SUSTAINABILITY REPORT 2025



In formation, geese conquer a
thousand miles – in unity,
we build a legacy for the future.

CONTENTS



CHAPTER 1 About This Report

03 CEO Message
04 About HwaComSystems
05 Report Information



CHAPTER 2 Sustainable Operations

07 Sustainability Strategy
08 Sustainability Governance
08 Sustainability Development Committee
09 Board of Directors and Functional Committees
13 Board Performance Evaluation
14 Conflict of Interest Avoidance Mechanism
14 Remuneration Policy and Performance Linkage



CHAPTER 3 Stakeholders and ESG Materiality Assessment

16 Stakeholder Engagement
18 ESG Materiality Assessment Analysis: Process and Results
20 ESG Materiality Assessment and Management Approach
21 Two-Period Comparison of ESG Materiality Assessment



CHAPTER 4 Governance

23 Business Performance and Financial Results
24 Tax Governance and Performance
24 Governance Structure and Board Composition
25 Risk Management
27 Integrity Management
28 Communication Channels and Grievance Mechanisms
28 Legal Compliance
29 External Advocacy and Association Participation

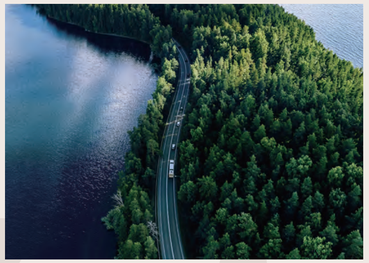


CHAPTER 5 Social

31 Human Rights Policy and Commitments
32 Human Capital Overview and Diversity & Inclusion
36 Talent Development and Growth
38 Employee Rights and Wellbeing
39 Occupational Safety and Health
42 Employee Communication and Harmonious Labor Relations
43 Community Engagement & Operational Impact Management
45 Information Security and Customer Privacy Protection
50 Supplier Sustainability Management
53 Sustainable Solutions and Service Responsibility

CHAPTER 6 Environment

55 Climate Change Management and TCFD Disclosure
59 Environmental Sustainability and GHG Management Policy
60 Energy Management Plan and Implementation
62 Water Resource Management
63 Waste Management
64 Natural Issues and Focus



Appendix

66 Green Procurement Expenditure Supporting Document
66 Documents Demonstrating HwaCom Systems' Ability to Deliver Quality Services
67 Recognitions for Event Sponsorships
68 Recognitions for Social Engagements
69 GRI Content Index
72 TCFD Climate-Related Information Index
73 SASB Material Topics Management Approach

CHAPTER 1

Highlights

Recognized for Supporting Diverse Workforce

Recognized by CommonWealth Magazine's "Top 100 Taiwanese Companies of Multi-Generational Workforce," showcasing the company's efforts in supporting a diverse workforce spanning up to five generations.

Awarded for Carbon Reduction Efforts

Won the "Carbon Footprint Action Award" and "Gold Sustainable Partner" from the country's top telecom service provider Chunghwa Telecom for building a sustainable and resilient future together.

Securing CDP's highest SME Rating ‘B’

Among the first batch of SMEs in Taiwan to receive a CDP (Carbon Disclosure Project) rating of "B" in the international carbon disclosure assessment — surpassing most SMEs in the industry.

Annual Green Procurement Expands By Nearly 20%

The amount of green procurement grew by nearly 20% year-over-year, reflecting continuous investment in environmentally sustainable products.



CEO MESSAGE

Driving Sustainability Through Data, Empowering the Future with Intelligence

GRI 2-22



Dear Stakeholders,

Generative AI has entered the stage of real-world implementation and is reshaping the world at an unprecedented pace. As one of Taiwan's leading ICT integration service providers, HwaCom Systems not only deeply recognizes the challenges this era presents, but embraces them as opportunities to realize our corporate values.

Looking back on 2025, we continued to integrate artificial intelligence into our solutions across four major domains — ICT, smart applications, digital media, and information security — while extending its use throughout our internal daily operations. We delivered a full range of state-of-the-art solutions for clients in the telecommunications industry, government and finance, transportation, and large technology enterprises, while helping clients build digital security systems that are both resilient and forward-looking — committed to creating substantial and lasting positive impact for society, the environment, and the economy.

Smooth and safe transportation is the cornerstone of sustainable urban development. HwaCom Systems continues to deepen its expertise in smart transportation. We not only participated in the ITS World Congress held in Atlanta, exchanging cutting-edge technologies with international experts, but also translated innovation into real-world practice. Our C-V2X (Cellular Vehicle-to-Everything) national-level verification field has expanded to 13 diverse testing scenarios, and deployment sites of our "AI-empowered Intersection Safety and Traffic Efficiency Enhancement System" grew substantially to nearly 100 locations in 2025. Every leap in these numbers represents our dedication in smart transportation engineering to improving road user safety and alleviating traffic congestion.

The company continues to leverage digital governance to enable a more efficient and secure future. We believe the value of technology lies in "people." HwaCom Systems' "VSV Cloud Public Childcare Video Surveillance Service" expanded in 2025 to more than 200 public childcare facilities across 6 major cities, using the warmth of technology to ensure the safety of our nation's future generations.

Given the widespread adoption of IoT applications, HwaCom Systems integrates industry-leading technologies to provide cybersecurity solutions spanning the full project lifecycle, rigorously safeguarding information and personal data security throughout the introduction of new technologies. Building on the Group's strengths, our subsidiary "Open Information Security Inc. (OIS)" is dedicated to providing comprehensive protection services for government and enterprise clients. Beyond introducing industry-leading cybersecurity concepts, it offers compliance consulting, AI-assisted testing, cloud protection, zero-trust architecture, and post-quantum cybersecurity solutions. Meanwhile, through professional MDR (Managed Detection and Response) and SOC (Security Operations Center) managed service teams, threat intelligence is analyzed in real time, enabling rapid verification and precise response. Furthermore, the subsidiary is partnering with national universities to establish cybersecurity bases, deepening Taiwan's critical technology R&D and talent cultivation.

As artificial intelligence rapidly spreads across every industry, HwaCom Systems—a company that values corporate social responsibility—has also introduced the concept of "Responsible AI" into its software development process, at every stage from design, development, and verification through deployment and operations. HwaCom Systems is progressively transforming and expanding from a systems integrator into an AI-empowered solution service provider: externally, strengthening the competitiveness of our transportation and security products through AI Box and AI Agent respectively; internally, enhancing digital transformation and knowledge management effectiveness through SmartQ LAS, our enterprise-grade generative AI platform.

Lastly, on behalf of the company, I extend my heartfelt gratitude to all our employees for their dedication, to our customers and partners for their trust, and to our shareholders for their support. HwaCom Systems will walk the path of sustainable development with unwavering resolve—pursuing not only operational growth and profitability, but placing ever greater weight on our social responsibility toward sustainability—aspiring to be an enterprise that contributes to society, acts responsibly toward the environment, and makes its employees proud.

Chairman, HwaCom Systems Co., Ltd.
March 2026

ABOUT

About HwaCom Systems

GRI 2-1

HwaCom Systems Co., Ltd. (Stock Code: 6163; hereinafter "HwaCom" or "the Company") was established in 1994 and is headquartered in Xizhi District, New Taipei City. The Company focuses on four core business domains—Information and Communications Technology (ICT), digital media, smart applications, and information security—serving clients across the telecommunications industry, government agencies, financial institutions, and large technology enterprises, and has transformed into a comprehensive service integrator capable of executing cross-domain integration.

The Company is a company limited by shares incorporated under the Company Act of the Republic of China (Taiwan), with its stock listed and traded on the Taipei Exchange (OTC). In accordance with the Securities and Exchange Act and the relevant regulations of the competent authorities, the Company's financial reports, annual reports, and major shareholder information are disclosed on the Market Observation Post System (MOPS) as required by law—to maintain information transparency, protect investors' rights and interests, and fulfill corporate governance requirements.

All of the parent company's operational locations are currently located in Taiwan; the reporting boundary of this report does not extend to overseas regions.

Operational Performance Summary

Item	FY2025 (Consolidated)	FY2024 (Consolidated)
Paid-in Capital (NT$ thousand)	1,420,162	1,410,502
Operating Revenue (NT$ thousand)	6,105,816	5,503,771
Number of Employees	927	853
Main Locations	Xizhi (HQ), Zhongli, Hsinchu, Taichung, Tainan, Kaohsiung, Hualien, and Taitung	

Note: The above financial data is presented on a consolidated basis. The scope of employee headcount and operational location data aligns with the Company's organizational structure.



INFO

Report Information

GRI 2-2, 2-3, 2-4, 2-5

This report discloses HwaCom Systems' approach and performance across Environmental (E), Social (S), and Governance (G) dimensions, together with the Company's relevant strategies and action plans.

Information Restatement	There were no instances of information restatement in HwaCom Systems Co., Ltd.'s 2024 Sustainability Report.
Reporting Period and Cycle	• Reporting Period: January 1, 2025 to December 31, 2025. The sustainability report is prepared on a regular annual basis. • Publication Cycle: This report is published in August 2026, uploaded to the corresponding system in accordance with Financial Supervisory Commission (FSC) regulations, and made available on the Company's website.
Reporting Boundary[1] and Operating Locations (ESG Data)	The Company's headquarters is located in Xizhi, New Taipei City. This report covers the Company headquarters and its major business locations across Taiwan, encompassing a total of 13 operating locations as listed below:

No	Office	Address
1	Xizhi Headquarters	11F, No. 108, Sec. 1, Xintaiwu Road, Xizhi Dist., New Taipei City (Main Office)
2	Zhongli Office	5F.-5B, No. 121, Huanxi Rd., Zhongli Dist., Taoyuan City
3	Hsinchu Office	16F.-1, No. 27, Guanxin Rd., Hsinchu City
4	Taichung Office	2F-3F, Wenkang Building, No. 658, Sec. 2, Liming Rd., Nantun Dist., Taichung City
5	Tainan Office	3F., No. 191, Yuping Rd., East Dist., Tainan City
6	Kaohsiung Office	14F., No. 55, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City
7	Hualien Office	5F.-1, No. 148, Zhongmei Rd., Hualien City
8	Taitung Office	1F., No. 10, Zhengtong 4th St., Shangwu Village, Dawu Township, Taitung County

Financial Performance	The financial reporting scope of this report is consistent with the consolidated financial statements.
Non-Financial Performance (ESG Data)	• Compiled in accordance with the 2021 GRI (Global Reporting Initiative) Standards. • Compiled In accordance with the Financial Supervisory Commission's "Sustainability Report Guidelines for TWSE-Listed Companies."
Data and Information Statement	This report has not been assured by an independent third-party assurance institution. In accordance with the FSC's "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies," the Company plans to progressively implement greenhouse gas inventory assurance in line with the regulatory timeline.

[1] The parent company is the Group's principal operating entity, accounting for more than 90% of the Group's overall revenue and employee headcount. In accordance with the "Sustainable Development Roadmap for TWSE- and TPEx-Listed Companies" issued by the Financial Supervisory Commission, we plan to formally disclose ESG data covering the consolidated financial statement scope — including all subsidiaries — in 2027.

Contact Information GRI 2-3

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

Department — ESG Promotion Center
Phone — 02-2696-7155
Email — hwacom.spokesperson@hwacom.com
Address — 11F, No. 108, Sec. 1, Xintaiwu Rd., Xizhi Dist., New Taipei City
Official Website — https://www.hwacom.com/



CHAPTER 2

Sustainable Operations

The Twin Green & Digital Transformation

HwaCom leverages digital technologies to enable a low-carbon operation—not only pursuing carbon reduction in its own operations, but also helping governments and enterprises achieve "digital innovation" and "green sustainability" through smart transportation and AI-driven applications. Through smart energy-saving solutions and fleet management, the Company systematically reduces its environmental footprint, laying a solid data foundation for future net-zero carbon goals.

Talent Development and Social Inclusion

We regard our employees as our most important assets, and translate operational results into shared momentum for all. The Company allocates 10% to 20% of profits as employee bonuses, closely linking Company growth with employee welfare and long-term retention.

Sustainability Strategy

GRI 2-22, 201

HwaCom regards sustainability as the cornerstone of its business strategy. We deeply integrate the three dimensions of Environment, Society, and Governance, combining our core technological capabilities and services, and are committed to building a resilient business model. We actively drive digital transformation, invest resources in developing a sustainable environment, maintaining social welfare, and advancing corporate governance across all ESG topics. Through our professional expertise, we aim to become the key strategic partner for all stakeholders in digital innovation and green sustainability—taking on our corporate sustainability responsibilities and achieving the goals of co-prosperity, sharing, and mutual benefit.

Core Sustainability Work Areas

01 Integrity Governance & Information Security

HwaCom upholds the core values of integrity and innovation, continuously deepening organizational integrity culture, internal controls, and risk management mechanisms. We regard "information security" and "data privacy" as core commitments to stakeholders, ensuring their data assets receive the highest level of protection.

02 Green Operations & Climate Action

In response to Taiwan's 2050 net-zero emission pathway, the company launched its first systematic greenhouse gas inventory (14064-1:2018) in 2024, and through introducing smart energy-saving solutions and optimizing fleet management, continues to identify and reduce the environmental footprint during operations.

03 Innovative Technology & Sustainable Enablement

Focused on smart transportation, cloud IoT, and AI-driven application among other core technologies, the company developed energy-efficient and high-efficiency integrated solutions. We not only pursue our own sustainability, but also empower public and private sector clients to achieve the dual goals of digital transformation and environmental sustainability.

04 Human Capital & Social Inclusion

We firmly believe employees are the company's most important assets. Through human rights protection, creating a diverse and equal workplace, establishing smooth labor communication channels, and promoting industry-academia collaboration, we actively retain key talent. We also give back to society through the HwaCom Foundation.

Sustainability Governance

GRI 2-9, 2-11, 2-12, 2-16

To ensure that sustainability development strategies are effectively implemented, the company has established a clear "top-down" governance framework. The Board of Directors plays the highest supervisory role, supported by a Sustainability Development Committee composed of the Chairman and Deputy General Managers from each business unit, responsible for planning and overseeing the company's sustainability development strategy and implementation results. Six key executive functional groups have also been established to comprehensively carry out all sustainability action plans and report implementation results on a regular basis.

In addition to routine ESG strategy implementation reports, when significant ESG events arise—such as major legal disputes or serious negative-impact incidents—the Sustainability Development Committee is required to report the findings of relevant departmental investigations and response measures to the Board for deliberation.

Sustainability Governance Framework



Sustainability Development Committee

GRI 2-12, 2-13

To effectively advance the company's overall sustainability work, HwaCom has established a Sustainability Development Committee, chaired by the Chairman and composed of senior managers from across all business fields. The committee is responsible for planning the company's overall ESG strategy, target-setting, and performance review, ensuring that sustainability development concepts are closely integrated with the company's core operations. In 2025, the Sustainability Development Committee held 9 meetings and submitted 2 special reports to the Board of Directors on major sustainability topics, including climate-related risks and opportunities, and stakeholder engagement.

In these meetings, the committee specifically reviewed a number of key topics, including climate change impact analysis (such as carbon inventory progress and carbon reduction plan evaluation), major information security risks and countermeasure strategies, supply chain sustainability criteria, talent cultivation and diverse social inclusion approaches, and social participation activity effectiveness. The committee reviews the reports of each functional group, analyzes key performance indicators (KPIs), and invites relevant principal supervisors to explain and discuss, ensuring the company's management of material impacts is robust and effective. The committee's decisions and recommendations are regularly submitted to the Board for review and guidance, to ensure sustainability strategies align with the company's overall operational objectives and effectively respond to the expectations of both internal and external stakeholders.

Impact Management Responsibility Authorization GRI 2-13

The Company's highest governance body (Board of Directors) clearly delegates the responsibilities of managing significant impacts to the management level and various functional groups through the Sustainability Development Committee. Based on the sustainability development strategies and objectives approved by the Board, the committee jointly formulates annual action plans and key performance indicators with each group, and tracks implementation progress and outcomes from each responsible unit. Each group is required to regularly report progress to the Sustainability Development Committee and raise recommendations for addressing potential impacts. The committee compiles and synthesizes this content and submits regular reports to the Board, ensuring the impact management mechanism is effectively operated and continuously optimized—thereby fulfilling the company's commitment to sustainable development.

Sustainability Development Functional Group

To implement the strategic approach formulated by the committee, six functional groups have been established under the Sustainability Development Committee, coordinated by the ESG Promotion Center and led by the principal supervisors of each responsible unit. Each group formulates annual action plans and regularly tracks implementation progress.

Board of Directors and Functional Committees

GRI 2-9, 2-17, 2-18

Board Supervisory Function

HwaCom's Board of Directors, as the company's highest governance body, is responsible for reviewing sustainability development policies, procedures, and frameworks. Through regular meetings, the Board provides comprehensive oversight of all major sustainability topics and monitors their implementation effectiveness.

Director Nomination and Selection GRI 2-10

The nomination and selection of HwaCom's Board members follows the "Measures for Election of Directors" and "Corporate Governance Best Practice Principles" and other internal regulations. We comprehensively evaluate candidates' academic and professional backgrounds, professional capabilities, diversity, and independence. After review and approval by the Board's Audit Committee, candidates are submitted to shareholders' meetings for election. Additionally, pursuant to the Company Act, shareholders holding more than one percent of total outstanding shares may also nominate director candidates in writing to the company, to reflect a broader range of talent and safeguard shareholders' rights.



Board Composition and Diversity

The current Board consists of 9 directors, including 4 independent directors (accounting for 44.44%) and 2 female directors (accounting for 22.22%). Members' professional backgrounds span telecommunications, financial accounting, legal, risk management, and sustainability development, among other diverse fields. Current Board members demonstrate outstanding performance in business strategy, risk control, and market development, and all possess the core skills required for the company's development. Considering the stability and continuity of Board operations, the current membership structure has been maintained, resulting in the gender ratio not yet reaching one-third. The company plans to list "gender diversity" as a priority selection criterion when increasing independent director seats in future years, in order to optimize the Board's composition.

Board of Directors — Member List

Title	Name	Gender	Core Area of Expertise
Chairman	Gary Chen	Male	Business Management, Telecommunications Industry
Director	Michael Huang (Rep. of Advantech Investment Co., Ltd.)	Male	Financial Financing, Strategic Investment
Director	Alex Yang (Rep. of Lutain Investment Co. Ltd.)	Male	Technical Research, Operations Management
Director	Alex Huang	Male	International Trade, Business Development
Director	Ellen Weng	Female	Information Engineering, Operations Management
Independent Director	Jason Lee	Male	Financial Accounting, Securities Investment
Independent Director	Chorng-Shyong Ong	Male	Information Management, Academic Research
Independent Director	Cllin Lin	Female	Electrical Engineering, Sustainable Development
Independent Director	Yang-Cheng Lu	Male	Sustainability Governance, Risk Management

Board Operations and Continuing Education

The Board held 9 meetings in 2025, with an overall director attendance rate of 88.89%. To enable directors to stay current on the latest regulations and industry trends, professional training was actively arranged. In 2025, all Board members collectively completed a total of 66 hours of training, with course topics covering sustainability governance, digital transformation, AI applications, and financial accounting trends and other cutting-edge subjects.

Through the diverse professional backgrounds of Board members—spanning telecommunications, finance, legal, risk management, and sustainability development—combined with systematic continuing education, the Board is equipped to comprehensively and deeply understand and oversee the various major sustainability impacts the company faces, such as climate change risks, digital security challenges, talent development, and supply chain responsibility. By ensuring Board members have forward-looking vision and professional knowledge through strategic curriculum arrangements, the company is guided to make sound and stable decisions on complex sustainability topics.

Board Operations — Attendance Record

Title	Name	Actual Attendance (Sessions)	Attendance by Proxy (Sessions)	Actual Attendance Rate (%)
Chairman	Gary Chen	9	0	100.00%
Director	Michael Huang (Rep. of Advantech Investment Co., Ltd.)	8	1	88.89%
Director	Alex Yang (Rep. of Lutain Investment Co. Ltd.)	9	0	100.00%
Director	Ellen Weng	8	0	88.89%
Director	Alex Huang	7	0	77.78%
Independent Director	Jason Lee	8	1	88.89%
Independent Director	Chorng-Shyong Ong	8	1	88.89%
Independent Director	Cllin Lin	9	0	100.00%
Independent Director	Yang-Cheng Lu	4	2	66.67%

Appointed on June 20, 2025

All Directors — Training Record

Title	Name	Required Hours	Training Institution(s)	Course Title(s)	Hours
Chairman	Gary Chen	6	• Taiwan Proiect Management Association (TPMA)	• Corporate Digital Transformation Case Study • Financial Report Analysis and Financial Accounting Trends • Applications of Generative AI and ChatGPT	9
Director	Ellen Weng	6	• ROC Securities and Futures Institute (SFI)	• Sustainability Development Roadmap: Opportunities and Climate Greenhouse Gas Inventory • Director's Legal Duties and Workplace Harassment Prevention	6
Director	Alex Huang	6	• Taiwan Proiect Management Association (TPMA)	• AI and Its Applications • Generative AI Integrated Applications	6
Rep. of Institutional Director	Michael Huang (Rep. of Advantech Investment Co., Ltd.)	6	• Taiwan Institute of Directors • ROC Corporate Operating and Sustainable Development Association (COA)	• M&A Strategy and Post-Merger Integration • Sharing M&A Experience and Strategic Organizational Restructuring • M&A Transactions and Enterprise Valuation Review • M&A Transactions and Company Law • Secrets of Successful Corporate Investment M&A	15
Rep. of Institutional Director	Alex Yang (Rep. of Lutain Investment Co. Ltd.)	6	• Taiwan Corporate Governance Association (CGA)	• Corporate Innovation Growth and AI • Corporate Governance and Sustainable Governance	6
Independent Director	Jason Lee	6	• Taiwan Academy of Banking and Finance (TABF) • Taiwan Corporate Governance Association (CGA)	• Corporate Governance Forum • Impact of ESG Risks on Financial Performance	6
Independent Director	Chorng-Shyong Ong	6	• ROC Securities and Futures Institute (SFI) • Taiwan Corporate Governance Association (CGA)	• Integrity Management, Employee Misconduct, and Group-Level Governance, including Gender Equity Management • Impact of ESG Risks on Financial Performance	6
Independent Director	Cllin Lin	6	• ROC Securities and Futures Institute (SFI) • International Project Management Association (IPMA)	• Half-Century Wars: Taiwan Semiconductor's Key Technologies and Global Landscape • AI Trends Analysis and Enterprise Risk Management Strategies	6
Independent Director	Yang-Cheng Lu	6	• Independent Director Association Taiwan (TIDA)	• Latest Developments in Anti-Money Laundering and Counter-Terrorism Financing • Financial Supervision and the Future of Financial Innovation	6

Director Professional Qualifications and Independent Director Independence Disclosure

Name \ Title	Education/work experience	Independence	Number of outside directorships held
Chairman Gary Chen	• M.S. in Electronic & Information Industry R&D, NKUST • President of Hand Information Co., Ltd. • President of the Company • Representative of Hwakuan Systems Integration Technology (Shanghai) Co., Ltd. • Chairman of Lutain Investment Co., Ltd. • Representative of HwaCom Charity Foundation • Chairman of S-Link Systems Inc. • Chairman of Tarantula Networks Ltd. • Chairman of Family plus technology Inc. • Chairman of Open Information Security Inc. • Chairman of Hua-Ai Human Resources Services Co., Ltd. • Chairman, HWACOM SYSTEMS (H.K.) LIMITED • Chairman, Aivid Technology Inc. • Chairman, Hon Conn Innovation Corporation	—	0
Director Advantech Investment Co., Ltd./ Rep. Michael Huang	• MS in Finance, CU Denver • Project Manager of Strategic Investment Dept., Advantech Co., Ltd. • Director, Cermate Technology Co., Ltd. • Director, iPlatfrom24 Co., Ltd. • Director, CDIB Capital Innovation Accelerator Co., Ltd. • Director, Mildex Optical Inc. • Director, AzureWave Technologies, Inc. • Director, Impelex Data Transfer Co., Ltd. • Director, VSO Electronics Co., Ltd. • Director, International Integrated Systems, Inc. (IISI) • Director, Freedom Systems Inc. • Director, Yanxu Green Power Co., Ltd. • Director, Expetech Co., Ltd.	—	0
Director Lutain Investment Co., Ltd. / Rep. Alex Yang	• Master in Electrical Engineering, NTU • Vice President of the Company	—	0
Director Alex Huang	• Master in International Business, NCCU • Former Sales Director of Streaming21 Technologies Inc. • Vice President of the Company • Director of Family plus technology Inc. • Director of Aivid Technology Inc.	—	0
Director Ellen Weng	• NTU Information Management EMBA • Former Sales Manager of Hand Information Co., Ltd. • Vice President of the Company	—	0
Independent Director Jason Lee	• Master of Business Administration, NTU • President of Da Hwa International Securities Investment Consulting Co., Ltd • Member of the Company's Remuneration Committee	No situations as described in the Article 3 in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," meaning all are qualified as independent directors.	0
Independent Director Chorng-Shyong Ong	• PhD in Business Administration, NTU • Deputy Dean of College of Management, NTU • Member of Board of Examiners of Civil Service Examinations • Member of Remuneration Committee of HwaCom Systems Inc. • Adjunct Professor of Information Management, NTU		1
Independent Director Cllin Lin	• PhD of Electrical Engineering, NTU • Professor of Department of Electronic Engineering and Dean of School of Engineering and Management, Huafan University • Adjunct Professor of Department of Technology for Smart Living, Huafan University • Member of Remuneration Committee of HwaCom Systems Inc. • Adjunct Professor, Department of Electrical Engineering, Asia Eastern University of Science and Technology		0
Independent Director Yang-Cheng Lu	• PhD in Financial Management, NCTU (school renamed NYCU since 2021) • Professor and Chief Sustainability Officer of Ming Chuan University • Independent Director of Hua Nan Securities, Hua Nan Financial Holdings Co., Ltd. • Member of the Labor Fund Supervision Committee, Ministry of Labor • Member of Pension Investment Supervisory Committee • Member of Investment Decision Committee of the Public Service Pension Fund, Ministry of Civil Service • Member of Life Insurance Product Review Committee, Insurance Bureau, FSC		1

Board Diversity and Independence

(i) Board Diversity: Nominations and elections of Board members follow the company's articles of incorporation. All director elections adopt a candidate nomination system, evaluating each candidate's academic and professional qualifications in accordance with the "Measures for Election of Directors" and "Corporate Governance Best Practice Principles," to ensure Board members' diversity and independence. Current Board members all possess operational management capability, decision-making ability, industry knowledge, international perspective, and accounting and financial analysis ability.

(ii) Board Independence: The company has 9 directors (including 4 independent directors). Independent directors account for 44.44% of the Board, female directors for 22.22%, and 1 independent director has served for 6 years or more. All independent directors comply with the Financial Supervisory Commission's independence regulations, and there are no situations between directors and independent directors as described in Securities Exchange Act Article 26, Section 3, Paragraphs 3 and 4.

Name	Board Diversity Matrix									Professional Knowledge and Skills				
	Gender	Nationality	Title	Age			Independent director tenure			Mgmt	Decision	Industry	Intl.	Finance
				<50	50–60	60+	<3Y	3–6Y	6Y+					
Gary Chen	M	ROC	Chairman and GM			v				v	v	v	v	
Michael Huang (Rep. of Advantech Investment Co., Ltd.)	M	ROC	-		v					v	v	v	v	
Alex Yang (Rep. of Lutain Investment Co. Ltd.)	M	ROC	Deputy GM		v					v	v	v	v	
Alex Huang	M	ROC	Deputy GM	v						v	v	v	v	v
Ellen Weng	F	ROC	Deputy GM		v					v	v	v	v	
Jason Lee (Ind.)	M	ROC	-			v			v	v	v	v	v	v
Chorng-Shyong Ong (Ind.)	M	ROC	-			v	v			v	v	v	v	v
Cllin Lin (Ind.)	F	ROC	-			v	v			v	v	v	v	
Yang-Cheng Lu (Ind.)	M	ROC	-			v	v			v	v	v	v	v

Note: Mgmt = Management Capability; Decision = Decision-Making Ability; Industry = Industry Knowledge; Intl. = International Perspective; Finance = Accounting/Financial Analysis Ability



Board Performance Evaluation

GRI 2-18

To implement corporate governance and enhance Board operational effectiveness, the company conducts regular Board performance evaluations in accordance with the "Measures for Board Performance Evaluation," assessing the overall Board, individual Board members, and functional committees on an annual basis. The evaluation scope covers the operational effectiveness of the Board as a whole, individual members, and functional committees, and incorporates the supervisory outcomes of the company's sustainability development objectives into the evaluation. Evaluation results serve as important reference for the following year's Board operations optimization and director compensation recommendations.

