
		≤ 30 years old	31-50 years old	≥ 51 years old	
2025	Managers	-	19	26	45
	Non-Managers	200	928	71	1,199
2024	Managers	-	16	28	44
	Non-Managers	147	808	67	1,022
2023	Managers	-	13	22	35
	Non-Managers	135	730	47	912

Number and Proportion of Senior Management Hired from the Local Community in 2025

Nationality	Number of Senior Executives	Number of Senior Executives Who Are Local Residents	Proportion
Taiwan	10	10	100%
China	5	-	0%
Vietnam	2	-	0%
Total	17	10	59%

Note: "Senior management" refers to managers at the level of Associate Vice President or above.

To ensure that employee compensation and benefits policies comply with the relevant regulations at each operating location and fully protect employee rights so as to meet the basic needs of individuals and their families, VSO Electronics ensures that employee compensation does not vary due to gender, race, religion, political affiliation, marital status, union or association membership, or similar factors. The Company is also willing to share its operating results and profits with employees, providing appropriate incentives based on the achievement of the Company's operating targets and the performance evaluation results of departments and individual employees, to motivate colleagues to work together with the Company in creating operating performance and long-term value. In addition to providing basic compensation that complies with regulations at its major operating locations worldwide, VSO Electronics regularly evaluates the contribution of each employee at every position and rank through its performance evaluation system, and distributes annual performance bonuses and employee compensation accordingly, motivating employees at every position and rank to jointly drive the Company's overall performance, thereby building a competitive compensation policy that attracts outstanding talent worldwide to join the Company.

Regarding employee turnover, the total headcount of VSO Electronics continued its steady growth trend of the past three years in 2025. The new hire rate was 27.3%, and the turnover rate was 36.41%.

New Hires in the Past Three Years

Year	Region	Age Group	Gender		Total New Hires	Region		Global New Hire Rate
			Male	Female		Total Employees	New Hire Rate	
2025	Taiwan	≤30 years old	1	4	22	95	23.2%	27.3%
		31-50 years old	8	8				
		≥51 years old	1	-				
	China	≤30 years old	10	16	161	840	19.2%	
		31-50 years old	21	108				
		≥51 years old	2	4				
	Vietnam	≤30 years old	46	50	157	309	50.8%	
		31-50 years old	25	34				
		≥51 years old	1	1				
2024	Taiwan	≤30 years old	5	5	28	107	26.17%	22.5%
		31-50 years old	7	7				
		≥51 years old	4	-				
	China	≤30 years old	12	7	83	713	11.64%	
		31-50 years old	16	46				
		≥51 years old	1	1				
	Vietnam	≤30 years old	31	40	129	246	52.44%	
		31-50 years old	15	43				

Year	Region	Age Group	Gender		Total New Hires	Region		Global New Hire Rate
			Male	Female		Total Employees	New Hire Rate	
		≥51 years old	-	-				
2023	Taiwan	≤30 years old	4	2	15	77	19.5%	37.1%
		31-50 years old	2	6				
		≥51 years old	1	-				
	China	≤30 years old	8	23	128	695	18.4%	
		31-50 years old	24	71				
		≥51 years old	1	1				
	Vietnam	≤30 years old	42	79	208	175	118.9%	
		31-50 years old	13	72				
		≥51 years old	2	-				

Employee Turnover in the Past Three Years

Year	Region	Gender Rank Age Group	Male				Female				Region			Global
			Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Total Turnover	Total Employee	Turnover Rate	Global Turnover Rate
2025	Taiwan	≤30 years old	-	-	3	-	-	-	4	-	23	95	24.21%	36.41%
		31-50 years old	-	2	5	-	-	-	5	-				
		≥51 years old	2	-	1	-	-	-	1	-				
	China	≤30 years old	-	-	6	8	-	-	4	33	212	840	25.24%	
		31-50 years old	-	2	6	11	-	-	6	127				

Year	Region	Gender Rank Age Group	Male				Female				Region			Global
			Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Total Turnover	Total Employee	Turnover Rate	Global Turnover Rate
		≥51 years old	1	-	-	-	-	-	2	6				
	Vietnam	≤30 years old	-	-	4	43	-	-	13	53	218	309	70.55%	
		31-50 years old	-	-	4	23	-	1	8	67				
		≥51 years old	-	1	-	-	-	-	1	-				
2024	Taiwan	≤30 years old	-	-	4	-	-	-	1	-	20	107	18.69%	33.77%
		31-50 years old	-	2	6	-	-	2	5	-				
		≥51 years old	-	-	-	-	-	-	-	-				
	China	≤30 years old	-	-	2	12	-	-	6	22	146	713	20.48%	
		31-50 years old	-	-	5	8	-	-	9	79				
		≥51 years old	-	-	1	1	-	-	-	1				
	Vietnam	≤30 years old	-	-	9	57	-	-	9	34	194	246	78.86%	
		31-50 years old	-	-	-	17	-	-	2	66				
		≥51 years old	-	-	-	-	-	-	-	-				
2023	Taiwan	≤30 years old	-	-	1	-	-	-	1	-	13	77	16.88%	39.39%
		31-50 years old	-	2	2	-	-	-	4	-				
		≥51 years old	-	2	-	-	1	-	-	-				
	China	≤30 years old	-	-	9	7	-	-	14	13	208	695	29.93%	
		31-50 years old	-	-	17	10	-	-	21	111				
		≥51 years old	-	-	1	1	-	-	-	4				

Year	Region	Gender Rank Age Group	Male				Female				Region			Global
			Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Senior Mgmt	Middle Mgmt	Indirect Staff	Direct Staff	Total Turnover	Total Employee	Turnover Rate	Global Turnover Rate
		years old												
	Vietnam	≤30 years old	-	-	5	19	-	-	15	52	152	175	86.86%	
		31-50 years old	-	-	-	10	-	-	5	46				
		≥51 years old	-	-	-	-	-	-	-	-				

Note: The count of departing employees includes those who left the Company voluntarily or due to dismissal or retirement.

VSO Electronics works together with all employees to build a friendly, diverse, and inclusive workplace, rigorously scrutinizing any potential discriminatory or unequal conduct. The Company has also established reporting channels, with related incidents tracked and managed at management meetings. No discrimination incidents occurred in 2025.

5.1.4 Employee Rights and Benefits

VSO Electronics believes that employees are the core key to the Company's sustainable operation and its most important asset, and is committed to creating a people-oriented work environment that respects employees, striving to build a workplace of excellent talent, diversity and inclusion, and safety, health, and livability. The Company provides market-competitive compensation and benefits, comprehensive training and career development plans, a fair and transparent performance evaluation and promotion mechanism, and open labor-management communication channels. At the same time, through clear human rights standards, rigorous occupational safety protection measures, and diverse employee activities, VSO Electronics hopes that employees will first take care of themselves and their families before serving the Company, ensuring that employees can achieve work-life balance throughout their careers and attain dual fulfillment in professional growth and personal life.

With the vision of becoming an internationally influential and respected centenary enterprise of excellence that connects human life and technology to make life better, VSO Electronics begins by caring for its employees. The Company has established an Employee Welfare Committee (the "Welfare Committee"), which carefully plans various activities and continuously improves the Company's welfare facilities each year, so that employees can work happily and without worry, boosting employee morale, enhancing their sense of belonging to the Company, and achieving harmony and well-being between work and life.

Benefit Item	Benefit Measure	Taiwan	China	Vietnam
Public Recognition	Recognition of Senior, Outstanding, and Distinguished Employees	✓	✓	✓
Mandatory Insurance	Labor Insurance, National Health Insurance, Occupational Accident Insurance	✓	✓	✓
Life Insurance	Group Insurance for Employees (Including Dependents)	✓	✓	✓
Health Promotion	Regular Employee Health Checkups, Blood Donation, and Gym Facilities	✓	✓	✓
Gift Benefits	Employee Birthday Gift, Labor Day Gift, Dragon Boat Festival Gift, Labor Day Gift, Mid-Autumn Festival Gift	✓	✓	✓
Subsidy Benefits	Marriage Subsidy, Childbirth Subsidy, Care and Condolence for Employees (Including Dependents), Bereavement Condolence for Employees (Including Dependents), Hospitalization Condolence for Employees (Including Dependents)	✓	✓	✓
Education Grants	On-the-Job Training for Employees, Further Education Subsidy, Employee Children's Education Grants	✓	✓	✓
Recreation	Domestic and International Group Travel, Travel Subsidy	✓	✓	✓
Club Subsidy	Subsidy for Employee Clubs	✓	-	-
Other Benefits	Employee Cafeteria Meals	-	✓	✓

Childcare Protection

In response to the global decline in birth rates, VSO Electronics encourages employees to have children and responds to national childbirth policies, placing particular emphasis on subsidies related to childbirth, childcare, and family in its employee benefits system. VSO Electronics has planned benefit measures that exceed industry standards, including marriage subsidies and childbirth subsidies.

At the same time, VSO Electronics applies its parental leave system to all full-time employees regardless of seniority. In 2025, 2 female employees and 3 male employees were eligible for parental leave.

Return-to-Work and Retention Rates After Parental Leave

Item	Region	2025		2024		2023	
		Female	Male	Female	Male	Female	Male
Number of Employees Eligible to Apply for Parental Leave	Taiwan	2	3	2	4	2	1
Number of Employees Who Actually Applied for Parental Leave	Taiwan	2	-	2	-	-	-

Item	Region	2025		2024		2023	
		Female	Male	Female	Male	Female	Male
Number of Employees Expected to Return from Parental Leave (A)	Taiwan	2	-	2	-	-	-
Number of Employees Who Returned from Parental Leave as Scheduled (B)	Taiwan	2	-	2	-	-	-
Number of Employees Who Returned from Parental Leave in the Prior Year (C)	Taiwan	2	-	-	-	-	-
Number of Employees Who Returned from Parental Leave and Remained Employed for at Least One Year (D)	Taiwan	2	-	-	-	-	-
Return-to-Work Rate After Parental Leave (B/A)	Taiwan	100%	0%	100%	0%	0%	0%
Retention Rate After Parental Leave (D/C)	Taiwan	100%	0%	0%	0%	0%	0%

5.1.5 Collective Bargaining Agreements

Freedom of association is a fundamental human right. VSO Electronics supports employees at each company in forming their own clubs or unions to promote and protect employee rights. Union representatives are elected by employees to communicate with company management on their behalf, gather information, hold regular meetings, discuss response measures, and lead the planning of various union activities such as group travel and employee care, thereby safeguarding employee rights and promoting stable, constructive labor-management relations.

