

2024

Corporate Sustainability Report



Driving the Future:
Asia's #1 EV Powertrain and Servo Motor Technology

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0.1 About the Report

Beginning in 2023, FUKUTA ELEC. & MACH. CO, LTD. (hereinafter referred to as “FUKUTA”) has been publishing its Corporate Sustainability Report, establishing it as a key platform for communicating the company’s non-financial performance to external stakeholders. Guided by the leadership of the management team and supported by the collective efforts of all departments, this report has been successfully compiled. It provides a systematic account of FUKUTA’s concrete initiatives in sustainable development and reaffirms the company’s long-term commitment to corporate social responsibility.

Through the publication of this report, FUKUTA aims to enhance transparency by enabling the public and all stakeholders to gain a clearer understanding of the company’s performance in environmental protection, social engagement, and corporate governance (ESG). At the same time, the report serves as an important reference for evaluating operational performance and driving continuous improvement, thereby advancing FUKUTA’s goal of sustainable business practices.

■ Compilation Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) 2021 Sustainability Reporting Standards and complies with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” issued by the Taiwan Stock Exchange. In addition, we have drawn reference from the United Nations Sustainable Development Goals (SDGs) and the Sustainability Accounting Standards Board (SASB) disclosure guidance for the Auto Parts industry to ensure the completeness and comparability of non-financial information.

To determine the material topics covered in this report, a cross-departmental task force was established to conduct a systematic materiality assessment. Through this process, FUKUTA identified the sustainability issues of greatest concern to stakeholders and further prioritized those topics with significant impacts on our operations. This report presents the management approaches and performance outcomes related to these material topics, thereby ensuring transparency in FUKUTA’s progress in the areas of Environmental, Social, and Governance (ESG).

■ Principles & Guidelines

To continuously enhance the comparability of performance and the materiality of disclosures, all information presented in this report has been prepared in accordance with international standards and relevant regulations in Taiwan governing ESG sustainability reporting. The applicable domestic and international standards are as follows:

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards: 2021)
- Task Force on Climate-related Disclosures (TCFD): Addressing risk, opportunities, and financial impacts related to climate change
- Sustainability Accounting Standards Board (SASB): Resource Transformation Standards and Sustainability Accounting Metrics for the Electrical & Electronic Equipment Industry
- United Nations Sustainable Development Goals (SDGs)
- Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

■ Reporting Period

The period covered by this Report is the year 2024 (from January 1, 2024, to December 31, 2024). It details FUKUTA’s ESG sustainability management guidelines, risk assessments, material topic prioritization, responses, listed management measures, and the outcomes of ESG initiatives. Certain additional content is included to enhance readers’ comprehension of the disclosed information. The Company is committed to revising and publishing its ESG report on an annual basis.

■ Scope & Boundaries

The disclosed information primarily pertains to FUKUTA’s four factories located in Taiwan. The scope of relevant material topics encompasses FUKUTA employees, customers, suppliers, and investors. Financial performance data is presented in New Taiwan Dollar (NT\$) or thousands thereof. The reliability of financial data has been confirmed by certified public accountants prior to public disclosure and is presented in commonly accepted textual and numerical formats.

■ Accuracy of Disclosed Information

● Internal Verification

Unless otherwise noted, all currency units in this Report are expressed in New Taiwan Dollar. Figures are rounded to two decimal places.

To highlight medium- and long-term trends, financial data is presented for three consecutive years (2022–2024), while other information spans two years.

All disclosed data, reviews, and verification processes have been documented, confirmed by relevant department heads, and approved by the highest management.

● External Verification

Financial data is based on standalone financial statements audited by Deloitte & Touche.

● Frequency of Publication

First Publication	2024 Corporate Sustainability Report (Inaugural Publication)
Current Publication	Published in August, 2025
Next Publication	To be Published in August, 2026

■ Contact Information

Address: No. 6, Tongke 6th Rd., Tongluo Township, Miaoli County /No. 2-1, Ln. 301, Fengzhou Rd., Shengang Dist., Taichung City

Contact Person: Assistant Manager Tu bing-Yu

E-mail: jinji.Tu@fukuta-motor.com.tw

Tel: 037-980799 ext. 1126/3101 Fax: 037-980709



0.2 About FUKUTA

Founded in 1988, FUKUTA ELEC. & MACH. CO, LTD. (hereinafter referred to as “FUKUTA” or “the Company”) has remained committed to the core values of “Innovation, Passion, and Integrity,” advocated by its Chairman and Founder, Mr. Chin-Feng Chang. The Company is dedicated to the design, research and development, and manufacturing of industrial motors, and has expanded its proprietary brand, FUKUTA, into global markets while continuing to advance toward green manufacturing and sustainable development.

The Company’s headquarters is located in the Tongluo Science Park in Miaoli County, covering an area of approximately 7.5 hectares. Additional facilities include the Fengzhou Plant in Shengang District, Taichung City, and the Fenggong Plant in the Fengzhou Science and Technology Industrial Park. By implementing advanced management and production systems, FUKUTA has comprehensively enhanced both manufacturing quality and operational efficiency. Through our motor products, we strive to create innovative value for our customers, the industry, and society, working together toward a sustainable future.

Company Profile

- Establishment time : 1988
- Authorized Capital : 600 million yuan
- Paid-in capital : 511,941,000 yuan
- Headquarters : No. 6, Tongke 6th Rd., Tongluo Township, Miaoli County
- URL : <https://www.fukuta-motor.com.tw/>
- Tock symbol : 4590 · Officially publicly issued on November 23, 2022
- product items : Industrial Electric (Motor) Design and, Electric motor for electric vehicle and Propulsion System R&D and Manufacturing ,Performance Testing and Validation of Electric Vehicles and Industrial Motors
- Chairman : Gordon Chang
- Number of employees : 350 people (Data as of December 31, 2024)
- Global Locations : Tiwan, Mainland China, Asia, Europe, and the Americas



■ FUKUTA Business Units

● Headquarters and Service Locations



Name	Address	Telephone
Headquarters	No. 6, Tongke 6th Rd., Jiuhu Village, Tongluo Township, Miaoli County	037-980-799
Tongluo Science Park Plant	No. 1, Tongke 6th Rd., Jiuhu Village, Tongluo Township, Miaoli County	037-980-799
Fengzhou Plant	No. 2-1, Lane 301, Fengzhou Rd., Shengang District, Taichung City	04-2528-8833
Fenggong Plant	No. 18, Fenggong S. Rd., Shengang District, Taichung City	04-2515-9568
Northern Business Office	2F, No. 29, Huaya 2nd Rd., Guishan District, Taoyuan City	03-327-2909
Southern Business Office	1F, No. 1, Lane 201, Guangming St., East District, Tainan City	06-209-8236



● Industrial Equipment (Fengzhou/Fenggong Plant)

Fengzhou Plant

- Assembly & Production of Induction Motor
- Assembly & Production of Inverter Motor
- Varnish Water Treatment Process
- Painting Process
- Winding Process
- Motor input line process
- Maximum Capacity: 10,000 pcs/month



Fenggong Plant

- Assembly & Production of Servo Motor
- Assembly & Production of Electric Vehicle Motor
- Assembly & Production of Three-in-One Vehicle Motor
- Dynamic Testing Lab
- Painting Process
- Maximum Capacity: 5,000 pcs/month



● Electric Vehicle (Tongluo Plant 1 & 2)

Tongluo Plant 1

- Commissioning of Heat Treatment Process
- Production of Cast Copper Rotor
- Silicon Steel Lamination Stamping / Casting / Welding Process
- Production of Iron Core
- Current Maximum Motor Production Capacity: 16,700 motors/month
- Current Maximum Parts Production: 150,000 sets/month

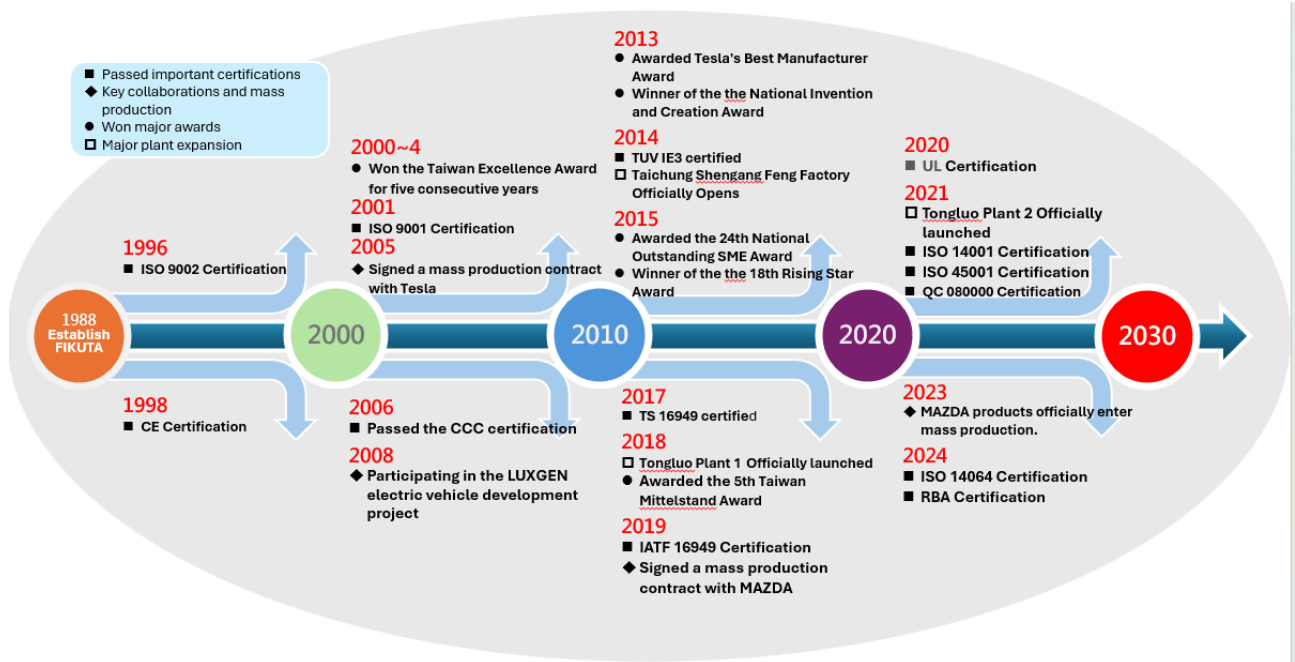


Tongluo Plant 2

- Assembly & Production of Electric Vehicle Motor
- Assembly & Production of All-in-One Motor
- Comprehensive Testing Lab
- Motor Driver Assembly Line
- Future Maximum Capacity: 2,000,000 motors/year

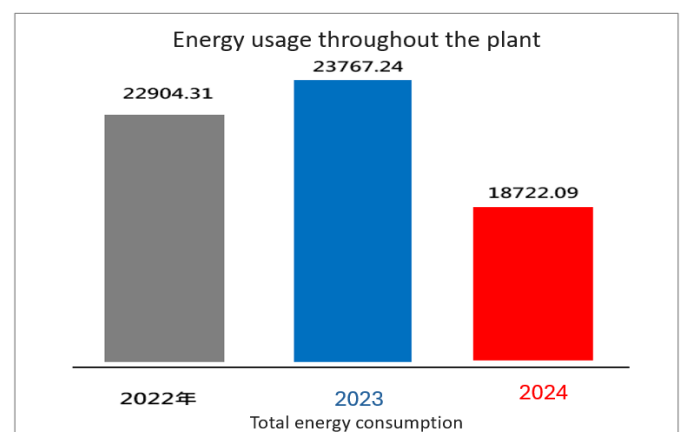
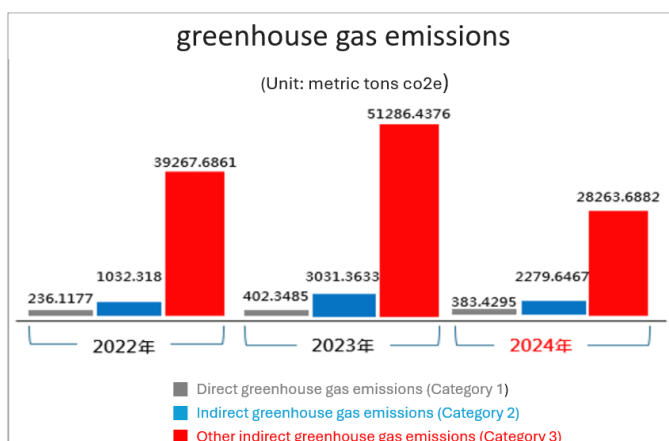
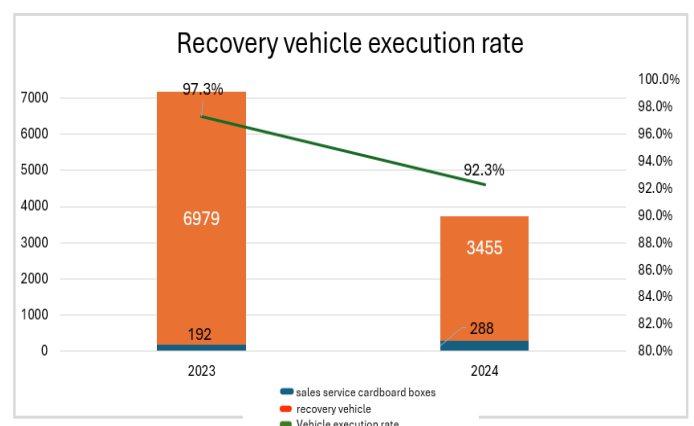
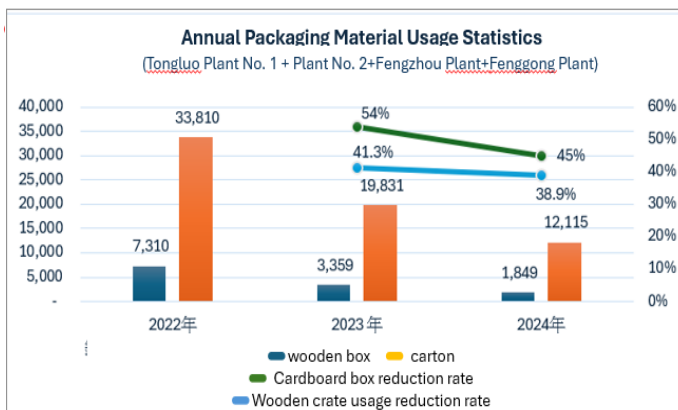


Corporate History & Milestones

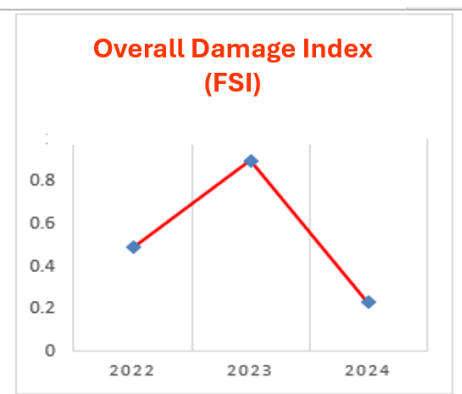
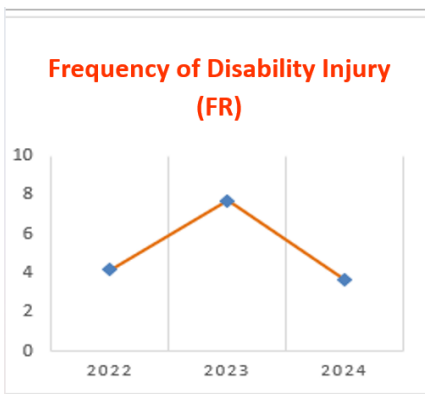
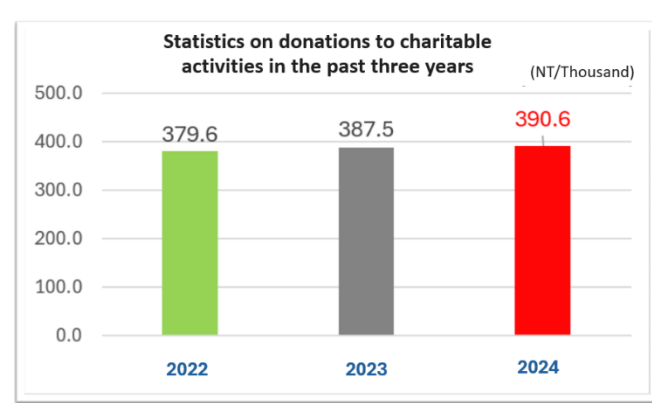
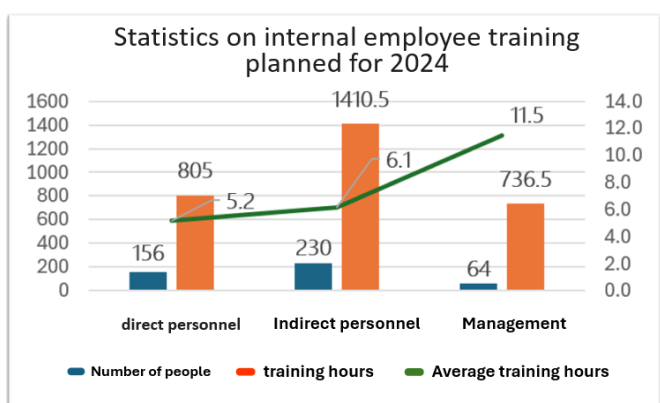
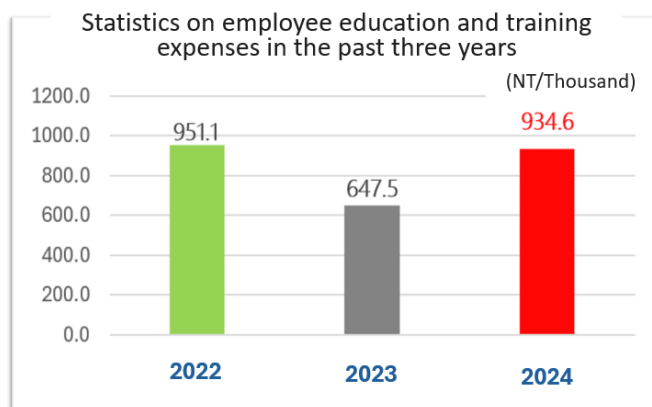
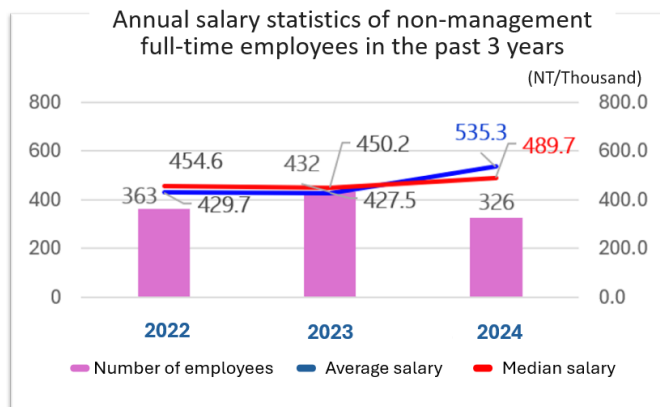


Sustainability Performance

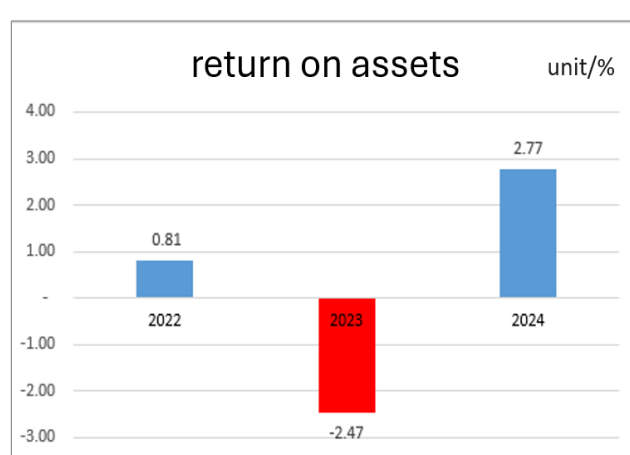
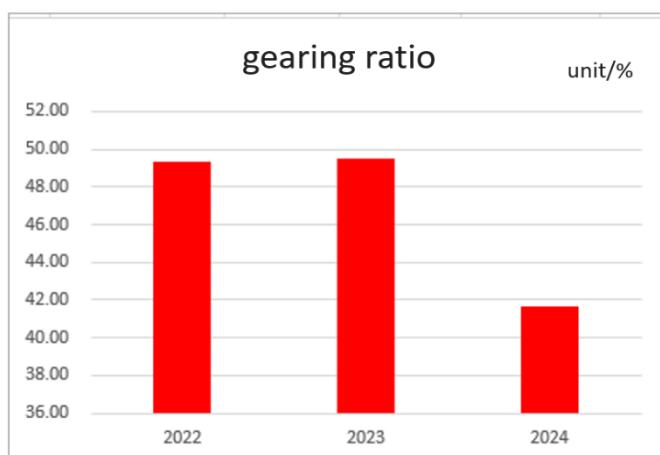
Environmental Dimension (E)



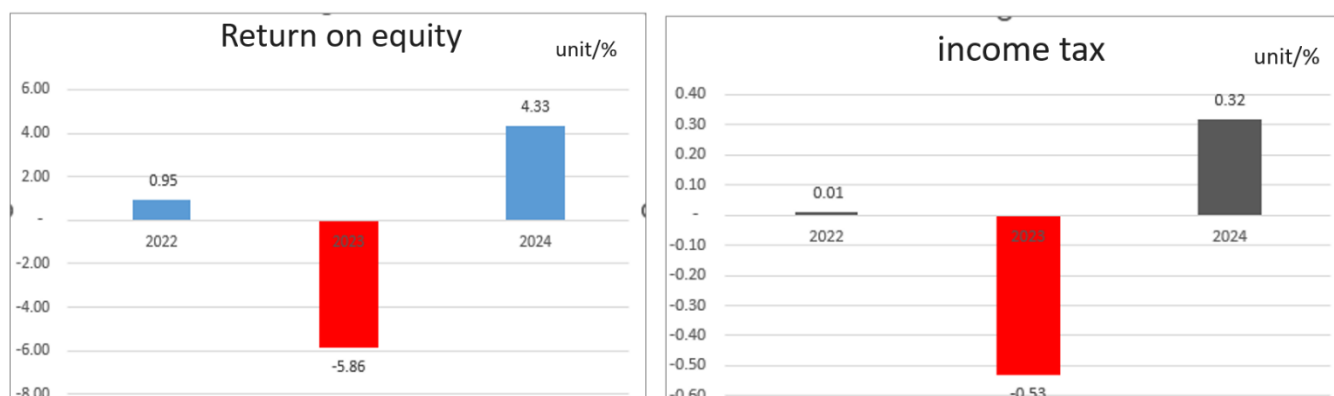
● Social Dimension (S)



● Governance Dimension (G)



United Nations Sustainable Development Goals



FUKUTA aims to implement the United Nations Sustainable Development Goals (SDGs) by focusing on six key sustainability goals: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 6 (Clean Water and Sanitation), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action). Through the economic, environmental, and social dimensions, the company has established its 2024 targets and management measures, taking concrete actions to achieve a sustainable impact.