Evaluation Period & Method	The company conducts one internal evaluation per year and at least one external evaluation by an independent professional institution every 3 years. The 2025 annual performance evaluation was completed through internal questionnaire self-evaluation following year-end.
Evaluation Period	January 1, 2025 to December 31, 2025.
Implementation Period	First quarter of 2026.
Evaluation Scope & Key Performance Indicators	The performance evaluation questionnaire covers five dimensions to comprehensively examine the Board's operational effectiveness: • Degree of participation in the company's operations • Quality of Board meeting decisions • Board composition and structure • Director selection and continuing education • Internal controls
Evaluation Results & Application	The 2025 annual performance evaluation results were presented to the Q1 2026 Board meeting. Overall evaluation results across all dimensions fell between "Excellent" and "Good," indicating the Board's overall operations largely comply with the spirit of corporate governance. The evaluation results serve clearly as important reference for: • Operations optimization: as the basis for examining and improving Board operations models • Compensation linkage: as reference for determining individual director compensation • Nomination basis: as reference for future nomination of directors for re-election

Key Governance Mechanisms

GRI 2-9, GRI 2-17

To strengthen the Board's professional capabilities and operational effectiveness, HwaCom has established two functional committees under the Board of Directors: the "Audit Committee" and the "Remuneration Committee." All committee members are independent directors possessing financial, accounting, legal, or management professional backgrounds. These committees are designed to assist the Board in performing its supervisory function and further implement corporate governance.

Audit Committee — Operations

Title	Name	Actual Attendance (Sessions)	Required Attendance (Sessions)	Actual Attendance Rate (%)
Independent Director	Jason Lee	8	9	88.89%
Independent Director	Chorng-Shyong Ong	8	9	88.89%
Independent Director	Cllin Lin	9	9	100.00%
Independent Director (Appointed June 20, 2025.)	Yang-Cheng Lu	4	6	66.67%

Remuneration Committee — Operations

Title	Name	Actual Attendance (Sessions)	Required Attendance (Sessions)	Actual Attendance Rate (%)
Independent Director	Jason Lee	4	4	100.00%
Independent Director	Chorng-Shyong Ong	4	4	100.00%
Independent Director	Cllin Lin	3	3	100.00 %

Conflict of Interest Avoidance Mechanism

GRI 2-15

The company has established strict conflict of interest avoidance regulations, explicitly stated in the "Rules of Procedure for Board Meetings." When a director has a personal or representative legal entity's interest in a meeting agenda item, they must disclose the key details to the meeting. If such an interest relationship is detrimental to the company's interests, the director may not participate in the discussion or voting on the matter. All related disclosures and avoidance situations are specifically documented in the Board meeting minutes to ensure the fairness and transparency of decision-making. It has been confirmed that none of the Board meeting matters in 2025 involved any conflicts of interest on the part of directors.



Remuneration Policy and Performance Linkage

GRI 2-19, 2-20

To ensure the Company's compensation system is both market-competitive and internally fair, the compensation policy for directors and senior managers is professionally evaluated and recommended by the Remuneration Committee, then submitted to the Board of Directors for review and approval. The committee currently consists entirely of independent directors, who regularly review the company's directors' and senior managers' annual and long-term performance targets, as well as the related compensation policies, systems, standards, and structures.

Director Compensation Policy

According to the Company's articles of incorporation, director compensation encompasses director bonuses, director fees, and transportation allowances. Director remuneration shall be allocated at a rate not exceeding 1% of the annual pre-tax profit prior to the deduction of director and employee remuneration, and after offsetting accumulated losses. Director compensation, on the other hand, shall be determined by taking into account the level of their involvement in and the value of their contribution to the Company's operations, as well as by referencing industry standards.

Senior Manager Compensation Policy

The Company has established a comprehensive compensation policy for senior management. Fixed salaries are determined based on job responsibilities, performance, and capabilities. Variable compensation is primarily and closely linked to annual performance incentives, business performance indicators, and individual performance evaluation results. Stock incentives include stock options and restricted stocks, designed to incentivize senior management to focus on long-term company value creation.

Performance Linkage and Profit Sharing

We firmly believe that the company's operating results should be shared with employees and management alike. According to the company's articles of incorporation, when there is profit in the current year, 10% to 20% should be allocated as employee bonuses. This not only closely links operational performance with employee welfare, but also ensures the company—while pursuing short-term profits — also takes into account the long-term retention of employees and talent sustainability development strategy. Additionally, the company is developing plans to link senior management compensation with ESG performance, setting short, medium and long-term targets, to promote operations and business work in alignment with the spirit of global sustainable development.

To prevent competitors from gaining access to compensation information and to maintain salary confidentiality and recruitment flexibility, the company does not disclose its total compensation ratio.

CHAPTER 3

Stakeholders and ESG Materiality Assessment



Stakeholder Engagement

GRI 2-29

HwaCom follows the AA1000 Stakeholder Engagement Standard (AA1000 SES, 2015 edition) to establish a systematic stakeholder identification and communication mechanism. The Company adopts five principles from this standard—"Dependency," "Accountability," "Influence," "Tension," and "Diverse Perspectives"—to regularly evaluate and identify internal and external stakeholders that are critical to the Company's operations.

The Dependency principle analyzes each party's dependency on the Company's resources and services, as well as the Company's degree of reliance on external resources. The Accountability principle evaluates the Company's responsibility obligations to each stakeholder across legal, financial, and operational dimensions. The Tension principle identifies topics that may generate conflict or tension. The Influence principle measures each party's ability to impact the Company's strategic decisions and the Company's degree of influence on each party. The Diversity principle ensures that voices from different backgrounds and professional fields are incorporated into the consultation process, obtaining a comprehensive and inclusive sustainability perspective.

Since the last (2024) annual stakeholder questionnaire survey, the Company's operations have remained stable with no major changes, and comprehensive communication channels are already in place for collecting stakeholder opinions[1]. Therefore, the 2025 Sustainability Report continues using the 2024 survey results for 14 senior managers to consolidate the priority rankings of each stakeholder group, confirming that the Company has a total of 9 main stakeholder categories. The identification results and communication status were confirmed by the Sustainability Development Committee and submitted to the Board of Directors in December 2025.

To understand and respond to matters of concern to stakeholders, we provide a variety of communication channels for engagement, allowing stakeholders to express opinions at any time. This enables us to understand and respond to the sustainability topics of concern to each stakeholder group, and to regularly conduct stakeholder cooperation activities.

How Communication Results Are Incorporated into Decision-Making

Stakeholder opinions collected through the aforementioned diverse communication channels are compiled by each responsible unit and submitted to the Sustainability Development Committee for review, serving as important reference for annual ESG Materiality Assessment identification and sustainability strategy adjustment. For major concerns raised by stakeholders, relevant response measures will be incorporated into the following year's management policies, and response situations will be disclosed in the next annual report.

[1]According to regulatory authority recommendations, when enterprises experience significant external changes, stakeholder opinion surveys must be conducted to gather feedback, measure satisfaction, and understand the perspectives of key groups.



2025 Stakeholder Communication Channels and Performance Summary

Priority	Int./Ext.	Stakeholder	Relationship	Channels	Frequency	Key 2025 Topics	Responsible Unit	Communication Performance
1	Internal	Board of Directors	Responsible for policy-making, supervisory management, maximizing shareholder value	Email, Board meetings	Quarterly	Integrity governance, information security and privacy management, talent attraction and employee welfare	Corporate Governance Office	• Follows corporate governance regulations, holds regular meetings to ensure effective supervision and communication.
2	Internal	Employees	Key company operational assets, directly involved in service delivery	Email, intranet portal, complaint channels, labor-management meetings	Regular/ Quarterly	Labor relations, workplace health & safety, salary welfare and career development	Human Resources Dept.	• The response rate for the dedicated employee feedback mailbox reached 100% with timely follow-up. • The employee feedback indicates a positive sentiment regarding our workplace environment and leadership direction.
3	External	Shareholders / Investors	Concerned with corporate value, promoting corporate development	Shareholders' meetings, investor briefings, annual reports, public disclosures	Annual/ Quarterly	Business performance, integrity governance, long-term investor relations	Corporate Governance Office, Finance and Accounting Div.	• Official shareholders' meeting: 1 session; investor briefing: 1 session; other OTC public information reporting activities completed as required.
4	External	Customers	Product and service users; primary source of business revenue	Email, customer satisfaction surveys, periodic visits	By specific needs	Information security & privacy management, product and service quality, integrity management	Customer Service Dept.	• 2025 customer satisfaction survey score: 9.5/10; 82 questionnaires distributed, response rate 10%. • A total of 928 warranty issues were logged throughout the year, all of which were resolved in a timely manner.
5	External	Regulatory Authorities	Legal compliance supervision, maintaining market order	Corporate governance evaluations, legal applications, public correspondence	Per regulations	Legal compliance, integrity governance, operational performance	Corporate Governance Office, Sustainability Development Committee	• In 2025, the Company completed all statutory filings on schedule and consistently underwent the corporate governance evaluations as required. • Compiled and submitted ESG data and sustainability report to the designated platforms on schedule.
6	External	Suppliers & Collaborative Vendors	Partners jointly providing services, impacting the quality of the services and sustainability performance	Email, supplier meetings, on-site inspections, supplier self-assessment questionnaire	Per contract	Supply chain management, integrity management, partnership and mutual prosperity, sustainability participation	Procurement Div.	• In 2025, conducted ESG self-assessment surveys for the top 20 suppliers. • Signed letters committing to a business Code of Conduct with the Company's top 50 suppliers, emphasizing sustainability requirements.
7	External	Industry Associations or Professional Societies/ Trade Bodies	Leverage industry and cross-sector resources to champion policy development and reform that drive growth, innovation, integrity, and sustainability	Meetings, discussions, collaborative projects	As activities arise	Industry standards & innovation, sustainability advocacy, social inclusiveness	Marketing Information Services	• Regular/irregular dispatch of mid-to-senior supervisors to industry association meetings and conferences for industry trend exchanges. • Dispatch members to represent the Company in associations and professional societies such as the CISA and TTIA, which are respectively dedicated to AI applications and smart transportation .
8	External	Media	Corporate image exposure and publicity; building public brand image	Press releases, technology/ financial media communications, social media management	Irregular	Marketing promotion, corporate image building, media briefings about business performance	Product and Service Side: Marketing & Information Div. Finance and Operation Side: Spokesperson Office	• Organize domestic and overseas exhibitions, seminars, and technology exchange meetings; distribute supplementary press releases to tech media outlets irregularly. • Hold regular investor briefing sessions; distribute supplementary releases to financial media outlets irregularly. • Conduct daily media monitoring, managing corporate image and public opinion.
9	External	Local Communities	Promoting social inclusion; generating a positive impact on local communities	Public welfare consultations, irregular community visits	Quarterly	Social inclusion activity planning (activities growing from 12 in 2024 to 18 in 2025)	Service Contract Sales Div., Welfare Committee	• Follow up on each activity to confirm timely handling after completion. • Starting 2026, HwaCom will distribute 'Satisfaction Survey Forms' to collaborative units (NGOs, local departments, welfare organizations) to progressively evaluate and track social inclusion initiatives.

ESG Materiality Assessment Analysis: Process and Results

GRI 3-1

To systematically identify and manage key topics for sustainability reporting, the Company references GRI 3 Standard guidelines, establishing a 3-step materiality analysis process.

Step 1: Identify Potential Impacts and Compile Topic Inventory

The Company begins by deeply understanding the organizational context, comprehensively examining the core elements of enterprise operations—including major business items, key resource allocation, and the interrelationships across all stages of the value chain. At the same time, referencing FSC-related guidance and international sustainable development trends, the Company systematically compiles a list of 18 potential sustainability topics covering three dimensions: Governance (Economics[2]), Social, and Environment, as the basis for subsequent evaluation.

Step 2: Topic Prioritization and Materiality Determination

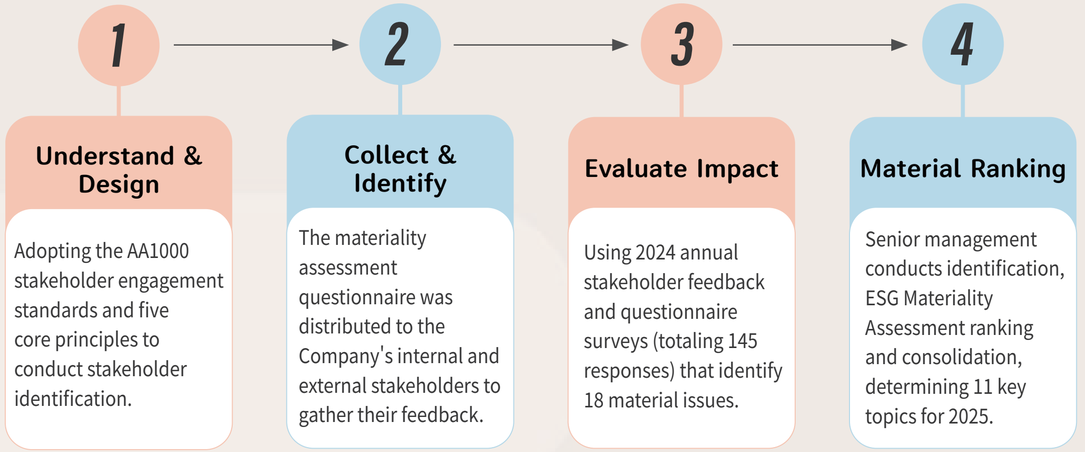
Based on the 18 potential topics, the Company conducts a comprehensive analysis of actual and potential impacts for each topic, evaluating the possibility and severity of positive and negative impacts.

- Positive impact: Achieving high perfermance in sustainability management generates positive contributions to governance (economic), social, and environmental development—enhancing corporate value and driving overall sustainable progress across society.
- Negative impact: May occur when the enterprise lacks adequate management or achieves poor implementation effectiveness for specific sustainability topics, resulting in adverse impacts on external governance (economics), social, and environmental aspects, and further affecting stakeholder interests.

The prioritization process simultaneously incorporates the results of questionnaire surveys of 14 senior executives and feedback from various stakeholder communication channels, integrating internal and external attention levels. External ESG consulting firms' analysis results are also sought to ensure the objectivity and comprehensiveness of the evaluation.

Step 3: Senior Executive Review and Confirmation

After sufficient identification and prioritization, consolidated by senior executives from the 18 potential topics, a final set of 11 key topics was selected. Of these, five topics relate to Governance (G), five to Social (S), and one to Environment (E). All issues with high impact degree and high stakeholder attention are classified as "ESG Materiality Assessment." The identification results were reviewed and approved by the Sustainability Development Committee and subsequently reported to the Board of Directors.

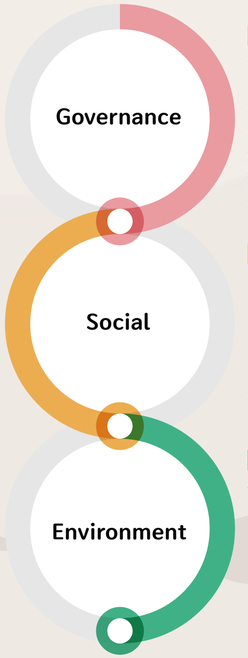


[2]This report is structured around the three pillars of Environment (E), Social (S), and Governance (G). As the governance pillar corresponds to the economic category of the GRI Standards (GRI 200), it is labeled 'Governance (Economic)' for ease of cross-referencing with the GRI disclosure indicators.

Decision Basis

Priority	Potential Topic	ESG Materiality Assessment?	Impact Degree	Stakeholder Attention
1	Information Security & Privacy Management	Yes	High	High
2	Customer Relationship Management	Yes	High	High
3	Talent Attraction, Development & Employee Welfare	Yes	High	High
4	Labor-Management Relations	Yes	High	High
5	Integrity Governance	Yes	High	High
6	Workplace Health and Safety	Yes	High	High
7	Business Performance	Yes	High	High
8	Human Rights Protection	Yes	High	High

Priority	Potential Topic	ESG Materiality Assessment?	Impact Degree	Stakeholder Attention
9	Supplier Management	Yes	High	High
10	Innovation and R&D	Yes	High	High
11	Greenhouse Gas Management and Carbon Reduction	Yes	High	High
12	Quality and Safety	No	Relatively lower	
13	Risk Management			
14	Circular Economy			
15	Waste Management			
16	Energy Management			
17	Climate Strategy			
18	Water Resource Management			



Governance

Selected as key topics for 2025
- Information Security & Privacy Management
- Customer Relationship Management
- Integrity Governance
- Business Performance
- Supplier Management
- Innovation and R&D

Not selected
- Quality and Safety
- Risk Management
- Circular Economy

Social

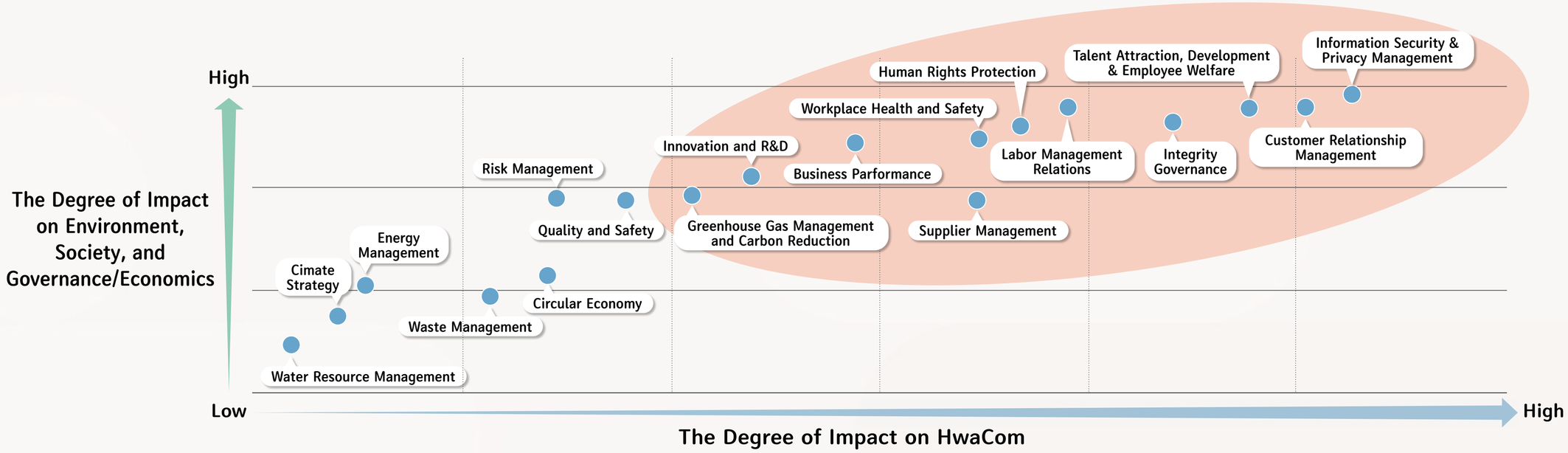
Selected as key topics for 2025
- Talent Attraction, Development & Employee Welfare
- Labor-Management Relations
- Workplace Health and Safety
- Human Rights Protection

Not selected
- None

Environment

Selected as key topics for 2025
- Greenhouse Gas Management and Carbon Reduction

Not selected
- Waste Management
- Energy Management
- Climate Strategy
- Water Resource Management



ESG Materiality Assessment and Management Approach

GRI 3-2, 3-3

During the evaluation process, HwaCom conducts positive and negative impact analysis and potential occurrence probability ranking for each sustainability topic, incorporating stakeholder attention levels and seeking external expert consulting analysis results to ensure comprehensiveness and objectivity.

Following a rigorous identification process, senior executives engaged to determine 11 material topics. The ESG Promotion Center then mapped these to the corresponding GRI indicators and conducted a data inventory to ensure the completeness and accuracy of the sustainability disclosures.

The table below presents the company's 11 finalized critical issues for 2025. Corresponding management approaches have been established for each topic, with detailed explanations provided in the relevant chapters of this report.

Dimension	Topic	Priority	Impact Description	Impact Boundary	Corresponding GRI Indicators	SDGs	Chapter
Governance (Economics)	Integrity Governance	Critical	Positive Improving anti-corruption mechanisms enhances corporate integrity and strengthens stakeholder trust. Negative Insufficient governance may lead to corruption events affecting corporate reputation.	Internal operations, suppliers, customers	• GRI 205-1 Anti-corruption risk assessment • GRI 205-2 Anti-corruption policy and training • GRI 205-3 Confirmed corruption incidents	SDG 16	Chapter 4 "Integrity Management"
Governance (Economics)	Business Performance	Critical	Positive Good business performance and sustainable governance are mutually reinforcing. Companies with strong financial results have greater capacity to reinvest in ESG projects, attracting stakeholders to drive sustainable governance. Negative Poor performance affects resource allocation and sustainability advancement capability.	Internal operations, shareholders, investors	• GRI 201-1 Direct economic value generated and distributed	SDG 8 SDG 9	Chapter 4 "Business Performance" and Annual Report
Governance (Economics)	Information Security & Privacy Management	Critical	Positive ISO 27001/27701 dual certifications strengthen customer trust. Negative Information security incidents or data leakage may harm customer rights.	Internal operations, customers, suppliers	• GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SDG 16	Chapter 5 "Information Security and Customer Privacy Protection"
Governance (Economics)	Innovation and R&D	Critical	Positive AI and smart solutions enhance customer service value, enabling industry digital transformation. Negative Insufficient innovation may result in loss of market competitiveness.	Internal operations, customers	• GRI 201-1 Direct economic value generated and distributed	SDG 8 SDG 9	Chapter 2 "Sustainability Strategy," Company Website
Governance (Economics)	Supplier Management	Critical	Positive Responsible procurement promotes supplier sustainability, encouraging partners to improve ESG standards. Negative Poor management may introduce environmental or social risks affecting the value chain.	Suppliers, collaborative vendors	• GRI 204-1 Percentage of spending on local suppliers • GRI 308-1 Percentage of new suppliers screened with environmental criteria • GRI 308-2 Negative environmental impacts in the supply chain and actions taken • GRI 414-1 Percentage of new suppliers screened with social criteria • GRI 414-2 Negative social impacts in supply chain	SDG 8 SDG 12	Chapter 5 "Supplier Sustainability Management"
Social	Customer Relationship Management	Critical	Positive High-quality service and swift issue resolution elevate customer experience and long-term partnerships. Negative Poor service quality affects customer trust and future business cooperation.	Customers	• GRI 416-1 Assessment of health and safety impacts of product and service categories • GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-	Chapter 5 "Sustainable Solutions and Service Responsibility"



Dimension	Topic	Priority	Impact Description	Impact Boundary	Corresponding GRI Indicators	SDGs	Chapter
Social	Labor Relations	Critical	Positive A well-established labor communication mechanism strengthens employee morale and organizational stability. Negative Poor labor relations may trigger labor disputes, affecting service quality.	Employees	• GRI 401-1 New employee hires and employee turnover • GRI 401-3 Parental leave	SDG 5 SDG 8	Chapter 5 "Human Capital Overview" and "Employee Communication and Harmonious Labor"
Social	Workplace Health and Safety	Critical	Positive Systematic occupational health and safety management aims for zero workplace accidents and safeguards employees' physical safety. Negative Insufficient OHS management may result in occupational injuries, affecting employee health.	Employees	• GRI 403-1 OHS management system • GRI 403-2 Hazard identification and risk assessment • GRI 403-3 Occupational health services • GRI 403-4 Worker participation, consultation and communication • GRI 403-5 OHS training	SDG 3 SDG 8	Chapter 5 "Occupational Safety and Health"
Social	Talent Attraction, Development & Employee Welfare	Critical	Positive Comprehensive training and compensation systems strengthen talent competitiveness and support sustainable business growth. Negative Insufficient talent management may lead to talent attrition, affecting service delivery capacity.	Employees	• GRI 404-1 Average hours of training per employee • GRI 404-2 Skills enhancement and transition assistance • GRI 404-3 Percentage of employees receiving regular performance and career development reviews • GRI 405-1 Diversity of governance bodies and employee • GRI 405-2 Ratio of basic salary and remuneration of women to men	SDG 4 SDG 5 SDG 8 SDG 10	Chapter 5 "Talent Development" and "Employee Rights and Wellbeing"
Social	Human Rights Protection	Critical	Positive Implementing human rights policies safeguards employees' fundamental rights and strengthens supply chain responsibility. Negative Insufficient human rights protection may infringe upon the rights of employees or supply chain workers.	Employees, supply chain, communities	• GRI 408-1 Significant risk of child labor • GRI 409-1 Significant risk of forced labor • GRI 411-1 Incidents of violations involving rights of indigenous peoples	SDG 8 SDG 10 SDG 16	Chapter 5 "Human Rights Policy and Commitments" and "Employee Rights and Wellbeing"
Environment	Greenhouse Gas Management and Carbon Reduction	Critical	Positive Systematic greenhouse gas inventory and carbon reduction actions lower climate risk and enhance corporate resilience. Negative Failure to effectively manage carbon emissions may result in increased carbon fee costs and reduced purchasing willingness from key domestic and international customers.	Internal operations, value chain	• GRI 305-5 Reduction of GHG emissions	SDG 13	Chapter 6 "Climate Change Management and TCFD Disclosure"

Two-Period Comparison of ESG Materiality Assessment

By consolidating the degree of sustainability topic impact and stakeholder attention levels, the Company has identified a final list of 11 material topics. Compared with the prior reporting year, three topics—Risk Management, Quality and Safety, and Talent Development—have been removed or merged from the 2024 list of 14 topics. The rationale for each change is as follows:

2024 Topic (14 Topics)	Change Type in 2025	Explanation of Change
Risk Management	Removed	Considering that risk management is a foundational mechanism spanning all operational aspects—rather than a single, standalone material topic—we have adjusted our disclosure for this year. Based on the double materiality assessment under GRI 3-1, it is now presented as a framework disclosure rather than an independent material topic. This adjustment avoids duplicating management disclosures under other material topics.
Quality and Safety	Removed	As HwaCom Systems primarily operates as a systems integrator providing services, the core concerns of this topic have been respectively integrated into two existing material topics: "Information Security & Privacy Management" (information security quality) and "Customer Relationship Management" (service quality and product delivery). All related management approaches, performance indicators, and annual outcomes are already fully disclosed in the corresponding chapters; the topic is no longer listed separately as a material topic to avoid redundancy across report sections.
Talent Development	Merged	Merged into: Talent Development and Growth, Employee Rights and Wellbeing.



CHAPTER 4

Governance

Business Performance and Financial Results

Annual revenue has grown steadily year over year, with continued investment in smart applications and cybersecurity technology R&D.

Risk Management and Implementation

Established a "Risk Management Group" under the Sustainability Development Committee, reporting to the Board of Directors on operational status every half-year.

Key risks identified: Eight major risk categories—Strategy, Operations, Finance, Information, Legal Compliance, Integrity, ESG, and Others—with corresponding response measures formulated for each.

Integrity Management and Regulatory Compliance

Adopted the "Integrity Management Code" and "Employee Code of Ethics," with a dedicated task force under the General Manager's Office responsible for implementation.