Union organizations formed on the employees' own initiative exist at VSO Ji An (including the Dongguan branch) and VSO Suzhou in China, and at VSO Viet Nam. In accordance with their union charters, these organizations hold regular general assemblies to elect union committee members who form a committee responsible for advocating for employee-related rights and conducting labor-management negotiations. The Taiwan headquarters has established an Employee Welfare Committee, which regularly discusses and resolves matters related to employee welfare. In addition, in accordance with the Labor Standards Act, labor-management meetings are held at least once every three months to engage in two-way communication on improving the working environment, enhancing work efficiency, promoting labor-management cooperation, and negotiating working conditions.

For VSO Electronics, freedom of association helps create a friendly and open workplace atmosphere where employees feel a sense of belonging and respect and can freely express their thoughts and opinions; this not only promotes communication, cooperation, and trust among employees but also stimulates their creativity and innovation.

5.1.6 Talent Development

VSO Electronics places great importance on enabling every employee to find a stage suited to their development, so that sustainability partners with aspirations and capabilities can realize their ambitions. The Company provides diverse growth channels, investing substantial resources

in different on-the-job training or overseas assignment programs tailored to each employee's job content and managerial rank, at various stages such as new hire onboarding, ongoing employment, and management roles, drawing on both internal and external resources to plan a talent reserve and development roadmap. VSO Electronics enhances its human capital from multiple dimensions, including not only in-person training courses, seminars, or workshops, but also digital and video-based instruction (including pre-recorded content) and knowledge sharing through external training exchanges, while continuously promoting employee self-directed learning. Employee training courses have become increasingly diverse over the years; an e-learning platform was introduced in 2024, allowing colleagues to learn independently online at any time and place. Going forward, the Company will continue to refine training programs across all levels and job functions to enhance the professional competence, wisdom, and innovation capability of its sustainability partners, while strengthening the Company's competitiveness and serving as the driving force for its sustainable innovation and growth.

VSO Electronics operates in both the cable and connector industry and the engineering plastics functional materials industry, with a total of 7 operating or production sites worldwide as of the date of publication of this report. To align with international standards, VSO Electronics encourages employees to develop internationally across borders, supporting and providing employees with international potential the opportunity to broaden and deepen their international perspective in both their work environment and career development, accumulate global experience across different countries and diverse cultures, and cultivate international talent with richer, more diverse thinking and open-mindedness, developing them into more innovative decision-makers and value creators.

In 2025, total training hours for management-level personnel at VSO Electronics were 1,100 hours, an increase of 364 hours from 2024; for non-management personnel, total training hours were 23,086 hours, an increase of 5,202 hours from 2024. VSO Electronics hopes that managers will foster a work environment that encourages continuous learning and improvement, while also encouraging the colleagues they lead to receive training and education, thereby elevating the Company's overall learning culture and progressing together.

Total Employee Training Hours (Hours)

Year	Region Gender	Taiwan		China		Vietnam		Total
		Managers	Non-Managers	Managers	Non-Managers	Managers	Non-Managers	
2025	Female	115	209	158	13,577	32	4,120	18,211
	Male	57	122	286	3,200	452	1,858	5,975
	Total	172	331	444	16,777	484	5,978	24,186
2024	Female	76	606	16	10,532	-	1,495	12,725
	Male	134	265	321	3,770	189	1,216	5,895
	Total	210	871	337	14,302	189	2,711	18,620

Year	Region Gender	Taiwan		China		Vietnam		Total
		Managers	Non-Managers	Managers	Non-Managers	Managers	Non-Managers	
2023	Female	86	416	12	10,708	-	193	11,415
	Male	68	110	415	4,139	35	89	4,856
	Total	154	526	427	14,847	35	282	16,271

Note 1: Managers refers to section level and above.

Internal Rotation and Cross-Departmental Transfer Mechanism

VSO Electronics cares about each employee's long-term career development within the Company. To cultivate colleagues with cross-disciplinary versatility, the Company provides diverse channels for competency growth tailored to each employee's aptitude, helping employees develop their innate knowledge and skills, broaden their perspectives, and gain diverse experience, thereby cultivating talent capable of cross-departmental problem-solving, and further achieving the retention goals of identifying, valuing, and retaining talent.

Implementing the Internal Rotation and Cross-Departmental Transfer Mechanism:

- ◆ Through regular internal rotation arrangements, colleagues can exchange and learn across different positions within the same department, mastering the core knowledge and skills of each role, further enhancing the organization's internal flexibility and competitiveness.
- ◆ The cross-departmental transfer mechanism allows versatile employees to be placed in roles suited to their talents, while also helping to stimulate innovative thinking, enabling them to solve problems from multiple perspectives and create greater value in a rapidly changing market environment.

Performance Evaluation

Performance evaluation is not only an important basis for management to adjust employee compensation, but also a key tool for the Company to build an excellent career development environment, support employees in achieving their personal goals, and realize the Company's goals and vision. VSO Electronics offers promotion and salary adjustment opportunities to high-performing employees, encouraging them not only to demonstrate their individual talents but also to take on the responsibility and serve as role models for leading teams to improve performance, thereby exerting greater influence.

Under VSO Electronics' internal employee performance evaluation regulations, employees undergo a performance evaluation every six months, for a total of two evaluations per year. These evaluations apply to both new employees who have completed their probationary period and existing employees. At the end or beginning of each year, the Company engages in in-depth discussions with employees to set goals for the following year or current year; at each performance evaluation, the Company discusses implementation progress in depth with employees, reviewing and improving employee performance through specific performance examples to ensure alignment with the Company's goals and vision. In 2025, all employees completed their annual performance evaluation, achieving 100% coverage.

5.2 Occupational Safety and Health

5.2.1 Occupational Safety and Health Policy

Employees are partners and important assets in the Company's sustainable development. VSO Electronics pays close attention to the safety and health of the working environment for employees performing their duties at locations worldwide, implementing occupational safety and health management work at each global site through a P-D-C-A cycle management model. Under its core belief in sustainable development, and to safeguard the safety and health of the workplace environment, the Company requires each site to strictly comply with the occupational safety and health management regulations issued by local governments, uphold the spirit that occupational injury prevention takes precedence over remediation, and ensure that employees at each site are not exposed to hazardous working environments that threaten their personal safety and health while performing their duties. Employees are also trained on the importance of, and necessary responses for, their own safety and protection; in the event of imminent danger in the workplace, employees should immediately avoid remaining in or being exposed to the danger, retreat to a safe location on their own initiative, and immediately report to their direct supervisor.

Occupational safety and health management is part of the infrastructure underlying VSO's core beliefs and core values of "Sustainable Operation," "Integrity," "Professionalism," "Quality," "Teamwork," and "Innovation and Growth." VSO values the rights and interests of its stakeholders and implements occupational safety and health management not only to ensure that employees can work in a safe and healthy environment, but also so that other stakeholders (including outsourced contractors and business visitors) who come to VSO's global sites to perform duties or provide services face no occupational safety and health concerns.

Occupational Safety and Health Management System

To further protect the occupational safety and health of stakeholders such as employees at production sites, VSO Ji An in China began implementing the ISO 45001 Occupational Health and Safety Management System in 2024 and obtained ISO 45001 certification in 2025. Occupational safety and health personnel at each of VSO Electronics' production sites continue to manage in accordance with ISO 45001 or equivalent international standards. Each production site conducts internal audits before its annual external audit to self-assess the effectiveness of environmental, safety, and health (EHS) implementation, using the management cycle to carry out various work plans, achieve continuous improvement, and reduce occupational injuries. VSO Electronics will continue to pay attention to stakeholder needs, and through promoting EHS management, is committed to building a safe, healthy, and comfortable working environment.

VSO Electronics' occupational safety and health management covers the following types of workers:

- **Workers:** Refers to employees employed by the Company who perform work and receive wages.
- **Other workers who are not employees:** Includes individuals who do not have an employment relationship with the Company but perform labor under the direction or supervision of a responsible person at the workplace. Examples include dispatched workers or individuals engaged in labor for the purpose of learning skills or receiving vocational training.

- **Contractor personnel:** Refers to individuals or organizations that have neither an employment nor a subordinate relationship with VSO Electronics. These personnel are employed by external companies to complete specific tasks for VSO Electronics and are compensated upon completion of the task. Examples include providers of equipment repair, catering, cleaning, and security services.

To ensure the safety and health of other workers who are not employees and of contractor personnel, VSO Electronics requires contractors to provide necessary occupational safety and health training and medical assistance, and permits such personnel to use the Company's shared facilities. For specialized and high-risk operations, the Company engages professional vendors and strictly requires them to comply with local occupational safety and health regulations as well as the safety and health management measures implemented by VSO Electronics.

Hazard Identification, Risk Assessment, and Incident Investigation

VSO places great importance on the safety and health of every employee at work, while also caring for the safety and health of other stakeholders (outsourced contractors and visitors) at VSO's various work sites, setting zero workplace injuries as its goal and using preventive measures to avert incidents and reduce the likelihood of workplace injuries. The most senior manager at each global site is responsible for conducting hazard identification and risk assessment of potential hazard factors such as work environments, hazardous chemicals, and machinery and equipment. Dedicated occupational safety and health personnel and unit supervisors at each site then prioritize control of high-risk hazardous machinery or equipment within the plant, requiring hazard warning labels to be posted and protective equipment to be installed. In accordance with the "Regulations for Labeling and Hazard Communication of Hazardous Chemicals" and the "GHS Globally Harmonized System of Classification and Labeling of Chemicals," a "Chemical Management Inventory" is registered and necessary labeling management is applied at storage locations and containers, along with the provision of MSDS (Material Safety Data Sheets). In 2025, there were no disciplinary records against employees for reporting safety concerns or for voluntarily retreating to a safe location due to safety concerns.

In addition, to further enhance workplace safety, the Company has established a complete incident investigation process to ensure that every incident is properly handled and addressed. The investigation process includes:

- **Immediate Reporting:** After an incident occurs, on-site personnel must immediately notify their supervisor and the EHS unit.
- **On-Site Control:** Rapidly isolate the incident area to prevent the situation from worsening and to preserve relevant evidence.
- **Formation of an Investigation Team:** The most senior manager at each operating site serves as convener, with relevant departments participating, to conduct an in-depth analysis of the cause of the incident.
- **Root Cause Analysis:** Determine the root cause of the incident and propose an improvement plan.
- **Corrective Measures:** Develop and implement preventive measures to avoid recurrence of similar incidents, while updating relevant operating procedures or standards.

- **Sharing and Education:** Report investigation findings at management meetings, and incorporate the incident process and preventive measures into employee training to raise safety awareness among all personnel.

Each of VSO Electronics' operating sites complies with local regulations and ISO 45001 and other certification requirements, implementing risk assessment processes and reviewing the applicability of hazard identification and risk assessments through internal and external audits, with timely discussion and revision, in order to achieve the goal of zero incidents and zero injuries. In addition, occupational safety and health is included as an item in the annual audit plan at all actual operating sites.