SDGs	Company Objectives	Management Measures	ESG Report Section
Economic Dimension			
	Disclosure of relevant information in line with the government's corporate governance blueprint	Disclosure of non-financial information following international reporting standards and obtain third-party assurance	0.1 About the report
	Address climate change and energy supply risks by identifying risks from climate change and controlling extreme weather impacts	Develop and implement adaptive measures and solutions to address physical risks such as floods, typhoons, power outages, and rising temperatures. Proactively execute relevant response measures to ensure a rapid resumption of operations following a disaster	2.7 Risk Management 6 Sustainable Environment ● Climate Change: Risk Types, Potential Operational Impacts and Adaptation Measures
Environmental Dimension			
	Promote energy saving and carbon reduction	In addition to water quality monitoring, FUKUTA categorize water usage based on its characteristics, such as cooling towers, process wastewater, and domestic water, to facilitate wastewater recycling and reuse	5.2 Climate Change & Low-Carbon Production 5.3 Energy Saving, Carbon Reduction and Energy Management
	Introduced Scope 3 into the greenhouse gas inventory and verification alongside the existing Scopes 1 and 2	Obtain SGS company verification statements	
Social Dimension			
	Enhance the knowledge and skills of new and existing employees	Conduct pre-employment training for new employees on company-wide regulations including personnel rules, occupational safety and health regulations, and other important management regulations; provide on-the-job training by supervisors until employees can work independently without operational errors, ensuring product and work quality	6.2 Cultivate talents



Promote occupational safety and health self-inspections and management measures to prevent workplace accidents and reduce risks

Based on “ISO 45001 Occupational Health and Safety Management System” and related occupational safety regulations, establish Occupational Safety and Health Work Rules, identify hazardous operations, establish self-inspection and safe operation standards to prevent various potential hazardous incidents

6.5 Occupational Safety and Health
6.6 Health Promotion



Prohibit gender discrimination in recruitment, employment, compensation, promotion, training, etc.

The company has established “Employee Work Rules” filed with and approved by the competent authority, clearly stipulating policies and systems prohibiting gender discrimination

6 Friendly workplace
6.4 Employee rights

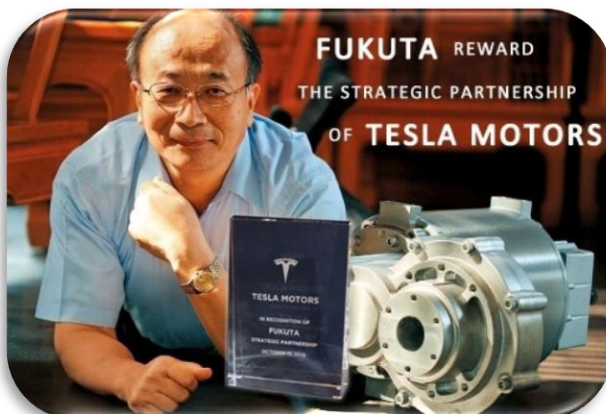
■ Honors & Recognition



Awarded MOEA's “The 18th Rising Star Award”



Awarded MOEA's “24th National Award of Outstanding SMEs”



Recognized as a Strategic Partner by TESLA MOTORS



Awarded MOEA's “5th Taiwan Mittelstand Award”



01

Sustainability anagement

- 1.1 Message from the Chairman: Vision of Sustainability and Global Challenges
- 1.2 Business Philosophy
- 1.3 Vision & Mission
- 1.4 Sustainability Management Policy
- 1.5 ESG Corporate Sustainability Management and Implementation
- 1.6 Stakeholder Identification & Engagement
- 1.7 Identification & Determination of Material Topics

1 Sustainability Management

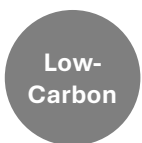
1.1 Message from the Chairman: Vision of Sustainability and Global Challenges

Entering 2024, the global landscape continues to be marked by profound uncertainty. Geopolitical risks, inflationary pressures, supply chain restructuring, the growing frequency of extreme climate events, and the implementation of the Carbon Border Adjustment Mechanism (CBAM) all pose significant challenges that reshape the boundaries of business operations. Companies that focus solely on efficiency will find it difficult to navigate the increasingly complex and volatile environment ahead.

FUKUTA recognizes that only by embedding resilience, foresight, and responsibility into its organizational DNA can it remain steady amid turbulence and continue creating long-term value. Since its founding, the Company has upheld the core values of Innovation, Passion, and Integrity, dedicating itself to the R&D as well as the manufacturing of high-performance motors and electric powertrain systems, while continuously advancing in areas such as AI applications and smart manufacturing. Alongside executing our business strategies, we are also strengthening our sustainability governance to meet the rising international expectations on carbon reduction, energy efficiency, human rights, and digital security.

In 2024, we are taking more proactive steps to comprehensively advance our five major sustainability strategies:

◆ Building Core Competitiveness in Low-Carbon Technologies



Enhancing transparency of product carbon footprints and advancing carbon reduction across key processes, with early preparations for emerging regulatory mechanisms including carbon fees and carbon taxes.

◆ Advancing the Integration of ESG and Digital Governance



Strengthening information security infrastructure to safeguard smart manufacturing and customer data, thereby reinforcing corporate reputation and trust in sustainability.

◆ Cultivating Human-centered Management Practices and An Inclusive Workplace



Fostering a diverse and inclusive development culture that supports women and emerging talent in achieving excellence across engineering and technology disciplines.

◆ Creating Shared Green Value Across the Supply Chain



Reinforcing responsible procurement and collaborative energy management to work alongside global customers and suppliers in realizing green transformation and carbon neutrality objectives.

◆ Strengthening Corporate Resilience and Global Engagement



Proactively participate in international ESG initiatives and industry standard organizations, while enhancing transparency, strengthening sustainability performance, and expanding global market presence.

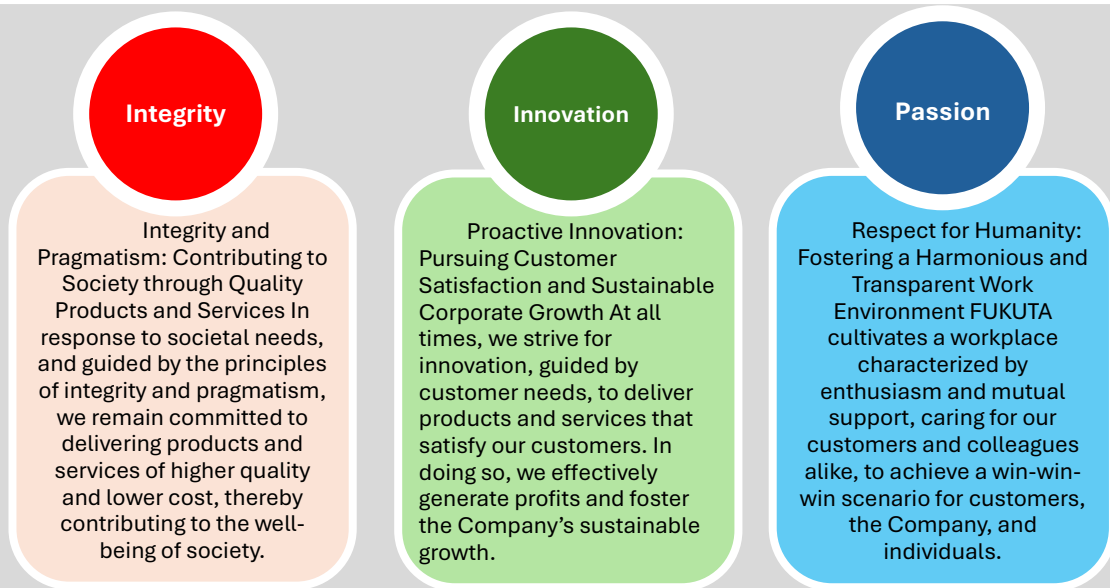
FUKUTA firmly believes that sustainable development is not only a responsibility but also a source of renewed corporate value. We will continue to collaborate closely with all employees and stakeholders, creating a circular value chain that balances economic, environmental, and social prosperity – from the manufacturing stage to product usage.

Looking ahead, we aspire not only to be a company that keeps pace with the times, but also to be a leader in driving transformative change. FUKUTA aims to serve as a bridge connecting Taiwan and the world, industry and the environment, people and technology, steadfastly advancing toward a long-term, resilient era of sustainability.

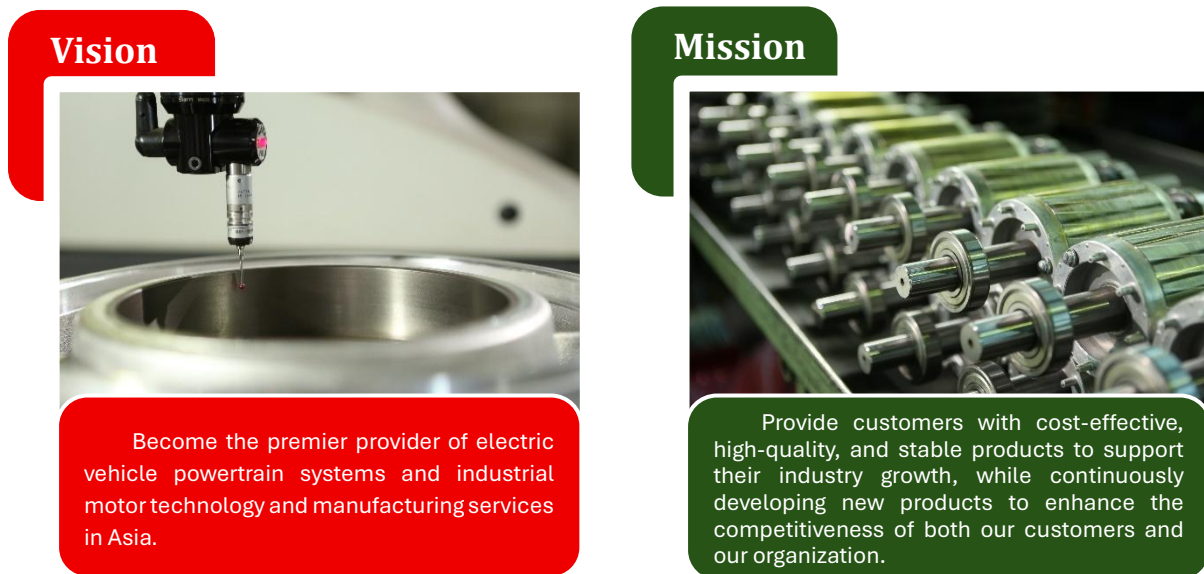


Chairman:

1.2 Business Philosophy



1.3 Vision & Mission



1.4 Sustainability Management Policy

FUKUTA upholds the spirit of integrity and integrates social responsibility deeply into our corporate strategy and daily operations, striving to become an enterprise with foresight and social impact. Rooted in our core values of integrity, innovation, and care, we have shaped a unique corporate culture that encompasses integrity, teamwork, innovative thinking, accountability, and continuous learning. These principles serve as shared guidelines for our internal teams, influencing every decision and action.

We believe that a people-centric approach is essential to creating a work environment where employees can grow alongside the company. This, in turn, fosters internal cohesion and external trust. To build long-term, stable partnerships with our customers, supply chain partners, and the public, we continuously strengthen our corporate governance structure and deepen stakeholder recognition and support through diverse communication and transparent information disclosure.

To concretely fulfill our sustainability commitment, FUKUTA has established an ESG Sustainability

Committee. This committee is responsible for coordinating the promotion of strategies and actions related to social responsibility and ethical management. It actively plans long-term visions and phased goals to ensure the Company's operations exist in harmony with the social and environmental landscape. We will continue to use innovative thinking to adapt to external changes, reinforce brand trust through the value of integrity, and act as a responsible corporate citizen to co-create sustainable value for our Company, society, and the future.

1.5 ESG Corporate Sustainability Management and Implementation

To enhance execution efficiency, reduce environmental impact, and drive continuous improvement, our company has established a cross-departmental organization that integrates horizontal management. FUKUTA ELEC. & MACH. has formed an ESG Sustainability Committee to manage sustainability issues across three key pillars: Corporate Governance and Operations, Green Production and Innovation, and Employees and Society. This committee, composed of relevant departments and their designated responsibilities, was created to address the expectations of our stakeholders.

To advance all internal and external ESG matters, the ESG Sustainability Committee is responsible for decision-making and division of responsibilities on relevant issues. The committee is comprised of the management team, with Chairman Chin-Feng Chang serving as the Chairman. He is responsible for overseeing the company's ethical management, corporate social responsibility, and the development of sustainability goals and direction. Beneath the ESG Sustainability Committee are two functional committees: the Corporate Social Responsibility Committee and the Ethical Management Committee. Currently, our Management Department is responsible for promoting these initiatives. The committee reviews its goals and progress annually and reports the results to the Board of Directors.

Each department head is authorized to be responsible for their respective issues. They report regularly on project execution status and resource needs to the General Manager, ensuring that progress is monitored in real-time and necessary resources are provided. The company's ESG Sustainability Committee is responsible for promoting corporate social responsibility and ethical management, and its organizational chart is shown in the figure to the right:

■ ESG Sustainability Committee

Serving as a cross-departmental communication platform, the ESG Sustainability Committee is responsible for planning, executing, and managing various action plans. It integrates and oversees the progress and effectiveness of our efforts across four key areas: corporate governance, social responsibility, environmental management, and risk management. This ensures effective horizontal and vertical communication within the organization, tangibly putting our sustainable development goals into practice.

The committee's responsibilities include:

- Establishing the strategic direction for corporate sustainability, corporate governance, and economic, environmental, and social dimensions.
- Planning corporate sustainability, energy management, and various environmental protection initiatives, including energy saving and carbon reduction.
- Tracking and reviewing plans for business development, new products, employee care, customer service, and social responsibility.
- Addressing all major or risk-related issues and regularly reporting the annual results to the Board of Directors.
- Convening annual review meetings to discuss corporate sustainability issues and the effectiveness of business initiatives. The committee members are also responsible for carrying out ESG-related tasks and participating in relevant activities throughout the year.



The ESG focus areas and responsible units across the Committee's organizational dimensions are outlined in the table below:

	Dimension	Key ESG Items	Responsible Unit		
Corporate Governance	Corporate Governance	<ul style="list-style-type: none">● Corporate Governance – Financial Management System, Ethical Management● Management Systems: Finance/ ISO/ Personnel Management etc.	Management Department, Financial and Accounting Department, Audit Office		
		<ul style="list-style-type: none">● Ethical Management Systems: Regulatory Compliance, Ethical Management and Business Ethics	Human Resource Department / Employees/ Labor Representatives		
		<ul style="list-style-type: none">● Information Security	Information Department		
		<ul style="list-style-type: none">● Risk Management (Climate Change, Environment, Safety & Health, and Operation)	Management Department		
		<ul style="list-style-type: none">● Customer Privacy	R&D Department, Marketing Department		
		<ul style="list-style-type: none">● Sustainable Development Management Mechanisms and Goals	ESG Sustainability Committee		
		<ul style="list-style-type: none">● Grievance Mechanism – Employees / Customers/ Suppliers / Shareholders	Management Department / Legal Affairs Manager / Audit Office		
		Economic	<ul style="list-style-type: none">● Business Performance	Financial and Accounting Department	
Environment	Environmental Management / Energy Saving and Carbon Reduction	<ul style="list-style-type: none">● Energy Resource Management / Energy Saving and Carbon Reduction● Greenhouse Gas Management (including Carbon Emissions)● Water Resource Management● Working Environment Management System	Management Department		
		Product	Supplier	<ul style="list-style-type: none">● Supply Chain Sustainability Management (including contractors)	Materials and Logistics Department
			Product Safety and Customer Service Satisfaction	<ul style="list-style-type: none">● Innovative Products and Services● Product Responsibility● Customer Service and Satisfaction	Marketing Department, Quality Assurance Department
			Product Quality Management and Delivery Schedule	<ul style="list-style-type: none">● Product Quality Management System● Key Process Control Methods for Quality Management● Yield Rate of Product Quality and Lead Time	Quality Assurance Department, Production Department, Manufacturing Department
<ul style="list-style-type: none">● Talent Recruitment, Development, and Retention● Compensation, Benefits, and Development of Talent Cultivation● Labor-Employer / Labor-Management Relations	Human Resource Section				
<ul style="list-style-type: none">● Occupational Safety and Health	Environmental Safety Section				
Society	Community and Social Welfare Activities	<ul style="list-style-type: none">● Local Neighborhood Relations● Community Social Welfare Activities	Management Department		

Committee Operations

- The committee holds one annual meeting, where the General Manager convenes the heads of all relevant departments to report on the execution and progress of corporate social responsibility initiatives, as well as stakeholder consultation and communication efforts, and the corresponding countermeasures taken.
- The committee completes the compilation and publication of the Corporate Sustainability Report for the preceding year on an annual basis.
- Each subcommittee coordinates the results of its corporate social responsibility efforts, and the General Manager reports the annual performance of the corporate sustainability policy to the Board of Directors.
- The Company discloses its performance on corporate sustainability in the annual report each year.





1.6 Stakeholder identification and communication

FUKUTA ELEC. & MACH. deeply recognizes the importance of stakeholder engagement and has therefore established diverse communication platforms to ensure transparency and interactive information disclosure. We comprehensively understand the opinions and needs of all parties through formal channels, such as our annual report, sustainability report, and dedicated website sections, as well as through real-time, two-way communication mechanisms. Internally, we have adopted a collaborative model where specialized units regularly compile stakeholder feedback. This feedback serves as a crucial reference for adjusting our operational decisions and sustainability strategies.

Based on six key screening principles – Responsibility, Influence, Proximity, Dependency, Representation, and Policy & Strategic Intent – FUKUTA has systematically categorized our main interactive partners into ten groups: Shareholders/Investors, Customers, Employees, Partners, Suppliers & Contractors, Government Agencies, Academic Institutions, Non-Profit Organizations, Community/Local Residents, and Other Related Organizations. This classification framework helps us develop appropriate communication strategies and sustainability actions tailored to the unique characteristics of each group.