No whistleblowing reports related to corruption, fraud, or violations of integrity management principles were received in 2025.

Zero major legal violations in 2025; no material sanctions recorded related to integrity, labor, environmental, or cybersecurity matters.

External Advocacy and Association Participation

Actively participate in domestic and international industry, government, academic, and research organizations to contribute to industry standards, stay ahead of market trends, and establish our technical expertise and influence.

Business Performance and Financial Results

GRI 3-2, 201-2

In 2025, HwaCom Systems continued to advance 5G and broadband communications, smart applications, information security, and digital integration services as its core development directions. With large-scale projects progressively reaching peak execution, the Company's operational scale continued to expand, achieving consolidated revenue of NT$6.1 billion for the full year—a continued increase from the prior year—while also laying a strong foundation for the company to secure major integration projects in the future.

To drive profitability, the Company has continuously maintained solid gross margins through project management optimization and cost structure improvement. Concurrently, the Company have strengthened its overall operational resilience by fostering long-term customer partnerships and accumulating experience in technically challenging projects. On the organizational development front, the Company continued to invest in talent cultivation and professional capability building in line with its growing operational scale. At the same time, the Company continues to invest in R&D and technology upgrades, actively positioning itself in the smart applications and cybersecurity services markets to capture market demand and fuel mid-to-long-term growth.

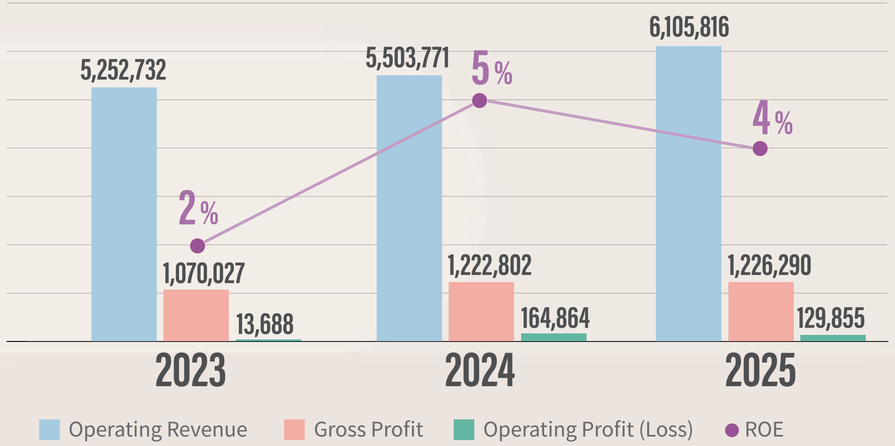
Overall, while expanding its operational scale, HwaCom Systems has continued to progressively build a business model that balances operational performance with sustainable development—through improvements in project quality, talent development, and technology investment — creating stable and enduring value for shareholders, employees, and society.



HwaCom Systems
Consolidated Financial Performance (FY 23 to 25)

(Unit: NT$ thousand)

Category	Item	FY2023	FY2024	FY2025
Operational Financial Performance	Operating Revenue	5,252,732	5,503,771	6,105,816
	Operating Costs	4,182,705	4,280,969	4,879,526
	Gross Profit	1,070,027	1,222,802	1,226,290
	Operating Profit (Loss)	13,688	164,864	129,855
	Net Income	57,620	130,580	104,653
	Earnings Per Share (EPS)	0.42	0.93	0.75
	Return on Equity (ROE)	2%	5%	4%



Tax Governance and Performance

GRI 207-1, 207-2

HwaCom Systems adheres to local tax regulations and international tax transparency principles, upholding the spirit of honest tax compliance and legally compliant operations, and regards tax governance as an important foundation of sustainable business operations. The Company has established internal tax management and reporting control mechanisms, and regularly reviews tax compliance status to ensure that all tax matters are handled in accordance with applicable laws and regulations. The Company will continue to strengthen tax governance transparency, ensuring that corporate growth is accompanied by a fair contribution to society and government fiscal revenue, thereby fulfilling its corporate sustainability responsibilities.

Governance Structure and Board Composition

GRI 2-10, 2-12, 2-16, 2-17, 2-18, 405

HwaCom Systems firmly believes that a sound and effective corporate governance structure is the cornerstone of sustainable business operations. The Company is committed to building an independent, professional, and diverse Board of Directors as the Company's highest governance body, ensuring that all major decisions can balance the long-term interests of multiple stakeholders, including shareholders, customers, employees, suppliers, and society.

Detailed information on HwaCom Systems' current governance structure and Board composition is provided in Chapter 2 of this report (Sustainable Operations).

Board Effectiveness

The Board of Directors, together with its subordinate Audit Committee and Remuneration Committee, fulfills its responsibilities through regular meetings. In 2025, the Board and all committees operated actively, demonstrating a governance culture of diligent oversight. For details on functional committee operations, please refer to Chapter 2 (Sustainable Operations).

To ensure the Board maintains up-to-date sustainable governance capabilities, the Company continues to arrange relevant continuing education for directors. In 2025, all directors collectively completed 66 hours of training courses covering corporate digital transformation, sustainable development pathways, AI applications, and ESG risk management, among other topics. Please refer to Chapter 2 (Sustainable Operations) for details.



Risk Management

GRI 2-12, 2-13, 3-3, 2-24

Risk Management Mechanism

The Company upholds the philosophy of sustainable business operations and continues to specialize in providing "systems integration services" across the fields of information security, information and communications technology, smart applications, and digital media, while advancing digital transformation and AI technology development to build innovative services and shared application platforms. Through robust business continuity mechanisms and thorough risk assessments, the Company continuously monitors internal and external factors and environmental changes. Aligned with our operational continuity objectives, the Risk Management Group regularly conducts business impact analyses and risk assessments to ensure the ongoing effectiveness of our management systems and robust risk mitigation.

Risk Management Organization and Responsibilities

(i) Board of Directors — Highest Risk Management Authority

The Board approves risk management policies, procedures, and frameworks; ensures alignment between operational strategy and risk management policy; establishes an appropriate risk management mechanism and risk management culture; supervises the implementation of the overall risk management mechanism; and bears ultimate accountability for risk management.

(ii) Sustainability Development Committee

This committee serves as the primary decision-making and implementation body for the Company's sustainable development work. Membership comprises the Chairman, senior managers from relevant departments, and other members designated by the Chairman. To ensure that sustainable development initiatives are effectively conducted, promoted, and implemented, the six functional groups have been established: Corporate Governance, Environmental Protection, Employee Care, Social Engagement, Information Security, and Risk Management. In addition to the responsibilities stipulated in the committee's governing rules, as stated in the Article 3, the committee also reviews risk management policies, procedures, and frameworks; periodically examines their applicability and implementation effectiveness; approves risk appetite (risk tolerance); sets risk control priorities and levels; and reviews risk management implementation status, proposing necessary improvement recommendations and reporting to the Board on a regular basis.

(iii) Risk Management Group

The Risk Management Group is one of the six functional groups established under the Sustainability Development Committee. Its primary responsibilities include formulating risk management policies, procedures, and frameworks; establishing qualitative and quantitative measurement standards for risk appetite (risk tolerance); analyzing and identifying the sources and categories of company risks; periodically compiling and submitting company risk management implementation reports; assisting with and supervising the execution of risk management activities across all departments; and organizing risk management training programs.

(iv) Internal Audit Office

An independent unit reporting directly to the Board of Directors. In accordance with risk management policies and procedures, it formulates annual audit plans and conducts independent reviews of the effectiveness of risk management activities, providing improvement recommendations to ensure that all risks are properly managed and that internal control systems operate effectively.

(v) ESG Promotion Center

The ESG Promotion Center assists in notifying each functional group of meeting-related matters and serves as the meeting secretariat. It is responsible for collecting data, compiling and revising the sustainability report, and liaising with external vendors on report design and layout. It also provides the relevant data required by sustainability information reporting platforms and handles sustainability report filing matters.

Risk Management Process

The risk management process consists of five major flows: Risk Identification, Risk Analysis, Risk Evaluation, Risk Response and Monitoring, and Risk Reporting and Disclosure.

(i) Risk Identification

Risk identification should employ a variety of feasible analytical tools and methods (e.g., process analysis, scenario analysis, questionnaire surveys), drawing upon past experience and information while taking into account internal and external risk factors and stakeholder concerns, to comprehensively identify potential risk events that could prevent the Company from achieving its objectives, cause losses, or generate negative impacts.

(ii) Risk Analysis

For each identified risk, a comprehensive assessment should be conducted considering risk appetite and risk tolerance. For quantifiable risks, statistical analysis methods and techniques should be adopted for data-driven management. For risks that are more difficult to quantify, qualitative methods (e.g., written descriptions) should be used to analyze the probability of risk occurrence and its degree of severity.

(iii) Risk Evaluation

Based on the risk analysis results and the effectiveness of internal controls, risks are ranked against the risk appetite and risk levels approved by the Risk Management Group, and the most critical items are identified for priority treatment in accordance with the principle of materiality. All relevant risk analysis and evaluation results should be properly documented and submitted to the Risk Management Group for approval.

(iv) Risk Response and Monitoring

The company selects appropriate response measures or implements mitigation plans based on the risk evaluation results. As needed, it establishes preventive, contingency, crisis management, and business continuity plans to ensure robust risk control while balancing operational objectives with cost-effectiveness. Furthermore, the Company formulates key risk indicators (KRIs) to keep each risk category within acceptable thresholds, continuously monitoring and reporting updates to the Risk Management Group while maintaining thorough documentation.

(v) Risk Reporting and Disclosure

To implement integrity management and corporate governance and to strengthen information transparency in response to stakeholder expectations, the process and results of risk management implementation should be recorded, reviewed, and reported through appropriate mechanisms, with proper documentation retained for reference. The Risk Management Group reports to the Board of Directors on risk management operations once every six months.

Drawing upon the Executive Yuan's "Risk Management and Crisis Handling Operations Manual for Government Agencies" and the Financial Supervisory Commission's practical guidelines on the three lines of defense for internal controls, the company has developed relevant risk handling processes and risk-oriented internal audit procedures, which are scheduled for internal implementation in 2026.

Risk Items and Response Measures

	Risk Item	Response Measure
Strategy	Competitive Strategy Failure	Continuously monitor the competitive landscape, build market intelligence mechanisms, and flexibly adjust strategies.
	M&A and Expansion Risk	Strengthen due diligence to ensure reasonable resource allocation.
	Regulatory and Policy Risk	Establish regulatory tracking mechanisms; engage legal counsel and attorneys for professional advisory.
Operations	Process Risk	Establish standard operating procedures and introduce process management systems.
	Personnel Risk	Establish talent retention systems, set up anti-fraud controls and reporting channels.
	External Events	Formulate a Business Continuity Plan (BCP) and purchase adequate insurance.
Finance	Liquidity Risk	Establish cash flow management plans and expand diversified financing channels.
	Credit Risk	Strengthen customer credit assessment, establish accounts receivable and bad debt management systems.
	Market Risk	Diversify investment portfolio, periodically review exposure, and use hedging instruments.
	Interest Rate Risk	Adopt fixed-rate financing and diversify financing channels.
	Leverage / Debt Servicing Risk	Control debt ratios and conduct regular stress testing.
Information	Cybersecurity Risk	Deploy firewalls and intrusion detection systems; conduct regular security drills and employee education.
	Data Risk	Establish data backup mechanisms and strengthen data verification processes.
	System Risk	Implement disaster recovery plans, ensure effective system monitoring, and build redundant systems.
	Access Control Risk	Adopt the principle of least privilege to control access rights.
	Third-Party Risk	Strengthen customer and supplier vetting; sign cybersecurity liability contracts.
Legal Compliance	Corporate Governance Risk	Strengthen Board functions; ensure effective internal controls and audit systems.
	Labor Law Compliance Risk	Establish OHS systems and employee complaint channels; periodically review for legal violations.
	Personal Data & Privacy Risk	Adopt ISO 27001 and 27701 cybersecurity standards; strengthen privacy protection education.
	Anti-Corruption & Sanction Risk	Establish anti-corruption policies, set up reporting channels, and conduct regular training.
Integrity	Fraud Risk	Set up anonymous reporting channels and build an integrity culture.
	Conflicts of Interest	Strengthen independent director oversight; ensure transparent decision-making and interest avoidance.
	Misconduct	Establish employee codes of conduct and reporting/disciplinary mechanisms.
	Information Dishonesty	Strengthen information disclosure norms and establish internal and external audit mechanisms.
	Corporate Culture Risk	Strengthen integrity management standards and formulate related regulations.
ESG	Environment (E) Risk	Improve resource efficiency and implement energy-saving measures to reduce environmental pollution.
	Social (S) Risk	Strengthen workplace health management, advocate fair compensation, and implement diversity and inclusion policies.
	Governance (G) Risk	Ensure transparent information disclosure and effective internal control and audit systems.
Others	Reputational Risk	Maintain a robust spokesperson system, investor relations sessions, and stakeholder information disclosure.
	Legal & Litigation Risk	Engage a professional legal advisory team and conduct regular legal risk assessments.
	Key Talent Risk	Establish comprehensive talent development plans, succession systems, and employee retention programs.
	Major Unexpected Event Risk	Establish a cross-departmental emergency response team and formulate a crisis management plan.

Integrity Management

GRI 2-12, 2-13, 2-15, 2-23, 2-24, 2-25, 2-26 ,205-1, 205-2, 205-3

The Company is committed to building a clean, transparent, and accountable corporate culture. In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," the Company has formulated rigorous "Integrity Management Rules" and "Code of Ethical Conduct" as the highest guiding principles for all employees in carrying out their duties. To put these standards into practice, the Company conducts regular integrity management training and provides diverse, confidential reporting channels to eradicate corruption and bribery.

Management Approach and Governance Framework

HwaCom Systems follows the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and integrates them into corporate governance activities to build an integrity-based corporate culture. The Board of Directors has also adopted "Integrity Management Rules[1]" to strengthen advocacy of employee conduct standards and transaction review mechanisms for business activities with higher risks of dishonest behavior within the Company's operational scope, including prevention of bribery, improper acquisition, and provision of illegal political donations. To prevent improper donations and other dishonest behaviors, the company has simultaneously adopted the "Employee Code of Ethical Conduct" as the professional ethics standard for all employees of the Company and its subsidiaries—to build public trust, enhance the Company's image, and ensure sustainable corporate operations and development.

Communication, Training, and Implementation

HwaCom Systems avoids conducting business with parties that have records of dishonest behavior, and explicitly incorporates integrity behavior clauses into commercial contracts.

The Company's General Manager's Office has established an "Integrity Management Task Force," which—in accordance with the responsibilities and scope of each unit—is responsible for assisting the Board of Directors and management in formulating and supervising the implementation of integrity management policies and prevention plans, and ensuring the implementation of the Integrity Management Rules. This dedicated unit reports to the Board of Directors at least once per year on its implementation status; in 2025, it reported to the Board of Directors on December 19, 2025.

The Company requires all employees to complete internal training courses covering regulatory compliance, anti-corruption, risk management, anti-money laundering, and integrity management. In 2025, a mandatory one-hour general education course covering the above topics was provided, including essential legal knowledge, service codes of conduct, and behavioral norms.

[1]For further information, please refer to the company's website at https://www.hwacom.com

• Legal Compliance Advocacy

Regular advocacy and educational campaigns are conducted for all employees, centered on the theme of "Practicing Integrity Values and Sustainable Corporate Development." These campaigns compile and communicate the key provisions of the Integrity Management Rules and internal material information handling regulations, guiding employees on important matters to observe in conducting their duties.

• Whistleblowing System and Whistleblower Protection

The Company has established a specific whistleblowing system under its "Corporate Governance Best Practice Principles" and "Integrity Management Rules," actively preventing dishonest behavior. Internal and external parties are encouraged to report dishonest or improper behavior. The General Manager's Office is designated as the dedicated receiving unit for reports of employee dishonest behavior. The official stakeholder portal on the company website provides employees, shareholders, stakeholders, and external parties with effective communication channels. If a report involves a director or senior manager, it will be escalated to an independent director. A whistleblower protection system has been established to maintain strict confidentiality of the whistleblower's identity and the content of the report, with a commitment that whistleblowers will not be subject to inappropriate treatment as a result of reporting. No whistleblowing reports were received in 2025.

Internal audit personnel formulate internal audit implementation rules in accordance with the company's effective accounting systems and internal control systems, and prepare annual audit plans in accordance with applicable regulations, conducting audits accordingly.

The Company irregularly organizes internal and external integrity management training programs, and encourages all employees to register and participate.





Communication Channels and Grievance Mechanisms

GRI 2-23, 2-25, 2-26, 205-3

HwaCom Systems upholds the principles of fairness, honesty, trustworthiness, and transparency in all business activities. Integrity has always been the most important core value of the Company's culture and the foremost tenet of its business philosophy. Corruption and fraud of any form are strictly prohibited.

- The official website provides a whistleblowing email: hwacom_whistle@hwacom.com and a hotline: +886-2-2696-7155 ext. 1998, offering internal and external stakeholders (such as employees, suppliers, and customers) a channel for reporting fraud or misconduct.
- No whistleblowing reports were received by the Company in 2025.

Legal Compliance

GRI 2-27

HwaCom Systems upholds the principle of integrity management and is committed to complying with and implementing all applicable social, economic, environmental, and operational laws and regulations. The Company's regulatory compliance status for 2025 is as summarized below.

To ensure regulatory compliance effectiveness, the Company has established legal compliance and internal audit mechanisms, conducting regular reviews of high-risk operational segments. The ISO 14064-1:2018 principles have been simultaneously adopted for greenhouse gas inventory operations to ensure the accuracy and compliance of data disclosures. In addition, the Company conducts annual legal compliance training covering topics including labor rights, personal data protection, anti-corruption and integrity management, and environmental protection, to strengthen all employees' legal compliance awareness and capacity for self-management, and to establish a transparent, accountable, and risk-controllable foundation for sustainable operations.

The Company conducts regular annual legal compliance education and training (please refer to the "Integrity Management" section of this report).

Key Regulatory Compliance Areas

Integrity Management
- Companies Act
- Securities and Exchange Act
- Business Mergers and Acquisitions Act
- Anti-corruption related regulations

Labor
- Labor Standards Act
- Gender Equality related regulations
- Occupational Safety and Health related regulations

Environment
- Climate Change Response Act
- Air Pollution Control Act
- Other applicable regulations

Information Security & Personal Data
- Personal Data Protection Act
- Information security related regulations

Major Legal Violations
0 cases

Penalty Amount
NT$ 0

Note: "Major legal violations" as defined by the Company refers to unlawful acts involving the Company's core business operations that may have a materially adverse impact on operations or financial condition.

External Advocacy and Association Participation

GRI 2-28

As a leader in information and communications integration services, HwaCom Systems firmly believes that strategic alliances with industry partners enable more effective responses to the rapidly evolving technology landscape and increasingly important sustainability challenges. The Company is not only a provider of technology, but also strives to drive the transformation and upgrading of the entire industry ecosystem. To this end, the Company actively participates in key industry associations, standards-setting organizations, and sustainability advocacy platforms.

Our participation serves three strategic purposes:

1. **Capturing Forward-Looking Trends:** Through regular exchanges with industry leaders and experts, we stay abreast of the latest technology developments, regulatory dynamics, and market trends, ensuring our services and solutions remain ahead of the curve.
2. **Contributing Professional Expertise:** Within relevant committees and working groups, we share our professional practical experience in intelligent solutions, digital transformation, green data centers, and information security, promoting the development of common standards and leading the industry toward shared growth.
3. **Expanding Sustainability Impact:** We embed the concept of sustainable operations into our external engagement, collaborating with association partners to explore how technology can be leveraged to address climate change and promote social inclusion, extending the Company's positive influence from its own operations across the entire value chain.

Through this active participation, the Company have established solid partnerships with industry, government, academia, and research communities, collectively contributing to the sound development and sustainable growth of Taiwan's information and communications technology industry. The following table lists the major associations it participated in during 2025.



2025 Association and Advocacy Organization Memberships

Association / Advocacy Organization	Membership Type
AI on Chip Taiwan Alliance	Group Member
Taiwan Advanced Automotive Technology Development Association (TADA)	Group Member
Chinese Institute of Transportation (CIT)	Group Member / Individual Lifetime Member
Intelligent Transportation Society of Taiwan (ITS Taiwan)	Corporate Member / Corporate Lifetime Member / Individual Member
Taiwan Telematics Industry Association (TTIA)	Corporate Member
Chinese Airport Consortium (CAC)	Group Member
Taiwan Railway Electrical and Mechanical Technology Association (TRETA)	Individual Member
China Traffic Signal Association (CTSA)	Group Member
China Road Federation (CRF)	Group Member
Taipei Society for Traffic Safety (TSTS)	Group Member
Taiwan Professional Transportation Engineers Association (TPTEA)	—
Chinese Society for Management of Technology (CSMOT)	Group Member
Asia Silicon Valley - Internet of Things Major League	Corporate Member
Chung-Hwa Railway Industry Development Association (CRIDA)	Group Member
Digital Marketing Association (DMA)	Group Member
Cloud Computing & IoT Association in Taiwan (CIAT)	Corporate Member / Group Type-A Member
Information Service Industry Association of R.O.C. (CISA)	Type-A Group Member; also joined Cybersecurity Independent R&D Alliance
Taiwan Association of Information and Communication Standards (TAICS)	Group Member (Founding Member)
Taiwan Smart Grid Industry Association (TSGIA)	Corporate Member
Taiwan Power Enterprise Association (TEPA)	Group Member / Individual Lifetime Member

CHAPTER 5 Social

Human Capital

Selected as one of CommonWealth Magazine's '2025 Top 100 All-Generation Companies' and received New Taipei City's 'Mid- and Senior-Aged and Elderly-Friendly Workplace' certification.

Talent Development

Average training hours per employee: 33.56 hours; total training hours: 28,728. Performance evaluations completed for 100% of full-time regular employees (excluding probationary employees), with Individual Development Plans (IDP) implemented.

Strong Parental Support

The Company achieved a 100% parental leave return-to-work rate in 2025. Furthermore, the one-year retention rate for employees returning from the prior year reached 86%, underscoring our successful family-friendly workplace initiatives.

Zero-Accident Workplace and OHS

The Company recorded zero major occupational injuries and zero occupational diseases. Occupational Health and Safety (OHS) training reached a total of 943 person-sessions, accumulating 2,829 hours. Furthermore, the Company provides health check-ups at a frequency that exceeds statutory requirements, actively safeguarding employees' physical and mental well-being.

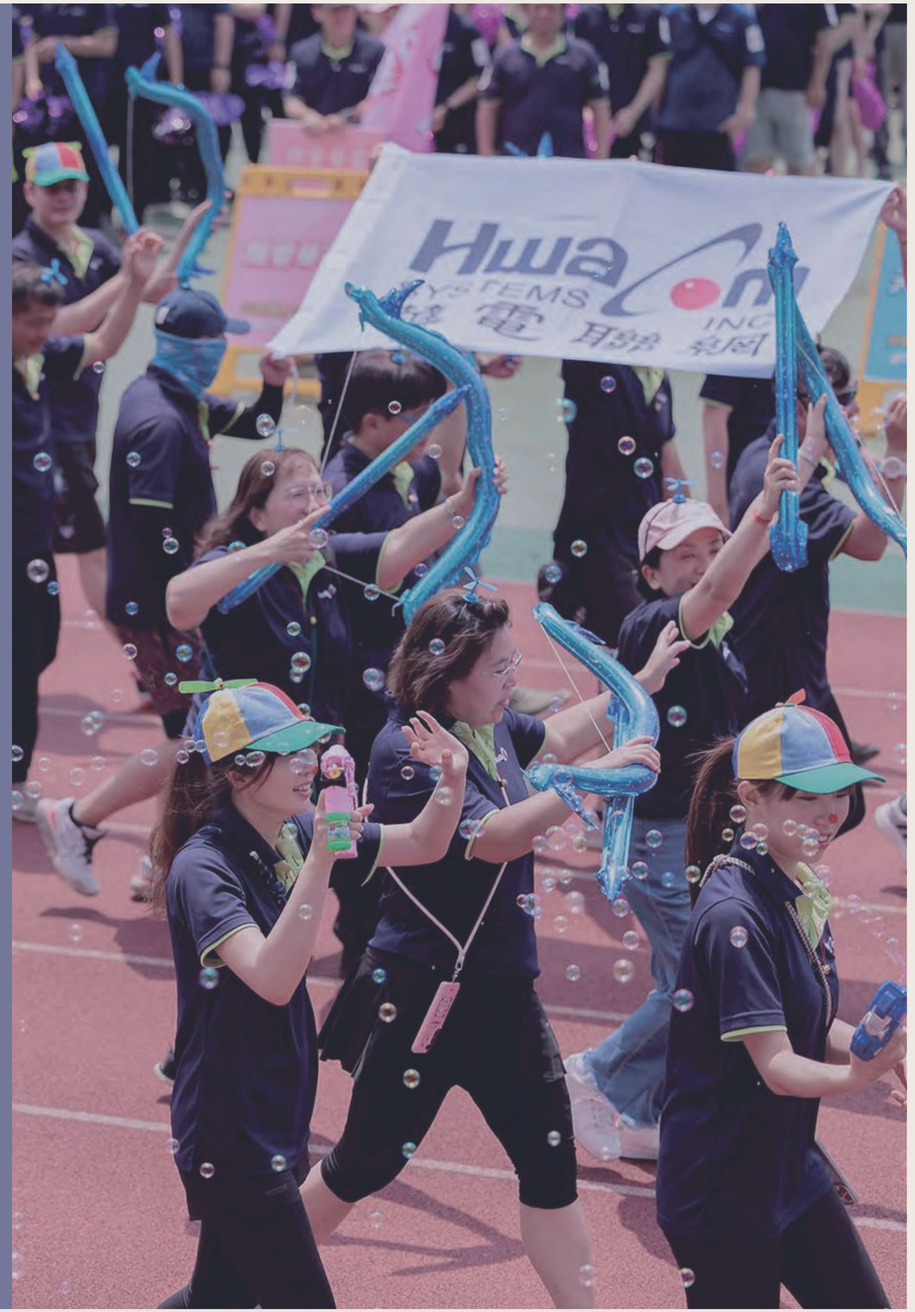
Local Prosperity and Sustainable Supply Chain

Local Procurement & Carbon Reduction: Maintained a domestic supplier ratio of 93%, effectively strengthening local supply chain resilience and reducing our transportation carbon footprint.

Coastal Stewardship: Recognized for the ninth consecutive year by the New Taipei City Government for adopting and maintaining 1,500 meters of coastline.

Circular Economy & Philanthropy: Launched the "Give Old Things New Life" initiative, successfully converting 184.1 kg of donated goods into public welfare resources.

Social Impact: Established a corporate volunteer certification system, with 147 employees across all regions completing certification to inject sustainable momentum into society.



Human Rights Policy and Commitments

GRI 2-23, 2-24, 405, 406-1, 408-1, 409

Upholding corporate social responsibility, HwaCom Systems is dedicated to safeguarding the basic human rights of our workforce and stakeholders, with an unwavering commitment to preventing any form of human rights infringement within our operations. In alignment with international benchmarks—such as the United Nations' Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the Global Compact, and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work—the Company has successfully institutionalized these practices into its organizational regulations and corporate culture.

Providing a Diverse, Equal, and Inclusive Environment

We commit to providing a fair and non-discriminatory work environment. In all aspects of employee recruitment, appointment, compensation, promotion, training, and related welfare, absolutely no differential treatment is granted based on gender, ethnicity, socioeconomic status, nationality, age, marital status, religion, political affiliation, physical or mental disability, or any other legally protected characteristics.

Building a Healthy, Safe, and Dignified Workplace

Implementing workplace safety and health management: To safeguard employees' physical and mental wellbeing, the Company has proposed and is building multiple operational norms covering 'Ergonomic Hazard Prevention,' 'Maternal Health Protection,' 'Prevention of Work-Related Musculoskeletal Disorders from Abnormal Workloads,' and 'Prevention Plan for Unlawful Infringement While Performing Duties,' systematically identifying and controlling latent risks. These are expected to be officially adopted in 2026.