Hazardous chemicals used in the manufacturing processes at each of VSO Electronics' production sites are registered in a "Chemical Management Inventory" and stored under specified conditions, with risk assessments conducted and necessary control measures implemented. In accordance with the "Regulations for Labeling and Hazard Communication of Hazardous Chemicals" and the "GHS Globally Harmonized System of Classification and Labeling of Chemicals," necessary labeling management is applied at storage locations and containers. MSDS (Material Safety Data Sheets) are posted in visible locations at the manufacturing site so that on-site personnel can immediately consult and implement relevant emergency response measures in the event of an unexpected emergency. New employees whose duties involve the handling or use of hazardous chemicals receive necessary hazard communication training upon reporting for duty; existing employees receive additional hazardous chemical training each year in addition to required occupational safety and health training, strengthening employees' emergency response capabilities for hazardous chemicals. In addition, for work involving activities particularly harmful to health, such as noise, ionizing radiation, lead, organic solvents, dust, or specific chemical substances, each site conducts necessary special physical examinations and special health examinations for relevant personnel in accordance with local government regulations and requirements. If an employee is diagnosed with a health abnormality, an assessment of work suitability and the risk of disease induced by workload is immediately conducted, and, where necessary, the employee's exposure time is reduced or the employee is rotated to other duties, with ongoing attention paid to the health of sustainability partners.

Health Promotion Program

VSO Electronics requires new employees at sites worldwide to undergo a physical examination prior to onboarding, with the Company subsidizing half of the examination cost. Existing employees undergo regular health checkups at each site in accordance with local occupational safety and health regulations. For employees engaged in work with a higher risk of occupational disease, additional health examination items are provided, including mental and psychiatric examinations, thyroid function, urinary system, and joint and muscular system examinations. In 2025, a total of 372 participations in regular health checkups were recorded for existing employees.

In addition, to help employees maintain physical and mental balance outside of work, VSO's Ji An plant in China has a gym equipped with weight training equipment and exercise facilities,

using fitness training to strengthen bone and muscle health. The Taiwan headquarters has a yoga club, allowing employees to practice yoga using their own body weight for training; by contracting and stretching the muscles, yoga strengthens muscles and increases flexibility, effectively relieving the physical stiffness caused by prolonged sitting or standing, while protecting the spine, bones, and joints. Each movement is coordinated with breathing, which can help prevent and correct postural imbalance and asymmetry, shaping a healthier physique. Practicing yoga can also activate the muscles and nervous system, improve stiff ligaments and tendons, promote hormonal balance, and strengthen immune function, helping to prevent illness and promote health.

Worker Participation, Consultation, and Communication on Occupational Safety and Health

In accordance with legal requirements, VSO Electronics has established occupational safety and health management personnel at each operating site, responsible for the overall planning of occupational safety and health matters. Management personnel hold regular meetings to discuss and formulate safety and health management, training plans, health management, occupational disease prevention and health promotion matters, automatic equipment inspections and safety and health audits, preventive measures against hazards from machinery, equipment, or raw materials, and occupational injury investigation reports, among other safety and health issues.

Occupational Safety and Health Training

VSO Electronics strictly complies with government regulations at each operating site and provides necessary occupational safety and health training for new employees, regularly holding related courses as shown in the table below. In 2025, a total of 1,193 participants took part, with total training hours of 17,004 hours.

Category	Target Participants	Content	Taiwan	China	Vietnam
Professional Certification	Personnel Required to Hold Relevant Qualifications	Occupational Safety and Health Personnel / Forklift / Specific Chemical Operations / Fire Management / Organic Solvent Operations / Radiation Operations / Crane Operation and Rigging / First Aid Personnel / Safety Manager / Safety Officer Certificate Renewal Training, plus Newly Added Safety Managers and Officers / Chemicals / Special Operations Personnel, etc.	✓	✓	✓
Occupational Safety and Health Regulations and Management	Safety Managers, Safety Officers, and Employee Representatives	ISO 14001, ISO 45001, Risk Identification and Hierarchical Control, Laws and Regulations, Safety Hazard Inspection, Occupational Injury Prevention, etc.	✓	✓	✓
Fire Safety	All Employees	Fire Drills or Training	✓	✓	✓

Category	Target Participants	Content	Taiwan	China	Vietnam
Other Specific Risks	Safety Officers, Relevant Operations Management Personnel	Fraud Prevention Education, Safety System Operation Training, Epidemic Prevention Response Drills, Heat Stroke Incident Drills, Alcohol Spill Drills, 6S Inspection and Safety Hazard Elimination, Hazardous Substance Control Training, etc.	✓	✓	✓

Preventing and Mitigating Occupational Safety and Health Impacts Directly Linked to Business Relationships

VSO Electronics also complies with legal requirements for workers who are not Company employees, implementing necessary management measures to ensure a safe and healthy working environment during construction work at Company plants and offices. This includes incorporating safety standards into contracts, conducting hazard communication briefings for contractor personnel before they enter construction sites, and providing safety supervision and related management and training. The Company also conducts periodic safety inspections and reports any deficiencies found to the contracting unit or responsible party, prompting safety improvements.

5.2.2 Occupational Injury

Occupational Injuries and Occupational Diseases

VSO Electronics regularly compiles occupational injury data for all plant sites. In 2025, total working hours were 3,219,563 hours, during which no fatal occupational injury incidents occurred; only one occupational injury incident occurred, primarily caused by an employee being pierced by a mold, and there were no records of serious occupational safety incidents penalized by regulatory authorities.

Year	Region	Total Working Hours	Occupational Injury			Rate of Fatalities Due to Occupational Injury	Rate of Serious Occupational Injuries % (Excluding Fatalities)	Recordable Occupational Injury Rate %
			Number of Fatalities	Number of Serious Occupational Injuries (Note 4)	Number of Recordable Occupational Injuries			
2025	Taiwan	164,655	-	-	-	-	-	-
	China	2,264,900	-	-	1	-	-	0.44
	Vietnam	790,008	-	-	-	-	-	-
2024	Taiwan	163,559	-	-	1	-	-	6.11
	China	1,979,000	-	-	-	-	-	-
	Vietnam	583,430	-	-	-	-	-	-
2023	Taiwan	96,800	-	-	-	-	-	-
	China	1,709,551	-	-	2	-	-	1.17
	Vietnam	405,986	-	-	-	-	-	-

Note 1: The recordable occupational injury rate is calculated as the number of occupational injuries ÷ total working hours × 1,000,000 working hours.

Note 2: The serious occupational injury rate is calculated as the number of serious occupational injuries ÷ total working hours × 1,000,000 working hours.

Note 3: The Company does not record the total working hours of non-employee workers. No occupational injury incidents involving non-employee workers occurred in 2025. Going forward, the Company plans to establish a contractor management system to record the number of workers, working hours, and occupational injury cases at its plant sites.

Note 4: A serious occupational injury is defined as an injury from which the worker cannot recover (such as amputation), or an injury that cannot or is unlikely to recover to the worker's pre-injury health condition within six months (such as a complicated fracture).

5.3 Social Participation

5.3.1 Investment in Infrastructure and Support Services

Social Inclusion and Shared Prosperity

VSO Electronics actively responds to the UN Sustainable Development Goals (SDGs) and the Taiwan Sustainable Development Goals established by the National Council for Sustainable Development, through concrete goals and actions. By identifying, prioritizing, and selecting suitable goals and taking action, VSO Electronics has, from the perspectives of both corporate strategy and core business operations, identified four indicators most relevant to its business — "SDG 3 Good Health and Well-Being," "SDG 4 Quality Education," "SDG 5 Gender Equality," and "SDG 15 Life on Land" — to support social inclusion and national sustainable development, actively fulfilling its corporate social responsibility.

Sponsorship of Rural Sports Clubs

In Taiwan, VSO Electronics has sponsored the "Yilan County Cycling Association" with a monthly sports fund of NT\$50,000 since July 2023, contributing a total sports fund of NT\$600,000 in 2025, along with an additional NT\$10,800 in insurance premiums for increased coverage for athletes.

Employee Participation in Land Ecology-Related Activities Hosted by External Organizations

Activities included a healing workshop making succulent planters from recycled oyster shell powder, offering a further hands-on experience of waste recycling and reuse by grinding discarded oyster shells into powder and combining them with eco-friendly materials to create custom succulent planters — enjoying the therapeutic experience of crafting while also practicing environmental protection. Another activity, the "Yilan Farm-to-Table Fun Day," combined local Yilan ingredients with agricultural education, offering a day-as-a-farmer experience and a taste of local delicacies through food education, learning about the connection between land and food through play. Eating local and eating seasonal: consuming more locally produced food in Taiwan reduces the pollution generated during transport. Participants also gained a deeper understanding of environmentally friendly rice paddy farming, which not only slows land degradation but also provides habitats for a variety of organisms, contributing to biodiversity.

Employee Participation in Volunteer Activities

Employees of VSO Electronics in Taiwan served as on-site service volunteers at the 2025 Hakka Flavor – Coffee Carnival, a cross-border event combining coffee, Hakka cuisine, cultural

experiences, and sustainable living.

5.3.2 Local Community Engagement

Taiwan

In the fourth quarter of 2025, employees of VSO Electronics rolled up their sleeves and donated 105 bags of blood to keep love flowing — not just an act of giving, but a way of continuing and passing on a force of love.

China

In March, employees of VSO Ji An participated in the Anfu County Women Workers' Tug-of-War Competition, where the company team won an award for outstanding performance. In September, they participated in the Ji An Taiwan Compatriots Association's "Celebrating Mid-Autumn, Cherishing Reunion, Resolving Business Concerns, Promoting Development" networking event for Taiwan compatriots and their families. In November, they attended the county Federation of Industry and Commerce Representative Assembly, participating in elections for chairman, secretary-general, and standing committee members of the Federation. In addition, VSO Suzhou donated RMB 20,000 to sponsor care and assistance activities for elderly and young residents in the Luzhi area of Suzhou.

6. Environment

6.1 Climate Change

6.1.1 Climate Oversight and Governance Structure

VSO Electronics has established a Sustainable Development and Risk Management Committee responsible for formulating sustainability strategies, driving ESG-related initiatives, and regularly conducting climate-related risk and opportunity assessments under the TCFD framework. For risks and opportunities identified, the Committee reports progress to the Board of Directors annually. The Board is responsible for overseeing implementation and coordinates relevant departments to conduct operational risk assessments in accordance with the Paris Agreement, the 2050 net-zero emissions target, and the competent authority's Climate Change Response Act, while also incorporating the climate-related policies and regulations of the governments where the Company's overseas operating sites are located.