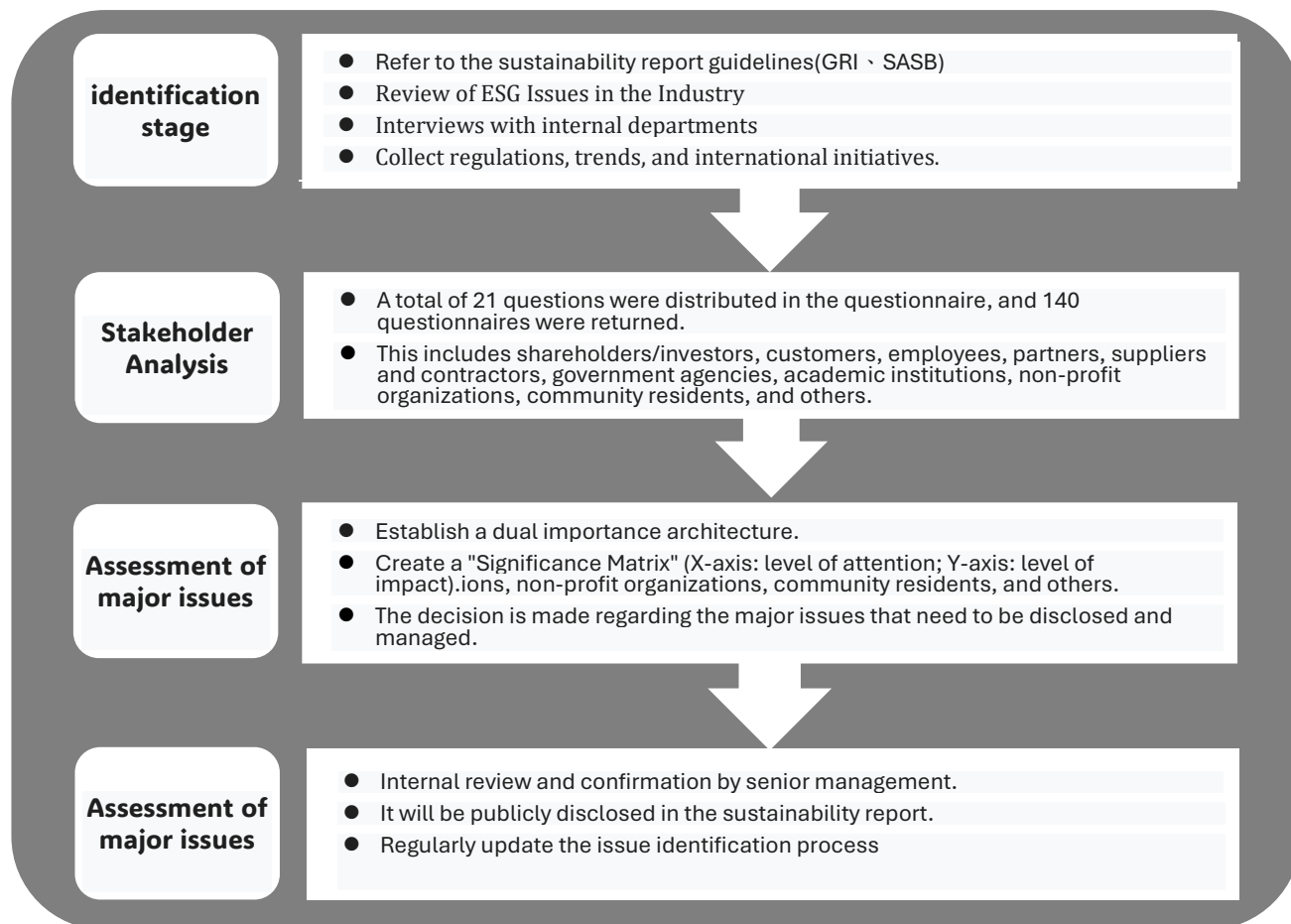
■ Key Stakeholder Communication, Reporting/Whistleblowing, and Grievance Channels

FUKUTA ELEC. & MACH. discloses our corporate social responsibility information on the company website. The following table provides the designated contact windows and communication methods for our four key stakeholder groups, along with their material concerns:

	<ul style="list-style-type: none"> ✧ Email: fukuta@fukuta-motor.com.tw ✧ Responsibility: Reporting of illegal and unethical conduct (including corruption) by internal and external parties. ✧ Contact Window: Management Department
	<ul style="list-style-type: none"> ✧ Email: jinji.Tu@fukuta-motor.com.tw ✧ Responsibility: Promote harmonious labor relations and provide support on issues related to labor laws, human rights, working conditions, compensation, training, development, and occupational health and safety. ✧ Contact Window: Bing-Yu Tu / Management Department
	<ul style="list-style-type: none"> ✧ Email: alisa@fukuta-motor.com.tw ✧ Responsibility: Expand and maintain relationships with partners in the professional industrial and EV supply chains. Provide professional powertrain and motor component supply and services, including customer relationship management, customer satisfaction, customer trust, and customer privacy. ✧ Contact Window: Yu-Chen Lin / Marketing Department
	<ul style="list-style-type: none"> ✧ Email: feihong@fukuta-motor.com.tw ✧ Responsibility: Foster partnerships with our supply chain manufacturers. Provide partners with social responsibility standards, including those for green environmental practices, labor rights, health and safety, risk management, ethical conduct, and the prohibition of conflict minerals. ✧ Contact Window: Fei-Hong Chen / Materials Department
	<ul style="list-style-type: none"> ✧ Email: invest@fukuta-motor.com.tw ✧ Responsibility: Establish and maintain effective communication channels with investors. Host quarterly online investor conferences, post conference materials on the company and stock exchange websites, enhance information disclosure, and protect investor rights. ✧ Contact Window: Hsin-Yu Shih / Finance and Accounting Department



■ Material Concerns Identification Process



■ Stakeholders' Material Concerns and Communication Channels

Based on sustainable development goals, industry norms, Organizational annual goals, and stakeholder surveys, FUKUTA identifies relevant sustainability topics and defines our material issues. We assess the magnitude of our business's impact on economic, environmental, and social aspects (including human rights), and we confirm with our internal management and employees whether these issues could also impact our operations. This process has allowed us to compile a total of 21 material topics of stakeholder concern, which are detailed in the table below:

Stakeholder	Material Concerns	Communication Channel & Frequency	Investor Contact Window and Stakeholder Grievance Channels
Shareholders / Investors	<ul style="list-style-type: none"> ■ Ethical Management and Business Ethics ■ Risk Management ■ Regulatory Compliance ■ Information Security ■ Corporate Governance and Taxation ■ Energy Resource Management / Energy Saving, Carbon Reduction ■ Climate Change Adaptation Measures ■ Sustainable Transformation 	<ul style="list-style-type: none"> ● Quarterly Board of Directors Meetings ● Annual General Shareholders' Meeting ● Company Spokespersons/Service Contact Windows/Email Addresses ● Company Website ● Market Observation Post System (MOPS) ● Investor Conference ● Press Releases and Media Outreach 	Hsin-Yu Shih Finance Department Email: invest@fukuta-motor.com.tw
Customers	<ul style="list-style-type: none"> ■ Innovative Products and Services ■ Customer Relationship Management ■ Product Responsibility ■ Green Manufacturing 	<ul style="list-style-type: none"> ● Email and Video Conference ● Annual Customer Satisfaction Surveys ● Ad hoc Customer Visits ● Ad hoc Customer Audits & Interviews ● Technical Seminars 	Yu-Chen Lin Marketing Department Email: alisa@fukuta-motor.com.tw
Employees	<ul style="list-style-type: none"> ■ Talent recruitment, development and retention ■ Occupational Safety and Health ■ Labor-Employer Relations 	<ul style="list-style-type: none"> ● Department Meetings ● Internal Announcements/Emails/ Surveys ● Employee Suggestion Box and Grievance Hotline 	bing-Yu Tu Management Department Email: jinji.Tu@fukuta-motor.com.tw

	<ul style="list-style-type: none"> Human Rights Policy and Inclusivity Ethical Management and Business Ethics Corporate Governance and Taxation 	<ul style="list-style-type: none"> Quarterly Occupational Safety & Health Committee Meetings Monthly Employee Welfare Committee Meetings Quarterly Labor-Management Meetings Quarterly Labor Pension Reserve Fund Supervisory Committee Meetings 	
Suppliers	<ul style="list-style-type: none"> Sustainable Supply Chain Management Green Value Chain Energy Resource Management / Energy Saving, Carbon Reduction Occupational Safety and Health 	<ul style="list-style-type: none"> Online Supplier Portal (Company Website) Email/Phone/Fax Supplier Audits and Interviews Annual Outstanding Supplier Selection Educational Training and Meetings 	Fei-Hung Chen Materials and Logistics Department Email: feihong@fukuta-motor.com.tw
Contractors	<ul style="list-style-type: none"> Regulatory Compliance Occupational Safety and Health Risk Management 	<ul style="list-style-type: none"> Contractor Meetings/Collaborative Working Group Contractor Safety Commitment Statement Telephone Contact & Communication 	bing-Yu Tu Management Department Email: jinji.Tu@fukuta-motor.com.tw
Government Agencies	<ul style="list-style-type: none"> Regulatory Compliance Greenhouse Gas Emissions Air Pollutant Control Energy Resource Management / Energy Saving, Carbon Reduction Human Rights Policy and Inclusivity 	<ul style="list-style-type: none"> Public Hearings/Briefings Official Correspondence Regulatory Discussion Meetings/Seminars/Audits/Briefings Online Announcements Visits to Regulatory Authorities 	bing-Yu Tu Management Department Email: jinji.Tu@fukuta-motor.com.tw
Community / Local Residents	<ul style="list-style-type: none"> Social Participation Air Pollutant Control 	<ul style="list-style-type: none"> Annual Community Visits Donations of Goods/Materials Participation in Volunteer Fire and Police Organizations 	bing-Yu Tu Management Department Email: jinji.Tu@fukuta-motor.com.tw

1.7 Identification & Determination of Material Topics

■ Prioritization of Material Topics by Stakeholder Concern and Positive/Negative Impact

FUKUTA maintains strong, ongoing engagement with our stakeholders through regular communication channels to understand their expectations and needs on sustainability issues. Following the guidelines of the Global Reporting Initiative (GRI), our ESG Sustainability Committee identified 21 potential sustainability topics. We then conducted a survey to widely gather a total of 140 responses from both internal and external stakeholders.

We conducted a systematic analysis and evaluation of each topic, weighing the level of stakeholder concern against its potential impact on our internal and external operations. This process allowed us to prioritize our material topics, which we have categorized into three groups: material topics, secondary topics, and general topics (as shown in the table below).

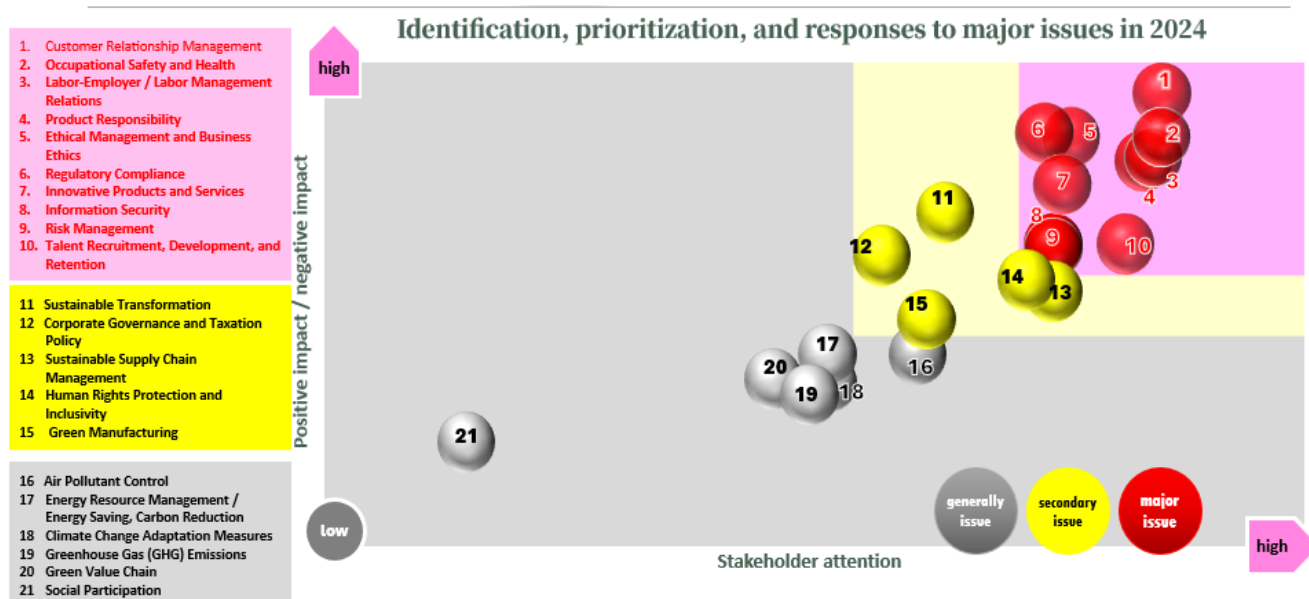
Ranking	Material Topics	Description	Level of Concern	Positive/Negative Impact	Total/Average
1	Customer Relationship Management	Building customer satisfaction with products and services is a key factor in establishing strong customer trust.	4.53	Positive: 4.51 Negative: 3.28	4.11
2	Occupational Safety and Health	Maintain a safe and healthy workplace, reduce on-site hazards, minimize work-related injuries, and improve occupational health and safety performance.	4.45	Positive: 4.41 Negative: 3.28	4.05
3	Labor-Employer / Labor Management Relations	Foster harmonious labor-employer/labor-management relations, prioritize employee care and well-being, and build a complete talent system for recruitment, training, development, and retention.	4.42	Positive: 4.45 Negative: 3.78	4.05
4	Product Responsibility	Avoid the use of hazardous substances and conflict metals. Continue to promote environmental friendliness and mitigate the impact of product liability.	4.41	Positive: 4.42 Negative: 3.27	4.03
5	Ethical Management and Business Ethics	Build a more robust ethical management system, establish Code of Professional Ethics, avoid conflicts of interest, and create a sustainable business environment.	4.45	Positive: 4.40 Negative: 3.21	4.02



6	Regulatory Compliance	Complying with regulations is a company policy, which serves as the foundation for building employee trust, fostering labor-management harmony, and strengthening external credibility.	4.46	Positive: 4.39 Negative: 3.19	4.01
7	Innovative Products and Services	Foster innovative products and services while reducing on-site hazards, minimizing work-related injuries, and improving occupational health and safety performance.	4.36	Positive: 4.39 Negative: 3.20	3.99
8	Information Security	Appointment of dedicated information security personnel to collectively plan and execute the management of all information security-related matters.	4.26	Positive: 4.39 Negative: 3.20	3.95
9	Risk Management	Increase the documentation of our risk management procedures and their outcomes, and report on our risk status to the Board of Directors annually.	4.25	Positive: 4.31 Negative: 3.20	3.92
10	Talent Recruitment, Development, and Retention	Offer competitive compensation and benefits to attract outstanding talent, systematically cultivate their development, and retain key employees.	4.26	Positive: 4.24 Negative: 3.26	3.92
11	Sustainable Transformation	Avoid the use of hazardous substances and conflict metals. Continue to promote environmental friendliness and mitigate the impact of product liability.	4.31	Positive: 4.23 Negative: 3.11	3.88
12	Corporate Governance and Taxation Policy	Maintain continuous profitability, formulate a sustainable tax policy, and commit to controlling tax risks.	4.23	Positive: 4.21 Negative: 3.06	3.86
13	Sustainable Supply Chain Management	Avoid the use of hazardous substances and conflict metals. Continue to promote environmental friendliness and mitigate the impact of product liability.	4.17	Positive: 4.21 Negative: 3.20	3.86
14	Human Rights Protection and Inclusivity	Respect and protect the human rights of all stakeholders (including employees), and strive to prevent any potential infringements. We establish a robust employee welfare system and an occupational safety and health management system to ensure the safety and health of our employees.	4.19	Positive: 4.20 Negative: 4.20	3.85
15	Green Manufacturing	Develop new green products and coordinate with the supply chain to improve green production equipment and manufacture green products to meet future business trends.	4.12	Positive: 4.12 Negative: 3.09	3.78
16	Air Pollutant Control	Reduce the use of volatile organic compounds (VOCs), use eco-friendly paint, save energy, and reduce carbon emissions. We also purchase low-emission vehicles, use green energy transport, and perform regular inspection and maintenance on all company vehicles.	4.05	Positive: 4.08 Negative: 3.09	3.74
17	Energy Resource Management / Energy Saving, Carbon Reduction	Complied with the national policy to formulate an overall greenhouse gas reduction strategy, improve our energy resource management, and focus on energy saving and greenhouse gas emissions reduction.	4.05	Positive: 4.17 Negative: 3.01	3.74
18	Climate Change Adaptation Measures	FUKUTA addresses climate change by assessing two types of risks: physical risks and transition risks, for which we have established corresponding countermeasures and methods.	4.00	Positive: 4.08 Negative: 3.01	3.70
19	Greenhouse Gas (GHG) Emissions	In line with the national greenhouse gas reduction strategy, we track our energy saving and greenhouse gas emissions.	4.01	Positive: 4.06 Negative: 2.97	3.69
20	Green Value Chain	Establish a green supply chain mechanism. Internally, we improve our green production equipment, and externally, we assist our value chain partners in manufacturing green products to meet future business trends.	3.98	Positive: 4.10 Negative: 3.00	3.68
21	Social Participation	Participate in social welfare activities and assist disadvantaged groups and rural communities.	3.89	Positive: 3.91 Negative: 2.72	3.51

To facilitate future management and disclosure, FUKUTA has categorized each topic into three core dimensions: Governance, Social, and Environmental. These have been compiled into the “2024 FUKUTA Materiality Prioritization and Response Matrix.” This approach aids the Company to focus on the sustainability topics that matter most to our stakeholders, strengthens our strategic planning, and enables us to continuously meet external expectations while fulfilling our corporate social responsibility.

■ Prioritization of Material Topics



■ Material Topic and Identification

The level of stakeholder concern for each topic was assessed in relation to the Company's governance, economic, environmental, and social dimensions (including human rights and communities), as well as the direct or indirect impacts on the organization. By analyzing both the degree of stakeholder concern and the potential impact on the Company, material topics were identified and prioritized. The table below presents the scores of stakeholder concern and impact for the 2024 ESG Sustainability Committee's focus topics, along with their ranking based on direct and indirect impact.

■ Response to Material and Secondary Topics

Item	GRI Standards	Significance to FUKUTA	Corresponding Measures
Corporate Governance / Economic imension			
Operational Performance	201 Economic Performance	Sustained profitability in operational performance is crucial to achieving our goal of sustainable operations. This success allows us to expand our customer base, increase market share, create new employment opportunities, and attract excellent key talent.	Continuously monitor economic conditions and increase capital expenditure at opportune moments. Expand customer base and market share, as well as control costs and expenses.
Risk Management	2-25 Processes to remediate negative impacts	To address operational, environmental, and climate change risks faced by global enterprises, a robust risk management mechanism must be established. This ensures swift responses to mitigate losses and continuously safeguard stakeholder interests.	Implement "Risk and Opportunity Management Procedures" and "Emergency Response Procedures" to mitigate operational risks and damages.
Corporate Governance and Taxation – Shareholder Rights and Interests – Ethical Management	201-4 Financial assistance received from government 102-22 Composition of the highest governance body and its committees 102-16,17 ethics	<ul style="list-style-type: none"> The Company has established a sustainable development tax policy and is committed to controlling tax risks. Satisfying shareholders is a critical mission for the Compa ny. Implementing an ethical management policy is essential for building the Company's credibility and reputation. 	<ul style="list-style-type: none"> Develop tax policies and management guidelines. Draft company charters to specify shareholder dividend policies. Establish "Code of Ethical Management."
Regulatory Compliance	2-27 Compliance with laws and regulations	Compliance with laws and regulations is fundamental to Company policy, forming the basis for employee trust, harmonious labor-	Formulate "Employee Work Rules" and "Occupational Safety and Health Work Rules" for government approval.



		management relations, and external creditworthiness.	
Innovative Products and Services	416 Customer Health and Safety 417 Marketing and Labeling	Continuous product innovation creates added value for the Company's products, increases profitability, and ensures a competitive edge in a highly competitive market.	Establish a dedicated R&D center to develop new products in response to customer and market needs.
Customer Relationship Management	416-2 Customer health and safety 417 Product services, product quality, and delivery time	Customer product service and satisfaction are crucial factors in establishing trust, positive relationships, and reputation with customers.	Regular annual customer satisfaction surveys are conducted, with responsible units required to implement improvements within specified timeframes in response to customer complaints,
Supply Chain Sustainable Management	308-1 New suppliers that were screened using environmental criteria 414 Supplier Social Responsibility Assessment	FUKUTA ELEC. & MACH. aims to promote sustainable business development by fostering partnerships with suppliers, who are also required to comply with environmental and social responsibility regulations.	Draft "Supplier Management Procedures" to foster trust and stable partnerships, building a sustainable supply chain.
Ethical Management and Business Ethics	2-15 Conflicts of Interest	Product responsibility aims to build a more robust corporate integrity system, establish ethical standards, avoid conflicts of interest, and create a sustainable business environment.	Formulate "Corporate Social Responsibility Handbook" and "Ethical Operation Procedures and Guidelines" for employee and stakeholder adherence.
Information Security	2-3~2.5 Reporting Practice	The Company discloses annual financial reports and ESG sustainability reports in accordance with legal requirements to ensure transparency of information.	Ensure transparency in financial and ESG reports.
Digital Transformation	TCFD Transformation Risks, Green Products, and Digital Transformation	According to the international requirements of TCFD regarding climate-related risks, opportunities, and financial impacts, Taiwanese companies must embrace green products and digital transformation.	Establish a dedicated R&D unit for green product development and digital transformation to meet customer and market needs
Product Responsibility	416-2 Customer health and safety 417 Product Services / Product Quality	Customers highly value product quality and delivery schedules, which are key factors in building trust and a strong reputation with customers.	Supply chain for product manufacturing passed certification of ISO9001 quality management (procedures and operating standards) and continued maintaining its validity.
Green Manufacturing	416-2 Customer health and safety 417 Product Services / Product Quality 414 Supplier Social Assessment	The Company develops new green products and adopts green process equipment, avoiding the purchase of hazardous substances from suppliers	Through QC080000 hazardous substance management system and assessment of supplier social responsibility

Environmental Dimension

Energy Resource Management, Energy Saving, and Carbon Reduction	302 Energy 305-1,2 carbon emissions	To align with global environmental trends and national greenhouse gas reduction strategies, the Company monitors energy conservation and greenhouse gas emissions.	Reduce fuel and electricity consumption to achieve efficient energy management and lower greenhouse gas emissions. Reduce fuel and electricity consumption to achieve efficient energy management.
Climate Change Adaptation Measures	TCFD Risks, opportunities and financial impacts of climate change	The physical and transitional impacts of climate change on businesses are detailed in Table 6 of this report under Sustainable Environment, outlining strategies and measures for response.	Decentralize production bases, develop green products, implement sustainable processes, and build a green supply chain for industrial transformation and opportunities.
Greenhouse Gas Emissions	305-1,2 carbon emissions	The Company monitors greenhouse gas emissions in accordance with global environmental trends and national greenhouse gas reduction strategies.	Reduce oil and electricity consumption, implement effective energy management, and lower carbon emissions.