Prohibiting forced labor and child labor: The Company strictly abides by government labor laws and regulations, absolutely does not employ children under 18 years of age, and prohibits any form of forced labor. All overtime work is based on employees' voluntary consent, with corresponding compensation provided in accordance with applicable law.

Protecting Privacy Rights and Ensuring Accessible Communication Channels

Implementing information security: HwaCom deeply understands that privacy is a fundamental human right. To this end, the Company has established a complete information security management mechanism with strict control measures to protect the personal data of all stakeholders throughout the entire lifecycle of collection, processing, and use, ensuring its legality and security.

Establishing unobstructed grievance and communication channels: HwaCom Systems provides diverse and confidential communication and grievance channels, including labor-management meetings, regular performance reviews, employee suggestion boxes, and external whistleblowing hotboxes. Employees can file a grievance whenever they encounter any issues. The Company pledges to conduct all investigations with strict confidentiality and to protect complainants from any form of retaliation.



Human Capital Overview and Diversity & Inclusion

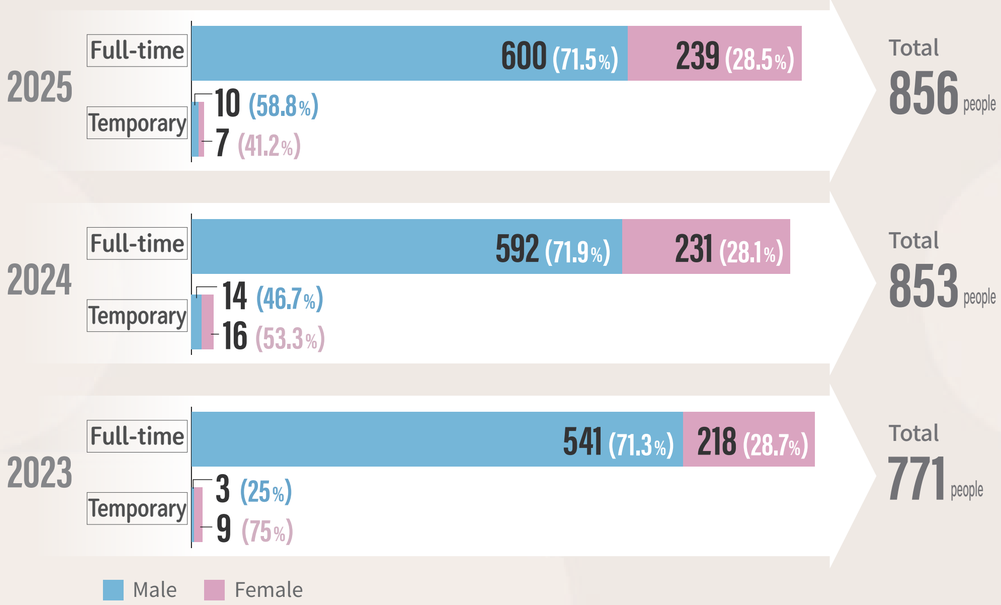
GRI 2-7, 2-8, 401-1, 401-3, 405-1

The Company is dedicated to building a diverse, inclusive, and welcoming workplace, ensuring that all employees enjoy comprehensive protection and broad opportunities for professional growth from onboarding through retirement. This chapter provides a full disclosure of HwaCom Systems' concrete practices and achievements in human capital structure, attraction of diverse talent, and the development of a supportive work environment.

Human Capital Overview

As of end of 2025, the parent company had 856 employees, all located within the Republic of China (Taiwan), with a regular employee ratio as high as 98% (839 persons), reflecting the Company's strategy of using stable, long-term employment relationships as the core of its human resource strategy.

Full-time / Temporary Employee Headcount (2023–2025)



In 2025, the average age of employees at HwaCom Systems' parent company was 42.4 years, with senior/middle-aged full-time personnel aged 45 and above accounting for 42.2% of the workforce. The Company deeply values the experience and knowledge transfer of our senior team members and actively fosters intergenerational collaboration and mutual prosperity, establishing a vital cornerstone for stable organizational growth.

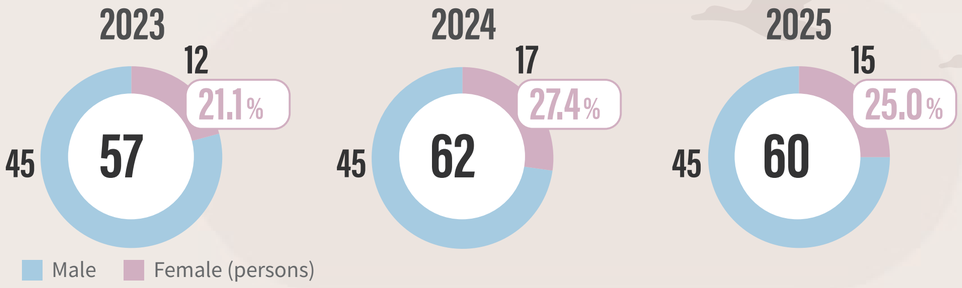
Full-Time Employee Age Structure Trend (2023–2025)

		2023	2024	2025
Total (persons)		759	823	839
Average Age		41.7	42.2	42.4
Age Structure	Under 30 (persons)	82	85	67
	30–45 (persons)	389	411	418
	45 and above (persons)	288	327	354

In terms of gender composition, males account for 71.5% and females 28.5%, reflecting the characteristics of the ICT industry. Nevertheless, the Company continues to strive to improve female participation and advancement within the organization, especially at the management level — in 2025, female supervisors accounted for 25% of all principal supervisors.

HwaCom upholds fair, open recruitment principles without any differential treatment based on gender, ethnicity, age, religion, or other factors, and actively provides diverse employment opportunities.

Management-Level Gender Distribution Trend (2023–2025)

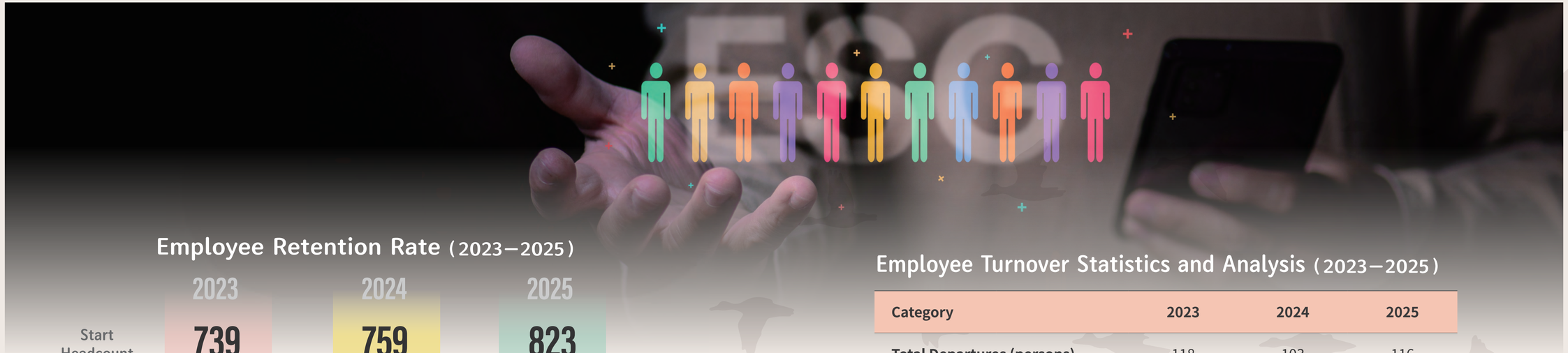


New Hires and Diverse Talent Hiring Statistics (2023–2025)

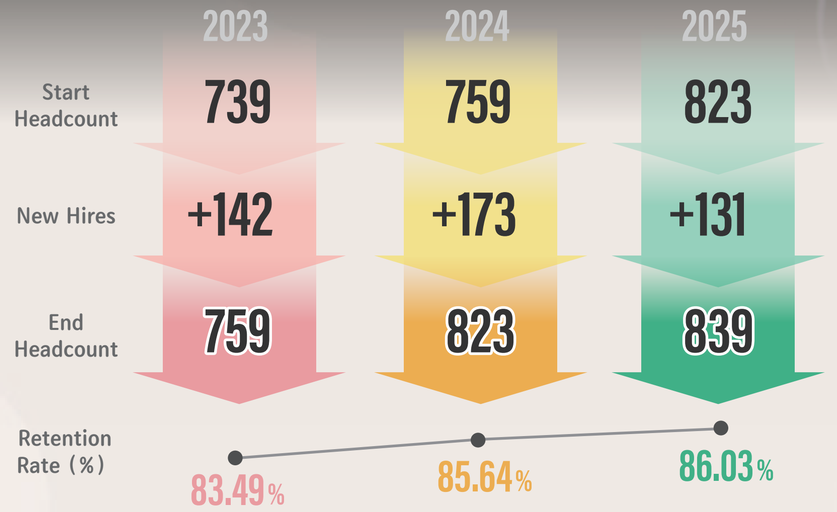
		2023	2024	2025
Total New Hires (persons)		142	173	131
Age Structure	Under 30 (%)	27.0	19.7	22.4
	30–45 (%)	53.0	55.5	50.4
	45 and above (%)	19.0	24.8	27.2
Headcount of Diverse Talent	Persons with Disabilities	10	11	10
	Indigenous Peoples	8	9	10
	Total	18	20	20







Employee Retention Rate (2023–2025)



Note: Retention Rate (%) = (End-of-Year Active Employees – New Hires During Year) ÷ Start-of-Year Active Employees

Employee Turnover Statistics and Analysis (2023–2025)

Category		2023	2024	2025
Total Departures (persons)		118	103	116
Turnover Rate		16.1%	13.0%	15.4%
By age distribution	Under 30 (%)	20.3%	10.7%	15.5%
	30-45 (%)	61%	62.1%	56.9%
	45 and above (%)	18.7%	27.2%	27.6%
Male/Female Ratio		M：72% F：28%	M：69.9% F：30.1%	M：69.8% F：30.2%

New Hire Overview

In 2025, HwaCom parent company welcomed 131 new full-time colleagues. Among them, the female ratio reached 35.9%, higher than the company's overall female ratio, indicating that the Company's efforts toward diversity in recruitment are progressively yielding results. In addition, new hires aged 45 and above reached 35 persons, accounting for 27% of total new hires, reflecting the Company's high emphasis on the value of experience.

Departing Employee Overview

In 2025, HwaCom Systems had a total of 116 departing full-time colleagues. Overall gender structure remained stable, indicating that departures were not concentrated in a specific group; in terms of age structure, the number of departing employees aged 30–45 was slightly lower than the previous year, demonstrating that the Company's mid-level talent retention is progressively yielding results. Overall turnover rate compared to peers in the same industry remains within a reasonable range. Considering the changes in departure group structure, the Company will continue to focus on the retention strategy for core and senior talent, continuously optimizing related systems and development mechanisms to improve organizational stability and long-term competitiveness.

Diverse Inclusion and Family-Friendly Workplace

HwaCom Systems' efforts in building a cross-generational, co-prosperous, and family-friendly workplace have been widely recognized externally, which is not only an encouragement to the Company but also motivation to continue improving.

- Diverse hiring: HwaCom Systems continues to employ persons with disabilities and historically underrepresented groups at statutory quotas—even exceeding them. As of end of 2025, a total of 20 persons were employed (10 with physical/mental disabilities, 10 indigenous peoples), accounting for 2.38% of total employees, fulfilling corporate social responsibility. Please see the Employee Group Analysis above.
- Gender Equality and Employee Care: HwaCom Systems regards every colleague as a precious asset and is dedicated to creating a gender-equal and inclusive workplace. The Company deeply understands that supporting colleagues in balancing work and family is the cornerstone of sustainable business development. In addition to complying with the Act of Gender Equality in Employment and the Labor Standards Act, the Company provides ongoing care and well-being resources from the Human Resources Department to female employees during pregnancy and within their first year postpartum. According to individual case needs, the Company will initiate work accommodation assessments covering job content, working hour arrangements, and workplace environment improvements, to provide the most timely and appropriate support. This initiative, combined with a complete parental leave salary subsidy system, ensures colleagues can welcome a new life while maintaining a worry-free and stress-free work environment.
- Family-Friendly Support and Parental Leave: HwaCom Systems understands and supports our employees' family care needs. In 2025, six employees applied for parental leave (including one male employee). Among those scheduled to return to work that year, the return-to-work rate reached 100%. Furthermore, the one-year retention rate for employees who returned in 2024 reached an outstanding 86%. These exceptional results concretely demonstrate that our supportive work environment enables employees to return to their roles with peace of mind and continue contributing their expertise.

2025 Parental Leave Statistics

		Male		Female	(persons)
A	Employees eligible to apply for parental leave in 2025	29	+	11	40
B	Employees who actually applied for parental leave in 2025	1	+	5	6
C	Employees scheduled to return from parental leave in 2025	0	+	5	5
D	Employees who actually returned from parental leave in 2025	0	+	5	5
E	2025 Return-to-Work Rate	0	+	100 %	100 %
F	Employees who returned from parental leave in 2024	5	+	2	7
G	Employees who returned in 2024 and remained employed after 1 year	4	+	2	6
H	Retention Rate	80 %	+	100 %	86 %

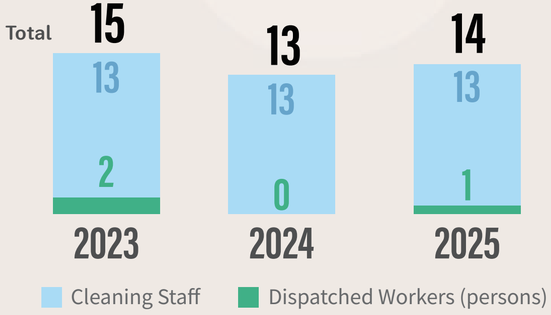
Notes: 1. Employees eligible for parental leave (A): those who applied for maternity and paternity leave within 3 years (2023/1/1–2025/12/31).
2. Return-to-work rate (E): D/C*100%
3. Retention rate (H): G/F*100%

Non-Employee Workers

To focus on core business development, the Company outsources certain non-core functions (such as cleaning services) to external contractors. As of the end of 2025, non-employee workers (including dispatched staff and cleaning personnel) totaled 14, accounting for less than 2% of the total workforce. Their job responsibilities are not directly involved in the Company's core operations.

Nevertheless, HwaCom Systems fulfills its responsibility for human rights management across the value chain. The Company requires all contractor partners to comply with labor laws and regulations, regularly reviewing their working conditions and human rights protections to ensure that the basic labor rights of all personnel working at HwaCom premises are fully safeguarded.

Non-Employee Worker Structure Trend (2023–2025)



- In 2024, the Company received the 'New Taipei City Mid-to-Senior Aged and Senior-Friendly Workplace' certification.
- In 2025, the Company was featured in the cover story of Business Weekly (Issue 1979) as one of the 'Top 100 All-Age Enterprises of 2025.' The report recognized the Company for providing clear career development paths for employees and for fostering intergenerational collaboration and knowledge transfer through initiatives such as pairing senior colleagues as mentors for new hires—effectively boosting employee retention.

In the future, HwaCom Systems will continue to improve all employee welfare programs, creating a workplace where employees of all ages and backgrounds can find contentment, develop their strengths, and achieve personal and professional fulfillment.

Talent Development and Growth

GRI 404-1, 404-2, 404-3, 405

HwaCom Systems firmly believes that outstanding talent is the cornerstone of sustainable business operations. To this end, the Company is dedicated to strengthening talent development, creating a rewarding workplace, and aspiring to become an employer of choice. Based on the Company's core values, organizational development, and strategic objectives, diverse internal development opportunities and a broad stage for learning and growth are provided for employees. This section will reveal HwaCom Systems' concrete actions in talent cultivation, competency growth, and career development in response to rapid industry changes.

The Company regards employees as its most precious assets. A stable and professional talent team is key to HwaCom Systems being able to provide competitive services. The Company is dedicated to creating an environment that attracts, motivates, and retains top talent. As of end of 2025, the global employee headcount reached 927 persons in the group. High retention rates demonstrate colleagues' high recognition of the company's culture, development prospects, and welfare system.

Complete Training System and Performance

HwaCom Systems has built a complete training and development system blueprint. The system is strategically designed around on the Company's operational strategy, extending downward to the core capabilities and professional skills needed by each employee, combined with a knowledge management system to systematically promote various talent training programs. In addition to self-initiated applications based on individual development needs, supervisors can also assign colleagues to training based on business requirements.

2025 Annual Education and Training Course Statistics

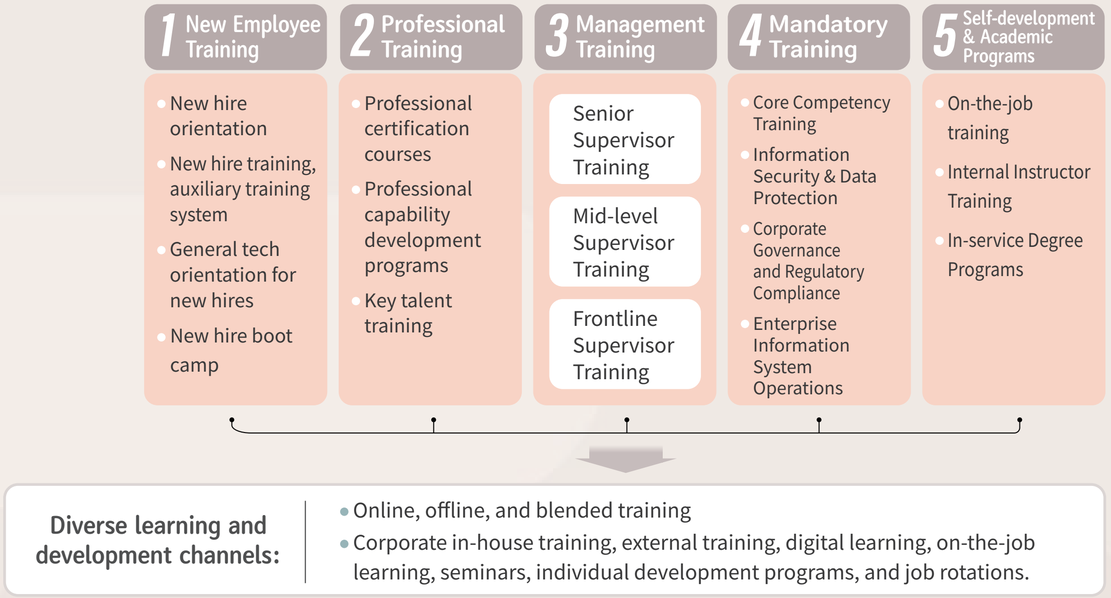
Course Type	Sessions	Total Participants	Total Hours
General Courses	59	6,745	16,880
Technical Courses	68	99	2,488
Product Courses	44	1,204	2,215
New Employee Training	38	288	2,561
Certification Courses	202	238	4,584
Total	411	8,574	28,728

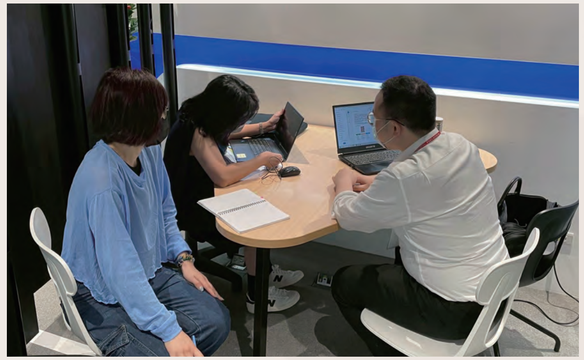
In 2025, HwaCom Systems' total investment in talent development reached NT$3.74 million, with total training hours reaching 28,728 hours and an average of 33.56 training hours per employee at the parent company. For 2025 education and training course statistics, please see the table below.

Dual-Track Career Development Roadmap

To provide colleagues with clear career advancement pathways, the Company, based on the "Job Classification and Management Measures," has established a dual-track promotion mechanism for management and professional tracks. Regardless of whether colleagues are in management, business, technical, project, or support categories, they can challenge higher career stages in alignment with clear promotion standards according to their strengths and aspirations.

The HwaCom training and development system blueprint covers five dimensions, as below:









Key Talent Cultivation and New Employee Mentoring

- Key Talent Mechanism: To build the talent pipeline required for HwaCom Systems' sustainable development, the Company has established a Key Talent Cultivation and Development Mechanism based on multiple dimensions, including critical positions, performance metrics, and growth potential. Selected key talents are required to formulate Individual Development Plans (IDPs) and are paired with Company-appointed mentors. Through semi-annual development reviews, their growth trajectories are continuously tracked, to serve as the company's future core leadership reserve.
- New Employee Mentoring System: To help new hires integrate quickly into the organization, the Company implements a multifaceted mentorship and onboarding program. In addition to a comprehensive office tour and guided orientation to the online learning platform on their first day, every new employee is assigned a dedicated one-on-one mentor to provide real-time support for work and workplace adaptation. Furthermore, the Company hosts quarterly "New Employee Training Camps," bringing newly joined staff to headquarters to interact directly with senior executives, gain deep insights into corporate culture and technical roadmaps, and build cross-departmental networks.



Deepening Industry-Academia Collaboration, Cultivating Future Potential

To cultivate industrial roots and fulfill corporate social responsibility, HwaCom Systems builds strong industry-academia partnerships to shorten the school-to-work gap and assist recent graduates in launching successful careers.

- Internship Program: HwaCom Systems provides opportunities for in-school practical learning. In 2024, there were a total of 9 interns, of whom 2 converted to full-time positions. In 2025, there were 4 interns, bringing fresh perspectives and talent to the organization.
- Applied Research Sponsorship (In Partnership with National Kaohsiung University of Science and Technology): To encourage students to engage in practical research projects, the Company entered into a three-year industry-academia partnership with National Kaohsiung University of Science and Technology (NKUST) starting in 2024. In 2024, the Company sponsored 8 research projects, benefiting 19 students. In 2025, the Company sponsored 8 research projects, benefiting 8 students.

Employee Rights and Wellbeing

GRI 201-3, 401-2, 403-6

HwaCom Systems implements a holistic employee policy framework encompassing professional training, mentorship programs, certification and advanced study subsidies, and diverse welfare provisions—including parking stipends, marriage and natal allowances, birthday gifts, employee travel subsidies, and group social activities. Beyond talent retention, these initiatives embody our commitment to employee and family care. By supporting holistic wellness, health, incentives, work-life integration, and professional growth, HwaCom demonstrates a human-centric corporate ethos that drives sustained competitive advantage in talent retention.

Family-Friendly and Work-Life Balance

To enable colleagues to achieve balance between work, life, and family, we promote multiple supportive measures:

- Flexible Working Hours: To reduce commuting stress, the Company provides up to 90-minute flexible working hours, allowing colleagues to more flexibly plan their personal time.
- Diverse Subsidies and Leave: In addition to the mandated marriage, bereavement, and maternity subsidies, the Company provides a unique 'Engagement Leave' exclusive to HwaCom, supporting employees as they celebrate major life milestones.
- Family Childcare Support: Each year, childcare subsidies are provided for colleagues applying for parental leave, and preferred childcare institutions are contracted in Northern, Central, and Southern Taiwan to provide colleagues with preferential choices. In terms of childcare subsidies, 57 persons were assisted in 2023, 64 in 2024, and 70 in 2025, totaling 191 persons assisted with total funds of NT$477,500.
- Parental Leave and Family-Friendly Facilities: The Company provides comprehensive parental leave in accordance with the law, alongside comfortable, private, and fully equipped lactation rooms featuring sterilizers, sofas, and dedicated refrigerators to support the needs of new parents.
- Employee Family Activities: Coordinated and planned by the Welfare Committee, the Company regularly hosts annual events—such as 'HwaCom Family Day,' private movie screenings, domestic and international trips, and sports tournaments—inviting family members to participate and foster quality family time. Additionally, we organize public welfare activities including charitable donation drives, beach cleanups, local farming volunteer work, nursing home visits, and complimentary haircut services, working together to fulfill its corporate social responsibility.

Comprehensive Physical and Mental Health Care

- Health Screenings Exceeding Statutory Requirements: The Company conducts employee health check-ups every two years. In addition to organizing health screening tours across Taiwan, the Company partners with multiple top-tier medical institutions to offer employees flexible choices. It also provides discounted health screening packages for dependents, extending care to employees' families.
- Professional Health Consulting and Safety Training: HwaCom employees dedicated professional nurses to provide regular medical and health consultation services. The Company also hosts health seminars periodically and incorporates first-aid training into its new hire orientation program. In 2025, the Company partnered with professional external organizations to conduct fire evacuation drills across all offices in Taiwan, reaching a total of 611 participant-sessions and receiving high praise from employees.
- Comprehensive Corporate Group Insurance: The Company provides all employees with corporate group insurance covering life, accidental, and hospitalization insurance. Favorable dependent add-on plans are offered, constructing a robust health safety net for employee families.
- Promoting a Culture of Athletics and Wellness: HwaCom regularly organizes sports and athletic activities to enhance physical wellness and foster camaraderie. In 2025, the Company successfully held a nationwide, inter-regional bowling tournament, significantly strengthening team cohesion.

Comprehensive Retirement Preparation

- Pension System: The Employee Code of Conduct explicitly outline our retirement policies. In accordance with the law, we have established a Supervisory Committee of Labor Retirement Reserve Funds and administer retirement matters pursuant to the Company's Employee Retirement Regulations.
  - ✓ Old Pension Scheme: The Company contributes 2% of the total monthly payroll into a labor retirement reserve account at Bank of Taiwan.
  - ✓ New Labor Pension System: In compliance with statutory requirements, the Company contributes 6% of employees' monthly wages into their individual accounts at the Bureau of Labor Insurance.
- Employee Stock Ownership Trust: To share business success and enhance retirement security for our staff, the Company implements an "Employee Welfare Stock Ownership Trust" program. Employees may voluntarily allocate a portion of their monthly salary, which the Company matches with an incentive contribution to jointly invest in company shares. This enables team members to become true partners in HwaCom's growth and share in the company's sustainable value.

Occupational Safety and Health

GRI 403-1~10

HwaCom Systems firmly believes that employees are the Company's most precious core assets, and providing a safe, healthy, and low-risk work environment is its commitment to every colleague. To this end, the Company strictly complies with the Occupational Safety and Health Act and related regulations, setting "zero occupational disasters" as our ultimate goal.

As a systems integrator, the Company recognizes that its operations involve diverse working environments, including office ergonomics, client data center construction, and business travel traffic safety. To enhance safety awareness, the Company conducted multiple OHS training sessions in 2025, reaching 950 participant-sessions and accumulating 2,850 total training hours.

Under the Ministry of Labor's regulations, the Company's industry category falls under Category 3 (low-risk), which does not legally mandate a dedicated OHS management unit based on headcount. Nevertheless, demonstrating strong self-governance, the Company formally established its "Occupational Safety and Health Policy" signed directly by the General Manager. The Office of General Affairs oversees the planning, execution, and daily administration of all OHS initiatives, safeguarding employee well-being and fostering a supportive workplace.

Occupational Safety and Health Policy and Management Mechanism

Occupational safety and health management is an integral part of enterprise operations. The Company complies with official OHS regulations, continuously promoting structured health and safety practices that reflect our commitment to employee welfare.



In addition, to continuously strengthen our internal capabilities in occupational health and safety, the Company trains and develops OHS personnel holding professional certifications. By accumulating professional expertise and implementing systematic management, the Company consistently enhances overall workplace risk management and disaster prevention performance.

(i) Regular Inspection and Accident Management

Based on operational characteristics (office environments, ICT equipment maintenance, and construction-related site work), the Company conducts routine workplace inspections to identify risks, assess hazards, and implement targeted preventive measures. Facilities such as fire prevention equipment, emergency escape routes, fire extinguishers, and drinking water systems are regularly inspected, maintained, and upgraded to ensure full compliance and operational safety.