6.1.2 Identification and Assessment Process for Climate-related Risks and Opportunities

To effectively manage climate-related risks and opportunities, VSO Electronics' Sustainable Development and Risk Management Committee has incorporated climate change-related risks into its assessment and tracking scope, and continuously monitors climate risks that could impact the Company's operations, including international regulatory requirements and the occurrence of extreme weather events.

With reference to the TCFD framework, the Company analyzes the risks and opportunities associated with its response to climate change. Relevant personnel participate in training conducted by external organizations covering global risk trends and climate change, including the current

status of TCFD development, the climate-related risk and opportunity assessment framework recommended by TCFD, and climate scenario settings and the resulting risks and opportunities, thereby raising employees' awareness of global risk trends and climate change. Each department then assesses the climate-related risks and opportunities encountered in the course of operations, and for risks and opportunities identified as high-risk or high-impact, discusses corresponding response strategies and indicators/targets as concrete measures for climate management.

◆ **Assessment Process:**

Step 1: Set Climate Change Scenarios

Step 2: Assess Impact on the Operating Environment

Step 3: Identify Climate-related Risks and Opportunities

6.1.3 Scenario Analysis

With reference to the five climate scenarios of the IPCC AR6, VSO Electronics has set two scenarios — SSP5-8.5 (temperature rise of 6°C) and SSP1-2.6 (temperature rise of 2°C) — to separately examine the physical risks and transition risks that may be encountered. The identification results are set out in the table below:

◆ **Climate Change Risk Identification Summary Table**

Risk Ranking	Risk No.	Risk Type	Risk Factor	Timeframe Assessment
1	001	Transition Risk – Increased Operating Costs	Laws and regulations related to GHG reduction, net-zero policy, and energy management	Short-term
2	002	Transition Risk – Suppliers Failing to Keep Pace with Carbon Reduction, Affecting Decarbonization Effectiveness	Upstream suppliers remain in a wait-and-see stance regarding GHG reduction and net-zero decarbonization policies	Mid-term
3	003	Physical Risk – Operational Disruption Caused by Climate Anomalies	Changes in rainfall patterns and extreme weather patterns.	Long-term

Note: Definition of timeframes: short-term is within 2 years, mid-term is more than 2 years up to 6 years, and long-term is more than 6 years.

◆ **Climate Change Opportunity Identification Summary Table**

Opportunity Ranking	Opportunity No.	Opportunity Type	Opportunity Factor	Timeframe Assessment
1	001	Opportunity – Use of Renewable Energy and Resource Efficiency Improvement	Installing renewable energy facilities to increase utilization, and actively implementing energy management through high-efficiency equipment and energy-saving measures	Short-term
2	002	Opportunity – Corporate Image	Stakeholder attention to the Company's ESG transformation enhances corporate image, gaining stakeholder support and preferential terms in banking relationships	Mid-term
3	003	Opportunity – Products and Services	Low-carbon product design in response to market trends and demand, developing new low-carbon markets to increase revenue and economic benefits	Long-term

Note: Definition of timeframes: short-term is within 2 years, mid-term is more than 2 years up to 6 years, and long-term is more than 6 years.

◆ **Climate Change-related Risk Management Strategies**

Risk 001

Laws and regulations related to GHG reduction, net-zero policy, and energy management

[Impact Scenario]

Domestic and international regulatory requirements related to GHG emissions and energy are becoming increasingly stringent, including requirements to disclose energy consumption and GHG emissions, set energy efficiency and carbon reduction targets, and impose carbon taxes and fees. If VSO Electronics and its supply chain fail to establish clear carbon reduction targets, develop short-, mid-, and long-term roadmaps, or effectively reduce GHG emissions, a gap may emerge relative to government-implemented GHG reduction and energy management regulations. This would lead to increased carbon fees or taxes and could cause the Company to fall out of step with customers' supply chain decarbonization targets, thereby affecting VSO Electronics' ability to secure orders

and resulting in a decline in revenue.

To comply with relevant regulatory requirements, VSO Electronics needs to devote more resources to related management efforts, which will increase operating costs and procurement expenses. If not properly managed, these challenges could have a negative impact on the Company's overall operations, including risks affecting investment and financing activities and the risk of capital contraction.

[Risk Impact Aspects]

- **Increased raw material costs:** Suppliers may raise their product prices in response to carbon taxes and fees, thereby increasing VSO Electronics' raw material costs. In addition, if the Company opts for higher-priced low-carbon alternative products for the sake of carbon reduction, this will also increase its procurement costs.
- **Increased management and R&D costs:** To reduce GHG emissions, VSO Electronics has established GHG emissions disclosure and management processes, which increase related management costs. In developing new product applications and low-carbon product markets, while also strengthening the management of supply chain GHG emissions, these initiatives may increase related management and R&D costs.

[Financial Impact]

- The additional emissions reporting obligations are estimated to have a financial impact on VSO Electronics of approximately NT\$420,000 in initial costs for personnel training and the establishment of related mechanisms and systems, with subsequent annual costs for inventory, verification, and reporting of approximately NT\$250,000.

[Response Strategy]

- Continue to promote GHG inventory and emissions verification in accordance with ISO 14064-1, and continue to promote ISO 50001 energy management certification, across all global operating sites.
- Optimize smart manufacturing by applying AI digital technology, the Internet of Things (IoT), and big data analytics to improve efficiency, quality, agility, and flexibility, respond quickly to customer delivery requirements, and reduce costs.
- New product applications and development to increase the market value of low-carbon products.

[Response Cost]

- Capital Expenditure
- Operating Cost

Risk 002

Upstream suppliers remain in a wait-and-see stance regarding GHG reduction and net-zero decarbonization policies

[Impact Scenario]

The EU Carbon Border Adjustment Mechanism (CBAM) will officially enter full implementation in 2026. Major electronics manufacturers at home and abroad are placing great emphasis on controlling GHG emissions and improving energy efficiency, and VSO Electronics' domestic and international customers are rigorously responding to GHG reduction and net-zero decarbonization policies. If VSO Electronics' supply chain fails to establish clear carbon reduction targets, develop short-, mid-, and long-term roadmaps, or effectively reduce GHG emissions, this will diminish the Company's carbon reduction effectiveness, causing domestic and international customers to adopt a more cautious attitude in evaluating their supply chain partnership with VSO Electronics, thereby affecting the Company's ability to secure orders and potentially resulting in a decline in revenue.

[Risk Impact Aspects]

- **Increased carbon neutrality costs:** VSO Electronics is actively reducing its GHG emissions; however, if upstream suppliers do not actively reduce their own GHG emissions, product carbon footprints will not be effectively lowered, which will undermine the effectiveness of the Company's carbon reduction efforts and increase carbon neutrality costs.

[Financial Impact]

- According to CDP surveys, Scope 3 carbon emissions generated by upstream and downstream supply chains account for more than 75% of a company's overall carbon footprint. Amid the green supply chain transformation trend driven by major international manufacturers, VSO Electronics has set a target of reducing its Scope 1 and Scope 2 GHG emissions intensity by 20% by 2030 compared to 2022. If suppliers fail to keep pace, this will affect the Company's carbon reduction effectiveness and increase carbon neutrality costs.

[Response Strategy]

- Develop high-quality suppliers and conduct selection and review of new suppliers based on Quality (Q), Cost (C), Delivery (D), and Service (S), moving toward Environmental (E), Social (S), and Governance (G) goals, to build a comprehensive supplier sustainability management model.
- Increase the proportion of transacting suppliers that are green suppliers holding externally verified ISO 14001 Environmental Management System certification.

[Response Cost]

- Capital Expenditure
- Operating Cost

Risk 003

Changes in rainfall patterns and extreme weather patterns.

[Impact Scenario]

Global climate change is giving rise to extreme weather phenomena, including extreme temperatures that have brought severe heatwaves to Europe, causing injuries and deaths, rampant wildfires, and serious public health and infrastructure challenges. The Middle East, Syria, and other regions are experiencing severe drought, leading to food shortages and malnutrition among the elderly, the vulnerable, and women and children. Southeast Asia and Oceania, with their abundant moisture, are experiencing flood disasters caused by heavy rainfall and frequent typhoon calamities, which affect reservoirs' water storage, flood prevention, and regulation functions, resulting in disruptions to normal water supply. All of the foregoing factors can disrupt corporate operations and manufacturing.

[Risk Impact Aspects]

- **Disruption to operations and manufacturing:** Should an extreme weather event occur at any operating site, the resulting disasters, casualties, or property losses at the site could disrupt operations and manufacturing.

[Financial Impact]

- Climate change gives rise to extreme weather phenomena, including drought, flood disasters caused by heavy rainfall, and frequent typhoon calamities, which affect reservoirs' water storage, flood prevention, and regulation functions, resulting in disruptions to normal water supply and consequent disruption to operations and manufacturing. The estimated financial impact is equivalent to approximately 0.5 to 5 working days of revenue.

[Response Strategy]

- Continue to strengthen support for third-location production.
- Implement ISO 14064-1 GHG inventory and obtain verification statements.
- Implement emergency response management procedures.
- Plan for VSO Electronics' green electricity, adopt internal and external carbon reduction measures, and incorporate carbon management into KPI performance indicator management.

[Response Cost]

- Capital Expenditure
- Operating Cost

◆ Climate Change-related Opportunity Management Strategies

Opportunity 001

Installing renewable energy facilities to increase utilization, and actively implementing energy management through high-efficiency equipment and energy-saving measures

[Impact Scenario]

VSO Electronics' manufacturing operations rely primarily on electricity as an energy source. By installing grid-connected solar power generation systems on the rooftops of its own facilities, the Company can increase its use of renewable energy and reduce carbon emissions through self-consumption of the solar power generated, while also selling any surplus power to the utility company to reduce its purchased electricity expenses. Implementing energy management and certification with high-efficiency equipment raises the energy efficiency rating, achieving the triple benefits of energy savings, cost reduction, and lower carbon emissions.

[Opportunity Impact Aspects]

- **Reduced direct operational carbon emissions:** As VSO Electronics' manufacturing operations rely primarily on electricity, using power generated by its own solar photovoltaic facilities for manufacturing increases the use of renewable energy, directly achieving carbon emission reductions.
- **Lower indoor plant temperature reducing air-conditioning electricity use:** By installing solar panels directly on rooftops, direct sunlight exposure to the top-floor roof of the plant is shielded, lowering the indoor temperature of the top floor and reducing air-conditioning electricity consumption.
- **Energy management improving energy use efficiency:** Through energy management, high energy-consuming equipment is identified and replaced, and areas of the plant not regularly occupied by personnel are converted to sensor-activated lighting, comprehensively improving electricity use efficiency to achieve energy savings and reduce carbon emissions.