Air Pollutant Control	305-6 Emissions of ozone-depleting substances (ODS) 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	To address air pollutants that damage the ozone layer, FUKUTA implements air pollution control measures. Pollutants are filtered and effectively reduced to comply with environmental regulations before being discharged externally.	FUKUTA conducts regular, fixed-point testing of air pollutant gas emissions in accordance with ISO 14001 – Environmental Management System to ensure compliance with environmental regulations before external discharge and treatment.
Social Dimension			
Human Rights Protection and Inclusivity	405 Diversity and Equal Opportunity 406 Non-discrimination 408 Ban child labor 409 Forced or Compulsory	FUKUTA complies with the Labor Standards Act and the Gender Equality in Employment Act to protect labor rights/interests.	Formulate the Employee Work Rules for submission to the Labor Bureau for approval and establish the Grievance Management Procedures and Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures, which include provisions for human rights protection, prevention of forced labor, and sexual harassment.
Occupational Safety and Health	403 Occupational Health and Safety	The Company adheres to the Occupational Safety and Health Act, providing employees with a safe, healthy, and high-quality workplace.	Establish “Occupational Safety and Health Work Rules” and obtain approval from regulatory authorities.
Labor-Employer / Labor-Management Relations	401 Employment 402 Labor/Management Relations	Employees are regarded as the Company’s most important partners. FUKUTA strives to create a harmonious, challenging, and sustainable work environment that supports learning and growth.	Provide a healthy and safe work environment and a friendly workplace with labor-management harmony, thereby enhancing employee cohesion and engagement.
Talent Recruitment, Development, and Retention	401 Employment 403 Occupational Health and Safety 404 Training and Education	The Company values its employees as critical partners and resources, recruiting suitable talent, offering competitive compensation and benefits systems, and retaining outstanding talent	Develop “Compensation Management Guidelines” to offer competitive compensation packages and retain critical talent.



02

Corporate overnance

2.1 Annual Goals & Results

2.2 Organizational Structure

2.3 Board of Directors

2.4 Internal Control & Audit

2.5 Ethical Management

2.7 Information Security

2.8 Risk Management

In addressing material issues and objectives related to sustainable corporate governance, including ethical management, risk management, and regulatory compliance, FUKUTA has established short-term, medium-term, and long-term indicators for each material governance-related sustainability topic, as summarized in the table below:

	Short-Term Indicators	Medium-Term Indicators	Long-Term Indicators
	2023~2024	2025~2028	2029 & Beyond
Corporate Governance	Zero major violations of corporate governance-related laws and regulations. ≥95% employee completion rate for annual ethics and ethical management training.	Zero major violations of corporate governance-related laws and regulations. ≥97% employee completion rate for annual ethics and ethical management training.	Zero major violations of corporate governance-related laws and regulations. ≥99% employee completion rate for annual ethics and ethical management training.
Risk Management	100% completion rate in annual review of hazard and risk assessments across all departments.	100% completion rate in annual review of hazard and risk assessments across all departments.	100% completion rate in annual review of hazard and risk assessments across all departments.
Regulatory Compliance	Zero violations of the Company Act or tax laws.	Zero violations of the Company Act or tax laws.	Zero violations of the Company Act or tax laws.

2.1 Annual Goals & Results

Committed to corporate governance and sustainable operations, our Company operates on the principles of ethics and information transparency. We adhere to regulations, boost operational performance, strengthen internal controls, and maintain ISO management system certifications. By instilling a high-quality corporate culture based on our business philosophy and code of ethics, we have set the following goals and performance indicators for our material topics:

■ Corporate Governance

2024 Performance Goals	2024 Achievement Rate	2025 Performance Goals
Zero cases of “Principle of Integrity” violations by managers or employee	Achieved: 0 Cases	Zero cases of “Principle of Integrity” violations by managers or employee
100% return rate on signed integrity, anti-corruption and intellectual property (IP) agreement	Achieved: 100%	100% return rate on signed integrity, anti-corruption and intellectual property (IP) agreement

■ Risk Management

2024 Performance Goals	2024 Achievement Rate	2025 Performance Goals
Completion rate in annual review of hazard and risk assessments across all departments: 100%	Achieved: 100%	Completion rate in annual review of hazard and risk assessments across all departments: 100%

■ Regulatory Compliance

2024 Performance Goals	2024 Achievement Rate	2025 Performance Goals
Zero violations of the Company Act or tax laws	Achieved: 100%	Zero violations of the Company Act or tax laws

■ Operational Strategy

FUKUTA continuously and dynamically reviews its operating direction and future development blueprint, gradually transforming toward the field of small-scale product power systems (such as drones and robot dogs), while actively promoting the enterprise's shift toward green sustainable operations. In 2024, FUKUTA has designated its annual strategic theme as the “Quality Leap Year,” focusing on comprehensively strengthening product reliability and internal management efficiency to lay a foundation for steady growth.

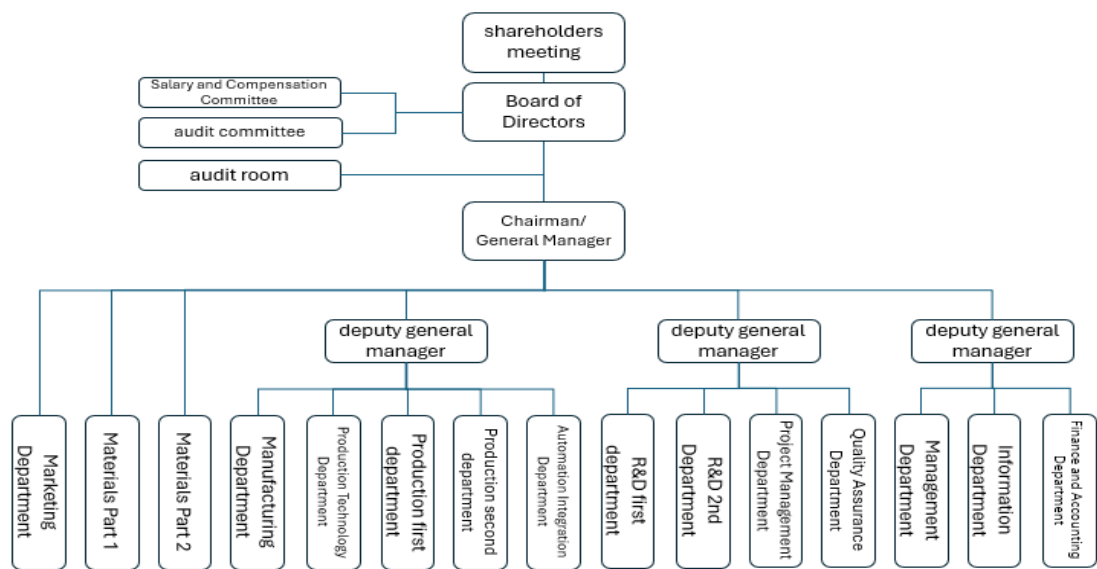
- Analyze and itemize the gross profit of product series (including sales ratio).
- Strengthen internal and external marketing and R&D team resources to expand domestic and



international markets and increase market share.

- Aggressively market electric vehicle and small-scale product power systems, develop international cooperation opportunities, and explore new application fields.
- Enhance Customer Relationship Management (CRM).
- Increase company visibility through digital media, trade show participation, interviews, and other channels.
- Improve production line optimization and strengthen large-horsepower production equipment and capacity.

2.2 Organizational Structure



2.3 Board of Directors

■ Board of Directors Operations

The Board of Directors is responsible for overseeing the company's operations and overall practices, making decisions, handling, and responding to major investments, whistleblowing and grievance reports, key public opinions, and other material matters. When voting, the Board adheres to the principle of Conflict of Interest Avoidance. All related operations are exercised in accordance with laws, the company's Articles of Incorporation, and the Rules of Procedure for Board Meetings. Utilizing the diverse professional expertise and rich industry experience of both directors and independent directors, external accountants are also invited to attend board meetings for exchange of views and communication. This ensures the Board fulfills its oversight and management responsibilities, with the goal of strengthening the company's operational systems and safeguarding the rights of investors. Furthermore, meetings are convened quarterly as required by law; in 2024, a total of 6 board meetings were held, with an average attendance rate of 97.6%. The attendance status of the directors is truthfully disclosed on the Market Observation Post System (MOPS). There were no key material events requiring public communication with the Board during this reporting year.

■ Directors' Compensation

The compensation of the Company's Directors is determined in accordance with the Articles of Incorporation, with the allocation ratio not exceeding 2.24%. In addition, factors such as the Company's overall operating performance, future business risks and development, as well as industry benchmarks are taken into consideration. The specific amounts are reviewed by the Compensation Committee, resolved by the Board of Directors, and subsequently reported to the Shareholders' Meeting for approval and distribution.

For Independent Directors, compensation may be granted regardless of the Company's operating profit or loss. Such compensation is authorized by the Board of Directors and determined based on the extent of each Director's participation in the Company's operations and the value of their contributions, with reference to industry standards. The Compensation Committee may also review and adjust the compensation accordingly.



FUKUTA has established the Rules of Procedure for Board of Directors Meetings in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. Independent Directors are elected through a candidate nomination system and appointed at the Shareholders' Meeting, with candidates evaluated based on diversity of perspectives, independence, and professional expertise.

As of now, the Company's Board of Directors consists of seven members, of which 57% are Independent Directors, and includes one female Director. This reflects FUKUTA's alignment with the Taiwan Stock Exchange's 2024 Corporate Governance Evaluation indicators, which emphasize strengthening board structure and operations, including the expectation that boards comprise at least one female director. These practices demonstrate the Company's commitment to professional and gender diversity within the Board, enabling governance objectives and practices to be examined from broader and more diverse perspectives.

■ Board Performance Evaluation

- In FY2024, the Company's Board of Directors convened six meetings (A). Directors' attendance is summarized as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Attendance Rate (B/A)	Remarks
Chairman	Chang, O-Feng	6	0	100	-
Director	Representative: Liu O-Hsiung, GAINS Investment Corporation	1	0	100	On January 31, 2024, GAINS Investment Corporation replaced its representative Mr. Liu O-Hsiung with Mr. Li O-Cheng, for whom the required attendance was 1 meeting.
Director	Representative: Li, O-Cheng, GAINS Investment Corporation	5	0	100	On January 31, 2024, GAINS Investment Corporation replaced its representative Mr. Liu O-Hsiung with Mr. Li O-Cheng, for whom the required attendance was 5 meetings.
Director	Chang, O-Jou	6	0	100	
Independent Director	Wang, O-Sheng	6	0	100	
Independent Director	Weng, O-Liang	6	0	100	
Independent Director	Chao, O-Hsiang	5	1	83	
Independent Director	Chen, O-Ko	6	0	100	

Note 1:

GAINS Investment Corporation representative Liu O-Hsiung was succeeded by Li O-Cheng on Jan. 31, 2024. During Mr. Li's tenure in 2024, five board meetings were held. Other relevant matters are as follows:

- If any of the following situations occur in the operation of the Board of Directors, the Board meeting date, session, agenda items, all Independent Directors' opinions, and the Company's responses to the Independent Directors' opinions should be disclosed:
 - Matters listed under Article 14-3 of the Securities and Exchange Act:



Board Meeting	Key Resolutions	Independent Directors' Objections or Reservations	Handling of Independent Directors' Opinions	Resolution Outcomes
12 th Term, 4 th Session 2024.01.24	1. Distribution of FY2023 year-end bonuses for the Company's Directors and Managers.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).
12 th Term, 5 th Session 2024.04.19	1. FY2023 Financial Statements and Business Report. 2. Assessment of the effectiveness of the internal control system and issuance of the internal control statement for FY2023. 3. Evaluation of the independence and qualifications of the Company's certified public accountants for financial reporting. 4. Appointment and compensation of the Company's certified public accountants. 5. Policies, systems, standards, and structure for manager compensation in FY2024. 6. Amendments to the "Rules of Procedure for Board Meetings," the "Audit Committee Charter," and the "Articles of Incorporation." 7. Matters related to shareholders' proposals submitted for the 2024 Annual General Meeting. 8. Determination of matters regarding the convening of the 2024 Annual General Meeting.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).
12 th Term, 6 th Session 2024.05.08	1. Review of shareholders' proposal rights. 2. Approval of the issuance of new shares for employee stock warrants in Q2 2024 and determination of the capital increase record date.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).
12 th Term, 7 th Session 2024.08.13	1. Amendment of the Company's "Holiday and Annual Performance Assessment Procedures" and approval of the Company's interim financial statements for the first half of 2024. 2. Approval of the Company's interim financial statements for the first half of 2024. 3. Proposed revisions to the FY2024 operating budget. 4. Approval of the issuance of new shares for employee stock warrants in Q3 2024 and determination of the capital increase record date.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).
12 th Term, 8 th Session 2024.09.27	1. Change in the Company's spokesperson position. 2. Changes in the positions of the Company's finance and accounting executives and acting spokesperson. 3. Application for the listing of the Company's shares on the Emerging Stock Board.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).
12 th Term, 9 th Session 2024.12.27	1. Adjustment of the list of managers subject to pre-approval by the Compensation Committee due to internal position changes, promotions, and completion of probation periods. 2. Ratification of changes to the positions of the Company's Vice General Managers of Finance, Management, and Information. 3. Preparation of the General Manager's 2025 operational plan and business budget. 4. Approval of the issuance of new shares for employee stock warrants in Q4 2024 and determination of the capital increase record date. 5. Proposed replacement of the Company's stock affairs agency.	None	Not Applicable	Approved unanimously by all attending Directors (including Independent Directors).

(2) Other Board resolutions opposed or reserved by Independent Directors, with records or written statements: None.

- II. Execution of Directors' recusal on matters involving conflicts of interest, including Director name, agenda content, reason for recusal, and voting participation: None.
- III. Public companies are required to disclose the evaluation cycle, period, scope, methodology, and content of Board self-assessments (or peer evaluations), including an attached table of implementation results. The Company is not publicly listed; therefore, this is not applicable. However, such evaluations will be conducted in the future as required by company needs or regulations.

- IV. Annual and recent-year objectives for strengthening Board functions (e.g., establishing Audit Committees, enhancing information transparency) and evaluation of implementation:
- (1) To implement good corporate governance and enhance Board functions, the Company established a Compensation Committee and an Audit Committee on January 17, 2023. These functional committees operate according to their charters and authority, providing recommendations to the Board for discussion and resolution.
 - (2) The Company fully discloses operational information, financial data, corporate governance, and ESG implementation and progress in the annual report, on the Company website, and on the Market Observation Post System, thereby enhancing information transparency.

● Summary of Current Board Members' Educational and Professional Backgrounds, and Concurrent Positions in Other Companies

Title	Name	Term	Summary of Current Board Members' Educational and Professional Backgrounds, and Concurrent Positions in Other Companies
Chairman	Chang, O-Feng	3 Years	<ul style="list-style-type: none"> ● Master's Degree, Department of Electrical Engineering, National Kaohsiung University of Science and Technology ● Design Engineer, TECO Electric & Machinery Co., Ltd. ● Design Engineer, SEING ELECTRIC & MACHINERY CO., LTD. ● Chairman & General Manager, FUKUTA ELEC. & MACH. CO, LTD.
Director	Chang, O-Jou	3 Years	<ul style="list-style-type: none"> ● Department of International Trade, Overseas Chinese University ● Auditor, Yih Chyun CPAs (YCCPAs) ● Sales Assistant, Kuen Yuh Machinery Engineering Co., Ltd. ● Sales Specialist, Getac Technology Corporation ● Financial Specialist, Eurofins Panlabs Discovery Services Taiwan, Ltd.
Director	Representative: Li, O-Cheng, GAINS Investment Corporation	3 Years	<ul style="list-style-type: none"> ● Department of Power Mechanical Engineering, National Tsing Hua Univ. ● Sales Director, China Steel Corporation ● Assistant Vice President of Sales, China Steel Corporation ● Director, Dragon Steel Corporation ● Director, Winning Investment Corporation ● Director, CSC STEEL HOLDINGS BERHAD / CSC STEEL SDN BHD ● Chairman, China Steel and Nippon Steel Vietnam Joint Stock Company ● Director, East Asia United Steel Corporation ● Director, WABO GLOBAL TRADING CORPORATION
Independent Director	Chao, O-Hsiang	3 Years	<ul style="list-style-type: none"> ● Doctoral Degree, Institute of Electrical Engineering, NTHU ● Distinguished Professor, Departmental of Electrical Engineering, NCUT
Independent Director	Chen, O-Ko	3 Years	<ul style="list-style-type: none"> ● Doctoral Degree, Institute of Electrical Engineering, NTHU ● Distinguished Professor, Departmental of Electrical Engineering, NCUT ● Independent Director, Compensation Committee Member, and Audit Committee Convener, ALFORMER Industrial Co., Ltd.
Independent Director	Weng, O-Liang	3 Years	<ul style="list-style-type: none"> ● Lien Ho Industrial and Technological Junior College (currently known as National United University) ● Assistant Manager, Automotive Research & Testing Center (ARTC) ● General Manager, Ho-Wei Car Tech. Co., Ltd.
Independent Director	Wang, O-Sheng	3 Years	<ul style="list-style-type: none"> ● Lunghwa Junior College of Technology (currently known as Lunghwa University of Science and Technology) ● Chairman, LOTUS FILM CO., LTD.

● Board Nomination and Selection

To ensure fairness, impartiality, and transparency in the election of directors, the Company follows established director selection procedures. In evaluating candidates, consideration is given to diversity, independence, academic and professional background, industry experience, expertise, and competencies relevant to organizational impact, with the aim of achieving the optimal overall composition of the Board. For further information on the Board and its committees' core competencies and diversity indicators, please refer to the Annual Report. In 2024, there were no re-elections or by-elections of directors.

● Conflict of Interest Avoidance

Where a director has a personal interest, or represents a legal entity with an interest, in matters under discussion by the Board, the director shall explain the material aspects of such interest at the meeting. If the matter may pose a risk of harm to the Company's interests, the director shall not participate in the discussion or voting, and must recuse themselves. Furthermore, they may not act as proxy for other directors in exercising voting rights. For details regarding directors' recusals from conflict of interest matters in 2024, please refer to the section Corporate Governance Operations in the 2024 Annual Report.



● Directors' Liability Insurance

To strengthen corporate governance mechanisms and mitigate risks borne by both the directors and the Company, Directors' Liability Insurance was purchased for all directors in 2024. The insured amount is USD 1 million, covering the period from March 1, 2024 to March 1, 2025. The matter was reported to the Board of Directors on April 19, 2024.

● Training of Directors and Supervisors

To enhance the Board's overall knowledge and awareness of sustainability topics, various training programs have been provided. At present, the courses focus primarily on corporate governance and securities regulations, and will gradually be expanded to include environmental and social topics.

● Compensation Policy for Directors and Managers

The Company's compensation policies, systems, standards, and structures for directors and senior managers are formulated and reviewed by the Compensation Committee. Independent directors serve on the committee to provide diverse external perspectives, and the committee convenes at least twice a year to review and ensure the competitiveness and fairness of compensation practices.