If an occupational accident or potential hazard is identified, the Company immediately initiates response procedures, conducts root-cause analysis, and implements corrective actions to prevent recurrence.

(ii) Employee Participation, Consultation, and Communication on Occupational Health and Safety

OHS policies are communicated through internal training programs, company-wide announcements, and awareness campaigns. New hires and field personnel undergo mandatory safety training before entering operational sites. Furthermore, the Company maintains open feedback channels, encouraging employees to proactively submit safety improvement suggestions to refine our management system.



Adhering to the principles of prevention-first and proactive risk management, the Human Resources Department oversees the planning and execution of all OHS management operations—including education and training, awareness campaigns, and daily administration. This ensures employee safety and health in the workplace while demonstrating the Company's commitment to fulfilling its OHS management responsibilities.

(iii) Occupational Health and Safety Education and Training

In accordance with related laws, occupational health and safety education and training is continuously organized on a regular basis. Through systematic training, safety and health management mechanisms and risk prevention concepts are internalized into daily operation processes, thereby shaping a safety culture that all employees collectively follow.

In 2025, all 131 new hires completed at least 3 hours of online OHS training, totaling 393 hours. Overall, the Company recorded 950 participant-sessions in safety training during the year, averaging at least 3 hours per participant and accumulating a combined total of 2,850 OHS training hours for all workers. Detailed training attendance statistics are provided in the table below. The scale of participation and total hours invested fully comply with the Company's internal management standards and statutory expectations.

During the year, occupational safety training centered on fire escape and safety procedures. The curriculum emphasized fire risk identification, emergency protocols, and structured evacuation plans. Enhancing risk awareness and operational readiness among personnel significantly reinforced the Company's disaster prevention and control effectiveness, thereby minimizing potential incident risks.

2025 Occupational Health and Safety (OHS) Education and Training Attendance Statistics

Date	Course Name	Venue	In-Person Participants	Online Participants	Hours per Session
All new employee onboarding dates	OHS Education and Training for New Hires	Headquarters and all branch offices	0	131	3
Nov. 5	Fire Escape Drill	Xizhi Headquarters	30	252	3
Nov. 7	Fire Escape Drill	Xizhi Headquarters	30	198	3
Dec. 26	Fire Escape Drill	Taichung Office	30	279	3

2,850 hours*

*Total Training Hours = (In-person + Online Participants) × Duration (Hours)

Deeply rooted in our core value of 'putting people first,' the Company maintains a robust employee health management system by scheduling regular workplace nursing consultations. Every month, we conduct two sessions with dedicated nurses (2 hours per session), alongside biannual on-site consultations with physicians. Through in-person visits by medical professionals, we provide employees with personalized health assessments, chronic disease prevention guidance, and workplace stress management—constructing a comprehensive physical and mental health safety net.

(iv) Occupational Health Services and Health Promotion

The Company complies with regulations to conduct employee health check-ups, organizing check-ups once every two years, dedicated to building a healthy workplace, and providing occupational and medical advice and follow-up recommendations based on check-up results. At the same time, first aid training, health promotion activities, and family-friendly workplace measures are provided, creating a safe and healthy work environment.

(v) Supplier and Contractor Occupational Safety Management

The Company rigorously implements occupational safety management for suppliers and contractors. In addition to requiring compliance with the company's safety norms, especially strengthening construction site pre-work safety confirmation to ensure workplace environments and protective equipment meet standards. The Company has also established early-warning management and emergency response protocols for natural disasters such as typhoons. During disaster events, mandatory work suspension regulations and post-disaster safety assessments are strictly enforced. Through these measures, we aim to minimize operational safety risks and effectively manage supply chain vulnerabilities.

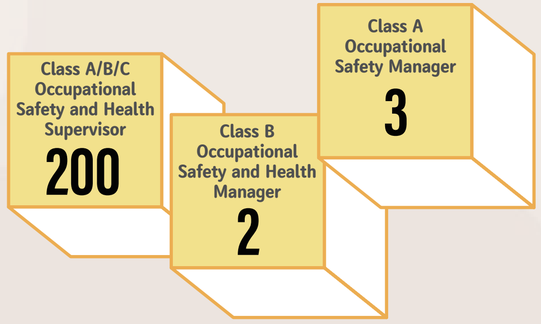
(vi) OHS Management Coverage Scope

The Company's occupational safety and health management measures cover all employees, and according to operation characteristics, extend to each operational location and construction site.

(vii) Professional OHS Personnel and License Configuration

To strengthen occupational safety professional capabilities, HwaCom Systems actively cultivates professional personnel with relevant professional licenses. Licenses currently obtained include: Class A/B/C Occupational Safety and Health Supervisors (200 persons), Class B Occupational Safety and Health Managers (2 persons), and Class A Occupational Safety Managers (3 persons).

Number of Licensed Personnel



This staffing structure demonstrates the Company's commitment to cultivating OHS professionals and institutionalizing safety management, thereby strengthening operational rigor and practical effectiveness across all safety initiatives.

(viii) Future Commitments & Improvement

The Company will continue to uphold high-standard management principles to systematically build and refine our OHS framework and related regulations. Key initiatives include implementing internal OHS performance indicators, conducting annual OHS employee surveys, and encouraging staff to submit safety improvement proposals and participate in related activities. By embedding employee engagement and continuous improvement mechanisms into our core operations, we aim to elevate our overall OHS management system and firmly pursue our goal of 'zero injuries, zero accidents, and zero occupational hazards.'

Safe Workplace Practices and Outcomes

(i) Legal Compliance and Practice

The Company, in accordance with the Ministry of Labor's "Occupational Safety and Health Act" and "Labor Health Protection Rules," formulates internal regulations, such as once every two years employee health check-ups, regularly organizing public environment safety checkpoints and environmental maintenance. Specific operations include:

- Fire Safety and Evacuation: At least 1 fire safety inspection and evacuation drill organized each year.
- Drinking Water Quality Testing: Water quality testing is contracted out quarterly to an accredited professional certification agency to test for Escherichia coli (E. coli), Pseudomonas aeruginosa, and Fecal streptococci.
- Environmental Sanitation & Pest Control: Contracting daily office cleaning services, supplemented by quarterly professional disinfection and pest control operations. HVAC System Management: Fan coil unit (FCU) maintenance and air filter cleaning or replacement are conducted annually.
- HVAC & Air Conditioning Management: Performing maintenance on fan coil units alongside filter cleaning and replacement on annual basis.
- Medical Consultations & Health Examinations: Employee health check-ups organized once every 2 years; results analyzed and graded by nursing staff and physicians. Biweekly nursing specialist consultations along with follow-up for high-risk employees to boost health management and prevention.







- Friendly Workplace & Well-being: The Company mandates "Sexual Harassment Prevention" training for all new hires during onboarding, providing educational awareness alongside robust reporting mechanisms, accessible grievance channels, and dedicated staff to respond immediately to complaints. Furthermore, in 2025, the Company drafted four key health action plans—"Ergonomic Hazard Prevention," "Maternity Health Protection," "Prevention of Illnesses Triggered by Abnormal Workloads," and "Prevention of Unlawful Infringement in the Workplace." Addressing both physical safety and mental well-being, these initiatives aim to alleviate employee stress, boost job satisfaction, and drive productivity. All four plans are currently under final review and are scheduled for official announcement and implementation in 2026.

(ii) 2025 Annual Safety Performance and Outcomes

- Zero Major Occupational Accidents: The Company recorded zero major occupational accidents as defined by the Occupational Safety and Health Act during the year.
- Zero Disabling Injury: Both employees and non-employee workers recorded zero disabling injury incidents and zero lost days, resulting in Frequency Rate (FR) and Severity Rate (SR) values of 0[1].
- Occupational Illness Prevention: Zero cases of occupational disease were confirmed by medical specialists or designated regulatory authorities, maintaining an Occupational Disease Rate (ODR) of 0[2].

Summary:

In 2025, HwaCom achieved a record of zero major occupational accidents, zero disabling injuries, and zero recognized occupational illnesses. This demonstrates the strong efficacy of our ongoing occupational health and safety management and preventative health measures. Moving forward, the Company will continue to build upon regular health screenings, expert recommendations for workplace environment improvements, and upgraded management initiatives to cultivate a safe and fully compliant working environment.

Note 1: Calculation reference source: Ministry of Labor Statistics (https://statdb.mol.gov.tw/html/com/st0803.html).
Disabling Injury Frequency Rate (FR) = Number of Disabling Injuries ÷ Total Hours Worked × 1,000,000.
Disabling Injury Severity Rate (SR) = Total Lost Workdays ÷ Total Hours Worked × 1,000,000.
Note 2: Calculation reference source: Ministry of Labor Statistics (https://statdb.mol.gov.tw/html/com/st0803.html).
Occupational Disease Rate (ODR) = Total Occupational Diseases × 1,000,000 ÷ Total Hours Worked.

Employee Communication and Harmonious Labor Relations

GRI 2-30, 401, 407-1

HwaCom Systems deeply believes that open and transparent two-way communication is the cornerstone of building mutual trust, promoting harmony, and achieving harmonious labor relations. The Company is dedicated to building diverse and unobstructed communication channels to ensure that colleagues' opinions and suggestions are fully heard and responded to. This is not only a legal compliance requirement, but also the core action for practicing governance transparency, responding to operational challenges, and uniting team cohesion.

Diverse Communication Channels

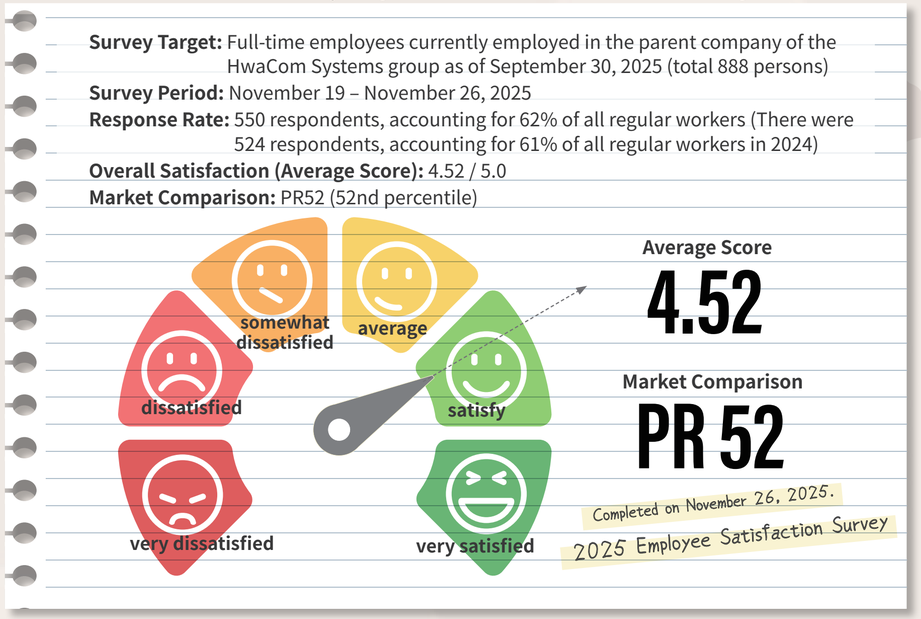
To gain a holistic understanding of employee perspectives, HwaCom Systems operates a structured communication network covering group, organization-wide, and individual levels:

Communication Channel	Key Functions and Frequency	Coverage
Labor-Management Meeting	Quarterly Labor-Management Committee sessions are conducted. Meeting resolutions carry the weight of a collective agreement, covering 100% of the workforce.	All employees (through representatives)
Annual Employee Satisfaction Survey	Each year, a third-party human resource platform conducts anonymous questionnaire surveys for all employees, covering eight dimensions; results serve as important reference for management's concrete improvement plan formulation.	All employees
Employee Opinion Mailbox	Internal system set up with dedicated electronic mailboxes; colleagues can submit questions or suggestions at any time, with responsible personnel required to provide formal responses.	All employees
Performance Review System	Combined with semi-annual performance evaluations, supervisors and departments conduct one-on-one two-way communication, reflecting individual job performance and improvement feedback.	Individual employees
Employee Care Visits	Senior management and HR representatives regularly visit branch offices, organizing listening and dialogue sessions. In 2025, 1 session was organized at the Hsinchu office.	Regional employees





2025 Employee Satisfaction Survey



Formal Negotiation and Grievance Mechanisms

To enable employees' voices to be effectively adopted by the company and protect their rights and interests, HwaCom Systems has established a rigorous negotiation and grievance mechanism.

- Labor-Management Meeting: The Company holds labor-management meetings on a quarterly basis. Resolutions passed during these meetings carry the weight of a collective bargaining agreement and apply to all employees, achieving a 100% of the worktorce.
- Grievance Mechanism: HwaCom Systems provides diversified and confidential reporting channels, including the aforementioned employee feedback mailbox and formal grievances submitted directly to the Human Resources Department.

The Company promises that all grievance complaints will be promptly investigated in a fair and confidential manner, adopting effective measures to protect grievants from any form of retaliation.

Community Engagement and Operational Impact Management

GRI 413-1, 413-2

HwaCom Systems upholds the core philosophy of 'co-existence, sharing, and co-prosperity,' regarding giving back to local communities as an integral part of sustainable business development. The Company actively invests in dialogue and cooperation with local communities, creating locally shared value through environmental protection, care for vulnerable groups, and resource circulation among other diverse programs, leveraging core corporate capabilities.

As of the reporting period for this report, none of HwaCom Systems' operational locations have generated significant negative operational impact events on local communities.

2025 Key Community Engagement Outcomes

Environmental Stewardship

- Long-term maintenance of 1,500 meters of coastline, commended by New Taipei City Government

Social Inclusion

- Care initiatives for vulnerable children, the elderly, and local communities, serving over 100 individuals

Volunteer Momentum

- Established a corporate volunteer certification system, with a total of 147 employees successfully completing certification.

Resource Circularity

- "Give Old Things New Life" initiative redirected 184.1kg of pre-loved goods to charitable resources



Local Environmental Co-Prosperity

- Plastic-Free Ocean Action: Since 2018, HwaCom Systems has adopted a 1,500-meter stretch of the Shalun coastline in New Taipei City, entering its 9th consecutive year of commitment. The Company regularly organizes beach cleanups integrated with low-carbon transportation initiatives, encouraging participants to take public transit. In 2025, in recognition of its long-term dedication, the Company was awarded a Certificate of Appreciation by the New Taipei City Government for its efforts to safeguard marine ecosystems.
- Supporting Local Farmers: HwaCom Systems hosted "One-Day Farmer Experiences" and "In-Office Farmers' Markets" to directly purchase produce cultivated through sustainable practices and eco-friendly farming methods. This initiative not only expands sales channels for local farmers but also introduces a healthy eating culture into the workplace—putting into practice SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production).

Social Care and Inclusion

The Company focuses on two major groups—elderly and vulnerable children—conveying warmth and empowerment to the disadvantaged through long-term, continuous, and stable care plans.

Diverse Care Initiatives:

- Senior Care & Companionship: Volunteers regularly visit senior care facilities, bringing warmth to elderly residents through companionship, hands-on craft activities, and interactive engagements.
- Vulnerable Group Donations: Over 100 sets of urgently needed supplies—including bedsheets, thermal wear, and blankets—were donated to nursing centers and rural elementary schools.









- Community Haircutting Outreach: Partnered with professional volunteer stylists to provide complimentary grooming services for disadvantaged residents, inspiring dignity and self-esteem.
- Inspiring Movie Day: Hosted 2 cinema sessions in 2025, benefiting 55 vulnerable youth through inspirational film screenings designed to foster positive life experiences.



Events hosted for the underprivileged Subtotal: 61

GRI 413-1

Activity Type	Date	Region	Film Title	Participants	Attendance	Purpose
Vulnerable Care (Public Service)	2025/07/10	Taipei	Elio	Vulnerable children	25	Build children's hope and self-confidence
Vulnerable Care (Public Service)	2025/11/29	Taipei	Zootopia 2	Vulnerable children	36	Convey inclusion and equal rights concepts

Events hosted for the employees Subtotal: 1,530

Activity Type	Date	Region	Film Title	Participants	Attendance	Purpose
Employee Cohesion (Welfare)	2025/05/17	North	Mission: Impossible – The Final Reckoning	Employees & families	346	Promote work-life balance Strengthen regional cohesion
		Central			64	
		South			60	
	2025/07/05	North	Jurassic World Rebirth	Employees & families	305	Strengthen regional cohesion
		Central			45	
		South			38	
		East			10	
	2025/07/05	North	The Mountain Maker	Employees	76	Strengthen regional cohesion
	2025/07/18	North	F1	Employees	60	Strengthen regional cohesion
	2025/11/29	North	Zootopia 2	Employees & families	364	Foster a positive and engaging workplace culture
		Central			61	
		South			101	

Total for the year: 1,591

Cross-Sector CSR Engagement

HwaCom Systems supports the "SOL Spread Love and Hope" charity run, contributing monetary and material donations while mobilizing 20 corporate volunteers to provide on-site event support, taking concrete actions to amplify positive social impact.

Deepening a Culture of Sustainability

- Sustainable Living & Resource Renewal: The Company installed UV utensil sterilizers in internal facilities to eliminate single-use disposable tableware at the source. Concurrently, HwaCom promoted the "Resource Renewal Project," encouraging employees to donate unused items. In 2025, this initiative successfully diverted 184.1 kg of potential waste—including clothing, books, bags, and shoes—repurposing them into charitable resources for underprivileged groups and embodying the spirit of the circular economy.
- Cultivating a Volunteer Culture: HwaCom encourages employees to participate in volunteering as a core pillar of its corporate social responsibility. To this end, the Company established a "Corporate Volunteer Certification" system, providing training to encourage staff engagement in social causes. As of the end of 2025, 147 employees nationwide completed certification, injecting vital momentum into the Company's sustainability initiatives.

Operational Impact Management

As of the reporting period for this report, none of HwaCom Systems' operational locations have generated significant negative operational impact events on local communities.



Information Security and Customer Privacy Protection

GRI 3-3, 418



In the digital economy era, data and information are not only core assets driving innovation, but also precious trust given to HwaCom Systems by customers and stakeholders. As a leading ICT systems integration service provider, HwaCom Systems regards information security and customer privacy protection as the highest principle of sustainable operations.

To this end, the Company not only strictly adheres to domestic regulations such as the "Personal Data Protection Act," but also actively introduces and continuously maintains ISO 27001 Information Security Management System and ISO 27701 Privacy Information Management System. Under this dual framework, HwaCom Systems establishes a top-down information security governance architecture, embedding the core principles of "Security by Design" and "Privacy by Design" into every phase of the solutions from planning, construction, to service delivery.

HwaCom Systems aims to build a digital governance environment that balances resilience with regulatory compliance—ensuring the confidentiality, integrity, and availability of all information assets while respecting and safeguarding the rights of data subjects. This section details the Company's information security governance structure, management policies, concrete protective measures, and annual operational performance.

Information Security Governance and Management Framework

(i) Information Security Risk Management Framework

1. Information Security and Governance Organization

HwaCom Systems has been dedicated to building a robust information security and personal data protection system. In July 2020, the 'Information Security and Personal Data Protection Committee' was established to align operational practices with internal controls to deliver continuous improvement. The structure and responsibilities of the Committee are as follows:

- Executive Leadership Level: The Committee is led by the General Manager, who serves concurrently as the Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), with first-tier department heads serving as Committee members.
- Management & Operational Level: The CISO designates management representatives and the head of the Cybersecurity Center, forming specialized working groups based on functional domains: Management Systems, Risk Management, Internal Audit Management, Incident Response, and Business Continuity.
- Auditing & Execution Level: Qualified professionals appointed by the Committee and respective departments serve as seed internal auditors and designated security officers to ensure seamless operational compliance.

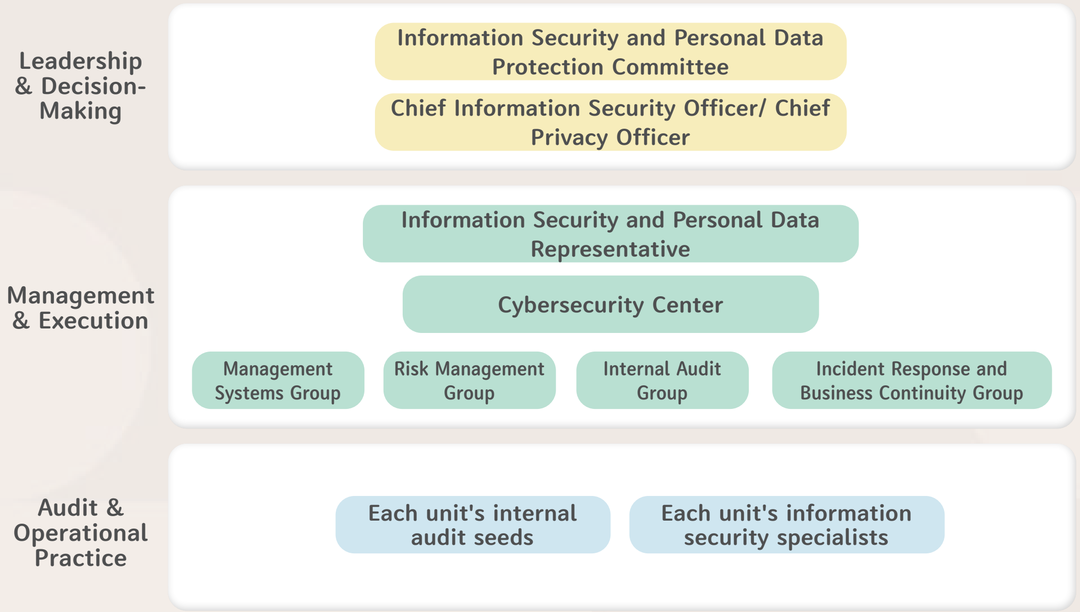
The Company regards information security and privacy protection as the core of sustainable operations. The Information Security and Personal Data Protection Committee, led by the Chief Information Security Officer, bears responsibility across strategy review, cross-department coordination, and ground execution three dimensions. In addition to conducting senior management reviews, the committee also bears responsibility for information security topic proposals and cross-departmental resource coordination, ensuring that information security norms are implemented across all business scopes. Additionally, the committee periodically conducts information security governance maturity assessments to precisely grasp protection status and gaps, fulfilling supervision and management responsibilities.

To implement the PDCA continuous improvement mechanism for information security and personal data management, the committee holds regular semi-annual management review meetings to comprehensively review management performance. The meetings cover the following to ensure preparedness and resilience:

- Strategic & Performance Assessment: Tracks progress toward information security and data privacy targets, while evaluating the alignment of cybersecurity staffing levels and defensive resource allocations.
- Risk Oversight & Audit Governance: Thoroughly examines internal and external audit results, corrective action plans for non-compliance, and risk assessment execution to mitigate potential vulnerabilities.
- Incident Management & Environmental Alignment: Evaluates shifts in the macro cybersecurity environment (e.g., regulatory changes or novel tech threats), assesses incident response effectiveness, and incorporates stakeholder input.

Utilizing this comprehensive evaluation framework, HwaCom proactively identifies optimization opportunities, maintaining an adaptive defense architecture that evolves alongside digital risks and reinforces our commitment to client and partner privacy.

2. Information Security Organizational Framework



(ii) Information Security Policy and Management Approach

1.Information Security Management Strategy

Information security and personal data protection is the foundation for enterprises moving toward sustainable development and winning stakeholder trust. Connecting with international management standards, the Company introduces and passes through ISO/IEC 27001:2022 Information Security Management System (ISMS) and ISO/IEC 27701:2019 Privacy Information Management System (PIMS) dual certification, placing the rigorous international standard framework as the core criteria for digital governance.

HwaCom Systems has formulated the "Information Security and Personal Data Protection Policy," aimed at protecting the confidentiality, integrity, and availability of information assets, ensuring that all business operations continue running in compliance with regulations and contracts. Through this comprehensive integrated control mechanism combining information security protection and privacy protection, the Company is dedicated to building a highly resilient information environment, not only effectively resisting all types of internal and external attacks or accidental threats, but also practicing the long-term commitment to protecting the digital rights of customers, partners, employees, and other stakeholders.

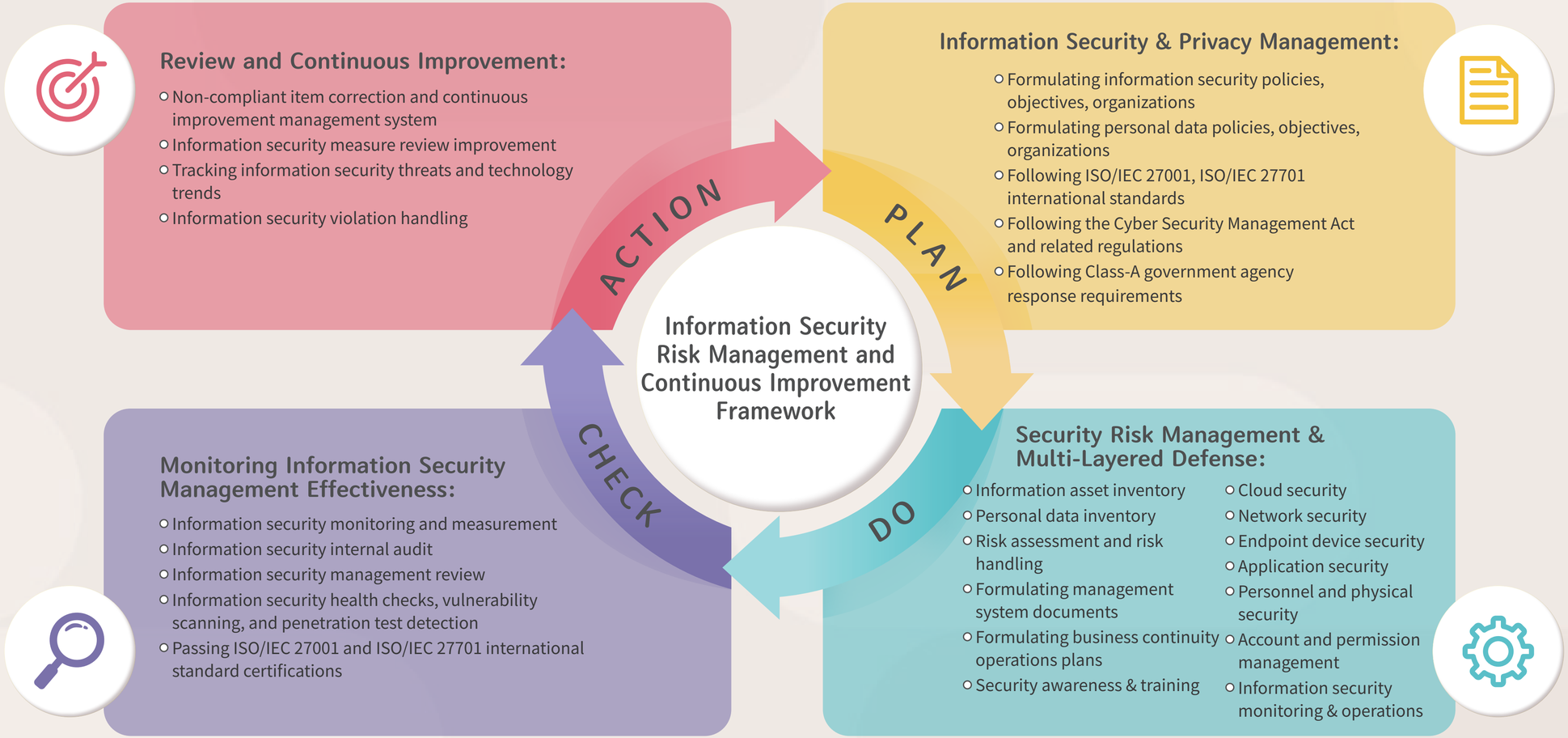
Information security is not only a technical specification, but also a behavioral norm deeply embedded in the organization. The Company upholds the policy declaration of *Implementing information security and personal data protection is your and my responsibility,* through the implementation of ISO international standards, simplifying complex regulations into everyday operational processes easy for all to execute. Through continuous education and training and advocacy, every colleague is ensured



to proactively fulfill the key responsibilities of protecting information security assets, internalizing the information security spirit into the DNA of enterprise operations.