[Financial Impact]

- In addition to increasing the use of renewable energy and reducing carbon emissions, solar power generation also reduces electricity costs, and any surplus power can be sold to the utility company. In July 2025, the Ji An plant commenced construction of its Phase II solar power generation facilities, adding 265kWp of installed capacity. In 2025, solar power generation totaled 715,000 KWH, of which 683,000 KWH was self-generated and self-consumed and 32,000 KWH of surplus power was sold to the utility grid, resulting in electricity cost savings of approximately NT\$3,034 thousand in 2025.

[Response Strategy]

- Install grid-connected solar power generation systems on the rooftops of plants worldwide to increase the use of renewable energy and reduce carbon emissions.
- The Hanoi plant in Vietnam is currently under construction; VSO Electronics plans to install a grid-connected solar power generation system on the rooftop of this plant in 2026 to increase its renewable energy use.

[Response Cost]

- Cost of installing grid-connected solar power generation systems
- Energy management-related expenses

Opportunity 002

Stakeholder attention to the Company's ESG transformation enhances corporate image, gaining stakeholder support and preferential terms in banking relationships

[Impact Scenario]

Corporate ESG transformation has become a core indicator used by global investors and consumers to assess a company's capacity for sustainable operation. In addition to financial performance, VSO Electronics strives to fulfill its corporate responsibilities in terms of non-financial performance. Successful ESG transformation can enhance the Company's corporate image, gain stakeholder support, and secure preferential terms in its banking relationships.

[Opportunity Impact Aspects]

- **Enhancing corporate image:** VSO Electronics' efforts in ESG transformation earned recognition early in 2025, ranking in the top 20% of OTC-listed companies under the Corporate Governance Evaluation system, which has had a positive effect on enhancing the Company's corporate image. In response to international trends and to deepen the sustainability culture of the capital market, starting in 2026 the "Corporate Governance Evaluation" will be formally transformed into the "ESG Evaluation," integrating the three major indicators of Environmental (E), Social (S), and Governance (G) to build a more internationally competitive capital market. VSO Electronics will continue to advance its ESG transformation and looks forward to improving its ranking in the ESG Evaluation.
- **More favorable cost of capital:** To encourage companies to advance toward sustainability goals, domestic and international financial institutions offer incentives. Through its ESG transformation, VSO Electronics is seeking relationships with financial institutions offering Sustainability-Linked Loans (SLL), thereby lowering its cost of capital, with positive effects on the Company's sustainable operations.

[Financial Impact]

- A company that excels in low-carbon transformation and seizes forward-looking ESG business opportunities has the chance to become an investment target for new types of sustainable financial products.
- The emergence of green finance helps companies across different industries invest in green projects and net-zero transformation. By establishing new Sustainability-Linked Loan (SLL) relationships with banks, product design incentivizes companies to advance toward sustainability goals.

[Response Strategy]

- Continue to invest in and transform toward renewable energy, such as solar power, and a low-carbon economy, raising investors' willingness to continue supporting and investing in the Company.
- Enhance corporate image by developing low-carbon products and pursuing green production and operations to reduce the carbon emissions of products and operational services.

[Response Cost]

- Cost of installing grid-connected solar power generation systems
- R&D cost

Opportunity 003

Low-carbon product design in response to market trends and demand, developing new low-carbon markets to increase revenue and economic benefits

[Impact Scenario]

VSO Electronics develops, designs, and supplies low-carbon, high-heat-resistant, and high-performance products that help customers address market demand arising from extreme weather caused by climate change, thereby enhancing the market competitiveness of its products.

[Opportunity Impact Aspects]

- **Competitive advantage of low-carbon products:** Developing and designing low-carbon, high-performance products not only helps maintain stable global temperatures but also meets the demand for reducing heat-related energy consumption in AI product applications, satisfying market demand for high-performance materials and thereby enhancing the market appeal of VSO Electronics' products.
- **Reduced impact of carbon border adjustment mechanisms:** Countries around the world are beginning to implement carbon border adjustment mechanisms, such as the EU's Carbon Border Adjustment Mechanism (CBAM), which will be fully implemented in 2026. Developing, designing, and supplying low-carbon, high-performance products will increase favor among domestic and international manufacturers and raise their willingness to purchase.

[Financial Impact]

- As the global climate change issue intensifies, the competitive advantage of low-carbon, high-performance products and services is increasingly enhanced. VSO Electronics continues to promote low-carbon product design and low-carbon manufacturing processes, and to guide and require carbon reduction from raw materials and suppliers, in order to reduce the environmental impact of its products.

[Response Strategy]

- To meet the requirements of VSO Electronics' major customers, the R&D and technical units jointly develop low-carbon products and low-carbon manufacturing processes, reducing the environmental impact of the Company's own operations.
- Through digital and smart management to track product energy use efficiency, increase the use of renewable energy, and reduce product carbon footprints, in order to meet low-carbon product requirements.

[Response Cost]

- R&D cost
- Market development costs and expenses

6.1.4 Targets and Indicators

Climate Change-related Indicators and Targets

Climate Risk Indicators	Climate Opportunity Indicators
● Develop a comprehensive supply chain GHG emissions reduction management plan to enhance supply chain value and resilience. ● Reduce absolute Scope 1 and Scope 2 GHG emissions, and thereby lower emissions intensity, through self-use rooftop solar photovoltaic installations and energy management. ● Internalize energy-saving, electricity-saving, and low-carbon concepts into daily operations and production practices, using energy-saving solutions and energy management systems to improve operational energy efficiency.	● Increase solar photovoltaic installed capacity to raise the share of renewable energy in total energy consumption. ● Enter new low-carbon, high-performance markets to increase the share of revenue from low-carbon products. ● Increase the R&D budget for green products and energy-saving products to support business growth and environmental sustainability.

6.1.5 Internal Carbon Pricing

As of 2025, VSO Electronics is still evaluating internal carbon pricing and has not yet implemented it. However, on August 11, 2026, the Board of Directors approved the Internal Carbon Pricing Management Measures; for details, please refer to the Company's website.

6.1.6 Environmental Management System and Its Implementation Status

In 2022, the Company was audited by a third-party organization (SGS) in accordance with the ISO 14064-3:2019 standard, and met the requirements of ISO 14064-1:2018, obtaining an ISO 14064-1:2018 GHG Inventory/Reduction System Verification Statement in March 2023. At the same time, the Company continues to educate employees to raise environmental awareness, progressively extending this to suppliers and other stakeholders. In addition, VSO Ji An introduced ISO 14001 in 2011 and completed its recertification review in 2024, with the certificate valid from May 8, 2024 to April 20, 2027, in compliance with the latest environmental management system standards. Through the establishment of its management system, the Company ensures the complete operation and long-term effectiveness of its environmental management system, and revised its Quality/Environmental Management Manual on April 1, 2025.

The Company is committed to actively strengthening its responsibilities under its sustainable environment and environmental protection strategy blueprint, continuing to advance environmentally friendly policies, energy management, clean energy, water resources management, waste management, green products, and other areas, in order to improve the efficiency of energy and resource use, reduce the environmental impact of manufacturing, enhance resilience in responding to sustainability-related issues, and work together toward the goal of carbon neutrality by 2030.

To ensure compliance with international environmental management standards and to continuously optimize environmental protection measures, the Company has established a

comprehensive environmental management system and continuously improves its environmental performance using the PDCA model. The environmental management system initiatives implemented in 2025 mainly include the following aspects:

1. Energy Management: See Section 6.3 of this report.
2. Water Resources Management: See Section 6.4 of this report.
3. Waste Management: See Section 6.5 of this report.
4. Pollution Prevention: See Section 6.2.3 of this report.
5. Chemical Management: Assessing the potential level of exposure to chemicals and adopting tiered management based on risk level.

Overall, the Company's environmental management system performed well in 2025. Total water withdrawal was 21.5260 thousand cubic meters, with annual per capita water use of 15.86 cubic meters, a 21% decrease from the previous year; the Company will continue to reduce water use by 1% going forward to mitigate the impact of water scarcity on operations. In terms of pollution prevention, the abnormality monitoring mechanism has been strengthened; total waste in 2025 was 39.49 metric tons, a decrease of 2.04 metric tons from 2024, representing a waste reduction of 4.9%, demonstrating significant results in waste management. In terms of chemical management, tiered management based on risk level has been implemented to avoid health hazards to workers. To ensure the effective implementation of the system, the internal audit completed in 2025 identified no material deficiencies, and environmental education training was conducted to raise employees' environmental awareness and participation.

6.2 GHG Management

6.2.1 Strategy, Approach, and Goals for GHG Management

VSO Electronics Co., Ltd. is committed to promoting effective management and reduction of greenhouse gas emissions and has established specific strategies and targets. To reduce carbon emissions, the Company began planning the installation of a grid-connected solar power system at the Ji An plant in 2020, which was officially commissioned for power generation in 2021. In 2025, the second phase of the solar power system at this plant was completed and officially commissioned for power generation, bringing the total installed capacity of the plant's grid-connected solar power system to approximately 755 kWp.

VSO Electronics Co., Ltd. introduced ISO 14064-1 in 2022 to conduct its first GHG inventory, and the results of that year's inventory were set as the Company's base year for carbon reduction, with a verification statement obtained the following year. In 2024, the Ji An plant obtained ISO 50001 Energy Management System certification to improve energy efficiency. The Hanoi plant in Vietnam, currently under construction, is also installing a solar photovoltaic system, which is expected to be officially commissioned for power generation in the fourth quarter of 2026.

VSO Electronics Co., Ltd. is actively working to reduce GHG emissions, targeting a 20% reduction in Scope 1 and Scope 2 emission intensity by 2030 compared to 2022.

2025 Carbon Reduction Plan

Unit: NT\$ thousand

Operating Site	Program Type	Energy Reduction (GJ)	Carbon Reduction (tCO ₂ e)	Cost Savings
China	Replacement of high-energy-consumption equipment (air compressors/air conditioners/light tubes)	1,626	242.42	1,764

In 2025, the main types of energy used by VSO Electronics Co., Ltd. and its plants included purchased electricity, fuel for official vehicles, and fuel for generators, all of which are non-renewable energy sources. VSO Electronics Co., Ltd. sets an annual Scope 1 and Scope 2 emission reduction target of 3% (a 3% reduction in carbon emission intensity per million in revenue). However, in 2025, Scope 1 emissions reached 184.15 metric tons CO₂e, accounting for 8.43% of combined Scope 1 and Scope 2 emissions, while Scope 2 emissions reached 2,000.42 metric tons CO₂e, accounting for 91.57%. Compared to 2024, combined Scope 1 and Scope 2 emissions increased by 323.07 metric tons CO₂e, and the GHG emission intensity for Scope 1 and Scope 2 combined was 0.8302 (metric tons CO₂e/NT\$ million). The 2025 emissions data were calculated in accordance with the ISO 14064-1 standard and have not undergone external verification.