The annual compensation for board members includes directors' fees, salaries, and bonuses (the latter two apply only to those who also serve as employees). The compensation package for senior managers includes salaries, bonuses, and retirement benefits, which are disclosed annually in the Company's annual report.

The Company regularly evaluates directors' and managers' compensation based on the extent of their involvement in operations and individual performance contributions, in accordance with the "Regulations Governing the Distribution of Employee and Directors' Compensation." In the event of moral hazard incidents or other risks, such as reputational damage, mismanagement, or internal misconduct, the Company will determine compensation levels by taking into account target achievement rates, operational performance, and overall contributions, thereby ensuring reasonable compensation. The Company also reviews the system as needed in light of actual operating conditions and regulatory requirements.

Apart from the above, the Company provides no additional significant special benefits to senior managers. Retirement benefits are administered in accordance with statutory requirements and are consistent with those provided to all employees.

■ Functional Committees

To enhance corporate governance, FUKUTA has established the Audit Committee and the Compensation Committee, which assist the Board of Directors in carrying out its oversight responsibilities. The charters of each committee are approved by the Board, and the respective committee chairs regularly report their activities and resolutions to the Board.

To ensure that directors' performance is closely aligned with the company's sustainability vision and its short-term, medium-term, and long-term strategic objectives, the committees assess the required core competencies, reinforce accountability, and link performance with compensation. This approach also supports director retention and the attraction of key talent to the Board. In line with the Articles of Incorporation and other relevant regulations, the Compensation Committee incorporates sustainability strategy objectives as flexible indicators in determining directors' variable pay, thereby achieving a tangible linkage between performance and compensation, thereby achieving a "win-win" outcome.

● Compensation Committee

FUKUTA has established a Compensation Committee consisting of four members, with Mr. Kuo-Liang Weng serving as convener. The committee assists the Board in evaluating the compensation of directors, supervisors, and managers, as well as policies, systems, standards, and structures related to employee profit-sharing, salary adjustments, and performance bonuses. All resolutions are recorded in meeting minutes and submitted to the Board for approval. In 2024, the Compensation Committee convened five meetings, with an attendance rate of 100%.

In the most recent year, the Compensation Committee convened five meetings. The attendance of committee members is summarized in the table below:

Title	Name	2024		Actual Attendance Rate
		Actual Attendance	Attendance by Proxy	
Convener	Weng, O-Liang	5	0	100%
Member	Chao, O-Hsiang	5	0	100%
Member	Chen, O-Ko	5	0	100%
Member	Wang, O-Sheng	5	0	100%

● Audit Committee

The Company's Audit Committee is composed entirely of independent directors and convenes at least once per quarter. Its primary responsibilities include overseeing the fair presentation of financial statements, the appointment or dismissal of the external auditor, assessing the auditor's independence, qualifications, and performance, ensuring effective implementation of internal controls, monitoring compliance with relevant laws and regulations, and managing existing or potential risks.

In the most recent year, the Audit Committee held five meetings. The attendance of committee members is summarized in the table below:

Title	Name	2024		Actual Attendance Rate
		Actual Attendance	Attendance by Proxy	
Independent Director	Chao, O-Hsiang	5	0	100%
Independent Director	Weng, O-Liang	5	0	100%
Independent Director	Chen, O-Ko	5	0	100%
Independent Director	Wang, O-Sheng	5	0	100%

■ Board Performance Evaluation

To implement robust corporate governance and enhance the effectiveness of the Board of Directors, as well as to establish performance goals to strengthen the Board's operational efficiency. FUKUTA ELEC. & MACH. will formulate the "Board Performance Evaluation Procedures" in 2025. FUKUTA will conduct annual self-assessments of the Board and its functional committees (including the Audit Committee and Compensation Committee), as well as individual director self-evaluations (via questionnaire). The Board performance indicators encompass three major aspects: "Degree of involvement in company operations," "Quality of Board decision-making and internal control," and "Compliance with relevant laws and regulations." The Compensation Committee will use these evaluation results to review and recommend relevant compensation policies.

2.4 Internal Control & Audit

To ensure sustainable operations and effective enterprise risk control, our company has established an Internal Audit Unit. This unit continuously monitors the effectiveness of operations and formulates its Internal Control System and related management procedures in accordance with the Financial Supervisory Commission's (FSC) "Regulations Governing the Establishment of Internal Control Systems by Public Companies."

The system's purpose is to assist the Board and management in reviewing internal control deficiencies, measuring the effectiveness and efficiency of operations, ensuring the reliability of financial statements, and confirming compliance with relevant laws. The Unit provides timely recommendations to reasonably ensure the continuous and effective implementation of the Internal Control System. This dynamic process of reviewing and amending the system promotes the Company's sound operation.

Effective January 17, 2023, the Company has established an Audit Committee, replacing the Supervisors, to oversee the effectiveness and execution of the Company's Internal Control System.

■ Internal Audit Organization Structure

Our Internal Audit Unit reports directly to the Board of Directors. We allocate appropriate full-time audit personnel based on our operating scale, business development, management needs, and regulatory requirements. The appointment and dismissal of the Audit Officer must be approved by the Board of Directors and reported to the competent authority within the prescribed timeframe.

To strengthen the professional capabilities of our audit personnel, the Company arranges for continuous professional development and participation in internal audit training sessions organized by institutions designated by the Securities and Futures Bureau (SFB). This commitment ensures the enhancement and maintenance of high audit quality and execution effectiveness.

■ Audit Operation Execution Items

- Formulate the Annual Audit Plan based on regulatory requirements and risk assessment results, and submit it to the Board of Directors for approval.
- Execution of Audit: Perform all audit operations in accordance with the Annual Audit Plan approved by the Board of Directors.
- Self-Assessment: Oversee the annual self-assessment of its internal control system conducted by all



internal units and review the self-inspection reports from all units and subsidiaries.

- **Submission and Reporting of Audit Reports:**
 - Audit reports and follow-up reports are delivered to the Independent Directors and Supervisors for review by the end of the month following the completion of the audit item.
 - If internal audit personnel discover any material violations or a risk of significant company damage during their work, they immediately prepare a report for approval and notify the Independent Directors and Supervisors.
 - When deficiencies are found in the audit report, relevant units are promptly requested to cooperate in making improvements.
- **Tracking of Deficiency Improvement:** The Audit Unit prepares quarterly follow-up reports on deficiencies and irregularities found in the internal control system to confirm that relevant units have taken timely and appropriate corrective measures.
- **External Reporting:** The Audit Unit handles all required reporting and filing procedures within the prescribed deadlines.

The Audit Office reviewed the 2024 self-assessment reports of all company units and incorporated them with the 2024 audit reports on various operating cycles and the approved departmental self-assessment reports. This comprehensive review serves as the primary basis for evaluating the overall effectiveness of the company's Internal Control System, issuing the "Internal Control System Statement," and its disclosure in the Annual Report.

In 2024, the audit focus included operating cycle procedures, FSC-mandated review items, and the Internal Control System. A total of 12 audit reports were issued, covering 102 audit items. FUKUTA identified 2 deficiencies and irregularities, and promptly notified the audited units to implement appropriate corrective actions based on the recommendations. We maintained a 100% completion rate in tracking these improvements. Furthermore, every audit item is formally reported to the Independent Directors for their review upon completion.

2.5 Ethical Management

■ Business Philosophy & Ethical Management

Our Company's operating philosophy is built upon "Innovation, Passion, and Integrity," with the primary goal of safeguarding shareholder interests. We are committed to ensuring information transparency for shareholders. To achieve this, we strengthen the functions of our Board of Directors and strive to enhance our team's leadership and management capabilities, aiming to drive the company's operations to new heights.

Details of our ethical management promotion efforts, activities, and prevention measures are outlined in the table below:

Item	Description
Code of Business Conduct	<p>Guided by the company's operating philosophy, every employee must learn, understand, and comply with the company's Code of Business Conduct (hereinafter referred to as the "Code"). Adherence to the Code establishes an honest and open environment, allowing employees to fully commit to their work based on principles of legality and integrity, taking pride in the challenges overcome and the successes achieved.</p> <p>Any time a violation of the Code, company policies, or relevant laws is discovered, immediate action will be taken to resolve the issue. Furthermore, we will implement corrective and preventive measures, in accordance with company regulations, to prevent similar issues from recurring in the future.</p>
Ethical Management	<p>We prioritize the value of "Integrity and Honesty" and operate with a philosophy of probity, transparency, and accountability. We have established the "Code of Ethical Management" and the "Operating Procedures and Guidelines for Ethical Management" to help cultivate a corporate culture of integrity, promoting sound development and ethical business operations.</p> <p>We hold ourselves to the highest ethical standards. This applies across the organization – from the Board of Directors and management down to all employees. We require everyone to treat integrity as the basic principle for executing their duties, and we strictly prohibit any acts of corruption, bribery, or other improper benefits.</p>
Ethical Management Task Force	<p>The responsibilities of the task force are as follows:</p> <ul style="list-style-type: none"> • Assist in integrating the value of integrity into the company's business strategy and formulating relevant anti-corruption measures in line with legal requirements. • Establish work-related standard procedures and behavioral guidelines for implementing schemes to prevent unethical conduct. • Implement a supervision and balancing mechanism for business activities that carry a risk of unethical conduct within the scope of operations. • Promote and coordinate awareness training on the integrity policy.

	<ul style="list-style-type: none"> Plan the whistleblowing system and ensure its effective execution. Assist the Board of Directors and management in auditing and evaluating the effective operation of prevention measures and regularly assess compliance.
Integrity in Business Activities	<p>We conduct all business activities fairly and transparently, adhering to the principles of ethical management. Before engaging in business dealings, we assess the legality and check the record of any unethical conduct of agents, suppliers, customers, or other business counterparties. We avoid transacting with any party involved in such conduct.</p> <p>All contracts signed with agents, suppliers, customers, or other business counterparties include clauses requiring adherence to our ethical management policy, and the right to immediately terminate or rescind the contract should the counterparty be involved in unethical conduct.</p>
Ethical Management Prevention Schemes	<ul style="list-style-type: none"> Prevent engagement in unfair competition practices. Prevent offering illegal political donations. Prevent improper charitable donations or sponsorships. Prevent offering or accepting unreasonable gifts, entertainment, or other improper benefits. Prevent bribery and extortion. Prevent infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights (IPR).
Educational Training	<p>We maintain high ethical standards and a positive corporate image through educational training, self-assessment, review, and the establishment of anonymous reporting channels.</p> <ul style="list-style-type: none"> Senior management regularly communicates the importance of integrity to Directors, employees, and mandated personnel. Regular hosting of training and awareness sessions, inviting commercial counterparties to participate. The ethical management policy is integrated into employee performance reviews and human resource policies, establishing clear reward and disciplinary systems.
Information Disclosure	<p>Beyond individual compliance, we disclose relevant ethical management information on our public website. We constantly monitor developments in domestic and international ethical management regulations and encourage Directors, managers, and employees to offer suggestions. These suggestions are used to review and improve the company's ethical management policy and promotional measures, thereby enhancing the overall effectiveness of the company's integrity management.</p> <p>Based on our ethical management policy, the company submits its Annual Report and prospectuses within the statutory deadlines, and discloses related information on the Market Observation Post System (MOPS) and the company website.</p>

■ Results Over the Past Three Years

- Regularly promote ethical management core values.
- Relevant courses are incorporated into new employee training, covering topics such as Intellectual Property (IP) information protection, prevention of trade secret infringement, and prohibition of insider trading, to enhance employee awareness of ethical management.
- Achieved a 100% return rate on signed Integrity, Anti-Corruption, and Intellectual Property (IP) Agreement.
- In 2024, a total of 48 employees participated in internal ethical management training, amounting to approximately 120 training hours (as shown in the table below).

category \ year	2022	2023	2024
Number of participants (people)	257	273	48
Class hours (h)	642	683	120
Signing of Integrity and Honesty Agreement and Intellectual Property Recovery Rate (%)	100%	100%	100%

■ Whistleblowing Mechanism

- Establish internal and external grievance channels/mailboxes and provide a dedicated reporting section on the company website.
- Designate a specialized unit to immediately investigate the facts, seeking assistance from Legal/Compliance or other relevant departments when necessary.
- Case records must be maintained for a minimum of five years or until the conclusion of any related litigation.
- The identity and content provided by the reporter will be kept strictly confidential, protecting the whistleblower from retaliation or improper treatment.
- Establish a whistleblower reward system, providing discretionary bonuses based on the severity and impact of the case.

2024 Performance Result

No managers or employees violated the principles of integrity.



Code of Ethics

To establish more robust corporate governance, create a sustainable development business environment, and ensure employee conduct aligns with the highest ethical standards, the Company has specifically adopted the *Code of Ethical Conduct*. This Code guides all employees and provides stakeholders with a clear understanding of the Company's ethical standards.

Ethical Compliance

- Prohibit the direct or indirect offering or acceptance of improper benefits while performing duties.
- Prohibit the offering or promising of any facilitation payments or disguised bribes.
- Prohibit the disclosure of confidential company information and ensure compliance with confidentiality agreements.
- Prohibit the engagement in insider trading.
- Prohibit engaging in business transactions with parties known to lack integrity (or practice unethical conduct).
- Protect and ensure that company assets are used efficiently and lawfully for official business purposes.
- Comply with government laws and regulations, as well as the Company's established rules, procedures, and manuals.



Oversight Responsibility

- The Management Department and the Finance and Accounting Department provide regular annual reports to the Board of Directors.
- On April 26, 2023, the Board of Directors established the Company's Code of Ethical Management. To date, no instances or reports of unethical conduct by company personnel have been identified or received.



Compliance Statement and Declaration

With the approval of the full Board of Directors, the Company issued the 2024 Internal Control System Statement, declaring that the design and implementation of the internal control system for 2024 were effective. The statement covers compliance with all applicable laws and regulations.

Upon appointment, directors and members of management are required to sign a Code of Conduct declaration and are committed to upholding integrity. No violations of integrity occurred in 2024.

Conflict of Interest Avoidance

The Company's directors adhere to strict self-discipline. For any agenda item of the Board in which a director or the legal entity they represent has a conflict of interest that may be detrimental to the Company, the director may express opinions and respond to inquiries but shall refrain from participating in the discussion or voting.

Employees are prohibited from using Company resources for external business activities, and must ensure that participation in outside commercial activities does not impair their job performance.

FUKUTA complies with regulations governing public companies and has established comprehensive internal procedures, policies, and workflows, which are reviewed and adjusted as appropriate. Employees are required to follow these standards in the performance of their duties, thereby earning the trust and respect of customers, suppliers, and stakeholders.

In addition to incorporating confidentiality obligations into employment contracts, the Company has adopted regulations covering prohibitions against infringement, personal data protection, and information security management. Ongoing training is provided to enhance employees' awareness of compliance with applicable laws and internal rules.

Regulatory Compliance

The table below outlines the Company's relevant important legal sources, internal procedures, and documentation pertaining to compliance with corporate governance, environmental, and socio-economic regulations, including whether any violations occurred during 2024:

Category	Key Relevant Taiwanese Legal Sources	Corresponding Company Measures or Procedures	Occurrence of Violations in 2024
Corporate Governance	Company Act, Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, Organizational Charter of the Audit Committee, Organizational Rules of the Compensation Committee.	Company's Articles of Incorporation (or Organizational Charter), Code of Business Conduct, Code of Ethical Management and Grievance/Whistleblowing Procedures	The Company operates in accordance with the law; thus, no significant monetary fines or other non-monetary penalties were received.
Employee Labor Rights and Working Conditions	Labor Standards Act, Employment Service Act, Gender Equality in Employment Act, Labor Insurance Act, Labor Pension Act, National Health Insurance Act, Employee Welfare Fund Act, Regulations of Leaves for Workers, Regulations for Implementing Labor-Management Meeting, etc.	<ul style="list-style-type: none"> Employee Work Rules filed Labor-Management Conference Representative List filed New employees complete training and assessment on labor rights through the Recruitment, Appointment, and Resignation Management Procedures, Salary Management Procedures, and Employee Work Rules.	The Company complies with the Labor Standards Act and related regulations; no fines were incurred for violations of the Labor Standards Act or labor disputes.
Health and Safety	Enforcement Rules of the Occupational Safety and Health Act, Regulations for Labor Health Protection, Regulations for Occupational Safety and Health Facilities, Occupational Safety and Health Education and Training Rules, etc.	Occupational Safety and Health Work Rules filed Occupational Safety and Health Organization and Personnel filed, ISO 45001 Occupational Health and Safety Management System and related procedures.	The Company complies with the Occupational Safety and Health Act and related regulations; no occupational accidents occurred, and no fines were imposed due to labor inspections.
Environment	Basic Environment Act, Climate Change Response Act, Waste Disposal Act, Resource Recycling Act, Air Pollution Control Act, Noise Control Act, Drinking Water Management Act, Effluent Standards, Water Pollution Control Act Enforcement Rules, etc.	ISO 14001 Environmental Management System and related procedures, SOPs, and forms, including Waste Disposal Procedures, Noise Control Procedures, Drinking Water Management Procedures, and Wastewater Management Procedures. Implementation of the ISO 14064 Greenhouse Gas Inventory System and issuance of the GHG inventory report.	The Company complies with environmental regulations; no fines were imposed.
Economic/Social	Fair Trade Act, Patent Act, Copyright Act, Intellectual Property Law, Trade Secrets Act, Personal Data Protection Act; Civil Code, Communicable Disease Control Act, Sexual Harassment Prevention Act, etc.	Labor Contracts, Code of Professional Ethics, Personnel-related Management Systems.	The Company has no record of violating economic or social regulations and was not fined.
Product	Fair Trade Act, Personal Data Protection Act, QC 080000 Hazardous Substance Process Management System, etc.	ISO 9001 Quality Management System and related procedures, SOPs, and forms. Implementation of the QC 080000 or RoHS system to effectively control hazardous substances to meet international standards and avoid consumer harm.	The Company was not fined or required to pay compensation to customers due to the leakage of customer privacy; there were no violations of marketing and communication laws; and no violations of product and service health and safety regulations.

2.6 Information Security

■ ICT Security Risk Management Framework

The IT Department is an independent unit, not subordinate to any user unit, responsible for coordinating



and executing the information security policy. It promotes security messages to enhance employee ICT security awareness and collects data to improve the technology, products, and procedures that enhance the performance and effectiveness of the organization's Information Security Management System (ISMS).

The Audit Office conducts an annual information security audit focusing on the “computerized information processing operations” within the Internal Control System. This is to evaluate the effectiveness of the company's information operations and internal controls.

■ Information Security Policy

- In accordance with the “Information System Management Procedure Manual” and the “Information Security Policy,” we verify the compliance and high availability of system architecture, network security, resource management, and software/hardware licensing within the enterprise environment. Any identified risks are either adjusted or incorporated into improvement plans.
- Enforcement of controls over our confidentiality policy, data protection awareness, file and record management, mobile device control, and hierarchical access permissions. The Audit Unit conducts irregular checks, compiles records, and collaborates with other units to report anomalies, thereby reducing the risk of data leakage and safeguarding critical corporate assets and competitiveness.
- Provision of up-to-date information security awareness promotion to enhance employee security consciousness and integrate it into their daily work routines.

■ Implementation of Security Measures

● Security Defense Measures

- Deployment of network firewall equipment and enable advanced features such as detection technology, traffic monitoring, application identification, and unknown malware analysis. This capability allows us to preemptively block unauthorized connection behavior and penetration attempts.
- Implementation of VPN (Virtual Private Network) for network control across multiple sites. We also install additional firewalls between sites to prevent the cross-site spread of viruses and attacks.
- Utilization of network firewalls to isolate the Operational Technology (OT) and Information Technology (IT) network environments. This separation strengthens the security defense capability of the OT domain, preventing IT security issues from impacting OT production line operations.

● Endpoint Protection

- EDR (Endpoint Detection and Response)
 - Deployment of EDR software on all computers. This goes beyond basic antivirus protection by combining real-time continuous monitoring, endpoint data collection, and advanced cross-correlation to detect and respond to suspicious activity. For unusual operations, the EDR immediately blocks and deletes malware, reducing lateral infection. Furthermore, it leverages machine learning and behavioral analysis to prevent fileless malware and memory attacks
- Security Software Control
 - Enforcement of endpoint device control, which includes prohibiting the use of portable storage devices.
 - Monitorization of internet usage, computer operations, and software usage to prevent unauthorized access by personnel and protect the company's information assets from both internal threats and external malicious behavior.

● Data Security Protection

- Restrict personnel access to data, control file operation permissions, and record all file activities to prevent data leakage.
- Restrict access to cloud storage spaces.
- Implement a data backup system, establish a formal backup mechanism, and ensure offline storage of backups.
- Prohibit Unauthorized Software: All software licenses used by the Company must be legitimate. Any unauthorized installation on Company-provided computer equipment or private computers brought into the Company constitutes an act of infringement.
- Verification Mechanism: A comprehensive audit is conducted monthly.