The Company adopts the Plan, Do, Check, Act (PDCA) four-step model, based on the ISO 27001 and ISO 27701 framework, building an adaptable information security and personal data protection system. Regular internal and external audits are conducted to review management system effectiveness and track improvement progress, ensuring that the protection mechanism can keep pace with technological and regulatory trends. In the increasingly severe global cybersecurity threat landscape, HwaCom Systems consistently maintains optimal defense capabilities, ensuring the confidentiality, integrity, and availability of important information assets, achieving business management resilience and stability. The PDCA Cycle for continuous improvement is shown as below:

Regarding the Information Asset and Risk Management System (RSMS), following its implementation in 2024, the information asset inventories and risk assessment operations—previously decentralized across departments and maintained manually—were integrated into a unified system platform. This effectively reduces manual errors and enables security personnel to maintain real-time visibility into the latest status. Overall, RSMS helps establish standardized, traceable security management processes, enhancing the Company's overall information security governance capabilities.



2. Specific Management Approaches and Cybersecurity Investment

Management System and Audit Implementation

- ICT System Classification and Protection Standards: In 2025, all systems developed in-house or outsourced were classified into High, Medium, or General levels in accordance with the "Cybersecurity System Classification" under the Cyber Security Management Act. Furthermore, audits and security enhancements were conducted based on the "Cybersecurity System Protection Benchmark Checklist.
- Implementation and Third-Party Verification of ISMS and PIMS: The entire organization has successfully implemented Information Security and Privacy Information Management Systems, achieving dual international certifications for ISO/IEC 27001 (also accredited by TAF) and ISO/IEC 27701. In 2025, the Company completed its recertification audit, maintaining continuous certificate validity through August 26, 2026.
- Dedicated Information Security Personnel: In 2025, the Company deployed one Chief Information Security Officer, one Information Security Responsible Person, two Information Security Center personnels, and a total of 24 internal audit seeds from each unit, with information security specialists from each unit totaling 67 personnel.
- Internal Information Security Audit: In 2025, the Company carried out two office information security spot checks (June, December), two internal audits (April, October), and two external audits (January, July), with continuous improvements to information security and personal data security.
- Business Continuity Operation Drills: All core system business continuity operation drills completed in 2025 with continuous improvements.




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...making excellence a habit.

Technical Multi-Layered Defense and Real-Time Monitoring

- Security Testing (Vulnerability Scanning and Penetration Testing): In 2025, bi-annual host system and web vulnerability scans alongside one penetration test were completed for all core systems, with all identified vulnerabilities remediated.
- Cybersecurity Health Check: The 2025 cybersecurity health assessment was successfully executed, covering network architecture reviews, malicious network activity analysis, endpoint/server malware inspection, Directory Server (AD) configuration reviews, and firewall rule audits.
- Endpoint Detection and Response (EDR) & Anti-Virus Protection: In 2025, EDR Professional Edition (including anti-malware functions) was deployed enterprise-wide to prevent malware and ransomware attacks. Dedicated cybersecurity personnel conduct real-time monitoring to ensure immediate incident response.
- Network Firewall Protection: Deployed Next-Generation Firewalls (NGFW) equipped with Advanced Persistent Threat (APT) detection. Internal networks are segmented by business function and region, enforced by firewall access controls, and monitored by a dedicated security team.
- Email Filtering Mechanism: Organization-wide email filtering is enabled to detect and alert users to spam, phishing, and incoming external messages, backed by real-time monitoring from a dedicated team.
- Intrusion Detection and Prevention Systems (SIEM & SOC): Established a Security Information and Event Management (SIEM) platform alongside a Security Operations Center (SOC) monitoring service, maintained by a specialized team for real-time threat detection and incident response.
- Web Application Firewall (WAF): was deployed across core external-facing IT systems to strengthen application-layer defenses, supported by real-time monitoring from dedicated personnel.
- Advanced Persistent Threat (APT) Defense Measures: Integrating cloud, network, endpoint, threat intelligence and intranet anomaly detection, constructing an advanced persistent threat defense network with real-time monitoring by the dedicated team.

Awareness Information Security Awareness and Professional Capability Improvement

- In 2025, company-wide training was completed across all organization levels as follows:

✓ General Awareness Training: All employees completed at least three hours of annual cybersecurity and personal data protection awareness training.

✓ Phishing Simulations: Successfully conducted two email social engineering drills meeting performance targets, followed by awareness education.

- Professional Cybersecurity Certifications: In 2025, the Company continued investing in professional certification training, including a dedicated corporate class for ISO 42001 Artificial Intelligence Management System (AIMS) Lead Auditors, as well as CEH and OSCP programs. Additionally, at least two Lead Auditor internal audit engagements were executed to maintain active certification status. Currently, the Company holds approximately 300 cybersecurity-related certifications spanning management and technical domains.

3. Major Information Security Events

To ensure rapid recovery of core operations when facing information security challenges, HwaCom Systems has established rigorous risk management mechanisms and standard operating procedures for information security incident handling. Deeply integrating the ISO/IEC 27001 management framework, clear regulations for information security incident detection, notification, grading, and emergency response procedures, with professional technical and management personnel dispatched for handling, ensuring major information security events can be properly controlled within the shortest time.

In 2025 and up to the publication date of this report, the Company experienced zero major cybersecurity incidents, with no operational impact or financial losses resulting from cybersecurity events.

Customer Privacy Protection

Legal Compliance and Integration with International Standards

To implement privacy protection and information security management, in addition to strictly following the 'Personal Data Protection Act,' the Company further aligns with international standards, building the ISO/IEC 27701:2019 Privacy Information Management System (PIMS). Under this framework, HwaCom Systems has formulated the 'Personal File Security Maintenance Plan,' aimed at ensuring that personal data can balance privacy protection and the legitimate use of information across the entire lifecycle of collection, processing, and utilization, converting digital rights and legal compliance into specific enterprise governance actions.

Rigorous Technical Defense and Process Control

Through the implementation of the 'Personal File Security Maintenance Plan,' the company has established a set of standardized operation procedures, covering personnel management, system security, audit, and emergency response, implementing rigorous technical control and physical defense for personal data assets. Our goal is to build a solid defense line, actively preventing personal data from being stolen, tampered with, destroyed, deleted, or leaked risks. In addition, HwaCom Systems not only focuses on defense technology but also emphasizes the 'Privacy by Design' concept, embedding security mechanisms into each business process to ensure the confidentiality and compliance of information assets.

Respecting Rights and Stakeholder Communication

The Company views the exercise of rights as an essential pillar of privacy protection. We have established transparent consultation channels that fully respect and safeguard individuals' rights to access, review, obtain copies of, supplement, correct, discontinue collection/processing/use of, or delete their personal data. Through effective communication mechanisms and professional cybersecurity incident response capabilities, HwaCom Systems is committed to fostering a trusted, secure information environment for our clients and business partners amid the digital wave.

2025 Personal Data Management Performance

0	0	0
Customer Privacy Complaints	Regulatory Complaints Regarding Data Protection	Data Breaches or Theft Inddents

The Company will continue to invest in resource optimization and defense technology, ensuring that in the context of increasingly severe digital environment threats, the highest standard of privacy protection effectiveness can be maintained, practicing digital commitments to all stakeholders.

Supplier Sustainability Management

GRI 2-6, 204-1, 308, 409, 414

The Company regards suppliers as essential sustainability partners and is committed to building long-term, stable relationships with both domestic and international vendors to forge a resilient, sustainable green supply chain. Beyond ensuring consistent operational performance in product quality, delivery schedules, and pricing, we actively urge suppliers to implement environmental protections, improve occupational health and safety standards, and safeguard human rights—collectively fulfilling corporate social responsibility (CSR) and advancing Environmental, Social, and Governance (ESG) goals across the supply chain. Furthermore, through institutionalized management mechanisms, we enhance supply chain risk control and business continuity planning to achieve win-win outcomes across the economic, social, and environmental dimensions.

This chapter discloses HwaCom Systems' supplier management policies, initiatives, and achievements in 2025, covering our five key management objectives, Code of Conduct and Compliance Commitment, Conflict-Free Minerals Policy and responsible raw material sourcing, environmental and social screening mechanisms, supply chain profile and local procurement, as well as future enhancements and outlook.

To strengthen supply chain governance and respond to global sustainability trends, HwaCom Systems revised its Supplier Management Regulations in August 2025 and simultaneously updated the Business Partner Code of Conduct and Compliance Commitment. Centered on the Company's five core supplier management objectives, this revision comprehensively reviewed and enhanced procurement processes, supplier evaluation mechanisms, and responsible sourcing requirements, establishing a solid foundation for supplier selection, collaboration, and ongoing management.



Five Major Supplier Management Goals

Based on supply chain risk identification and operational needs, the following five major supplier management goals are formulated and incorporated into supplier evaluation and management systems:

- **Integrity Compliance:**
  Ensuring procurement processes are transparent, fair, and compliant, requiring suppliers to follow relevant legal regulations, commercial ethics, and anti-corruption principles, building complete internal controls and risk management mechanisms to maintain transaction security and corporate governance quality.

- **Environmental Sustainability:**
  Including suppliers' environmental management systems and carbon reduction effectiveness into evaluations, encouraging them to promote energy saving and carbon reduction, resource circulation, and pollution prevention measures, gradually reducing the supply chain's environmental impact.

- **Social Responsibility:**
  Requiring suppliers to comply with relevant labor laws and regulations, prohibiting all forms of forced labor, child labor, or discriminatory behavior, ensuring the supply chain meets international human rights and social responsibility standards.

- **Quality Fulfillment:**
  Emphasizing the stability of suppliers' product and service quality and the reliability of delivery timelines, through continuous evaluation and performance management, ensuring they fulfill contract commitments as agreed, reducing operational risks.

- **Co-Prosperity and Growth:**
  Building long-term partnership relationships with suppliers, through communication, capacity building, and cooperation, assisting them in improving sustainable management capabilities and overall competitiveness, promoting supply chain value enhancement, achieving co-prosperity and mutual growth.

Business Partner Code of Conduct and Compliance Commitments

The Company's Business Partner Code of Conduct and Compliance Commitment explicitly outlines basic expectations for suppliers across key domains, including business integrity, legal compliance, environmental protection, labor rights, human rights safeguards, and occupational health and safety.

Under the revised guidelines, the Company distributed the Business Partner Code of Conduct and Compliance Commitment to its top 50 suppliers in 2025 and conducted consolidated management of the disclosures. As of the end of 2025, suppliers who completed the signing represented nearly 50% of the Company's total procurement spend in 2024. This reflects strong alignment and support from key suppliers regarding the Company's sustainable governance and responsible sourcing policies. Moving forward, we will continue expanding the scope of signatories to progressively enhance overall supply chain coverage and management maturity.

Conflict-Free Minerals Policy and Responsible Raw Material Management

The Company, upon revising the "Supplier Management Measures," has already explicitly incorporated the conflict-free minerals policy into the "Business Cooperation Behavior Standards and Compliance Commitment Letter" regulations, as one of the basic responsibilities and cooperation conditions that suppliers must follow.

The Company responds to the spirit of the Dodd-Frank Wall Street Reform and Consumer Protection Act Article 1502, promoting conflict-free mineral policy, requiring suppliers to follow Responsible Business Alliance (RBA) standards to trace and declare the sources of key raw materials such as Gold (Au), Tantalum (Ta), Tungsten (W), Tin (Sn), Cobalt (Co), and Palladium (Pd).

Specific commitments and management practices include:

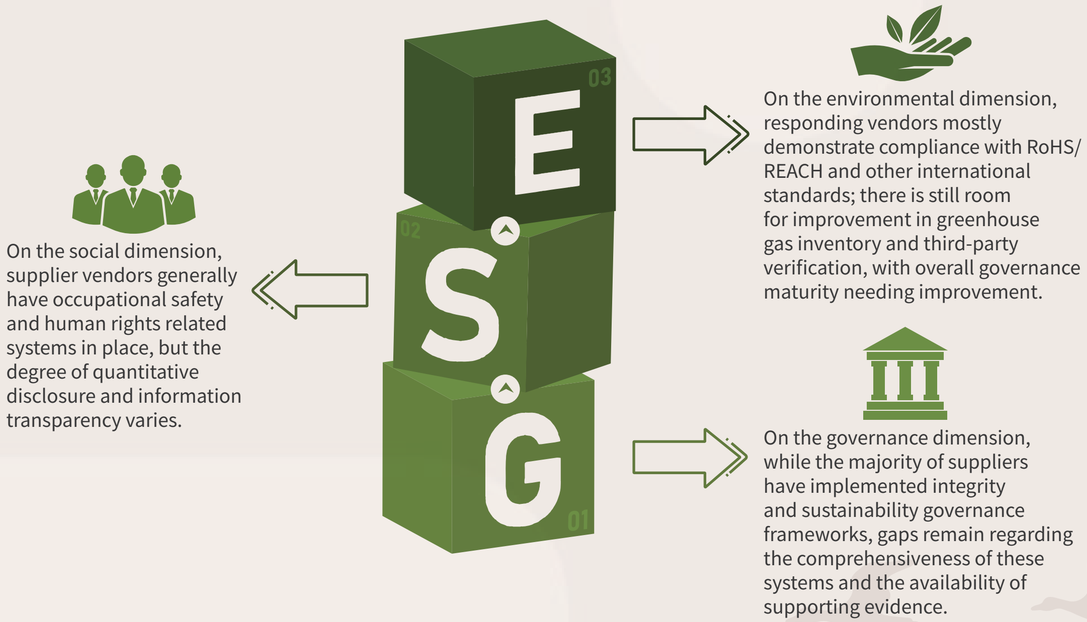
- Refusing Conflict Minerals: Prohibiting the use of illegally mined metals originating from conflict-affected areas (such as the Democratic Republic of the Congo and its neighboring countries) to avoid fueling armed conflicts and human rights violations.
- Enforcing Traceability & Due Diligence: Requiring suppliers to fulfill their social and environmental responsibilities, provide traceable raw material sourcing data, and cooperate with the Company's audits and necessary corrective actions.
- Promoting Responsible Supply Chains: Driving green and responsible supply chain management to ensure that products and services align with international standards regarding ethics, justice, and sustainable development.

By institutionalizing conflict-free mineral requirements and embedding them into our business partner compliance documentation, the Company continuously enhances supply chain transparency and responsible raw material management. This lowers potential environmental and human rights risks while advancing overall supply chain sustainability.

Environmental and Social Screening Mechanism

To strengthen the foundation of supply chain sustainability risk identification and management, the Company conducted an ESG Status Survey targeting its top 20 key suppliers. The survey was administered between January 22 and February 13, 2026, collecting ESG management data for fiscal year 2025. Out of 20 questionnaires issued, 14 valid responses were received, representing a response rate of 70%. The responding suppliers account for over 80% of key procurement expenditures, offering strong representation.

The survey results indicate the following:



The survey results will serve as important reference for subsequent supplier communication, capacity building, and management optimization, assisting in gradually improving the overall sustainable management capabilities and information disclosure quality of the supply chain.

Supply Chain Overview and Localization Cooperation

To date, the Company has a total of 3,046 suppliers, with domestic suppliers accounting for 93%—remaining stable compared to 2024 and underscoring the highly localized nature of our supply chain. This localized partnership structure helps shorten supply chain distances, reduce transportation-related carbon footprints, and enhance operational flexibility and responsiveness.

Among the new suppliers added in 2025, local vendors comprised 92%, demonstrating that the Company consistently executes its local procurement and sustainable supply chain strategies during supplier selection and onboarding. Moving forward, guided by the principle of "Prioritizing Local Sustainable Suppliers," the Company will deepen local partnerships, foster regional economic co-prosperity, and continuously advance supply chain sustainability.

Supplier Location	Total as of End of 2025	Share (%)	2025 New Additions	Share (%)	2024 New Additions	Share (%)
Domestic	2,846	93%	295	92%	427	93%
International	200	7%	25	8%	33	7%
Total	**3,046**	**100%**	**320**	**100%**	**460**	**100%**



Future Enhancements and Outlook for Sustainable Supply Chain Management

To continuously refine our supplier management framework and reinforce sustainability and cybersecurity governance across the supply chain, the Company will focus on "Supplier Lifecycle Management" through the following three key initiatives:

1. Optimizing New Supplier Evaluation Systems

The Company will deepen the pre-onboarding evaluation mechanism for new vendors. From the initial phase of collaboration, assessments will encompass business integrity, legal compliance, environmental and social responsibilities, cybersecurity, and operational risks. This will raise the rigor of vendor selection and risk identification, ensuring new partners align with the Company's sustainable governance and operational standards.

2. Integrating Vendor Evaluation & Tiered Management

To ensure consistency across supply chain oversight, the Company will continually optimize and unify evaluation frameworks for both new and existing suppliers. Through a standardized assessment structure and a tiered management mechanism, the Company will apply differentiated controls based on supplier risk levels and materiality, enhancing overall supply chain quality, stability, and sustainability performance.

3. Strengthening Onboarding Compliance & Cybersecurity Requirements

Going forward, new suppliers will be required to sign the Business Partner Code of Conduct and Compliance Commitment prior to onboarding, pledging compliance in integrity, legal standards, environmental protection, human rights, and occupational safety. Concurrently, suppliers must complete an Information Security Self-Assessment Questionnaire, enabling the Company to gauge their cybersecurity posture early on and mitigate potential operational and cyber risks.

By advancing these three strategic directions, the Company will continuously build a more comprehensive and forward-looking supplier governance system, joining hands with partners to build a supply chain ecosystem anchored in sustainable value, operational resilience, and robust cybersecurity.



Sustainable Solutions and Service Responsibility

GRI 3-3, 416, 418

As a professional systems integrator, HwaCom Systems defines its core offerings as "Integrated Solutions" and "Professional Technical Services" tailored, deployed, and maintained to meet client needs. The Company embeds sustainability value throughout the project lifecycle. Through institutionalized management, we integrate environmental benefits, social responsibility, and quality control into every service delivery phase, striving to create enduring value for our clients.

Our management approach focuses on three core pillars to ensure that while delivering innovative solutions, we uphold our responsibilities to clients, society, and the environment:

1. Promoting Green Solutions

During the project planning phase, HwaCom Systems prioritizes the evaluation of environmentally friendly solutions, subject to technical suitability.

2. Ensuring Service Quality and Reliability

HwaCom Systems fully recognizes the critical role system stability plays in client operations. To effectively manage client health and safety considerations, we integrate risk assessments directly into our project delivery process:

- Design & Assessment Phase: During initial project planning, potential environmental impacts, physical safety, and operational safety factors are evaluated based on project scope and scale. We design solutions with reference to industry standards such as electrical safety, fire codes, and critical infrastructure protection to prevent potential risks and enhance overall system compatibility and compliance.
- Implementation & Evaluation Phase: Standardized management is executed per contract specifications, evaluating system stability under operational conditions through functional inspections or relevant testing procedures. Depending on project requirements, acceptance procedures are conducted with clients to ensure delivered solutions meet agreed standards across key safety indicators.
- Operation & Support Phase: Necessary operating guidelines or technical guidance are provided according to service agreements to help clients maintain system functionality.

GRI 416 Actual Disclosure

GRI 416-1—Products and Services Subject to Health and Safety Impact Assessment: HwaCom Systems has incorporated the customer health and safety evaluation mechanism into service processes. During the reporting period, all projects managed under the Company's governance system were executed in accordance with internal operating guidelines, undergoing security assessments and compliance reviews to ensure service quality met regulatory requirements.

GRI 416-2—As of the end of 2025, the Company has recorded zero incidents of non-compliance health and safety regulations resulted in significant negative impacts on customers. Furthermore, there are no records of products or services requiring recall or withdrawal due to safety concerns. The Company will continue to maintain this strong track record through proactive management and dedicated technical support.

3. Safeguarding Client Information Security and Privacy

Throughout our service delivery, the Company strictly adheres to rigorous information security and client privacy protection standards (for details, please refer to the section "Information Security and Customer Privacy Protection"). HwaCom Systems fully recognizes the paramount importance of client data assets and incorporates information security and privacy protection considerations at the beginning of solution design. By deploying multi-layered defense mechanisms, encryption technologies, and stringent access controls, we provide robust protection for client data assets within our solutions, upholding client trust and information confidentiality.

HwaCom Systems promises to continuously leverage its core competencies as a foundation—seamlessly integrating innovative technologies with sustainable development principles—to create long-term value characterized by innovation, quality, and sustainability for our clients and society.

CHAPTER 6

Environment

Robust Energy Management and Control

Energy Control: Although total emissions increased in 2025 due to business expansion, energy intensity remained stable, demonstrating robust energy management and control.

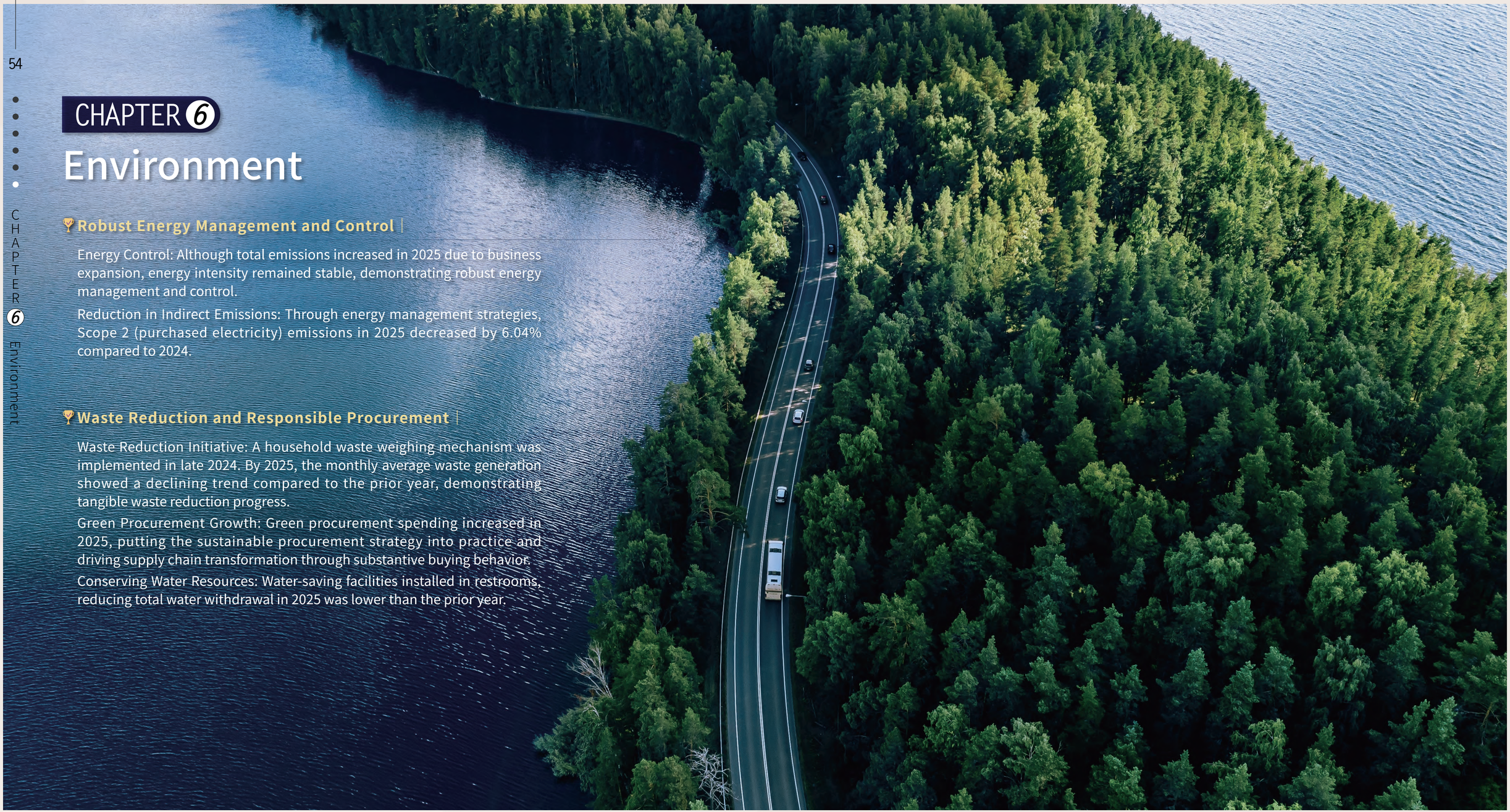
Reduction in Indirect Emissions: Through energy management strategies, Scope 2 (purchased electricity) emissions in 2025 decreased by 6.04% compared to 2024.

Waste Reduction and Responsible Procurement

Waste Reduction Initiative: A household waste weighing mechanism was implemented in late 2024. By 2025, the monthly average waste generation showed a declining trend compared to the prior year, demonstrating tangible waste reduction progress.

Green Procurement Growth: Green procurement spending increased in 2025, putting the sustainable procurement strategy into practice and driving supply chain transformation through substantive buying behavior.

Conserving Water Resources: Water-saving facilities installed in restrooms, reducing total water withdrawal in 2025 was lower than the prior year.



Climate Change Management and TCFD Disclosure

GRI 2-12, 2-13, 2-22, 201-2, 305, 305-1, 305-2, 305-3, 305-4, 305-5

HwaCom Systems firmly believes that actively managing greenhouse gas (GHG) emissions is not only a necessary response to global climate action, but also a cornerstone for achieving sustainable operations and enhancing operational resilience in the low-carbon transition era. To this end, the Company has established a GHG management framework aligned with international standards and conducts annual organizational GHG inventories in accordance with regulatory authorities and the ISO 14064-1:2018 standard. Currently, the scope encompasses major operational sites with significant environmental impact, including our Xizhi Headquarters, regional offices, and project field sites. Through systematic data collection and analysis, we identify key emission sources, serving as a scientific foundation for formulating concrete carbon reduction action plans and tracking performance to fulfill our environmental protection commitments.

The Company recognizes climate change as a critical global challenge whose impact extends beyond the environment to pose significant risks and opportunities for business operations. As a responsible corporate citizen, we actively respond to global climate action by incorporating climate-related issues into our core strategic planning. Aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we structure our report around its four core elements—Governance, Strategy, Risk Management, and Metrics & Targets—to evaluate and manage climate-related risks and opportunities. Furthermore, we develop plans to integrate these assessments into our operational strategies and risk management processes, providing investors and other stakeholders with clear insight into how the Company manages climate resilience.

- **Governance**

  Disclosing how the Company manages climate-related risks and opportunities.

  Example: Strengthening the Board's supervisory function and increasing the role and function of management to conduct regular inspection and evaluation of climate-related risks and opportunities.

- **Strategy**

  Disclosing existing and potential climate-related risks and the financial planning impacts they may cause.

  Example: Enhancing employee awareness of short-, medium-, and long-term climate risks; evaluating impacts on operations, strategy, and financial planning; formulating resilience measures and response strategies.

- **Risk Management**

  Disclosing the organization's process and methods for reviewing, evaluating, and managing climate-related risks.

  Example: Formulating climate-related risk procedures and integrating them into the enterprise's overall risk management; conducting separate identification and management for short-, medium-, and long-term risks, ensuring all risks remain within controllable parameters.

- **Metrics and Targets**

  Disclosing key indicators and targets for evaluating and managing climate-related risks and opportunities.

  Example: Disclosing greenhouse gas emissions and related information; formulating climate-related risk and opportunity indicators; reporting periodically to management authorities or the Board of Directors.



Governance

A sound governance framework is the foundation for implementing climate action. HwaCom has established a top-down climate-related topic governance model, ensuring that the challenges and opportunities of climate change receive full attention and supervision at the highest decision-making level.