6.2.2 GHG Emissions

VSO Electronics Co., Ltd. follows ISO 14064-1:2018 and the Greenhouse Gas Protocol (GHG Protocol) to define its organizational boundary based on the operational control approach, with 2022 set as the base year for calculating and verifying GHG emissions. In 2023, VSO Electronics Co., Ltd. set targets ahead of the FSC's "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," launched in 2022, actively accelerating the progress of its GHG inventory.

In 2025, VSO Electronics Co., Ltd.'s Scope 1 direct GHG emissions were 184.15 metric tons CO₂e, Scope 2 energy indirect GHG emissions were 2,000.42 metric tons CO₂e, and Scope 3 other indirect emissions were 20,428.52 metric tons CO₂e. The 2025 GHG inventory data have not been verified by a third-party organization, and no verification statement has been obtained.

GHG Emissions and Intensity

Unit: metric tons CO₂e

Year	2025	2024	2023
Scope 1	184.15	171.30	185.31
Scope 2	2,000.42	1,690.20	1,412.09
Total	2,184.57	1,861.50	1,597.40
Emission Intensity (metric tons CO ₂ e / NT\$ million)	0.8302	0.8606	0.8796

Note 1: Gasoline and diesel used by official vehicles are compiled based on fueling records; diesel used by generators is compiled based on fueling records; usage of liquefied petroleum gas and carbon dioxide is compiled based on procurement records; electricity is compiled based on electricity bills.

Note 2: GHG emissions = activity data * GHG emission factor * GWP; GHG emissions are consolidated using the operational control approach; GHG emission factors and GWP values are based on the Taiwan Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table Version 6.04 and the IPCC Sixth Assessment Report (2021); the electricity emission factor is the one published by the Bureau of Energy, Ministry of Economic Affairs.

Note 3: GHG emission types include CO₂, N₂O, and CH₄; Scope 2 is calculated using the location-based method.

Note 4: Consolidated net revenue was NT\$2,632 million in 2025, NT\$2,163 million in 2024, and NT\$1,816 million in 2023.

Note 5: The unit conversion for liquefied petroleum gas is calculated using the Bureau of Energy's Energy Product Unit Calorific Value Table, based on 1 kg = 1.818 liters.

Scope 3 Inventory Categories and Emissions

Inventory Category	Emissions (CO ₂ e)
C1 – Category 4 Purchased Goods and Services	14,434.88
C2 – Category 4 Capital Goods	415.00
C3 – Category 4 Fuel- and Energy-Related Activities	586.19
C4 – Category 3 Upstream Transportation and Distribution	157.12
C5 – Category 4 Waste Generated in Operations	-
C6 – Category 3 Business Travel	158.29
C7 – Category 3 Employee Commuting	455.01
C8 – Category 4 Upstream Leased Assets	-
C9 – Category 3 Downstream Transportation and Distribution	4,222.02
C10 – Category 5 Processing of Sold Products	-
C11 – Category 5 Use of Sold Products	-
C12 – Category 5 End-of-Life Treatment of Sold Products	-
C13 – Category 5 Downstream Leased Assets	-

Inventory Category	Emissions (CO2e)
C14 – Category 5 Franchises	-
C15 – Category 5 Investments	-

6.2.3 Air Pollution Control

The Company has installed pollution control and treatment equipment for air emissions at all of its plants, and continues to implement source management by improving process equipment to reduce the environmental impact of air pollutant emissions.

◆ Configuration of Waste Gas Treatment Facilities

Currently, the Company's production plants are equipped with a combined waste gas treatment facility comprising "activated carbon adsorption + UV photolysis." This process uses activated carbon adsorption to capture organic pollutants in waste gas, followed by UV photolysis equipment to photocatalytically oxidize and decompose residual organic matter, effectively reducing the emission concentration of pollutants such as volatile organic compounds (VOCs) in waste gas.

◆ Source Management and Process Control

The Company continues to implement source control measures and actively promotes cleaner production by optimizing process parameters and improving process equipment to reduce waste gas generation at the source. At the same time, treatment facilities are regularly maintained, with activated carbon and UV lamp tubes replaced promptly, to ensure the plants' waste gas treatment systems operate stably and efficiently, reducing impact on the surrounding environment.

◆ Waste Gas Emission Monitoring

The Company annually engages qualified third-party environmental monitoring agencies (CMA-certified) to conduct routine monitoring of waste gas discharge outlets and kitchen fume exhaust outlets at each plant. Monitoring items cover characteristic pollutants such as kitchen fumes, non-methane hydrocarbons, lead and its compounds, and tin and its compounds. According to monitoring reports over the years, all monitoring indicators have complied with the emission limits set by local government authorities, with no incidents of exceedance.

In 2025, the Company strictly complied with the Montreal Protocol and relevant regulatory requirements, with no emissions of ozone-depleting substances (ODS), and the Company has no sources of ozone-depleting substances on its premises.

6.3 Energy Management

6.3.1 Energy Use Policy and Plans

VSO Electronics Co., Ltd.'s production and manufacturing activities primarily rely on electricity consumption, and the Company therefore continues to focus on improving energy use

efficiency. By adopting higher-efficiency equipment and various energy-saving measures, the Company has successfully increased production output while conserving energy, effectively improving overall production efficiency. One of the Company's production sites (VSO Ji An) has obtained ISO 50001 Energy Management System certification, and the Company plans to further expand the scope of ISO 50001 implementation in 2027. In 2025, VSO Electronics Co., Ltd. combined energy management with energy-saving plans to reduce electricity consumption in production and improve product manufacturing efficiency.

In addition, to reduce the impact of operational carbon emissions on environmental sustainability, VSO Electronics Co., Ltd. began planning the installation of a grid-connected solar power system at the Ji An plant in 2020, with an installed capacity of approximately 490 kWp. The system began grid-connected power generation in 2021, using green renewable solar power in the production processes at the Ji An plant, marking the Company's first step into low-carbon products. In 2025, the renewable energy usage rate was 16.07%.

In 2025, VSO Electronics Co., Ltd. implemented a number of energy-saving measures, achieving total annual electricity savings of approximately 451,767 kWh, equivalent to a reduction in annual energy consumption of 1,626 gigajoules (GJ).

VSO Electronics Co., Ltd.'s Energy-Saving Performance

Item	Amount Saved	Energy Reduction (GJ)	Calorific Value Factor
Electricity	451,767 kWh	1,626	3,600,000 J/kWh

Note 1: Since the energy management project was introduced starting in 2023, the base year is set as 2023, and the amount saved represents the reduction in energy use compared to 2023.

Note 2: 1 gigajoule (GJ) = 10^9 joules (J); 1 kilocalorie (kcal) = 4,184 joules (J); 1 kWh = 3.6×10^6 joules (J).

6.3.2 Energy Use

In 2025, VSO Electronics Co., Ltd.'s overall energy consumption increased by 17.96% compared to 2024, mainly due to expanded market demand, which led to increased operational scale of major production lines. In response to market demand for low-carbon, low-energy solutions, the Company has actively adopted high-efficiency equipment. In 2025, energy intensity per NT\$ million decreased by approximately 3% compared to 2024, effectively controlling environmental burden while expanding production capacity.

Energy Use

Energy Item	2025	2024	2023
Gasoline (liters)	19,134	20,280	32,548
Diesel (liters)	17,898	17,377	13,413
LPG (kg)	144	156	144
Electricity – Renewable (kWh)	682,876	484,045	482,838
Electricity – Non-renewable (kWh)	3,566,031	3,060,382	2,454,481

Energy Item (Unit: GJ)	2025	2024	2023
Gasoline	593.17	628.68	1,008.98
Diesel	644.34	625.56	482.88
LPG	6.57	7.11	6.57
Electricity – Renewable (kWh)	2,458.35	1,742.56	1,738.22
Electricity – Non-renewable (kWh)	12,837.71	11,017.38	8,836.13
Total Energy Consumption	16,540.14	14,021.29	12,072.78
Energy Intensity (GJ/NT\$ million)	6.2854	6.4823	6.6475

Note 1: Energy consumption = fuel consumption * fuel calorific value; the calorific value factor is based on the Bureau of Energy's Energy Product Unit Calorific Value Table.

Note 2: The unit conversion for liquefied petroleum gas is calculated using the Bureau of Energy's Energy Product Unit Calorific Value Table, based on 1 kg = 1.818 liters.

Note 3: Electricity accounted for 92.48% of total energy consumption, gasoline and diesel accounted for 7.48%, and liquefied petroleum gas accounted for 0.04%.

Energy Item	2025
External Energy Consumption (GJ)	16,540.14
External Energy Intensity (GJ/NT\$ million)	6.2854

Note 1: External energy consumption is calculated by converting the total electricity consumption during the use phase over the service life of the Company's major products sold in 2025 into energy units.

Note 2: External energy intensity is calculated using external energy consumption as the numerator and VSO Electronics Co., Ltd.'s consolidated revenue from major products in 2025 as the denominator.

6.4 Water Resources Management

6.4.1 Water Resources Management and Reduction Targets

◆ Water Resources Management

As global warming affects climate change, water resources are increasingly scarce under the impact of extreme weather worldwide, with many regions facing drought risk. VSO Electronics Co., Ltd. uses the World Resources Institute (WRI)'s water risk assessment tool to analyze the water resource conditions of its plants in Taiwan, China, and Vietnam, which shows that they are currently within the low to medium-low risk range.

VSO Electronics Co., Ltd. is primarily engaged in the assembly of electronic cable and wire harnesses, and its overall production process does not involve any water-intensive procedures. Water is mainly sourced from the tap water supply, with water withdrawn primarily used for water-cooled air conditioning, circulating water for some process cooling, and employee daily use.

In addition, VSO has installed rainwater harvesting and utilization systems at its own plants to collect rainwater for use in irrigating plants on the premises and flushing restrooms, among other daily uses. This not only saves tap water but also reduces electricity costs and carbon emissions, reserving precious tap water resources for uses that involve direct human contact or consumption.

◆ Wastewater Management

To ensure that discharged water quality meets environmental requirements, the small amount of production wastewater generated is treated by the wastewater treatment facilities within the industrial park before discharge, and domestic wastewater is treated through the sewage system, ensuring no significant impact on the environment.

6.4.2 Water Use

◆ Water Use Status

In 2025, VSO Electronics Co., Ltd.'s total water withdrawal was 21.5260 thousand cubic meters, with annual per capita water use of 15.86 cubic meters, a 21% decrease from the previous year. The Company will continue to reduce water use by 1% going forward to mitigate the impact of water scarcity on its operations.