■ Information Confidentiality Standards

Employees must take appropriate protective measures regarding the trade secrets and confidential information known or managed in the course of their duties, including the following:

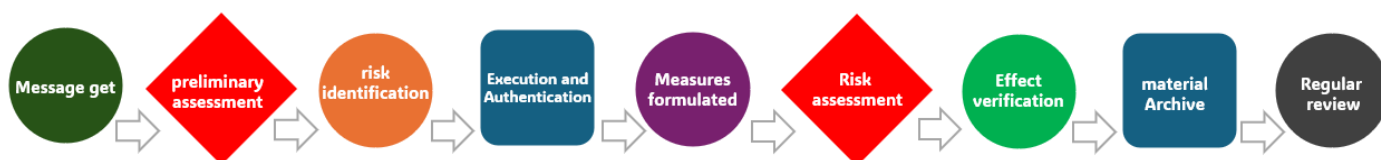
- Upon onboarding, employees must sign a Software Policy and Internet Usage Statement, the Labor Contract, and the Integrity, Anti-Corruption, and Intellectual Property Agreement.
- Strictly comply with the Labor Contract and other related confidentiality management standards.
- Take necessary and reasonable protective measures to prevent unauthorized access to confidential data or the acquisition of trade secrets and confidential information.
- Company Data Disclosure Principle: Employees must not disclose the Company's assets, including information, business, technical data, and any other tangible or intangible trade secrets or confidential information, to any third party without authorization.

2.7 Risk Management

The Company has established “Risk and Opportunity Management Procedures,” which are approved by the Chairman and incorporated annually into the General Manager's operational plan.

The underlying Risk Management Policy aims to effectively identify, analyze, assess, control, process, and continuously monitor all risks. This elevates risk awareness across all employees, ensuring that risks are controlled to an acceptable level and maximizing the completeness, effectiveness, and efficiency of the risk management process.

■ Risk and Opportunity Identification, Evaluation, and Response Process



● Information Acquisition

Obtain risk information from internal/external environments, stakeholders, regulations, or operational status.

● Initial Assessment

Determine whether the risk or opportunity meets the necessary evaluation threshold; otherwise, no further action is taken.

● Risk Identification

Identify the source of the risk, such as internal processes, resources, personnel, external regulations, or market changes.

● Execution and Verification

Relevant departments implement the risk countermeasures and review their effectiveness.

● Strategy Formulation

Based on the risk level, select an appropriate strategy (Accept, Mitigate, or Avoid) and plan the execution methods.

● Risk Evaluation

Score the risk based on severity and frequency, calculate the risk factor, and determine the level (Low/Medium/High).

● Effectiveness Validation

If the expected control results are not met, the process returns to the “Strategy Formulation” step to optimize the plan.

● Data Archiving

All risk assessment and control records must be filed according to Form 4AD021 for future reference.

● Periodic Review

Conduct a re-review and update the risk control strategy at least once a year, or when special events or quality incidents occur.





Potential Risks and Countermeasures

Risk Factor	Potential Risks	Countermeasures and Strategies
Operational Risk	Leads to declining revenue, low employee morale, impacting investor confidence and market competitiveness, potentially triggering a financial crisis.	<ul style="list-style-type: none"> The General Manager sets the annual operational plan, establishing and cascading the following year's strategic goals and objectives through management by objectives (MBO). Quarterly executive performance reviews are held to examine execution results and determine responses to potential risks. Major adjustments to goals are reported to the Board of Directors. Weekly management meetings provide timely feedback and solutions for risks encountered during goal execution.
Financial Risk	Impact on the Company's profit/loss due to changes in interest rates and exchange rates.	<ul style="list-style-type: none"> Observe and analyze changes in financial market interest rates and adjust fixed or floating loans promptly to mitigate interest rate volatility. Gather exchange rate information, monitor trends and changes in major currencies in the international foreign exchange market to forecast exchange rate movements. Maintain strong relationships with banks to obtain broader foreign exchange information and more favorable exchange rate quotes, thereby reducing exchange rate fluctuation risk.
Competitive Risk	Intense competition from mainland Chinese manufacturers for motors and related products.	Consistently increase R&D staff and patent volume, coupled with process efficiency and equipment improvements, to enhance production performance and yield. Maintain a lead of at least 1-2 generations in motor product R&D achievements.
Customer Response Risk	Significant market price fluctuations directly affecting customer purchasing decisions.	Offer the most advanced, high-quality products to provide new value to customers. Commit to providing necessary resources for operational continuity management to ensure customers' operations remain normal.
Business Continuity Risk	Sudden or unpredictable accidents or natural disasters affecting operational status, causing financial burden or triggering other risks.	Establish Emergency Response Plans and Business Continuity Plans (BCP), and conduct regular drills to strengthen personnel response capability, shorten business interruption time, and minimize the impact and shock of the interruption.
Climate Change Risk	<ul style="list-style-type: none"> Extreme weather (e.g., floods, typhoons) damaging facilities and supply chains. Volatile energy and raw material prices; carbon taxes or regulations increasing compliance costs. Consumer preference shifts to low-carbon products, leading to the obsolescence of high-carbon processes. 	<ul style="list-style-type: none"> Analyze the potential impact of climate change on operations, supply chain, and assets, and formulate resilience strategies. Adopt renewable energy, improve energy efficiency, and drive green innovation in products and services. Collaborate with suppliers on carbon reduction and ensure raw material sources are climate-resilient.
ICT Security Risk	<ul style="list-style-type: none"> Being subject to hacker intrusion or data breaches. Leading to reputational damage, legal liabilities, and operational disruption. Severely impacting corporate trust and the ability to operate continuously. 	<ul style="list-style-type: none"> Regularly conduct vulnerability scans and penetration tests, implement strict access controls and data encryption, and deploy anti-virus, firewall, and intrusion detection systems. Strengthen employee security training and the security incident reporting mechanism to ensure operational stability and data protection.
Regulatory Risk	<ul style="list-style-type: none"> Violation of emission, waste disposal, or carbon regulations (e.g., carbon fees/taxes) leading to government penalties. Labor regulation violations (e.g., working hours, wages, occupational health) resulting in fines, litigation, or labor disputes. 	<ul style="list-style-type: none"> Obtain ISO 14001 and ISO 45001 related certifications, and regularly perform legal requirement identification and audits. Periodically review and audit compliance with relevant laws such as the Labor Standards Act, Gender Equality in Employment Act, and Employment Service Act to ensure internal company rules adhere to legal requirements. The Company's Legal Manager provides consulting services for various contracts, agreements, and legal matters.
Personnel Risk	<ul style="list-style-type: none"> Labor shortage impacting productivity and service quality. Increased costs from overtime or temporary hires. 	<ul style="list-style-type: none"> Offer flexible working arrangements (e.g., remote work, part-time, shifts) to broaden the talent pool. Enhance skills training, optimize benefits, and provide career development to reduce turnover.

Risk Factor	Potential Risks	Countermeasures and Strategies
	<ul style="list-style-type: none"> Low morale and worsening turnover rates, creating a vicious cycle. 	<ul style="list-style-type: none"> Outsource non-core operations or form strategic alliances with external teams. Relax conditions to attract diverse talent or cultivate new personnel through internship programs.
EHS (Environment, Health, Safety) Risk	<ul style="list-style-type: none"> Occupational accidents leading to casualties, work stoppages, and legal liability. Pollution exceeding standards resulting in massive fines or forced closure. Partners failing to meet ESG requirements, leading to exclusion by customers. 	<ul style="list-style-type: none"> Obtain ISO 14001:2015 and ISO 45001:2018 EMS and OH&S management system certifications, and reduce environmental, safety, and health disaster risks through internal 5S environment self-auditing activities. Conduct fire drills semi-annually to prevent disasters and minimize losses.
Supply Chain Risk	<ul style="list-style-type: none"> Production disruption, inability to fulfill customer orders on time. Emergency procurement or alternative transportation driving up expenditures. Raw material surplus or shortage increasing financial pressure. 	<ul style="list-style-type: none"> Diversify procurement sources to mitigate reliance on a single source. Implement a supply chain management system to track logistics and inventory in real-time. Maintain buffer inventory for critical materials to mitigate sudden breaks in the supply chain. Sign long-term agreements with suppliers to ensure priority supply. Regularly simulate supply chain disruption scenarios to optimize response processes.
Geopolitical Risk	<ul style="list-style-type: none"> War, sanctions, or trade barriers causing supply chain paralysis. Surges in tariffs, energy, or logistics costs. Policy restrictions forcing withdrawal from high-risk regions. Cross-border operations facing compliance difficulties and fines. 	<ul style="list-style-type: none"> Evaluate production bases in other countries to reduce regional concentration risk. Form dedicated project teams to monitor international political and economic dynamics. Deepen joint ventures with local enterprises to reduce policy exclusion risks. Use financial instruments (e.g., forward exchange contracts) to buffer exchange rate and cost fluctuations.



03

Innovation & Operations

3.1 Operations & Finances

3.2 Product Quality

3.3 R&D & Innovation

3.4 Customer Communication/Service

3.5 Customer Privacy Management

3 Innovation & Operations

3.1 Operations & Finances

■ Operating Performance

In fiscal year 2024, the Company reported a net income of NT\$140,410 thousand, with earnings per share (EPS) of NT\$2.75. This marks a turnaround from the net loss of NT\$173,873 thousand in fiscal year 2023, demonstrating successful recovery and profit growth. The following is an analysis of the Company's 2024 financial results and profitability:

Analysis Item		FY2024	FY2023	Change (%)
Financial Results	Operating Revenue	2,199,748	2,863,457	(23.18%)
	Operating Costs	(1,720,165)	(2,667,502)	(35.51%)
	Gross Operating Profit	479,583	195,955	144.74%
	Operating Expenses	(400,521)	(428,995)	(6.64%)
	Operating Net Income (Loss)	79,062	(233,040)	133.93%
	Non-Operating Income	93,324	6,406	1356.82%
	Profit Before Tax	172,386	(226,634)	176.06%
	Net Income After Tax	140,410	(173,873)	180.75%
Profitability Analysis	Return on Assets (ROA)	2.77%	(2.47%)	212.17%
	Return on Equity (ROE)	4.33%	(5.86%)	173.89%
	Ratio of Operating Income to Paid-in Capital	15.47%	(45.64%)	133.90%
	Ratio of Profit Before Tax to Paid-in Capital	33.72%	(44.39%)	175.96%
	Net Profit Margin	6.38%	(6.07%)	205.11%
	Earnings Per Share (EPS) (NT\$)	2.75	(3.75)	173.33%

■ Shareholder Structure

As of April 29, 2025 (Unit: Shares)

Name	Shares Held (By Each Individual)	
	Number of Shares	Shareholding Ratio (%)
GAINS Investment Corporation	8,798,519	17.19%
CDIB Venture Capital Corporation	2,306,529	4.51%
Wang, O-Wei (Note)	1,974,308	3.86%
Chang, O-Yu	1,604,813	3.14%
Chang, O-Feng (Note)	1,430,000	2.79%
Chang, O-Chieh	1,256,092	2.45%
Chang, O-Chiao	1,184,782	2.32%
CTBC Venture Capital Co., Ltd.	1,177,159	2.30%
Hung, O-Chen	1,111,264	2.17%
Chang, O-Wei	1,053,467	2.06%

■ Operational Footprint



3.2 Product Quality

As a professional company specializing in motor design and manufacturing, FUKUTA continues to expand its global footprint across diverse markets and application fields. This expansion presents the challenge of meeting varied product quality requirements. From design quality, component quality, production and manufacturing quality, to customer-facing quality, the Company must stay ahead in its quality planning to deliver products that earn customer recognition, while creating win-win outcomes together with customers, suppliers, and other stakeholders.

■ Main Products and Application

Driven by market dynamic assessment and continuous innovation, FUKUTA addresses the constantly changing global market environment by consistently grounding its strategy in an in-depth analysis of customer needs and industry trends. This allows us to flexibly adjust and optimize our product portfolio while focusing on developing customer-specific motor solutions.

We work closely with our customers to tailor-make specific motor solutions for diverse application scenarios. By continuously enhancing our technical standards and product differentiation, we ensure we maintain a leading position in the competitive market and satisfy comprehensive, diverse customer needs.

FUKUTA's product portfolio covers the following main categories. We continue to drive specialized R&D and technological innovation for each category:

product introduction				
	Induction motor	Variable frequency motor	Servo motor	Synchronous servo motor
model	63-315	63-280	80LA~280X	90S-145XXL
Frame number	0.2kW-200kW	0.2kW-110kW	750w~550kW	2kW-100kW
Output	◆ Small size and light weight ◆ Precise control, fast volume	◆ Small size and light weight ◆ Precise control, fast volume	◆ Applicable to different types of control ◆ Powerful and efficient ◆ Precise control, fast volume	◆ low penetration ◆ Powerful and efficient ◆ Precise control, fast volume
feature				

● Industrial Specialized Motors

➤ AC Three-Phase Induction Motors (IEC):

Used in heavy industrial equipment, providing stable and reliable operational efficiency.

➤ Inverter Motors:

Featuring adjustable speed and power control, enhancing energy utilization and system flexibility.

➤ Induction Servo Motors and Synchronous Servo Motors:

Providing high-precision control, suitable for automated production and precision equipment.

➤ High Efficiency Motors:

Compliant with international energy-saving standards, supporting enterprises in achieving higher energy efficiency.

● **Green Energy & Eco-Friendly Power (E-Mobility) Motors:**

- **Electric Vehicle and Electric Vessel Drive Motors:**
Specifically designed for electrified mobility solutions, emphasizing high performance and lightweight design to drive the development of green transportation.
- **Wind Turbine Generators and Generator Systems:**
Focused on renewable energy applications, delivering stable and efficient power generation solutions to support global green energy transition goals.

● **Three-in-One Module**

A highly integrated solution combining motor, drive unit, and reduction differential. Its modular design significantly saves space and reduces costs, enhances system safety, and effectively minimizes electromagnetic interference, meeting the demands of precision control and complex industrial applications.

● **IE4 High-Efficiency Motor**

Compliant with international energy efficiency standards, delivering outstanding energy performance, effectively reducing customer operational costs, and supporting challenges in environmental sustainability and energy management.

● **PC Synchronous Servo Motor**

Designed for PC-level automation equipment, delivering high-precision and high-efficiency performance, supporting smart manufacturing and precision machining.

● **Compact Motors**

Developed to meet the demands of lightweight mobile devices such as drones and robots, these motors offer high torque density and high efficiency, suitable for highly integrated and diverse application scenarios.

Looking ahead, FUKUTA will continue to place technological innovation at the core of our strategy, driving product upgrades and market expansion. The Company will remain focused on the development of green energy and high-efficiency motors, delivering more valuable solutions to customers, securing its leadership position in the global electric drive sector, and making tangible contributions toward sustainable development goals.

■ **Product Sales**

To boost global visibility and deliver on our commitment to localized service, FUKUTA actively pursues a diversified marketing and sales strategy. Domestically, we operate sales bases across North, Central, and South Taiwan, adhering to the principle of “service without distance, service right to your door.” This ensures prompt pre-sale technical support and swift after-sales service, comprehensively enhancing the customer experience.

Domestically, FUKUTA continues to deepen direct-sales collaborations with major machinery manufacturers while actively expanding OEM/ODM project-based clients, further strengthening market penetration and diversifying application possibilities. This strategic approach allows the Company to consolidate its position in existing markets while broadening its business coverage.

Internationally, FUKUTA has established service points in key overseas regions, emphasizing cross-cultural management and the cultivation of global business capabilities to support market expansion. By actively participating in major global exhibitions in the motor and green energy sectors, the Company not only enhances its international visibility but also reinforces its professional image and competitive advantage.

In line with global trends in electrification and intelligent development, we are strengthening our product line of small, high-efficiency motors and actively promoting them across diverse emerging application fields, including:

● PC-Class Synchronous Servo Motors:

High-performance solutions for intelligent automation equipment and precision control needs.

● IE4 High-Efficiency Motors:

Compliant with international energy-saving standards, offering environmentally friendly, energy-efficient products with superior performance.

● UAV Power Modules and Robotic Joint Drive Systems:

Designed for lightweight, compact, and high-torque applications, expanding opportunities in smart mobility and robotics.

Looking ahead to 2025, FUKUTA will continue to deepen its presence in existing markets, actively explore new growth regions, and position technological innovation at the core of its strategy. The Company is committed to delivering more competitive and diversified electric motor and drive solutions worldwide, aiming to become a key global partner in the electric drive sector.

■ Revenue Contribution by Major Product Lines Over the Past Three Years (Unit: NT\$ thousand)

Product Line	Year	2022		2023		2024	
		Amount	Share (%)	Amount	Share (%)	Amount	Share (%)
PT E-Drive Systems		61,313	3.10	1,429,956	49.94	1,115,992	50.73
Industrial Motors		605,489	30.66	488,999	17.08	511,496	23.25
Electric vehicle components		648,429	32.83	630,225	22.01	353,390	16.07
Service Revenue		561,559	28.44	241,921	8.45	138,366	6.29
Others		98,089	4.97	72,356	2.52	80,504	3.66
Total		1,974,879	100.00	2,863,457	100.00	2,199,748	100.00

■ Quality Policy, Management, and Implementation

FUKUTA's Quality Policy is rooted in customer orientation, sincerity, pragmatism, and continuous improvement, aiming to maximize team effectiveness and meet customer needs. With a long-term commitment to sustainable development, we focus on advancing electric vehicle powertrain systems and industrial energy-saving motors, delivering innovation with enthusiasm, and ensuring top-quality products, reliable delivery, and excellent service.

To implement this policy, management cascades annual business strategies into specific quality KPIs, which are further deployed into yearly, quarterly, and monthly objectives across the organization. This structured approach enables all employees to operate under the framework of the Quality Policy, embedding quality into daily operations and ensuring that customer expectations for quality are consistently met.



■ Enhancing Quality Awareness

Taking a comprehensive approach to quality, FUKUTA emphasizes preventative quality management to strengthen quality awareness across all employees. We ensure that the concept of quality assurance is embedded in the daily operations of every FUKUTA colleague, which is ultimately reflected in our quality costs. The table below illustrates the changes in our quality costs, where the consistent reduction in quality costs clearly demonstrates FUKUTA's successful efforts and continuous improvement in implementing robust quality management.

(Unit: NT\$ thousand)

Fiscal Year		2023/7~2024/6		2024/7~2025/6		Comparison	
Quality Cost Statistics		Cumulative Monthly Total	Monthly Average	Cumulative Monthly Total	Monthly Average	Total Difference	Percentage
Failure Costs	Internal Failure	72,528	6,044	27,717	2,310	-44,811	-61.8%
	External Failure	146,535	12,211	18,550	1,546	-127,985	-87.3%
	Subtotal	219,064	18,255	46,268	3,856	-172,796	-78.9%
Failure Cost Ratio		9.50%		8.38%		-1.1%	

3.3 R&D and Innovation

The Company is committed to driving sustainable corporate growth through innovation and R&D, guided by a spirit of continuous improvement in product development and quality enhancement.

To ensure long-term competitive advantages in our business operations, we prioritize the protection of Intellectual Property (IP), the management of trade secrets, and comprehensive regulatory compliance. To achieve this, we have formulated strategic directions covering product R&D and innovation, the safeguarding of patent results, and confidential information management. Based on the principle of sustainable operation, we have planned short-term, medium-term, and long-term development goals, the details of which, along with their achievement status, are detailed in the table below:

Short-Term Goals (2023~2024)	Medium-Term Goals (2025~2028)	Long-Term Goals (2029 and beyond)
Patent Count: 150	Patent Count: 160	Patent Count: 170
Cases violated product or patent law: 0	Cases violated product or patent law: 0	Cases violated product or patent law: 0
<ul style="list-style-type: none"> Obtained 10 new patents, bringing the total number of patents to 155 as of December 2024. No cases of violations of product labeling or patent regulations. 		

■ R&D Philosophy and Strategy

The Company adheres to the core principles of “Innovation, Quality, Sustainability,” with long-term R&D investment in motor technology and power systems, aiming to enhance product performance, optimize processes, and achieve technological autonomy. R&D efforts focus on energy-saving, carbon reduction, and innovative applications of green power, aligning with global low-carbon transition and net-zero carbon trends, to develop high-efficiency, low-energy products and move toward becoming an internationally leading provider of green power solutions.

To strengthen corporate competitiveness and sustainable development potential, the Company implements the following R&D and management strategies:

● R&D Policy and Management Guidelines

- Strategy Direction: Stay ahead of industry trends and collaborate with customers and strategic partners to co-develop forward-looking motor and power system products.
- R&D Objectives: Enhance manufacturing technology and capacity, maintain cost advantages, and strengthen production-sales efficiency and market responsiveness.
- Corporate Commitment: Implement due diligence and early-warning mechanisms, deepen supply chain collaboration, and develop new products aligned with green design principles.
- Management Measures:
 - ① Optimize production equipment and processes to improve energy efficiency and product quality.
 - ② Focus on high power density, high-efficiency motor technologies, and develop next-generation electric vehicle (EV/boat) power modules.
 - ③ Promote internal professional and managerial training while attracting top talent.
 - ④ Establish a core technology database to facilitate resource sharing and cross-department collaboration.
 - ⑤ Employ modular and flexible designs for rapid response of market and customized demands.