- **Board's Supervisory Responsibility**

  The Board of Directors is the highest governance unit for climate-related topics, responsible for supervising the development direction and target setting of climate strategies, ensuring consistency with the Company's overall operational strategy. When formulating annual operational plans or major decisions, sustainability topic-related regulations are incorporated as considerations. The Sustainability Development Committee is required to report to the Board at least annually on the evaluation results and response measures for climate change risks and opportunities, and on greenhouse gas emission performance, with the Board conducting review and providing guidance.

- **Management's Role**

  ✓ Reviews situational analysis and response strategies.

  ✓ Supervises the execution of action plans.

  ✓ Coordinates and manages climate risk and opportunity through regular Management Meetings (comprising deputy general managers from each unit).

Strategy

This section describes how HwaCom Systems, in considering climate change factors, confirms the connection between climate topics and business activities, integrates enterprise risk management into climate impact scenarios, and discloses the impact assessment of the Company's business. The Company references the TCFD framework to identify short-, medium-, and long-term climate-related risks and opportunities, incorporating climate impact factors into overall operational considerations. Based on business type and financial planning, transformation risks and physical risks and opportunities are identified, and response measures formulated, to ensure the Company can fully identify and respond to major climate risk and opportunity topics.

- **Sustainable Operations Transformation:** Progressively achieving a low-carbon operational model, improving resource use efficiency, and reducing the environmental impact of operations.
- **Green Solutions Innovation:** Through partnerships with major international manufacturers, we develop intelligent solutions that help customers and society respond to climate change and achieve low-carbon transformation, such as building high-efficiency AI data centers, digital twin management systems, and an AI-driven chiller energy-optimization recommendation system (achieving power savings of over 10%).
- **Strengthening Climate Resilience:** Integrating climate risks and opportunities into the Company's long-term development strategy to ensure continued, stable business operations amid a changing climate.
- **Transparency and Information Disclosure:** Continuously improving the disclosure quality and breadth of climate-related financial information to improve the Company's ESG rating.

As an integrator deeply rooted in value-added applications and innovative services, HwaCom Systems continuously drives digital transformation and service innovation. By investing in core ICT technologies and cross-domain integration, we aim to establish ourselves as a leading provider centered on innovation, professionalism, and sustainability.

Risk Management

The Company has already integrated climate-related risks into the Company's enterprise risk management framework, ensuring they can be managed in a consistent and comprehensive manner. The risk identification and evaluation process:

- **Identification:** Comprehensively applying analysis tools and past experience, fully identifying internal, external, and stakeholder-related potential risks, to ensure targets are achieved and losses avoided.
- **Analysis:** Based on the evaluation of risk appetite for each identified risk, adopting data-driven management for quantifiable risks; using qualitative approaches (e.g., written descriptions) for risks that are more difficult to quantify, analyzing occurrence probability and severity.
- **Evaluation:** Based on risk analysis and internal control effectiveness, ranking risks against the approved risk appetite and determining priority items for handling. Analysis results must be properly recorded and submitted to the Risk Management Group for verification.
- **Response and Monitoring:** Based on evaluation results, the Company implements response measures and sustainable operations plans while utilizing indicator monitoring and timely reporting. This approach achieves a balanced alignment between targets, cost-effectiveness, and management efficiency, backed by detailed record-keeping.
- **Reporting and Disclosure:** To implement integrity management and transparent governance, all risk management processes and results are recorded, audited, and reported. The Risk Management Group reports to the Board of Directors on operations semi-annually.



Risk Management Measures

1. Transformation Risks and Response Measures

- ✓ **Policy and Regulations:** In response to the latest laws or policy regulations—such as carbon emission controls, energy efficiency standards, and new environmental protection laws—all of which may increase operating costs and affect project profitability or eligibility for incentives, investment in resources for compliance adjustment is required. Close attention is paid to Taiwan's "Climate Change Response Act" and the EU Carbon Border Adjustment Mechanism (CBAM), and related laws are complied with and implemented. Additionally, internal operating efficiency is actively improved and environmental factors are incorporated into supply chain management.
- ✓ **Technology Development:** Existing products or technologies may be replaced by low-carbon solutions. The Company must meet customers' increasing demand for green energy or equipment, updating energy-saving products or investing in R&D to maintain competitiveness.
- ✓ **Market Changes:** Customers' growing preference for sustainable products and services, and increasing scrutiny of ESG performance from customers and investors, means the Company must provide better sustainable solutions to gain competitive advantage.
- ✓ **Reputational Risk:** Failure to effectively respond to climate change topics or fulfill sustainability commitments may impact corporate brand image, with potential effects on talent recruitment and customer or vendor trust.
- ✓ **Financial Risk:** Increases in market interest rates and foreign exchange rates may lead to higher financing and procurement costs. Additionally, assets are evaluated periodically to determine whether impairment losses should be recognized.

2. Physical Risks and Response Measures

- ✓ Acute Risk: Extreme climate events such as typhoons, floods, and earthquakes could cause damage to operating sites, data centers, and network infrastructure, resulting in operational disruptions, equipment damage, or supply chain breakdowns. To mitigate these risks, it is necessary to assess the climate vulnerability of operating locations and critical infrastructure, implement disaster prevention and emergency response plans, and strengthen supply chain resilience management. Furthermore, service stability should be enhanced through cloud backup and distributed architectures.
- ✓ Chronic changes—such as sea-level rise, resource scarcity, and ecosystem shifts—may disrupt the stability of utility supplies like electricity and water while increasing operational costs. These factors can also cause raw material price volatility or shortages in the supply chain, impacting the Company's normal operations and profitability. Implementing renewable energy, purchasing energy-efficient equipment, and improving energy efficiency can reduce reliance on conventional energy, while a green procurement strategy enables the development of a comprehensive supply chain management plan.

3. Climate Risk Adaptation Measures and Associated Business Opportunities

- ✓ Adaptation Measures
  - Establishing climate change risk assessments.
  - Procuring energy-efficient equipment and enhancing energy efficiency.
  - Driving R&D and innovation to deliver AI-empowered, resilient ICT solutions. These helps decarbonize internal operations while enabling rapid detection, response, and recovery from operational disruptions caused by natural disasters.
  - Deploying a fleet management system to track official vehicle mileage and carbon emissions in real time. Through precise analytics on driving behavior and vehicle utilization, vehicle allocation can be adjusted to reduce idling and empty runs, thereby optimizing overall fleet efficiency.
- ✓ Proactive Adaptation Measures Transform Risks into Business Opportunities
  - Collaborating with strategic partners to develop high-efficiency network equipment and data storage solutions, integrating AI into data centers and telecom infrastructure to optimize performance.
  - Driving R&D and innovation to offer AI-powered, resilient new products and services that assist both the Company and its clients in energy conservation and carbon reduction, ultimately achieving the dual goals of continuous revenue growth and sustainable development.

Metrics and Targets

HwaCom Systems believes in the principle that "What gets measured gets managed." In accordance with the ISO 14064-1 standard, we conduct greenhouse gas (GHG) inventories and have introduced a Carbon Management System to quantify the climate impact of our operations. The inventory boundary encompasses all operational sites under the Company's control. For total emissions data, please refer to the "Environmental Sustainability and GHG Management Policy" chapter.

• Carbon Reduction Actions and Targets

Facing the carbon emission challenges and transformation risks brought by business expansion, HwaCom Systems has already researched and is promoting the following carbon reduction measures, seeking to effectively decouple operational growth from carbon emissions.

1. Current Main Measures

✓ Smart Office & Energy Efficiency Optimization: To improve energy use efficiency, the Company is systematically upgrading office lighting to energy-saving LED systems in phase to reduce energy consumption and carbon emissions. Additionally, we actively encourage turning off non-essential lighting during one-hour lunch breaks.

✓ Fleet Management: The Company has deployed a Vehicle Management System to streamline dispatch processes and improve fleet scheduling efficiency, thereby reducing unnecessary mileage. We will continue to advocate eco-driving practices to steadily manage and minimize the environmental footprint of our mobile emission sources.

2. Future Target Setting

To enhance climate resilience, actively manage emissions, and respond to stakeholder expectations, HwaCom has established the following future goals:

✓ **Scientific Management of Operational Emissions:** The Company is dedicated to tracking and analyzing greenhouse gas emission data through digitalized management platforms.

✓ **Energy-Efficiency Improvement and Control:** For Scope 2 indirect emissions, our current core management focus is on improving existing electricity efficiency. Through daily energy conservation education and workplace energy efficiency upgrades (such as the gradual replacement of legacy lighting fixtures), we fulfill our corporate responsibility for energy conservation.

Greenhouse Gas Emission Reduction Performance

Performance Indicator	Calculation Unit	2024 Performance	2025 Performance	Explanation
Total Emissions	tCO_2e	3,473.456	5,455.243	Although 2025 total emissions increased due to business expansion, energy intensity remained stable.
Headcount Intensity (emissions per employee)	tCO_2e/ employee	4.0720	6.3729	In 2025, Scope 1 per-capita emission intensity increased due to higher usage of Company vehicles and mobile generators required for new project execution.
Per NT$ Revenue Emission Intensity	tCO_2e/NT$ thousand	0.0006	0.0009	The Company will continue to analyze the relationship between revenue growth and direct emissions, with the goal of progressively realizing decoupling of operational growth and carbon emissions.

Note: 2024 calculation baseline: 853 parent company employees and NT$ 5,418,861 thousand revenue. 2025 calculation baseline: 856 parent company employees and NT$ 6,008,728 thousand revenue.



Environmental Sustainability and GHG Management Policy

GRI 2-23, 305, 305-1, 305-2, 305-3

As a leader in ICT systems integration, HwaCom Systems bears a dual environmental responsibility: minimizing the environmental impact of our own operations, and leveraging our core business capabilities to provide sustainable, green solutions that drive positive industry-wide impact for our clients and society.

To translate this commitment into concrete action, we have established a comprehensive Environmental Sustainability Management Policy. Utilizing the Plan-Do-Check-Act (PDCA) continuous improvement cycle, we systematically identify, evaluate, and manage our performance across critical material topics—including climate change, energy use, and resource recycling—while ensuring that all operational activities fully comply with relevant environmental regulations.

Our goal extends beyond merely reducing our operational carbon footprint; we aim to embed sustainability into our corporate culture and core competitiveness. Through effective management and continuous enhancement, HwaCom is committed to mitigating climate-related risks and partnering with all stakeholders to move toward a more resilient and sustainable future.

- **Key Inventory Results (2024–2025)**

  In FY2025, driven by business expansion and an increased project engineering operations, overall greenhouse gas (GHG) emissions rose compared to FY2024. However, energy consumption intensity remained stable (for details, please refer to the "Energy Management Plan & Implementation" section in this chapter). The Company has completed inventories for both fiscal years; the core emission data for the past two years is summarized in the table below:

- **Emission Source In-Depth Analysis**

Emission Scope	Emission Category	2024 Emissions (tCO_2e)	2025 Emissions (tCO_2e)	YOY Change Rate
Scope 1	Direct GHG Emissions	640.4137	1,062.2642	+65.87%
Scope 2	Indirect Emissions from Energy	762.7165	716.6333	-6.04%
Scope 3	Value Chain Emissions	2,070.3261	3,676.3460	+77.57%
Total Emissions		3,473.4563	5,455.2435	+57.06%

Note 1: GWP version adopts IPCC AR6 (2025) standards for calculation.
Note 2: Taiwan Power Company has not yet announced the 2025 electricity emission factor at the time of the company submitting the data to the ; Scope 2 therefore uses the 2024 factor of 0.474 $kgCO_2e/kWh$. for calculation.

Scope 1: Direct Greenhouse Gas Emissions

The Company's Scope 1 emissions mainly consist of stationary combustion, mobile combustion, and fugitive emissions. Analysis indicates that mobile sources (company vehicles) constitute the primary driver of our Scope 1 emissions:

- ✓ **Mobile Sources (Company Vehicles):** Increased from 634.3658 tCO_2e in FY2024 to 1,055.5224 tCO_2e in FY2025. This growth was driven by business expansion, which led to an increase in nationwide engineering site inspections and maintenance trips, as well as the implementation of the Vehicle Management System, which ensured accurate tracking of mileage data.
- ✓ **Stationary & Fugitive Sources:** Emissions from stationary sources (emergency generators) and fugitive sources (air conditioning units, fire extinguishers, and septic tanks) remained relatively stable, rising slightly from 6.0479 tCO_2e in FY2024 to 6.7418 tCO_2e in FY2025. This slight change was mainly due to increased granular accuracy in the Scope 1 inventory methodology during the FY2025 accounting period.

Scope 2: Indirect GHG Emissions from Energy

All of the Company's Scope 2 comes from externally purchased electricity.

- ✓ **Electricity Use Emissions:** In 2025, electricity-related carbon emissions decreased slightly to 716.6333 tCO_2e, down from 762.7165 tCO_2e in 2024. This improvement was primarily driven by the Company's ongoing energy conservation initiatives, including the company-wide shutdown of non-essential power during lunch hours and the systematic replacement of legacy lighting with energy-efficient LED tubes.

Scope 3: Other Indirect GHG Emissions

Our Scope 3 emissions primarily stem from capital goods, business travel, and employee commuting:

- ✓ Capital goods emissions accounted for 47% of total Scope 3 emissions, emissions from capital goods grew by 10% year-over-year, representing one of the primary drivers of our total carbon growth. This increase was mainly driven by an expansion in fixed assets, including the acquisition of new office spaces and associated facilities, alongside a higher volume of laptop replacements and deployments.
- ✓ Business travel accounted for only 10% of Scope 3 emissions, it recorded the highest annual growth rate. Driven by a significant increase in project volume and an expanded service coverage in 2025, carbon emissions from business travel surged by 135.96%[1] year-over-year, making a substantial contribution to the overall Scope 3 emission increase.
- ✓ **Employee commuting:** As the parent company's headcount saw only a marginal increase of 0.35%, employee commuting was not a material driver of the net increase in Scope 3 emissions.

[1]2025 business travel carbon emissions were 553.8734 tCO2e; 2024 was 234.7295 tCO2e; year-on-year increase of 135.96%.

Energy Management Plan and Implementation

GRI 2-7, 301, 302-2, 302-5, 303, 304

Energy is fundamental to HwaCom's operations and serves as the direct source of our Scope 2 greenhouse gas emissions. We fully recognize that effective energy management is not only key to reducing operational costs, but also the most direct and crucial path toward fulfilling our carbon reduction commitments and achieving sustainable operations.

Our energy consumption consists primarily of purchased electricity, which powers our major operational sites, including corporate offices, data centers, and project site offices. To this end, we continuously implement energy conservation initiatives to reduce energy intensity and overall environmental impact, while actively mapping out medium- to long-term carbon reduction pathways.

- **Current Energy Management and Energy-Saving Practices**

  HwaCom fosters energy-saving awareness across multiple operational dimensions and integrates standard conservation habits into daily routines:

  1. Equipment Efficiency Upgrades: We continuously assess and replace legacy, energy-consuming equipment in phased rollouts, such as upgrading HVAC and lighting systems to higher-efficiency models.
  2. Daily Energy-Saving Habit Cultivation: We actively promote energy awareness among all employees through internal announcements, routine training, and energy-saving signage. Employees are encouraged to adopt daily eco-friendly habits—such as turning off non-essential power and setting computers to energy-saving modes—to collectively protect the environment.
  3. Operating Efficiency and Emission Intensity Management: We systematically optimize operational workflows and track performance through detailed emission intensity analyses (for details, please refer to the "TCFD Metrics and Targets" section).

- **Short-Term Energy Transformation and Carbon Reduction Planning**

  Facing potential carbon emission challenges brought by sustained business expansion, the Company has researched the following energy-saving carbon reduction measures, seeking refined energy management and moving toward a low-carbon future:

  1. Facility Upgrade: The Company plans to phase-by-phase replace all energy-consuming lighting fixtures in offices with more energy-efficient LED systems.
  2. Resource Circulation: Sustainable development does not stop at energy management. The Company continues to promote the "Give Old Things New Life" initiative, along with various environmental awareness initiatives from training to certified eco volunteer programs, making the circular economy and environmental protection a norm in daily operations.

- **Energy Use Policy**

  HwaCom places strong emphasis on energy management. At this stage, our primary conservation measures center on daily office electricity management, such as turning off non-essential lighting during one-hour lunch breaks to reduce unnecessary power consumption. Moving forward, we will continue to evaluate additional feasible energy-saving improvements based on operational needs and workplace conditions to progressively enhance energy efficiency.

  According to the historical data summarized in Table 1: HwaCom Energy Consumption Analysis Table, total energy consumption in 2025 reached 11,636 gigajoules (GJ). Our primary energy sources remain purchased electricity, gasoline, and diesel, with purchased electricity accounting for the largest share. We will continue to improve energy efficiency through existing conservation measures and demand management, maintaining stable control over overall energy consumption without compromising operational performance.

  In recent years, our total energy consumption has shown a gradual upward trend. While energy use fluctuates year-to-year depending on business scale and operational demands, our ongoing office energy management and conservation initiatives have effectively stabilized overall usage and maintained steady energy efficiency. Although total emissions increased in FY2025 due to business expansion, energy intensity remained stable, demonstrating sound and steady energy management. (For details, please refer to the Energy Intensity section in Table 1.)



Table 1 HwaCom Systems Energy Consumption Analysis Table (2024–2025)

Energy Item	2024	2025
Gasoline (liters)	167,712	135,523
Diesel (liters)	53,283	81,590
Liquefied Petroleum Gas (kg)	0	0
Electricity (kWh converted to GJ)	3,285.80	4,421.39
Gasoline (liters converted to GJ)	5,735.75	4,268.97
Diesel (liters converted to GJ)	2,056.72	2,945.40
Renewable Electricity (kWh)	0	0
Non-Renewable Electricity (kWh)	912,721	1,228,164
Total Energy Consumption (GJ)	11,078	11,636
Electricity as % of Total Energy	30%	38%
Gasoline as % of Total Energy	52%	37%
Diesel as % of Total Energy	18%	25%
Number of Employees	853	856
Per Person Energy Consumption (GJ/person)	12.99	13.59
Parent Company Revenue (NT$ thousand)	5,418,861	6,008,728
Energy Intensity (GJ/NT$ thousand)	0.0020	0.0019

Note 1: Thermal conversion factors are referenced from the Energy Administration, Ministry of Economic Affairs; energy usage amounts are converted to GJ.
Note 2: Per person energy consumption (GJ/person) = Total energy consumption (GJ) ÷ parent company employee headcount.
Note 3: 1 kWh × 0.0036 = 1 GJ; 1 liter gasoline × 0.0315 = 1 GJ; 1 liter diesel × 0.0361 = 1 GJ.
Note 4: Data Coverage Scope: HwaCom Systems' Xizhi Headquarters.

Energy Use Status

Based on each energy item's proportion in the table, the Company's total energy consumption in 2025 was 11,636 GJ[2], an increase of 558 GJ compared to the prior year; per person average energy consumption was 13.59 GJ/person[3], an increase of 0.6 GJ/person[4] compared to the prior year. Among these, electricity consumption accounts for the largest share at 38% of total energy, gasoline at 37%, and diesel at 25%.

Energy-Saving Measures and Reduction Effectiveness

HwaCom actively reduces energy consumption through the implementation of daily conservation practices and equipment upgrades. Specific reduction achievements for 2025 are as follows:

- Fleet Operations Management: Through the optimization of Company vehicle dispatch and usage management, gasoline consumption in 2025 was 135,523 liters, representing a decrease of 32,189 liters compared to 167,712 liters in 2024. This translates to an energy input reduction of approximately 1,014 GJ.
- The Company continues to promote office environment lighting optimization. After replacing traditional fluorescent lamps with LED lighting fixtures, energy-saving effectiveness can reach 50–60%[5], indicating that LED conversion helps improve energy use efficiency. Given that comprehensive quantitative data is currently still being established, this report presents the estimated energy-saving benefits and calculation methodology for lighting as a descriptive reference. Moving forward, HwaCom will continuously strengthen its data collection and management mechanisms to progressively improve the quality of quantitative disclosures.

[2] 2025 Energy Calculation: Total Non-Renewable Energy Consumption (kWh) = Purchased Electricity (kWh) × 0.0036 + Gasoline (Liters) × 0.0315 + Diesel (Liters) × 0.0361 = 1,228,164 kWh × 0.0036 + 135,523 L × 0.0315 + 81,590 L × 0.0361 = 11,636 GJ
[3] Per-Capita Formula: 2025 Total Energy Consumption (GJ) / Total Parent Company Headcount = 11,636 / 856 = 13.59 GJ / person
[4] Formula: 13.59 (2025 Parent Company Per-Capita Energy Consumption) − 12.99 (2024 Parent Company Per-Capita Energy Consumption) = +0.60 GJ / person
[5] Energy Savings Rate Methodology: Estimates are calculated in accordance with the energy-saving calculation guidelines published in the Ministry of Economic Affairs Energy Conservation Benchmark Cases:
"Energy Savings Rate (%)"=("Input Power (Pre-Replacement)" -"Input Power (Post-LED Replacement)")/"Input Power (Pre-Replacement)" ×100%

Water Resource Management

GRI 303-3, 303-4, 303-5



HwaCom Systems recognizes that water is a precious asset essential for maintaining ecological balance and community development. As an ICT systems integrator, the Company does not operate in a water-intensive industry, and our operations do not involve industrial manufacturing processes; thus, our dependence on and impact on water resources are relatively low.

Nevertheless, upholding the principle of resource conservation, HwaCom actively implements daily water management practices. 100% of the water used across all HwaCom operational sites is sourced from local municipal tap water systems, primarily for domestic purposes such as daily sanitation and cleaning by office staff. All post-use wastewater is discharged into municipal sewer and treatment systems through compliant pipelines. The Company produces zero industrial wastewater and causes no pollution to local water bodies.

To practice water conservation, we enhance employee awareness by posting water-saving notices in public areas and encouraging staff to turn off faucets tightly after use. Based on internal evaluations, none of HwaCom's operational sites are located in water-stressed areas; therefore, we face no significant operational risks related to water withdrawal. Moving forward, we will continue to implement daily water-saving measures to fulfill our responsibility as a global corporate citizen.

Water Resource Management and Reduction Targets

HwaCom prioritizes the efficient utilization of water resources. In office environments, we have installed water-saving facilities—including low-flow toilets, sensor-activated urinals, and automated faucets—as our primary measure to reduce daily domestic water consumption.

Regarding wastewater management, our scope is limited strictly to domestic wastewater. We have no manufacturing water demand and discharge zero polluted wastewater from production activities, making our discharge profile straightforward and clean.

Water Use Status

HwaCom Systems' total water withdrawal in 2025 was 3.74 thousand cubic meters. The water source is entirely surface water (tap water). This is a reduction of 0.06 thousand cubic meters compared to the prior year (as shown in Table 2), estimated to be attributable to previous water-saving measure improvements. Total discharge is 1.00 thousand cubic meters (as shown in Table 3).

Table 2

Water Withdrawal

	2024	2025
Surface Water	3.80	3.744
Groundwater	0	0
Seawater	0	0
Produced Water	0	0
Third-Party Water	0	0
Total Water Withdrawal (thousand m^3)	**3.80**	**3.74**

Table 3

Water Discharge

Discharge Destination	2024	2025
Surface Water	1.00	1.00
Groundwater	0	0
Seawater	0	0
Third-Party Water	0	0
Total Discharge (thousand m^3)	**1.00**	**1.00**

Note 1: Surface water withdrawal figures are based on water bill additions.
Note 2: Water source classified as fresh water.
Note 3: Domestic water does not have metered discharge readings; figures are estimated only.
Note 4: Data Coverage Scope: HwaCom Systems' Xizhi Headquarters.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

HwaCom Systems is dedicated to incorporating circular economy concepts into daily operations, following the principles of "source reduction, reuse, recycling, refuse, and repair," maximizing resource use, and reducing the impact on the environment to the minimum. The waste generated from HwaCom's operations consists primarily of general office waste, recyclable materials, and a small amount of decommissioned electronic equipment. To manage this, the Company has established a systematic classification and disposal workflow:

- **General Waste and Recyclables:** Complete sorting and recycling facilities are installed across all operational sites. Disposal is entrusted to local environmental protection authorities or licensed waste removal contractors to ensure all waste enters appropriate, compliant processing systems.
- **Source Reduction Initiative:** HwaCom actively fosters a culture of waste reduction at the source, encouraging employees to adopt sustainable daily habits. For instance, through our internal "Second Life for Used Items Program," employees are encouraged to donate unneeded items to those in need. In 2025, the program successfully converted 184.1 kg of potential waste into charitable resources, which were properly handled and donated to underprivileged groups.

All waste handling and disposal activities are carried out by licensed contractors to maintain strict compliance with environmental regulations throughout the entire process. During the reporting period, HwaCom had zero violations of waste management laws or regulations.



Waste Management and Reduction Targets

HwaCom attaches great importance to the management of waste generated during operations. For general domestic waste, we adhere to the core principles of source separation, resource recycling, and proper disposal.

HwaCom has set its 2026 Waste Reduction Goal: to reduce annual per-capita waste generation by 1% year-over-year, targeting 16.83 kg or less per employee. This initiative aims to decrease the volume of waste requiring final incineration, while advancing source reduction and resource recycling across operations.

Waste Production Status

The primary source of waste from our operations is general domestic waste generated by daily office activities, consisting of non-recyclable general waste and recyclable materials. All waste is collected and processed by legally licensed third-party waste management contractors. To maintain a clean and hygienic office environment, waste collection is conducted on a daily basis.

- General Household Garbage: General domestic waste consists mainly of non-recyclable materials, with incineration serving as the primary method of disposal. In 2025, total general domestic waste generated reached 10,317.5 kg (see Table 4), representing an average of 17 kg per employee per year (based on headcount in the Xizhi region, including subsidiaries). Monthly waste volumes fluctuated slightly depending on actual office operational activities.
- Recyclable Garbage: Recyclable garbage includes paper, plastics, metals, and other recyclable items. After sorting, it is handed over to recycling systems for processing. In 2025, total recyclable waste collected reached 5,311 kg, demonstrating the effectiveness of our sorting mechanisms in diverting materials to resource recovery channels.
- Overall Waste Management: Overall, recyclable garbage accounts for a considerable proportion of the Company's general household garbage, reflecting that the sorting system has already been effectively implemented. Moving forward, we will continue to enhance recycling rates and reduce final incineration volumes through internal operational controls and employee education, thereby minimizing our environmental footprint.

In the fourth quarter of 2024, HwaCom officially launched its domestic waste weighing and tracking mechanism, marking a crucial first step toward waste reduction and operational transformation. 2025 served as our first complete, full-year observation period, during which precise weight monitoring helped identify tangible opportunities for further waste minimization.

Although the total annual waste volume increased in 2025 due to the expanded statistical timeframe, observing the monthly averages (see Table 4 for details) reveals that the average monthly volume of domestic waste in 2025 slightly decreased compared to the initial rollout period in Q4 2024. This trend demonstrates that internal awareness campaigns and waste separation initiatives are beginning to yield positive results.

Table 4 Company Waste Generation by Weight (Oct 2024 – 2025)

	General Garbage (kg)		Recyclables (kg)	
Month	2024	2025	2024	2025
Jan-24	-	760	-	473
Feb-24	-	818	-	386
Mar-24	-	900	-	615
Apr-24	-	842	-	373
May-24	-	790	-	369
Jun-24	-	877	-	394
Jul-24	-	974	-	431
Aug-24	-	863.5	-	477
Sep-24	-	999	-	498
Oct-24	829	793	320	483
Nov-24	919	792	253	388
Dec-24	881	909	389	424

Note 1: The Company began calculating waste weight from October 2024. Annual 2024 totals reflect only Q4 data; 2025 reflects full-year data.
Note 2: Data Coverage Scope: HwaCom Systems' Xizhi Headquarters.