Total Water Withdrawal

Unit: thousand cubic meters

Water Withdrawal Category	2025	2024	2023
Surface water	21.526	21.292	22.179
Groundwater	-	-	-
Seawater	-	-	-
Produced water	-	-	-
Third-party water	-	-	-
Total	21.526	21.292	22.179

Note 1: Surface water withdrawal is compiled based on water bills; groundwater withdrawal is compiled based on reported figures.

Note 2: All water withdrawal sources are freshwater.

Total Water Discharge

Unit: thousand cubic meters

Water Discharge Category	2025	2024	2023
Surface water	17.221	17.034	17.743
Groundwater	-	-	-
Seawater	-	-	-
Third-party water	-	-	-
Total	17.221	17.034	17.743

Note: Total water consumption = total water withdrawal - total water discharge; total water consumption in 2025 was 4.305 thousand cubic meters.

6.5 Waste Management

6.5.1 Waste Management and Reduction Targets

◆ Waste Management

Due to the nature of the electronic cable assembly industry in which VSO Electronics Co.,

Ltd. operates, most raw materials undergo pre-production processing by suppliers before being transported to the Company's production plants for assembly into finished products. As a result, the industrial waste generated at the production plants is extremely limited.

To maintain environmental sustainability, VSO Electronics Co., Ltd. follows the ISO 14001 Environmental Management System and has established a dedicated unit to ensure that waste is properly handled from generation to disposal. The waste generated by the Company mainly comes from office activities and production processes. Waste generated from office activities does not have a significant impact on the environment, society, or health. Since the Company's establishment, there has never been an incident of serious leakage of waste or other hazardous substances.

◆ Waste Reduction and Resource Recycling

The Company reviews the life cycle of its own products and prioritizes the use of durable, low-carbon, and reusable materials in material selection and product design, while reducing dependence on limited resources by procuring recycled packaging materials.

VSO Electronics Co., Ltd.'s general industrial waste is handled by qualified local contractors at each production plant in accordance with local waste treatment regulations and procedures. Hazardous industrial waste is not transported to any country other than the location where the waste was generated. Waste removal and disposal are conducted under contracts signed with qualified local waste disposal contractors at each site, with regular clearance carried out in accordance with the contract terms.

6.5.2 Waste Generation

In 2025, VSO Electronics Co., Ltd.'s total waste amounted to 39.49 metric tons, a decrease of 2.04 metric tons from 2024, representing a waste reduction of 4.9%. The main sources of waste generation are as follows:

Year	General Waste				Hazardous Waste			Total
	Recyclable	Household Waste	Food Waste	Subtotal	Recoverable	Non-recoverable	Subtotal	
2024	30.53	5.84	4.67	41.03	0.14	0.36	0.50	41.53
2025	30.16	5.40	3.60	39.16	0.00	0.33	0.33	39.49

6.5.3 Waste Management Policies and Measures Are as Follows:

- Domestic Waste and Industrial Waste at the Plants: In accordance with the Waste Disposal Act, VSO Electronics Co., Ltd.'s domestic waste is uniformly handled by the management unit of the industrial park where the plant is located, typically through incineration. Industrial waste is disposed of by contractors that comply with local government environmental regulations and possess the appropriate professional qualifications. Recyclable general industrial waste is outsourced for secondary use (recycling), while non-recyclable general industrial waste and hazardous industrial waste are outsourced for incineration.
- Domestic waste and industrial waste from offices are centrally handled by the management unit of the industrial park where the office is located, in accordance with local government environmental

regulations, and entrusted to contractors with the appropriate professional qualifications. Domestic waste is typically treated by incineration, while general industrial waste is treated by landfill.

6.6 Biodiversity

6.6.1 Biodiversity Commitments

On August 11, 2026, the Board of Directors approved the following biodiversity commitments:

- Ensure that operating activities comply with international, national, and local biodiversity laws.
- Avoid operating activities that damage endangered and protected species and their habitats.
- Refrain from development and construction in legally protected areas of biodiversity importance.
- Actively participate in the conservation of legally protected biodiversity areas.
- Do not convert areas of high conservation value.
- Ensure that the services or products involved in operating activities do not use threatened or endangered species listed on the IUCN Red List or under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- Do not knowingly procure goods from suppliers that cause biodiversity loss or illegal logging.
- Support biodiversity conservation actions or initiatives.
- Explore opportunities to invest in natural carbon sinks (including forests, soil, and oceans).
- Respect the right of Indigenous peoples to free, prior, and informed consent.
- Encourage suppliers to participate in this commitment to jointly protect biodiversity.

6.6.2 Biodiversity Implementation Status

VSO Ji An continues to plant trees and green the areas surrounding its plant, creating an eco-friendly working and living environment and enhancing biodiversity in the vicinity of the plant. As the plantings and ecological environment have gradually matured, a natural and diverse ecological landscape has formed around the plant, where fish, birds, and butterflies can be observed, and birds nest and breed among the trees, presenting a rich natural ecological scene.

Going forward, the Company will continue to maintain the greening and ecological environment around its plants, reducing the impact of operating activities on the natural environment through planting, environmentally friendly practices, and ecological observation, coexisting with the surrounding ecological environment, and putting into practice the concepts of biodiversity conservation and sustainable development.

Appendix I: GRI Content Index

Statement of use	VSO Electronics Co., Ltd. has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

Disclosure No.	Disclosure Item	Corresponding Section	Page
2-1	Organizational details	1.2 About the Company	2
2-2	Entities included in the organization's sustainability reporting	1.3.3 Report Boundary and Scope	4
2-3	Reporting period, frequency and contact point	1.3.2 Reporting Period and Frequency 1.3.6 Responsible Unit for the ESG Report	4
2-4	Restatements of information	1.3.4 Restatements of Information	4
2-5	External assurance	1.3.5 External Assurance	4
2-6	Activities, value chain and other business relationships	1.2 About the Company 4.9 Supply Chain Management	2 35
2-7	Employees	5.1.2.1 Employee Structure	37
2-8	Workers who are not employees	5.1.2.1 Employee Structure	37
2-9	Governance structure and composition	2.2.1 Governance Structure for Promoting Sustainable Development 2.3.2.1 Members and Diversity 2.3.3 Functional Committee Structure and Operations	5 8 11
2-10	Nomination and selection of the highest governance body	2.3.3.1 Remuneration and Nomination Committee	11
2-11	Chair of the highest governance body	2.3.2.4 Recusal from Conflicts of Interest	9
2-12	Role of the highest governance body in overseeing the management of impacts	2.3.1.1 Role and Oversight of Sustainability Management	7
2-13	Delegation of responsibility for managing impacts	2.2.1 Governance Structure for Promoting Sustainable Development	5
2-14	Role of the highest governance body in sustainability reporting	2.3.1.1 Role and Oversight of Sustainability Governance	7
2-15	Conflicts of interest	2.3.2.4 Recusal from Conflicts of Interest	9
2-16	Communication of critical concerns	2.2.2 Operations	6

Disclosure No.	Disclosure Item	Corresponding Section	Page
2-17	Collective knowledge of the highest governance body	2.3.1.3 Continuing Education on Sustainable Development	8
2-18	Evaluation of the performance of the highest governance body	2.3.1.2 Performance Evaluation of Sustainability Management Oversight	7
2-19	Remuneration policies	2.3.2.5 Remuneration Policy	9
2-20	Process to determine remuneration	2.3.2.5 Remuneration Policy	9
2-21	Annual total compensation ratio	2.3.2.5 Remuneration Policy	9
2-22	Statement on sustainable development strategy	2.1 Sustainable Development Strategy	5
2-23	Policy commitments	3.4 Management of Material Topics 4.3 Integrity Management 5.1.1 Human Rights Policy and Commitments	15 24 37
2-24	Embedding policy commitments	3.4 Management of Material Topics 4.3 Integrity Management 5.1.1 Human Rights Policy and Commitments	15 24 37
2-25	Processes to remediate negative impacts	4.4 Communication Channels and Grievance Mechanisms	26
2-26	Mechanisms for seeking advice and raising concerns	4.4 Communication Channels and Grievance Mechanisms	26
2-27	Compliance with laws and regulations	4.5.3 Risk Identification and Response	28
2-28	Membership associations	4.7 Participation in Associations and Organizations	33
2-29	Approach to stakeholder engagement	3.1 Stakeholder Engagement	12
2-30	Collective bargaining agreements	5.1.5 Collective Bargaining Agreements	43

GRI 3: Material Topics 2021

Disclosure No.	Disclosure Item	Corresponding Section	Page
3-1	Process to determine material topics	3.2 Process to Determine Material Topics	14
3-2	List of material topics	3.3 List of Material Topics	15
3-3	Management of material topics	3.4 Management of Material Topics	15
Economic			
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	4.1 Economic Performance	23

Disclosure No.	Disclosure Item	Corresponding Section	Page
201-2	Financial implications and other risks and opportunities due to climate change	6.1 Climate Change	50
201-3	Defined benefit plan obligations and other retirement plans	4.1 Economic Performance	23
201-4	Financial assistance received from government	4.1 Economic Performance	23
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.1.3 Employee Diversity, Inclusion and Equality	38
202-2	Proportion of senior management hired from the local community	5.1.3 Employee Diversity, Inclusion and Equality	38
GRI 203: Indirect Economic Impacts 2016			
203-1	Infrastructure investments and services supported	5.3.1 Infrastructure Investment and Support Services	48
203-2	Significant indirect economic impacts	5.3.1 Infrastructure Investment and Support Services	48
GRI 204: Procurement Practices 2016			
204-1	Proportion of spending on local suppliers	4.9.3 Local Procurement	36
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	4.3.1 Integrity and Anti-corruption	24
205-2	Communication and training about anti-corruption policies and procedures	4.3.1 Integrity and Anti-corruption	24
205-3	Confirmed incidents of corruption and actions taken	4.3.1 Integrity and Anti-corruption	24
GRI 207: Tax 2019			
207-1	Approach to tax	4.2 Tax	23
207-2	Tax governance, control, and risk management	4.2 Tax	23
207-3	Stakeholder engagement and management of concerns related to tax	4.2 Tax	23
207-4	Country-by-country reporting	4.2 Tax	23
Environmental			
GRI 301: Materials 2016			
301-1	Materials used by weight or volume	6.5 Waste Management	61
301-2	Recycled input materials used	6.5 Waste Management	61
301-3	Reclaimed products and their packaging materials	6.5 Waste Management	61
GRI 302: Energy 2016			