● Innovation Achievements and Technology Evolution



Since 2006, the Company has actively expanded into green energy and environmental applications, accumulating numerous innovative R&D achievements, including:

- Power motors dedicated to electric vehicles and electric boats
- Wind turbines and complete drive systems
- High-efficiency, energy-saving motor product lines

Product development incorporates copper rotor designs to replace traditional cast-aluminum, improving energy efficiency and reducing carbon emissions, in line with global environmental policies and industry demand.

● **Product and Industry Layout**

The Company’s business covers the design, manufacturing, and global sales of powertrain systems, and core industrial and automotive motor components. Products include:

- Industrial motors and EV drive motors
- Multi-in-one powertrain systems (X-in-1)
- Advanced components such as silicon steel sheets, hairpin and wound stators, as well as various rotors

Through vertical integration and technology accumulation, the Company has gradually built a complete industry ecosystem, actively expanded into international markets, and delivers products that are highly efficient, compact, powerful, and high-quality, positioning itself as a key technology leader in Taiwan’s green energy and electric vehicle industry.

■ **Key R&D Achievements**

In 2024, the Company continued to strengthen technological innovation and product development, focusing on two core areas: industrial motors and e-mobility power systems. We are committed to delivering high-efficiency, low-carbon power solutions, providing a solid foundation for sustainable business operations and industry upgrading. The major R&D achievements are as follows:

● **Development of Industrial High-Performance Motor Series**

Since our founding in 1988, the Company has specialized in the design and manufacturing of industrial motors, marketed globally under the FUKUTA brand. In 2024, the Company continued to invest in R&D, optimizing existing product lines and developing diversified application solutions, including:



Induction Servo Motors



Synchronous Servo Motors



Liquid-Cooled Servo Motors



Spindle Servo Induction Motors



High-Efficiency Inverter Motors

All of the above products comply with international energy efficiency standards (e.g., IE3, IE4) and provide flexible designs and customized manufacturing services tailored to various industry needs. Through innovative design and process improvements, these products not only extend service life and enhance energy efficiency but also help customers reduce total operating costs and strengthen their competitiveness in the industry supply chain.

The Company also adheres to the principle of “FUKUTA Does What Others Won’t,” actively offering high value-added and differentiated services, upgrading legacy products, and meeting the industry’s transition requirements toward smart, automated, and energy-efficient operations.

● Diversified Electric Vehicle Power System Integration and Innovation

In response to the global electrification trend, the Company has successfully transformed from a traditional industrial motor manufacturer into a key supplier of e-mobility power systems. Since 2005, we have participated in numerous domestic and international electric vehicle (EV) and electric boat (E-Boat) projects, accumulating over 19 years of technical experience and achievements.

In 2024, the Company further enhanced its power module integration capabilities, successfully combining components including electronic control systems, gear modules, winding wires, high-efficiency silicon steel sheets, and aluminum cast structures. We play a key role in electric vehicle power system integration and achieved the following milestones:

- Development of integrated electric drive systems (e-Axle, X-in-1)
- Provision of complete electric drive solutions for domestic OEMs
- Successful entry into the supply chain of Japanese automakers, becoming the first domestic supplier to enter their e-mobility power system field

These achievements have significantly increased the Company's visibility and influence in domestic and international markets, promoted the advancement of Taiwan's electric vehicle industry chain, and strengthened technological autonomy and market competitiveness in the global sustainable mobility sector.

Year (ROC Year)	R&D Achievements
2024 (113)	<ul style="list-style-type: none"> ✧ Completed the development of 14 models of power motors and gimbal motors for unmanned aerial vehicles (UAVs) ✧ Completed the development of a 140kW / 1800Nm high-performance hub motor system ✧ Optimization design of high-speed carbon fiber rotor structure
2023 (112)	<ul style="list-style-type: none"> ✧ Completed mass production of power system products for a Japanese automaker ✧ Development of high-power density hairpin winding motors ✧ Independent development of automotive drive inverters
2021 (110)	<ul style="list-style-type: none"> ✧ Power system R&D project commissioned by a Japanese automaker
2020 (109)	<ul style="list-style-type: none"> ✧ Completed commissioned development of a full-electric 16.3-ton electric bus system
2019 (108)	<ul style="list-style-type: none"> ✧ Completed commissioned development of a full-electric 2.6-ton light-duty electric truck system ✧ Completed commissioned development of the main traction motor for an extended-range electric sports car ✧ Completed commissioned development of the auxiliary drive motor for an extended-range electric sports car ✧ Developed a three-in-one powertrain system for electric scooters ✧ Developed an oil-cooling system for electric scooter powertrain components
2018 (107)	<ul style="list-style-type: none"> ✧ Developed a control system for electric scooters ✧ Developed an integrated traction motor for motorcycles
2017 (106)	<ul style="list-style-type: none"> ✧ Optimization design of motor core structure ✧ Process improvement for rotor shaft magnet fixation
2015 (104)	<ul style="list-style-type: none"> ✧ Completed the electric refuse collection vehicle project ✧ Completed the starter-generator development project ✧ Completed the shared power system development project for electric buses
2013 (102)	<ul style="list-style-type: none"> ✧ Completed the research project on remote monitoring systems for green energy EV charging stations ✧ Completed preliminary R&D project on copper rotor manufacturing processes for EV motors ✧ Participation of the R&D consortium led by DOKIN MOTORS for the "Electric Refuse Collection Vehicle Project," launching leading-edge new product development initiatives.
2012 (101)	<ul style="list-style-type: none"> ✧ Completed the development project of a 120kW EV traction motor ✧ Supported completion of the development project for fully electric buses for export
2011 (100)	<ul style="list-style-type: none"> ✧ Completed the development project of a 40kW EV traction motor ✧ Supported completion of the Sun Moon Lake electric patrol boat project and the "Sun Moon Star" hybrid yacht project



R&D Investment

The Company continues to position technological innovation as the core driver of sustainable growth, actively allocating research and development resources to strengthen product competitiveness and maintain technological leadership. In 2024, R&D expenses accounted for 5.94% of total revenue, and this ratio is projected to increase to 6–10% in 2025, reflecting the Company’s strong commitment to technological advancement and continuous product enhancement.

Looking ahead, R&D efforts will be dynamically adjusted in response to global market trends, industry developments, and operational conditions. In addition to optimizing the performance of existing products, the Company will focus on emerging mainstream application areas, pursuing forward-looking technology deployment and product innovation.

		Unit: NT\$ Million		
Year	Item	R&D Expenditure	Operating Revenue	R&D as a Percentage of Revenue (%)
2022		109	1,975	5.52
2023		128	2,863	4.47
2024		130	2,199	5.94

3.4 Customer Communication/Service

Material Topic → Customer Relationship Management

Management Approach	Policy	Maintain strong customer relationships and enhance customer satisfaction with products.
	Goals & Targets	Continuously improve customer satisfaction regarding product quality and delivery.
	Commitment	Employ due diligence and proactive communication mechanisms to steadily enhance customer satisfaction.
	Management Measures	<ul style="list-style-type: none"> Conduct annual surveys with domestic and international customers to assess yearly satisfaction. Respond promptly to customer complaints and ensure replies within requested timeframes. Set high customer satisfaction targets to guide marketing staff and encourage self-motivation to achieve these goals.

Customer Satisfaction

Customer Satisfaction Management and Communication Mechanism

To achieve sustainable operations and long-term market development goals, FUKUTA continuously strengthens its customer communication mechanisms. The Company has standardized, systematized, and implemented data-driven management for our customer satisfaction surveys. Based on the “Customer Communication Procedures,” the Company conducts regular annual customer satisfaction surveys. FUKUTA integrates the results into a comprehensive analysis and implements improvement cycles to ensure service quality is steadily enhanced.

Customer Satisfaction Survey Implementation

- Marketing personnel conduct sample surveys via in-person visits, fax, email, or postal mail.
- Customers complete the Customer Satisfaction Survey Form, which is collected and compiled by the corresponding business unit for tracking and reporting.
- Any unsatisfactory findings require the responsible unit to develop concrete improvement measures, which are incorporated into internal continuous improvement plans.

Performance Metrics for Satisfaction Surveys

Customer satisfaction results are incorporated into departmental performance evaluations. FUKUTA also sets multiple customer-related operational indicators for annual tracking and improvement, including:

- Delivery accuracy/completion rate

- Monthly number of customer complaints
- Number of external failure cost cases (e.g., reimbursement amounts)
- Incidents causing customer production line stoppages or claims
- Returns, recalls, or rework caused by quality issues (number and amount)
- Major anomalies reported by customers (e.g., supply disqualification, significant reimbursement events)

These key indicators serve as the basis for internal quality and service management improvements. Through continuous monitoring and cross-department collaboration, customer experience and collaborative commitment are systematically enhanced.

Digital Customer Relationship Management: FUKUTA has implemented ERP and Customer Relationship Management (CRM) systems for integrated, real-time management of customer information. Digital tools consolidate customer data, transaction history, after-sales service, and feedback records to improve response time, problem-solving efficiency, and overall satisfaction.

Furthermore, CRM system analysis of customer behavior and potential needs enables proactive and precise solutions. By collaborating with customers and suppliers under the “win-win in cost, quality, service” philosophy, FUKUTA fosters mutual trust, creating more stable orders and business performance.

Customer Satisfaction Survey Statistics (Domestic and International Customers), as shown in the table below:

Item	Domestic/International (2022)	Domestic/International (2023)	Domestic/International (2024)
Responses / Surveys Sent	331/402	331/392	299/374
Response Rate (%)	82%	84%	80%
Average Satisfaction Score	91	91	91
Target	90	90	90
Achievement Status	Achieved	Achieved	Achieved
Top 3 Satisfaction Items (as shown on the right)	1. Delivery Accuracy / Sales Staff Attitude 2. Development Capability / Product Packaging / Sample Provision / Sales Staff Professionalism / Responsiveness / Logistics Speed 3. Product Diversity Handling / Lead Time Adjustment Ability		1. Positive Attitude, Confidence, and Service Enthusiasm 2. Professional Explanation of Product 3. Expertise in Providing Product Solutions / Actively Solving Problems to Meet Needs

● Customer Feedback and Complaint Handling Mechanism

To establish a transparent, efficient, and customer-centric communication channel, FUKUTA has implemented a multi-channel customer feedback and complaint handling mechanism, ensuring all customer inputs and concerns are promptly received and properly addressed.

The company provides a message system on its official website, a dedicated sales service hotline, and a specific email address, allowing customers to submit suggestions, inquiries, or complaints through their preferred channels, ensuring accessibility and timely responses.

Once feedback or complaints are received, the Marketing Department logs, routes, and assigns responsibility according to internal procedures, immediately forwarding the case to the relevant unit for handling and response. For cases with potential risks or significant impacts, internal reporting and management review are conducted in line with the “Customer Complaint Handling Standard Operating Procedure,” ensuring proper resolution and follow-up on corrective actions. The objectives of the mechanism are as follows:

- Timely handling and response to customer feedback, reducing response times
- Protect customer rights and enhance trust and satisfaction
- Serve as a critical feedback source for product and service improvement, reinforcing continuous internal and mechanism improvement

FUKUTA will continue to enhance complaint handling efficiency and transparency, integrating systematic management and data tracking to incorporate customer feedback into annual service quality and operational KPIs, serving as an essential basis for sustainable development.

● Complaint Handling Process and Continuous Improvement

To enhance customer experience and strengthen product and service quality, FUKUTA has established

a standardized complaint handling mechanism. Upon receipt of a complaint or feedback, the process is immediately activated to ensure timely and traceable responses, minimizing recurrence of similar issues.

A description of the handling mechanism is as follows:

➤ Immediate Receipt and Response Activation

Frontline personnel promptly report complaints or abnormal feedback to the Marketing Unit or designated contact, initiating the complaint handling procedure. Complete information is recorded to respond quickly and prevent escalation.

➤ Problem Analysis and Root Cause Investigation (5W2H Method)

For major anomalies or recurring issues, a cross-departmental improvement team is formed to completely dissect the problem using the 5W2H method (What, Why, Where, When, Who, How, and How much) to identify the root cause.

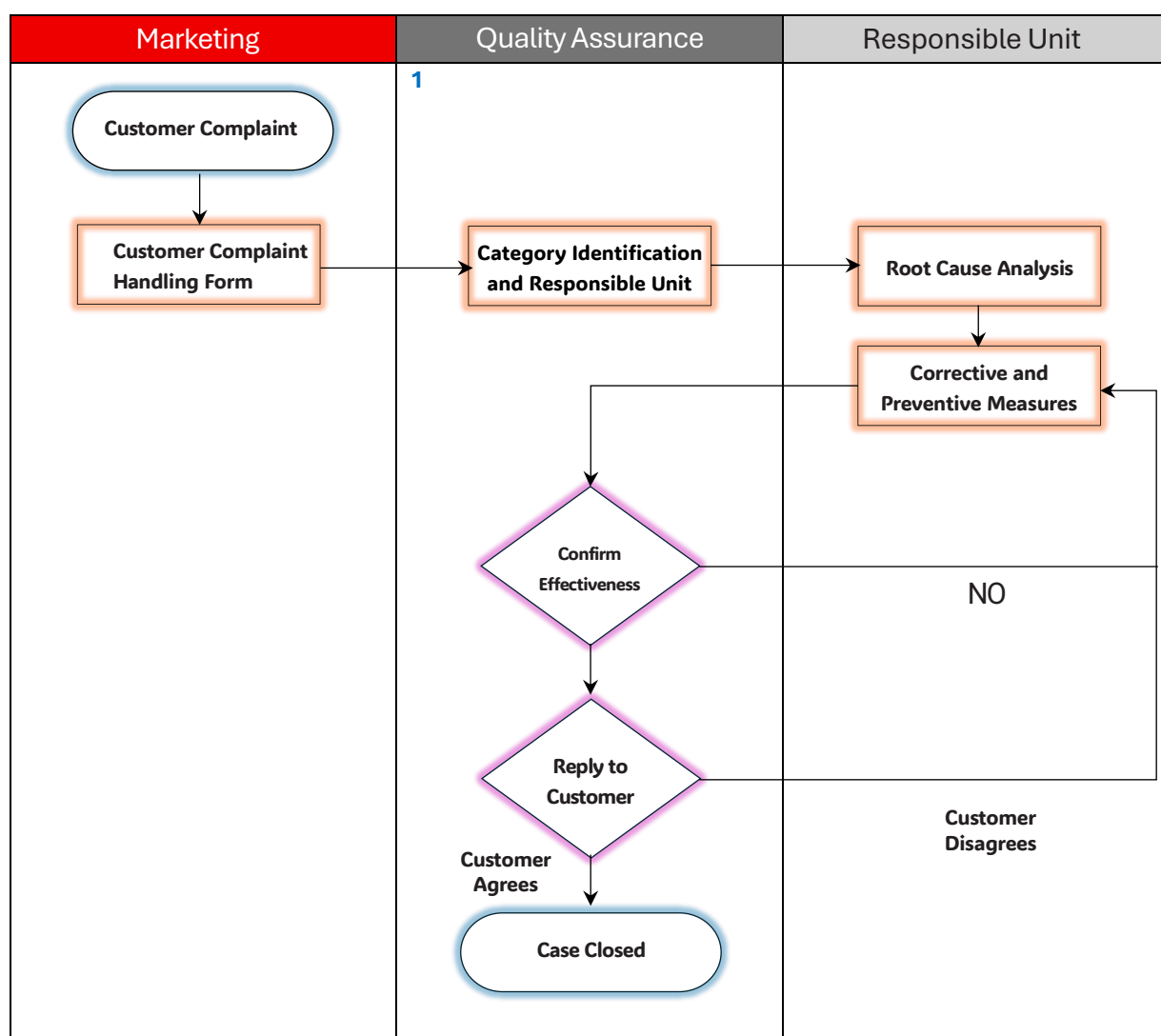
➤ Implementation of Temporary and Long-Term Corrective Actions

Based on analysis, short-term measures are executed to contain the issue, while long-term corrective actions are planned and implemented to prevent recurrence.

➤ Effectiveness Verification and Institutionalized Re-Training

After implementing improvements, the responsible unit verifies whether expected outcomes are achieved. Issues caused by human error or system gaps are addressed through internal training and case sharing, fostering a culture of continuous improvement and quality awareness.

This mechanism not only safeguards customer rights and satisfaction but also serves as a key tool for strengthening quality management, improving internal process efficiency, and enhancing risk control capabilities.



3.5 Customer Privacy Management

FUKUTA has always upheld the core value of “delivering exceptional customer service,” believing that only high-quality and timely service can solidify long-term partnerships. Strong mutual trust not only enhances collaborative commitment but also serves as a crucial foundation for sustained business growth and deeper collaboration.

FUKUTA regards customers as our most important strategic partners. All personal data and commercial confidential information provided by customers are managed and protected with the same rigor as our own proprietary information. Through signed Non-Disclosure Agreements (NDAs), we have established clear protection mechanisms to ensure that all information shared during collaboration is properly safeguarded, preventing any unauthorized disclosure or misuse.

To enforce information security and principle of integrity, the Company has set up a cross-departmental dedicated team to implement policies related to information protection and intellectual property, with internal control processes continuously reviewed and optimized. In addition, FUKUTA strictly comply with international laws and standards, integrating risk management into product design and service delivery to safeguard consumer rights, health, and safety from any direct or indirect harm.

We have also established transparent complaint and feedback channels, actively listening to customers and stakeholders, and continuously improving after-sales service quality to enhance customer satisfaction and brand trust. By the end of **2024**, the company demonstrated excellent performance in protecting customer data and business confidentiality, with no incidents of complaints caused by breaches of information security regulations, nor any penalties from government authorities due to improper information disclosure.

Looking ahead, FUKUTA will continue to strengthen internal systems and enhance communication and collaboration with customers, upholding a management approach grounded in reliability and integrity, to foster long-lasting and trustworthy partnerships.

04

Supply Chain Management

4.1 Policies & Goals of Supply Chain

4.2 Green Supply Chain

4.3 Ethical Procurement

4 Supply Chain Management

To establish a sustainable supply chain management framework, the Company not only integrates compliance with legal, ethical, and environmental responsibility practices into all operations, but has also developed a comprehensive supplier management system.

We are committed to supporting the sustainable operations of our supply chain and assisting suppliers in adopting ESG practices to enhance their sustainability management capabilities. By working collaboratively with suppliers to uphold corporate social responsibility principles, we strive to strengthen mutual sustainability performance and enhance overall sustainable management capabilities.

FUKUTA's Short-, Medium-, and Long-term Supplier Sustainability Management Goals and Action Plans, as shown in the table below:

	Short-term Indicators	Medium-term Indicators	Long-term Indicators
	2024	2025~2028	2029 and beyond
Supply Chain	Achievement rate of precious metal sourcing investigations, compliance minerals usage checks, and REACH SVHC prohibited substances surveys for raw material suppliers: 89 %	Achievement rate of precious metal sourcing investigations, compliance minerals usage checks, and REACH SVHC prohibited substances surveys for raw material suppliers: 91 % .	Achievement rate of precious metal sourcing investigations, compliance minerals usage checks, and REACH SVHC prohibited substances surveys for raw material suppliers: 95 % .
	Completion rate of supplier audits and social & environmental responsibility surveys for raw material suppliers: 89 %	Completion rate of supplier audits and social & environmental responsibility surveys for raw material suppliers: 91 %	Completion rate of supplier audits and social & environmental responsibility surveys for raw material suppliers: 95 %

■ Goals and Performance Indicators of Material Topics

To further establish sustainable and green supply chain management practices based on compliance with laws, regulations, and ethical procurement principles, the Company actively engages with raw material suppliers to jointly discuss market trends, sustainability, and environmental protection. In alignment with the Ministry of Economic Affairs' 2050 net-zero emissions goal, we seek to strengthen mutual understanding and collaboration.

Accordingly, the Company has set the following Goals and Performance Indicators of Material Topics, as shown in the table below:

2024 Performance Goals	2024 Achievement Rate	2025 Performance Goals
Completion rate of supplier audits and social & environmental responsibility surveys for qualified raw material suppliers: 89 %	100% → Achieved	Supplier audits and social & environmental responsibility surveys conducted for qualified raw material suppliers, with a completion rate of 91 %
Achievement rate of precious metal sourcing investigations, compliance minerals usage checks, and REACH SVHC prohibited substances surveys for qualified raw material suppliers: 89 %	100% → Achieved	Achievement rate of precious metal sourcing investigations, compliance minerals usage checks, and REACH SVHC prohibited substances surveys for qualified raw material suppliers: 91 %

■ 2024 Performance Results

- **Signing rate of qualified raw material suppliers' social responsibility commitment letter: 100%**
- **Achievement rate of periodic evaluations for qualified raw material suppliers: 100%**
- **Achievement rate of periodic performance evaluations for screened qualified raw material suppliers: 100%**



2024 Performance Achievement Rate of Qualified Raw Material Suppliers for Electric Vehicles

Number of manufacturers achieved	40	Supplier Social Responsibility Commitment
Total number of manufacturers	40	
Number of manufacturers achieved	28	REACH SVHC Questionnaire on 240 Restricted Substances
Total number of manufacturers	28	

4.1 Policies & Goals of Supply Chain

To promote the sustainable development of our business, we aim to establish strong partnerships with all suppliers in our value chain and uphold shared commitments to supply chain social responsibility. This includes green environmental protection, labor and human rights, legal and ethical compliance, health and safety, and risk management. We also strictly prohibit the use of hazardous substances and the procurement of conflict minerals by our suppliers.