Natural Issues and Focus

GRI304-1

HwaCom fully recognizes that maintaining ecosystem resilience is vital to mitigating climate change and ensuring long-term corporate viability. As an ICT systems integrator, our core operational activities do not involve large-scale land development; nevertheless, we acknowledge that natural resources form the foundation of human society. We are committed to embedding environmental awareness into our strategic decisions and leveraging technology to explore solutions that enhance resource efficiency.

- **Deepening Value Chain Partnership Relationships**

The Company firmly believes that a sustainable transition requires close supply chain collaboration. HwaCom has signed Chunghwa Telecom's "Net-Zero Emissions Commitment Statement," pledging to work alongside key partners toward a low-carbon vision. By participating in the carbon reduction and environmental sustainability initiatives of benchmark enterprises, HwaCom not only works to lower its own operational carbon footprint but also progressively evaluates its potential impacts and responsibilities regarding nature-related issues, ensuring our strategic trajectory aligns with global sustainability trends.

- **Governance and Evaluation Mechanism**

Currently, the Company monitors international initiatives on climate change and biodiversity through the Environmental Protection Working Group under our Sustainability Committee. Given that our business model differs from traditional manufacturing, we are carefully evaluating the necessity and practical framework for establishing related dedicated policies. Moving forward, we aim to develop environmental management guidelines tailored to our unique business profile that deliver substantive benefits.

- **Green Procurement Practice and Growth**

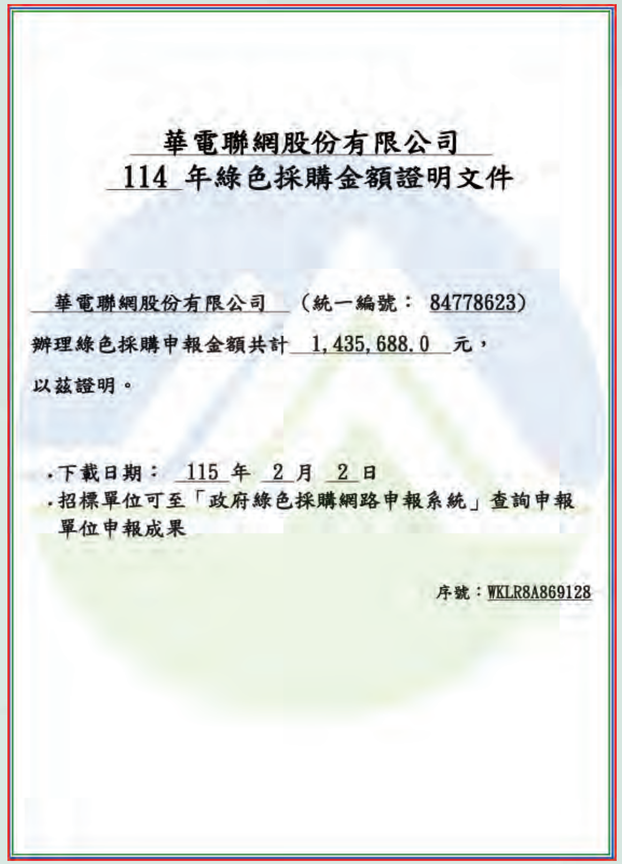
In 2025, the green procurement amount reached NT$1,435,688, an increase of 128.67% year-on-year. This substantial growth demonstrates that in our material topic of "Supplier Management," we have successfully progressed from policy formulation to actionable, tangible purchasing practices.



Appendix



Green Procurement Expenditure Supporting Document



華電聯網股份有限公司
114 年綠色採購金額證明文件

華電聯網股份有限公司 （統一編號： 84778623）
辦理綠色採購申報金額共計 1,435,688.0 元，
以茲證明。

・下載日期： 115 年 2 月 2 日
・招標單位可至「政府綠色採購網路申報系統」查詢申報單位申報成果

序號：WKLR8A869128

Documents Demonstrating HwaCom Systems' Ability to Deliver Quality Services

Technical Ability Certificate

Systems Integration Service for Smart Manufacturing System Design, Planning, and Integration Build-out Services

Issuer	Validity Period
Industry Development Bureau under the Ministry of Economic Affairs.	2025 07-15 → 2027 07-15



經濟部產業發展署
技術服務機構服務能量登錄證書
Certificate of Registration as a Technological Service Organization

茲證明 華電聯網股份有限公司
This is to certify that HwaCom Systems Inc.

符合「經濟部產業發展署技術服務機構服務能量登錄作業要點」，登錄類別與系統整合服務機構，通過登錄之技術服務項目及分項區：
has met the regulatory requirements of an System Integration Service Organization in the following technical service items and sub-items.

系統整合服務機構
System Integration Service Organization
智慧製造系統設計/規劃整合與實施服務項目
Smart Manufacturing System Design Planning and Integration Services

發證日期：中華民國 114 年 07 月 15 日
有效期間：中華民國 115 年 07 月 15 日
This certificate is valid from July 15 2025 to July 15, 2027

經濟部產業發展署 署長 邱求慧
Director General Industrial Development Administration Ministry of Economic Affairs Republic of China
Qiou-Hueg Chiu

NO. 114-U-E-84778623-0003

Certificate for the Use of Product Carbon-Footprint Label— Chunghwa Telecom MOD Set-top box Model 505A

Issuer	Validity Period
The Ministry of Environment (Taiwan)	2025 05-20 → 2030 05-19



CO2
產品碳足跡標籤證書
Certificate for the Use of Product Carbon Footprint Label

彭啓明

Certificate for Information Security Management Ability — ISO/IEC 27001：2022

Issuer	Validity Period
BSI	2025 02-14 → 2026 08-26



bsi.
Certificate of Registration
INFORMATION SECURITY MANAGEMENT SYSTEM - ISO/IEC 27001:2022

This is to certify that: HwaCom Systems Inc.
13F
No. 99, Sec. 1, Xintai 5th Rd.
Xizhi Dist.
New Taipei City
22141
Taiwan

Holds Certificate No: IS 730640

and operates an Information Security Management System which complies with the requirements of ISO/IEC 27001:2022 (ISO 27001) for the following scope:

The provision of all business activities, and the development, operation and maintenance of information systems, and management of network infrastructure, server room and related environments.
This is in accordance with the Statement of Applicability, TCOMS, version 02 dated 7 July 2024.

For and on behalf of BSI Taiwan:

Michael Lam - Managing Director Assurance, APAC

Original Registration Date: 2020-09-27
Latest Revision Date: 2024-09-13

Effective Date: 2023-09-17
Expiry Date: 2026-08-26

Page: 1 of 3

making excellence a habit.

Recognitions for HwaCom Systems' Climate Actions



Issuer: Chunghwa Telecom
Award: 2025 Gold Level Certified Supplier (Sustainability Rating)



Issuer: NetApp
Award: FY25 Capability (Capability Partner of the Year)



Issuer: Palo Alto Networks
Award: FY25 Taiwan Best Partner Service of Year



Issuer: Chunghwa Telecom
Award: 2025 Carbon Footprint & Climate Action Award



Issuer: Cisco
Award: FY25 Industrial IoT Company of the Year

Recognitions for Event Sponsorships

Chinese Institute of Electrical Engineering (CIEE)

Date Issued: Dec. 19, 2025

Description: Sponsored the 2025 General Assembly and Member Representative Conference.



Chinese Institute of Transportation (CIT)

Date Issued: Dec. 9, 2025

Description: Sponsored the 2025 Annual Conference and International Symposium on Academic Papers.



Chinese Institute of Transportation (CIT), Intelligent Transportation Society of Taiwan (ITS Taiwan), Taipei Traffic Safety Promotion Association

Date Issued: Sept. 20, 2025

Description: Sponsored the 23rd Transportation Cup Table Tennis Championship and 13th ITS Association Cup Badminton Invitational Tournament.



Vocational Training Center, Veterans Affairs Council, Executive Yuan

Date Issued: Aug. 14, 2025

Description: Hosted office tours for trainees of the Vocational Training Center trainees.



Taipei Traffic Safety Promotion Association

Date Issued: Aug. 19, 2025

Description: Sponsored the 33rd Cross-Strait Urban Transportation Symposium.



Taiwan Professional Transportation Engineers Association

Date Issued: April 25, 2025

Description: Diamond Sponsor for the 2025 Annual Meeting and 1st Session of the 3rd General Assembly.



China Road Federation (CRF)

Date Issued: Nov. 21, 2025

Description: Sponsored the 1st Session of the 31st General Assembly and 2025 Annual Conference.



Intelligent Transportation Society of Taiwan (ITS Taiwan)

Date Issued: Nov. 14, 2025

Description: Sponsored ITS Taiwan's annual activities and events throughout 2025.



TANET & NCS Committee (Taiwan Academic Network & National Computer Symposium)

Date Issued: Oct. 24, 2025

Description: Platinum Sponsor for TANET & NCS 2025 events.



Recognitions for Social Engagements

Taiwan Breast Cancer Foundation (TBCF)

Date Issued: Nov. 8, 2025

Description: Assisted in promoting breast cancer awareness and prevention.



New Taipei City Government

Date Issued: Aug. 21, 2025

Description: Joining the 2025 New Taipei Good Days Charity Platform to care for vulnerable groups.



Love Tree Foundation

Date Issued: Aug. 4, 2025

Description: Donated a batch of supplies to the affiliated Rainbow Home.



Love Tree Foundation

Date Issued: July 10, 2025

Description: Sponsored and co-organized a private charity movie screening at Vieshow Cinemas for residents of the affiliated Rainbow Home.



Love Tree Foundation

Date Issued: Feb. 10, 2025

Description: Donated a batch of supplies to the affiliated Rainbow Home.



New Taipei City Private SKY-AI Senior Long-Term Care Center

Date Issued: July 10, 2025

Description: Provided care and companionship for senior citizens.



New Taipei City Beigang Elementary School, Xizhi District

Date Issued: Jan. 14, 2025

Description: Donated a batch of essential supplies to care for disadvantaged students.



Seed of Love Education Foundation

Date Issued: Nov. 1, 2025

Description: Financially sponsored the running event - Ignite Love and Hope Charity Run- and mobilized 20 corporate volunteers to support the event.



New Taipei City Social Welfare and Charity Foundation

Date Issued: Sept. 24, 2025

Description: Received the Excellence Award from the New Taipei City Government



GRI Content Index

GRI Standards Disclosures

Statement of Use	HwaCom Systems Inc. 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
Applicable GRI Sector Standards	N/A

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
General Disclosures					
GRI 2: General Disclosures 2021	**2-1**	Organizational details	[Chapter 1] About HwaCom Systems	4	
	2-2	Entities included in the organization's sustainability reporting	[Chapter 1] Report Information / Reporting Boundary and Operating Locations	5	
	2-3	Reporting period, frequency and contact point	[Chapter 1] Report Information / Reporting Period and Cycle	5	
	2-4	Restatements of information	[Chapter 1] Report Information / Information Restatement	5	No restatements in HwaCom's 2024 Sustainability Report
	2-5	External assurance	[Chapter 1] Report Information / Data and Information Statement	5	The 2025 report has not been externally assured by a third party.
	2-6	Activities, value chain and other business relationships	[Chapter 5] Supplier Sustainability Management	50	No significant changes during the reporting period.
	2-7	Employees	[Chapter 5] Human Capital Overview and Diversity & Inclusion	32	
	2-8	Workers who are not employees	[Chapter 5] Human Capital Overview and Diversity & Inclusion / Non-Employee Workers	35	
	2-9	Governance structure and composition	[Chapter 2] Sustainability Development Committee [Chapter 2] Board of Directors and Functional Committees	8 9	
	2-10	Nomination and selection of the highest governance body	[Chapter 2] Board of Directors and Functional Committees / Director Nomination and Selection [Chapter 4] Governance Structure and Board Composition	9 24	
	2-11	Chair of the highest governance body	[Chapter 2] Board of Directors and Functional Committees	9	The Chairman also serves as CEO. To prevent the concentration of power, independent directors make up 50% of the Board, providing effective checks and balances.
	2-12	Role of the highest governance body in overseeing the management of impacts	[Chapter 2] Board of Directors and Functional Committees [Chapter 6] Climate Change Management and TCFD Disclosure	9 55	
	2-13	Delegation of responsibility for managing impacts	[Chapter 4] Risk Management [Chapter 6] Climate Change Management and TCFD Disclosure	25 55	
	2-14	Role of the highest governance body in sustainability reporting	[Chapter 2] Sustainability Governance	8	The Sustainability Report was issued after review and approval from the Board of Directors
	2-15	Conflicts of interest	[Chapter 2] Conflict of Interest Avoidance Mechanism [Chapter 4] Integrity Management	14 27	
	2-16	Communication of critical concerns	[Chapter 3] Stakeholder Engagement/ 2025 Stakeholder Communication Channels and Performance Summary	16	
	2-17	Collective knowledge of the highest governance body	[Chapter 2] Board of Directors and Functional Committees / Board Operations and Continuing Education	10	
	2-18	Evaluation of the performance of the highest governance body	[Chapter 2] Board Performance Evaluation	13	
	2-19	Remuneration policies	[Chapter 2] Remuneration Policy and Performance Linkage	14	
	2-20	Process to determine remuneration	[Chapter 2] Remuneration Policy and Performance Linkage	14	
	2-21	Annual total compensation ratio	—		Omitted due to confidentiality constraints (sensitive information).
	2-22	Statement on sustainable development strategy	[Chapter 1] CEO Message [Chapter 2] Sustainability Development Strategy [Chapter 6] Climate Change Management and TCFD Disclosure	3 7 55	
	2-23	Policy commitments	[Chapter 4] Integrity Management [Chapter 5] Human Rights Policy and Commitments	27 31	
	2-24	Embedding policy commitments	[Chapter 4] Integrity Management [Chapter 5] Human Rights Policy and Commitments	27 31	
	2-25	Processes to remediate negative impacts	[Chapter 4] Integrity Management [Chapter 4] Communication Channels and Grievance Mechanism	27 28	
	2-26	Mechanisms for seeking advice and raising concerns	[Chapter 4] Integrity Management [Chapter 4] Communication Channels and Grievance Mechanism	27 28	
	2-27	Compliance with laws and regulations	[Chapter 4] Legal Compliance	28	
	2-28	Membership associations	[Chapter 4] External Advocacy and Association Participation	29	
	2-29	Approach to stakeholder engagement	[Chapter 3] Stakeholder Engagement [Chapter 5] Employee Communication and Harmonious Labor Relations	16 42	
	2-30	Collective bargaining agreements	[Chapter 5] Employee Communication and Harmonious Labor Relations	42	The Company has not established a labor union; however, resolutions passed in labor-management meetings apply to all employees.

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
Material Topics (GRI 3)					
GRI 3: Material Topics 2021	**3-1**	Process to determine material topics	[Chapter 3] ESG Materiality Assessment Analysis: Process and Results	18	
	3-2	List of material topics	[Chapter 3] ESG Materiality Assessment Analysis: Process and Results [Chapter 3] Two-Period Comparison of ESG Materiality Assessment	18 21	
	3-3	Management of material topics	[Chapter 3] ESG Materiality Assessment and Management Approach	20	Please refer to the table below for the management approach and corresponding sections of each material topic.
The 11 Material Topics for 2025 and Their Management Approach Sections					
Material Topics 1	GRI 205: Anti-corruption		[Chapter 4] Integrity Management	27	
Material Topics 2	GRI 201: Economic Performance		[Chapter 4] Business Performance and Financial Results	23	
Material Topics 3	GRI 418: Customer Privacy		[Chapter 5] Information Security and Customer Privacy Protection	45	
Material Topics 4	GRI 201: Economic Performance		[Chapter 2] Sustainability Development Strategy	07	
Material Topics 5	GRI 204 Procurement Practices／GRI 308 Supplier Environmental Assessment／GRI 414 Supplier Social Assessment		[Chapter 5] Supplier Sustainability Management	50	
Material Topics 6	GRI 416 Customer Health and Safety GRI 418 Customer Privacy		[Chapter 5] Sustainable Solutions and Service Responsibility	53	
Material Topics 7	GRI 401 Employment		[Chapter 5] Employee Communication and Harmonious Labor Relations	42	
Material Topics 8	Corresponds to GRI 403 Occupational Health and Safety		[Chapter 5] Occupational Safety and Health	39	
Material Topics 9	GRI 404 Training and Education／GRI 405 Diversity and Equal Opportunity		[Chapter 5] Talent Development and Growth [Chapter 5] Employee Rights and Wellbeing	36 38	
Material Topics 10	GRI 406～409 Non-discrimination、Freedom of Association and Collective Bargaining 、Child Labor、 Forced or Compulsory Labor		[Chapter 5] Human Rights Policy and Commitments	31	
Material Topics 11	GRI 305 Emissions		[Chapter 6] Climate Change Management and TCFD Disclosure / Metrics and Targets [Chapter 6] Environmental Sustainability and GHG Management Policy	55 59	

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
Topic Standards Disclosures (sorted by standard number)					
GRI 201: Economic Performance 2016	**201-1**	Direct economic value generated and distributed	[Chapter 4] Business Performance and Financial Results	23	
	201-2	Financial implications and other risks and opportunities due to climate change	[Chapter 6] Climate Change Management and TCFD Disclosure	55	
	201-3	Defined benefit plan obligations and other retirement plans	[Chapter 5] Employee Rights and Wellbeing / Comprehensive Retirement Preparation	38	
	201-4	Financial assistance received from government	—	—	
GRI 204: Procurement Practices 2016	**204-1**	Proportion of spending on local suppliers	—	—	
GRI 205: Anti-corruption 2016	**205-1**	Operations assessed for risks related to corruption	[Chapter 4] Integrity Management	27	
	205-2	Communication and training about anti-corruption policies and procedures	[Chapter 4] Integrity Management	27	
	205-3	Confirmed incidents of corruption and actions taken	[Chapter 4] Integrity Management [Chapter 4] Communication Channels and Grievance Mechanism	27 28	
GRI 302: Energy 2016	**302-1**	Energy consumption within the organization	[Chapter 6] Energy Management Plan and Implementation / Energy Use Status	61	
	302-2	Energy consumption outside of the organization	[Chapter 6] Environmental Sustainability and GHG Management Policy	59	The relevant data has been reflected in the Scope 3 inventory results.
	302-3	Energy intensity	[Chapter 6] Energy Management Plan and Implementation / Energy Use Status	60	
	302-4	Reduction of energy consumption	[Chapter 6] Energy Management Plan and Implementation / Energy-Saving Measures, and Reduction Performance	61	
	302-5	Reductions in energy requirements of products and services	[Chapter 6] Energy Management Plan and Implementation / Current Energy Management and Energy-Saving Practices	60	

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	[Chapter 6] Environmental Sustainability and GHG Management Policy / Key Inventory-Results, Emission Source In-Depth Analysis	59	
	305-2	Energy indirect (Scope 2) GHG emissions	[Chapter 6] Environmental Sustainability and GHG Management Policy / Key Inventory, Emission Source In-Depth Analysis Results	59	
	305-3	Other indirect (Scope 3) GHG emissions	[Chapter 6] Environmental Sustainability and GHG Management Policy / In-Depth Analysis of Emission Sources	59	
	305-4	GHG emissions intensity	[Chapter 6] Climate Change Management and TCFD Disclosure / Metrics and Targets	58	
	305-5	Reduction of GHG emissions	[Chapter 6] Climate Change Management and TCFD Disclosure / Metrics and Targets	58	
	305-6	Emissions of ozone-depleting substances (ODS)	—		Company operations do not involve or generate ODS.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions			Not applicable
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	[Chapter 6] Waste Management	63	
	306-2	Management of significant waste-related impacts	[Chapter 6] Waste Management / Waste Management and Reduction Targets	63	
	306-3	Waste generated	[Chapter 6] Waste Management / Waste Generation Status	63	
	306-4	Waste diverted from disposal	[Chapter 6] Waste Management / Waste Generation Status	64	
	306-5	Waste directed to disposal	[Chapter 6] Waste Management / Waste Production Status	64	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	[Chapter 5] Supplier Sustainability Management / Environmental and Social Screening Mechanisms	51	
	308-2	Negative environmental impacts in the supply chain and actions taken	[Chapter 5] Supplier Sustainability Management / Environmental and Social Screening Mechanisms	51	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	[Chapter 5] Human Capital Overview and Diversity & Inclusion	32	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	[Chapter 5] Employee Rights and Wellbeing	38	
	401-3	Parental leave	[Chapter 5] Human Capital Overview and Diversity & Inclusion / Family-Friendly and Work-Life Balance	35	

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	[Chapter 5] Occupational Safety and Health	39	
	403-2	Hazard identification, risk assessment, and incident investigation	[Chapter 5] Occupational Safety and Health / Occupational Health and Safety Policies and Management Mechanism	39	
	403-3	Occupational health services	[Chapter 5] Occupational Safety and Health / Occupational Health Services and Health Promotion	40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	[Chapter 5] Occupational Safety and Health / Employee Participation, Consultation, and Communication on Occupational Health and Safety	39	
	403-5	Worker training on occupational health and safety	[Chapter 5] Occupational Safety and Health / Occupational Health and Safety Education and Training	40	
	403-6	Promotion of worker health	[Chapter 5] Occupational Safety and Health / Occupational Safety and Health Policy & Management Mechanism	40	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	[Chapter 5] Supplier Sustainability Management / Business Partner Code of Conduct and Compliance Commitments	51	
	403-8	Workers covered by an occupational health and safety management system	[Chapter 5] Occupational Safety and Health	40	
	403-9	Work-related injuries	[Chapter 5] Occupational Safety and Health / Safe Workplace Practices and Outcomes	41	
	403-10	Work-related ill health	[Chapter 5] Occupational Safety and Health / Safe Workplace Practices and Outcomes	41	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	[Chapter 5] Talent Development and Growth / Complete Training System and Performance	36	
	404-2	Programs for upgrading employee skills and transition assistance programs	[Chapter 5] Talent Development and Growth / Dual-Track Career Development Roadmap [Chapter 5] Talent Development and Growth / Key Talent Cultivation and New Employee Mentoring	36 37	
	404-3	Percentage of employees receiving regular performance and career development reviews	[Chapter 5] Talent Development and Growth	36	

GRI Standard	Number	Disclosure Name	Section	Page Num	Remarks
GRI 405: Diversity and Equal Opportunity 2016	**405-1**	Diversity of governance bodies and employees	[Chapter 2] Board of Directors and Functional Committees/ Board Diversity and Independence [Chapter 5] Human Capital Structure	9 32	
	405-2	Ratio of basic salary and remuneration of women to men	[Chapter 5] Human Capital Overview and Diversity & Inclusion	32	
GRI 406: Non-discrimination 2016	**406-1**	Incidents of discrimination and corrective actions taken	[Chapter 5] Human Rights Policy and Commitments	31	
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	[Chapter 5] Employee Communication and Harmonious Labor Relations/ Formal Negotiation and Grievance Mechanisms	42	
GRI 408: Child Labor 2016	**408-1**	Operations and suppliers at significant risk for incidents of child labor	[Chapter 5] Human Rights Policy and Commitments	31	
GRI 409: Forced or Compulsory Labor 2016	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labor	[Chapter 5] Human Rights Policy and Commitments	31 50	
GRI 414: Supplier Social Assessment 2016	**414-1**	New suppliers that were screened using social criteria	[Chapter 5] Supplier Sustainability Management / Business Partner Code of Conduct and Compliance Commitments	51	
	414-2	Negative social impacts in the supply chain and actions taken	[Chapter 5] Supplier Sustainability Management / Environmental and Social Screening Mechanisms	52	
GRI 416: Customer Health and Safety 2016	**416-1**	Assessment of the health and safety impacts of product and service categories	[Chapter 5] Sustainable Solutions and Service Responsibility	53	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	[Chapter 5] Sustainable Solutions and Service Responsibility	53	
GRI 418: Customer Privacy 2016	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	[Chapter 5] Information Security, Customer Privacy Protection	53	

TCFD Climate-related Information Index

Standard Category	TCFD Number	TCFD Recommended Content	Corresponding Section	Page
Governance				
Governance	TCFD-G-a	Describe the board's oversight of climate-related risks and opportunities.	[Chapter 2] Sustainability Development Strategy [Chapter 6] Climate Change Management and TCFD Disclosure	07 55
	TCFD-G-b	Describe management's role in assessing and managing climate-related risks and opportunities.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
Strategy				
Strategy	TCFD-S-a	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
	TCFD-S-b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
	TCFD-S-c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
Risk Management				
Risk Management	TCFD-R-a	Describe the organization's processes for identifying and assessing climate-related risks.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
	TCFD-R-b	Describe the organization's processes for managing climate-related risks.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
	TCFD-R-c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	[Chapter 6] Climate Change Management and TCFD Disclosure	55
Metrics & Targets				
Metrics and Targets	TCFD-M-a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	[Chapter 6] Climate Change Management and TCFD Disclosure / Metrics and Targets	58
	TCFD-M-b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	[Chapter 6] Environmental Sustainability and GHG Management Policy	59
	TCFD-M-c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	[Chapter 6] Climate Change Management and TCFD Disclosure / Metrics and Targets	58

SASB Material Topics Management Approach

Standard Topic	Metric Code	Metric Name	Disclosure Method	Unit of Measure	Corresponding Section	Page	備註
Environmental Footprint of Operations							
Environmental Footprint	TC-TL-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	[Chapter 6] Energy Management Plan and Implementation	60	
Data Privacy							
Data Privacy	TC-TL-220a.1	Description of policies and practices relating to targeted advertising and customer privacy	Discussion and Analysis	N/A	[Chapter 5] Information Security and Customer Privacy Protection	49	
	TC-TL-220a.2	Network security and data breaches: number of data breaches, number of customers affected, and percentage breached	Quantitative	Number	[Chapter 5] Information Security and Customer Privacy Protection / 2025 Personal Data Management Performance	49	
	TC-TL-220a.3	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Quantitative	Reporting currency	[Chapter 5] Information Security and Customer Privacy Protection / 2025 Personal Data Management Performance	49	
	TC-TL-220a.4	(1) Number of law enforcement requests for customer information, (2) number of customers whose information was requested, (3) percentage resulting in disclosure	Quantitative	Number, Percentage (%)	[Chapter 5] Information Security and Customer Privacy Protection / 2025 Personal Data Management Performance	49	
Data Security							
Data Security	TC-TL-230a.1	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected	Quantitative	Number, Percentage (%)	[Chapter 5] Information Security and Customer Privacy Protection / 2025 Personal Data Management Performance	49	
	TC-TL-230a.2	Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards	Discussion and Analysis	N/A	[Chapter 5] Information Security, Customer Privacy Protection	45	
Product Lifecycle Management							
Product Lifecycle Management	TC-TL-440a.1	(1) Materials recovered through take-back programs, percentage of recovered materials that were (2) reused, (3) recycled, and (4) landfilled	Quantitative	Metric tons (t), Percentage (%)	[Chapter 6] Waste Management	63	
Competitive Behavior and Open Internet							
Competitive Behavior & Open Internet	TC-TL-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Expressed as Reporting currency		-	No financial losses incurred from legal proceedings associated with anti-competitive behavior regulations in 2025.
	TC-TL-520a.2	Average actual sustained download speed of (1) owned and commercially-associated content and (2) non-associated content	Quantitative	Megabits per second (Mbps)		-	Not applicable. The scope of this metric does not align with the Company's current business operations.
	TC-TL-520a.3	Description of risks and opportunities associated with net neutrality, paid peering, and zero-rating practices	Discussion and Analysis	N/A		-	Not applicable. The scope of this metric does not align with the Company's current business operations.
Management of Systemic Risks from Technology Disruptions							
Management of Systemic Risks from Technology Disruptions	TC-TL-550a.1	(1) System average interruption duration, (2) system average interruption frequency, and (3) customer average interruption duration	Quantitative	Minutes, Number		-	Not applicable. The scope of this metric does not align with the Company's current business operations.
	TC-TL-550a.2	Discussion of systems to provide unimpeded service during service interruptions	Discussion and Analysis	N/A		-	Not applicable. The scope of this metric does not align with the Company's current business operations.