Disclosure No.	Disclosure Item	Corresponding Section	Page
302-1	Energy consumption within the organization	6.3.2 Energy Usage	59
302-2	Energy consumption outside of the organization	6.3.2 Energy Usage	59
302-3	Energy intensity	6.3.2 Energy Usage	59
302-4	Reduction of energy consumption	6.3.2 Energy Usage	59
302-5	Reductions in energy requirements of products and services	6.3 Energy Management	59
GRI 303: Water and Effluents 2016			
303-1	Interactions with water as a shared resource	6.4.1 Water Resources Management and Reduction Targets	60
303-2	Management of water discharge-related impacts	6.4.1 Water Resources Management and Reduction Targets	60
303-3	Water withdrawal	6.4.2 Water Usage	61
303-4	Water discharge	6.4.2 Water Usage	61
303-5	Water consumption	6.4.2 Water Usage	61
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	6.2.2 GHG Emissions	57
305-2	Energy indirect (Scope 2) GHG emissions	6.2.2 GHG Emissions	57
305-3	Other indirect (Scope 3) GHG emissions	6.2.2 GHG Emissions	57
305-4	GHG emissions intensity	6.2.2 GHG Emissions	57
305-5	Reduction of GHG emissions	6.2.1 GHG Management Strategy, Approach and Targets	56
305-6	Emissions of ozone-depleting substances (ODS)	6.2.3 Air Pollution Prevention	58
GRI 306: Waste 2016			
306-1	Waste generation and significant waste-related impacts	6.5.1 Waste Management and Reduction Targets	61
306-2	Management of significant waste-related impacts	6.5.1 Waste Management and Reduction Targets	61
306-3	Waste generated	6.5.2 Waste Generation	62
306-4	Waste diverted from disposal	6.5.2 Waste Generation	62
306-5	Waste directed to disposal	6.5.2 Waste Generation	62
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	4.9 Supply Chain Management	35
308-2	Negative environmental impacts in the	4.9 Supply Chain	35

Disclosure No.	Disclosure Item	Corresponding Section	Page
	supply chain and actions taken	Management	
Social			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	5.1.3 Employee Diversity, Inclusion and Equality	38
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.1.4 Employee Rights and Benefits	41
401-3	Parental leave	5.1.4 Employee Rights and Benefits	41
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	5.2.1 Occupational Safety and Health Policy	44
403-2	Hazard identification, risk assessment, and incident investigation	5.2.1 Occupational Safety and Health Policy	44
403-3	Occupational health services	5.2.1 Occupational Safety and Health Policy	44
403-4	Worker participation, consultation, and communication on occupational health and safety	5.2.1 Occupational Safety and Health Policy	44
403-5	Worker training on occupational health and safety	5.2.1 Occupational Safety and Health Policy	44
403-6	Promotion of worker health	5.2.1 Occupational Safety and Health Policy	44
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2.1 Occupational Safety and Health Policy	44
403-8	Workers covered by an occupational health and safety management system	5.2.1 Occupational Safety and Health Policy	44
403-9	Work-related injuries	5.2.2 Occupational Injuries	47
403-10	Work-related ill health	5.2.2 Occupational Injuries	47
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	5.1.6 Talent Development	43
404-2	Programs for upgrading employee skills and transition assistance programs	5.1.6 Talent Development	43
404-3	Percentage of employees receiving regular performance and career development reviews	5.1.6 Talent Development	43
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	2.3.2.1 Members and Diversity 5.1.3 Employee Diversity, Inclusion and Equality	8 38

Disclosure No.	Disclosure Item	Corresponding Section	Page
405-2	Ratio of basic salary and remuneration of women to men	5.1.4 Employee Rights and Benefits	41
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	5.1.3 Employee Diversity, Inclusion and Equality	38
GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1.5 Collective Bargaining Agreements	43
GRI 408: Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	5.1.1 Human Rights Policy and Commitments	37
GRI 409: Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1.1 Human Rights Policy and Commitments	37
GRI 412: Human Rights Assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	5.1.1 Human Rights Policy and Commitments	37
412-2	Employee training on human rights policies or procedures	5.1.6 Talent Development	43
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	5.1.1 Human Rights Policy and Commitments	37
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	5.3 Social Engagement	48
413-2	Operations with significant actual and potential negative impacts on local communities	5.3 Social Engagement	48
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	4.9 Supply Chain Management	35
414-2	Negative social impacts in the supply chain and actions taken	4.9 Supply Chain Management	35
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	4.8 Product and Service Management	34
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.8 Product and Service Management	34
GRI 417: Marketing and Labeling 2016			
417-1	Requirements for product and service	4.8.3 Marketing and	34

Disclosure No.	Disclosure Item	Corresponding Section	Page
	information and labeling	Labeling	
417-2	Incidents of non-compliance concerning product and service information and labeling	4.8.3 Marketing and Labeling	34
417-3	Incidents of non-compliance concerning marketing communications	4.8.3 Marketing and Labeling	34
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.6.2 Customer Privacy Protection	33

Appendix II: Climate-related Information Disclosure

Item	Report Disclosure Section	Page
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	6.1 Climate Change	50
2. Describe how identified climate risks and opportunities affect the Company's business, strategy, and finances (short-, medium-, and long-term).	6.1 Climate Change	50
3. Describe the financial impact of extreme weather events and transition actions.	6.1 Climate Change	50
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	6.1 Climate Change	50
5. Where scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used.	6.1 Climate Change	50
6. Where a transition plan is in place to address climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical risks and transition risks.	6.1 Climate Change	50
7. Where internal carbon pricing is used as a planning tool, describe the basis for setting the price.	6.1 Climate Change	50
8. Where climate-related targets have been set, describe the activities covered, the scope of GHG emissions, the planning timeframe, and annual progress toward achievement; where carbon offsets or Renewable Energy Certificates (RECs) are used to achieve such targets, describe the source and quantity of the carbon credits offset, or the quantity of RECs used.	6.1 Climate Change	50
9. GHG inventory and assurance status, and reduction targets, strategies, and concrete action plans.		
9.1 GHG Inventory	6.2.2 GHG Emissions	57
9.2 GHG Assurance	6.2.2 GHG Emissions	57
9.3 GHG Reduction Targets, Strategies, and Concrete Action Plans	6.2.1 GHG Management Strategy, Approach, and Targets	56

Appendix III: Industry-specific Sustainability Indicator Information

No.	Indicator	Indicator Type	Unit	Report Disclosure Section	Page
1	Total energy consumption, percentage of purchased electricity, and renewable energy usage rate	Quantitative	Gigajoules (GJ), Percentage (%)	6.3 Energy Management	59
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (m3)	6.4 Water Resources Management	60
3	Weight of hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), Percentage (%)	6.5 Waste Management	61
4	Description of occupational injury types, number of cases, and rates	Quantitative	Rate (%), Number of cases	5.2.2 Occupational Injury	47
5	Disclosure of product lifecycle management: weight of end-of-life products and e-waste, and recycling percentage	Quantitative	Metric tons (t), Percentage (%)	6.5 Waste Management	61
6	Description of risk management related to the use of critical materials	Qualitative description	Not applicable	Cable and wire harness assembly products primarily use materials such as copper, tin, plastic, PVC, and metal terminals. These raw materials are subject to global political, economic, supply-and-demand, and environmental policy influences, resulting in relatively high risks of price volatility	-

				and supply disruption. To effectively manage critical material risks, the Company adopts a diversified sourcing strategy to avoid over-reliance on a single supplier, and has established raw material inventory and price early-warning mechanisms. At the same time, the Company is progressively requiring suppliers to provide conflict-minerals-free declarations to ensure the compliance of raw material sources. To reduce environmental impact, the Company also continues to evaluate the feasibility of halogen-free, recyclable, or low-carbon alternative materials, strengthening supply chain resilience and moving toward the goal of green manufacturing.	
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7	Total monetary losses resulting from legal proceedings associated with anti-competitive behavior regulations	Quantitative	New Taiwan Dollars (TWD)	4.3 Integrity Management	24
8	Quantification of production volume of key products by product category	Quantitative	Metric tons (t), Percentage (%)	The production volume of key products, cable and wire harness assemblies, totaled 40,417,644 PCS	-

Appendix IV: SASB Content Index

Disclosure Topic	Code	Metric Description	Unit	Report Disclosure Section	Page
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Qualitative	4.8 Product and Service Management	34
Employee Diversity & Inclusion	TC-HW-330a.1	(1) Management (2) Technical Staff (3) Percentage of all other employees by gender and racial group	%	5.1.3 Employee Diversity, Inclusion and Equality	38
Product Lifecycle Management	TC-HW-410a.1	Percentage of products, by revenue, that contain IEC 62474 declarable substances	%	Information has not yet been fully collected. Not disclosed	-
	TC-HW-410a.2	Percentage of eligible products, by revenue, that meet EPEAT registration requirements or equivalent	%	Not a complete/finished-unit product; not within the scope of EPEAT registration. Not applicable	-
	TC-HW-410a.3	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria	%	Not a complete/finished-unit product; not within the scope of ENERGY STAR® certification. Not applicable	-
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	%	6.5 Waste Management	61
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities that have completed the RBA Validated Audit Process (VAP) or equivalent audit, for (a) all facilities and (b) high-risk facilities	%	4.9.1 Supplier Management Policy 4.9.2 Supplier Management and Execution Status	35 36
	TC-HW-	(1) Tier 1 suppliers' non-conformance rate with the	%	4.9.2 Supplier Management and Execution Status	36

Disclosure Topic	Code	Metric Description	Unit	Report Disclosure Section	Page
	430a.2	RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances			
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Qualitative	Cable and wire harness assembly products primarily use materials such as copper, tin, plastic, PVC, and metal terminals. These raw materials are subject to global political, economic, supply-and-demand, and environmental policy influences, resulting in relatively high risks of price volatility and supply disruption. To effectively manage critical material risks, the Company adopts a diversified sourcing strategy to avoid over-reliance on a single supplier, and has established raw material inventory and price early-warning mechanisms. At the same time, the Company is progressively requiring suppliers to provide conflict-minerals-free declarations to ensure the compliance of raw material sources. To reduce environmental impact, the Company also continues to evaluate the feasibility of halogen-free, recyclable, or low-carbon alternative materials, strengthening supply chain resilience and moving toward the goal of green manufacturing.	-

Appendix V: Assurance Statement from the Assurance Body

This Report and its sustainability indicators have not been engaged for verification by a third-party assurance body; going forward, the Company will, as needed, engage assurance personnel or a body that complies with the relevant requirements of the "Directions for Assurance Institutions Providing Assurance on Sustainability Reports of TWSE/TPEX Listed Companies" to perform such assurance.



VSO Electronics Co., Ltd.

7F, No. 880, Zhong Heng Road, Zhong He Dist., New Taipei City

+886-2-3234-3038

www.vso-corp.com