To ensure compliance, the Company has established a Supplier Management Procedures to verify that all suppliers providing raw materials and components meet qualification requirements. This process ensures that materials and parts supplied to the Company conform to our quality and sustainability standards. Through mutual trust and stable collaboration, we strive to grow together with our suppliers and build a sustainable supplier relationship.

■ Supplier Assessment

To ensure effective sustainability management across the supply chain, the Materials Unit conducts audits and evaluations based on the Periodic Performance Evaluation Form for Suppliers. This process enables the Company to effectively identify and monitor the overall status of suppliers, thereby determining appropriate management strategies for different supplier risk levels.

For high-risk suppliers, the Company issues a notice requiring improvement within a specified period and provides guidance for transformation. Cooperation will be suspended if the supplier fails to make sufficient progress. For medium-risk suppliers, a reduced procurement strategy is adopted. As these suppliers may require quality improvement, the Company proactively assists them in identifying root causes of quality issues and provides necessary resources to enhance the quality of raw materials. For low-risk suppliers, the Company maintains regular business relationships and applies a priority procurement strategy to strengthen partnerships. Through close collaboration and mutual trust, both parties work together to ensure smooth production and on-time delivery.

Evaluation Criteria, Weightings, and Responsible Units for Electric Vehicle Supplier Assessments:

Assessment Criteria	Weighting	Rating				Responsible Unit
Quality	45%	90 and above	70~89	60~69	below 60	Quality Assurance Unit
Delivery	25%					Materials Unit
HSF Compliance	10%					Quality Assurance Unit
Service	10%					Materials Unit
Technical Capability & Production Capacity Assessment	10%					R&D/Production Technology
Total	100%	A	B	C	D	

■ Supplier Risk Management

To comprehensively identify and address potential risks and opportunities within production and management activities, the Materials Department evaluates supplier risk levels in accordance with the Supplier Management Procedures and conducts regular audits.

Supplier Assessment Grades and Corresponding Actions:

Assessment Grade	Score Range	Risk Level	Description	Action
A	90 and above	Low	Excellent	Priority procurement
B	70 ~ 89	Low	Meets standard	Normal cooperation
C	60 ~ 69	Medium	Needs improvement	Reduced procurement
D	below 60	High	Poor	Written notice for improvement; disqualification if unresolved

4.2 Green Supply Chain

Most of our suppliers are located in Taiwan. To reduce carbon emissions during transportation, our main products include standard three-phase induction motors (IEC), inverter motors, induction servo motors, synchronous motors, and liquid-cooled servo motors. These products are applied not only in on-road and off-road electric vehicles but also in unmanned product motors and other industrial applications. We also provide customized motors through specialized design and production support to meet specific customer requirements.

Qualified Suppliers Statistics for FUKUTA ELEC. & MACH.:

Item/Supplier Category Year	Production Machinery					Electric Vehicle				
	Domestic		Foreign		Total	Domestic		Foreign		Total
	Suppliers	%	Suppliers	%	Suppliers	Suppliers	%	Suppliers	%	Suppliers
2022	50	81	12	19	62	27	81.8	6	18.2	33
2023	51	81	12	19	63	25	80.6	6	19.4	31
2024	55	86	9	14	64	40	87.0	6	13.0	46

■ Green Management

In response to global environmental regulations and in alignment with green and sustainable practices, the company has established a Green Supply Chain Management Procedure and defined requirements for supplier compliance. This framework aims to jointly ensure regulatory compliance, protect the environment, and minimize impacts on ecosystems.

In recent years, the Company has also implemented emission reduction plans for the following two areas, as detailed in the table and description below:

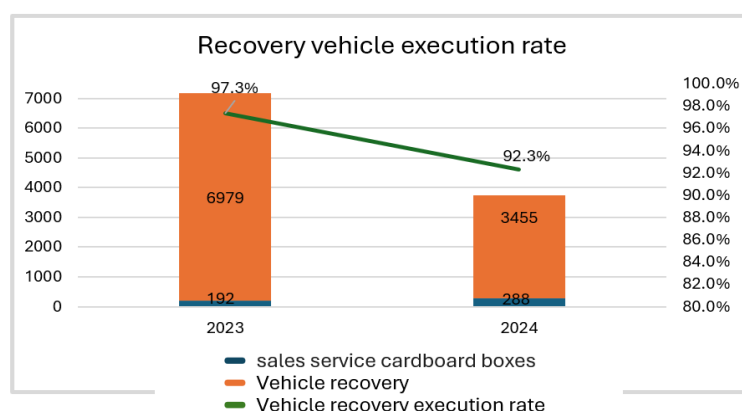
● Raw Material Procurement

CO₂ emissions per ton of raw material were highest at the Tongluo Plant 1, followed by the Fengzhou Plant, with the Fenggong Plant recording the lowest emissions:

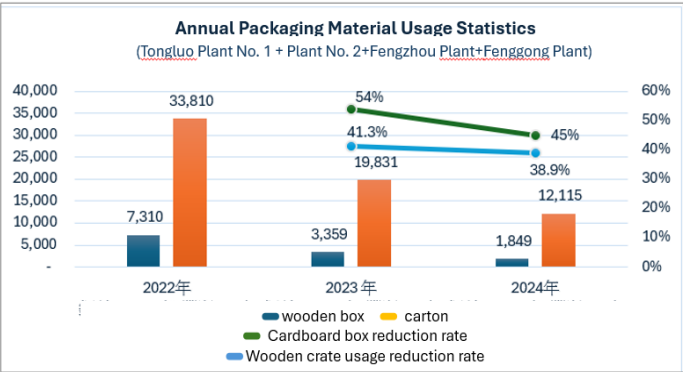
	Tongluo Plant 1	Tongluo Plant 2	Fengzhou Plant	Fenggong Plant	Total
Major Raw Material (tons)	465.2633	5,309.5316	2,224.2052	190.9511	8,189.9512
CO ₂ Emissions (tCO ₂ e)	2,558.0524	13,273.8291	10,362.3974	1,100.7873	27,295.0662

● In-Plant Consumables Reuse

In-plant consumables reuse refers to the recovery and reprocessing of reusable packaging materials during production to reduce waste generation and minimize environmental impact. For electric vehicle (EV) motors, the company introduced collection bins for shipments at the end of 2022, replacing the previously used wooden and cardboard boxes. In 2023, under product-specific packaging requirements, the implementation rate of reusable carriers for EV shipments reached 97.3%. In 2024, the implementation rate for EV shipments using reusable carriers according to product packaging classifications was 92.3%.



In recent years, the company has gradually reduced its reliance on wooden and cardboard boxes for shipments. The number of wooden boxes used decreased from 7,310 units in 2022 to 3,359 units in 2023, a reduction of approximately 54%, and further declined to 1,849 units in 2024, representing an additional 45% decrease. Similarly, the number of cardboard boxes used decreased from 33,810 units in 2022 to 19,831 units in 2023, a reduction of about 41.3%, and further declined to 12,115 units in 2024, representing an additional 38.9% reduction.



Social Responsibility

In addition to audit evaluations, the Company provides raw material suppliers with a Supplier Social Responsibility Commitment Letter and a Supplier Social Responsibility Self-Assessment Form. These tools are used to evaluate suppliers’ concrete and proactive measures regarding environmental protection, labor rights and conditions, occupational health and safety, and compliance with environmental and ethical regulations. Suppliers are required to complete a self-assessment form and undergo on-site audits if certain CSR measures have not yet been implemented. Moving forward, high-risk suppliers and those with significant transaction volumes will be subject to self-assessments as well as on-site inspections and audits.

Supplier Social Responsibility Commitment Letter: 40 Suppliers

In accordance with the key points addressed in the Supplier Social Responsibility Commitment Letter:

Suppliers commit to comply with all applicable local laws and regulations and to follow the latest standards related to social responsibility, including labor, health and safety, environmental protection, ethics, and management system requirements, in order to promote balanced and sustainable development across economic, social, and environmental dimensions. All products shipped directly or indirectly to FUKUTA by the supplier must meet the requirements for hazardous substances (HSF) and conflict-free minerals.

Supplier Social Responsibility Self-Assessment Form

Suppliers evaluate themselves against the detailed sub-items under five main categories: labor rights and working conditions, health and safety, environmental protection, code of ethics, and social responsibility management systems. Each sub-item is self-assessed for compliance and timing of improvements.



2024 EV Raw Material Suppliers: 100% Return Rate (40 Suppliers) of Social Responsibility Commitment Letters.

Communication

Our company aims to build a mutually beneficial partnership with suppliers while ensuring compliance with legal, ethical, and environmental standards. In addition to regularly evaluating suppliers on product quality, delivery accuracy, and procurement cooperation, we maintain real-time communication with suppliers. For suppliers demonstrating outstanding performance, the procurement unit may adjust annual purchase allocations to reinforce a win-win outcome.



4.3 Ethical Procurement

■ Prohibition of Hazardous Substances

To ensure that raw materials from qualified suppliers comply with EU RoHS, REACH, and conflict-free mineral regulations, all major raw material suppliers are required to sign agreements confirming compliance with EU RoHS restricted substances and international standards including RoHS and QC080000.

■ Conflict-Free Metals

In accordance with the Supplier Social Responsibility Commitment Letter, suppliers are required to guarantee that purchased metals do not originate from conflict-affected regions. This ensures that metals such as gold, tantalum, tungsten, tin, cobalt, and palladium are not sourced from mines in the Democratic Republic of the Congo or other UN-designated conflict zones.

Conflict-Free Minerals Statement:

- Our company and its suppliers are committed to shared social and environmental responsibility.
- We do not accept gold, tantalum, tungsten, tin, cobalt, or palladium mined illegally from the DRC or neighboring conflict areas.
- We require our suppliers to comply with the above statement and ensure traceability of these materials.



05

Sustainable Environment

5.1 Environmental Policies & Commitment

5.2 Climate Change & Low-Carbon Production

5.3 Energy Saving, Carbon Reduction and Energy Management

5.4 Environmental Management Policy

5.5 Pollution Prevention & Control

5 Sustainable Environment

Climate change is one of the key environmental issues currently of concern to the United Nations, governments, society, and the business community. In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations established by the Financial Stability Board, the Company has formulated its governance structure, strategies, risk management framework, and related metrics and targets as outlined below:

Management Level	FUKUTA's Response Measures	
Governance	<ul style="list-style-type: none"> The ESG Sustainability Committee identifies and prioritizes climate-related risks, formulates response strategies, and regularly reports to the Board of Directors and senior management to review the effectiveness of risk control measures, providing guidance for decision-making. Based on the discussions and resolutions of the Board, the ESG Sustainability Committee formulates policies and improvement targets, instructs relevant departments to make necessary operational adjustments, and reports on the implementation status of climate-related initiatives to the Board on a regular or ad hoc basis, ensuring the Board remains informed of the company's exposure to climate-related risks. 	
Strategy	<ul style="list-style-type: none"> Assess, classify, and prioritize the potential physical risks that climate change poses to Company assets, and establish response strategies, preventive measures, and emergency contingency plans. In the event of crises or natural disasters, the company promptly implements appropriate mitigation and recovery measures to minimize disruption and potential losses. In response to the global trend of energy diversification and in compliance with the Renewable Energy Development Act, the company is actively planning the procurement of renewable energy and investment in green power certificates. 	
Risk Management	<ul style="list-style-type: none"> In accordance with the TCFD framework, the company identifies climate-related risks through international reports, industry benchmarking, and regulatory analyses. Risks are evaluated based on the weighted impact of financial or strategic implications and likelihood of occurrence, allowing for prioritization according to materiality. 	
Goals & Indicators	<ul style="list-style-type: none"> Energy conservation and reduction of greenhouse gas (GHG) emissions Development of renewable energy sources (e.g., solar power) 	<ul style="list-style-type: none"> Continuous reduction of air pollutant emissions Strengthening the company's resilience and adaptive capacity in response to climate change

In the face of the topic of climate change, the Company's Short-, Medium-, and Long-Term Environmental Management Goals and Indicators are as follows:

	Short-term Indicator	Medium-term Indicator	Long-term Indicator
	2023~2024	2025~2028	2029 and beyond
Energy Saving/Carbon Reduction	Electricity savings: 200,000 kWh/year GHG emissions reduction: 50 tons CO ₂ /year Implement energy management across all plants, set carbon reduction targets, and continuously reduce greenhouse gas emissions	Electricity savings: 1,000,000 kWh/year GHG emissions reduction: 500 tons CO ₂ /year Adopt renewable energy and increase renewable energy purchases by 10% based on contracted consumption.	Electricity savings: 1,500,000 kWh/year GHG emissions reduction: 1,000 tons CO ₂ /year Increase renewable energy purchases by an additional 10% based on contracted consumption, with further adjustments subject to renewable energy market conditions.
Waste	Waste recycling rate: 70% Achieved Waste handled by licensed contractors: 100%	Waste recycling rate: 80% Achieved Waste handled by licensed contractors: 100%	Waste recycling rate: 90% Achieved Waste handled by licensed contractors: 100%
Regulatory Compliance	Violation of air pollution laws or regulations: 0 cases Violation of wastewater discharge laws or regulations: 0 cases Violation of waste disposal laws or regulations: 0 cases	Violation of air pollution laws or regulations: 0 cases Violation of wastewater discharge laws or regulations: 0 cases Violation of waste disposal laws or regulations: 0 cases	Violation of air pollution laws or regulations: 0 cases Violation of wastewater discharge laws or regulations: 0 cases Violation of waste disposal laws or regulations: 0 cases



■ Goals and Performance Indicators of Material Topics

The Company is committed to fulfilling its environmental protection responsibilities and pursuing continuous improvement toward sustainable development. In line with the aforementioned short-, medium-, and long-term energy-saving and carbon-reduction goals and related implementation plans, the Company has achieved the following performance results and target attainment over the past two years, thereby reducing potential impacts on society and the environment.

● Energy Saving/Carbon Reduction

2024 Performance Target	2023 Achievement	2024 Achievement
Electricity savings: 200,000 kWh	201,300 kWh → Achieved	211,400 kWh → Achieved
GHG Emissions Reduction: 50 tons CO ₂ /year	99.67 tons CO ₂ /year → Achieved	100.20 tons CO ₂ /year → Achieved

● Waste Management

2024 Performance Target	2023 Achievement	2024 Achievement
Waste Recycling Rate: 70%	70.46% → Achieved	61.38% → Not Achieved
Proper Waste Disposal: 100% Waste handled by licensed contractors	100% → Achieved	100% → Achieved

● Regulatory Compliance

2024 Performance Target	2023 Achievement	2024 Achievement
Violation of air pollution laws or regulations: 0 cases	0 Cases → Achieved	0 Cases → Achieved
Violation of waste disposal laws or regulations: 0 cases	0 Cases → Achieved	0 Cases → Achieved
Violation of wastewater discharge laws or regulations: 0 cases	0 Cases → Achieved	0 Cases → Achieved

● Climate Change: Risk Types, Potential Operational Impacts, and Adaptation Measures:

	Risk Type	Potential Operational Impacts	Adaptation Measures
Physical Risks	<ul style="list-style-type: none"> Earthquake Flood Typhoon Drought/Water Shortage Power Outage/Blackout Chemical Spill/Wastewater Discharge 	<ul style="list-style-type: none"> Reduced production capacity and revenue Delays or disruptions in product deliveries Interruptions in supply chain operations 	<ul style="list-style-type: none"> Establish comprehensive water resource management Ensure existing water storage can support 3–5 days of operations Form a typhoon response team to implement preventive measures Conduct regular inspections of plant processes and equipment Deploy water trucks to support facilities facing water shortages Maintain uninterrupted power supply (UPS) systems Automatic generator activation to support emergency electricity needs for fire safety; backup fuel and refueling trucks can support operations for several days
	Rising Temperature	<ul style="list-style-type: none"> Increased electricity consumption and greenhouse gas emissions 	<ul style="list-style-type: none"> Adjust air conditioning maintenance frequency and scope Implement temperature control adjustments or additional timing devices Replace equipment with variable-frequency drives (VFDs) to reduce energy consumption
	Reduce emissions	<ul style="list-style-type: none"> Higher operational costs; carbon emissions exceeding international standards may result in carbon taxes 	<ul style="list-style-type: none"> Plan and purchase green electricity; accumulate carbon credits Implement energy management and carbon reduction programs Conduct tree-planting initiatives
Transition Risks	Diversify green product production locations	<ul style="list-style-type: none"> Procurement of products from suppliers with lower carbon footprints Diversification of production sites to mitigate risk 	<ul style="list-style-type: none"> ESG Sustainability team develops related management measures Invest in green manufacturing equipment and low-carbon raw materials

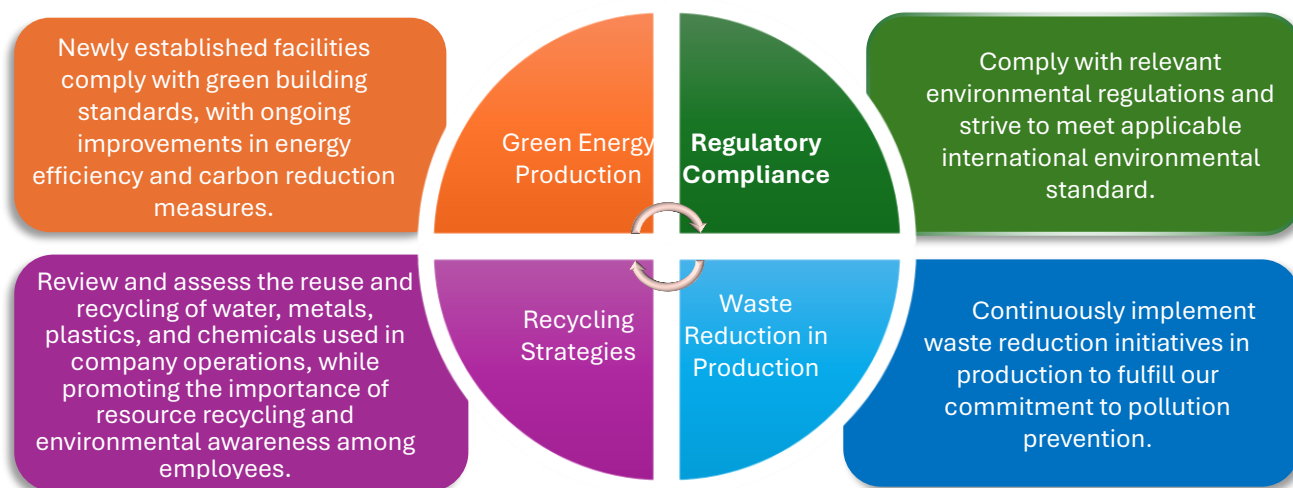
● Environmental Risks

Key Risks	Energy Saving/Carbon Reduction	Water Resource	Waste Disposal Management
Control Measures	<ul style="list-style-type: none"> Conducted voluntary greenhouse gas inventory in 2024 according to ISO 14064:2018 Annual energy saving target: ≥200,000 kWh, achieved through plant greening and equipment improvements Implement paperless initiatives to reduce paper usage 	<ul style="list-style-type: none"> Implement water-saving devices and encourage employees to conserve water to reduce overall demand Utilize alternative water sources (e.g., HVAC condensate, rainwater runoff, cooling tower discharge recycling). Reduce water supply pressure Regularly inspect, maintain, and replace water pipelines to minimize losses from leaks Conduct irregular employee awareness campaigns on water conservation 	<ul style="list-style-type: none"> Established the “Waste Handling Control Procedure” to standardize the classification, collection, storage, and treatment of industrial waste Reuse available process materials and waste within the plant whenever possible; for waste previously disposed of by incineration, the proportion redirected to recycling and reuse continues to increase

5.1 Environmental Policies & Commitment

In today’s world, where sustainable development is increasingly emphasized, FUKUTA ELEC. & MACH.’s performance in Environmental, Social, and Governance (ESG) has become a key indicator of its corporate value. Particularly in the manufacturing sector, addressing the pressing challenges of climate change, promoting low-carbon production is not only a corporate social responsibility but also a critical factor in enhancing competitiveness and achieving sustainable operations.

The Company is committed to fulfilling its environmental responsibilities, driving continuous improvement as a sustainable enterprise, and aims to:



Our company continuously follows the ISO 14001:2015 international standard (as shown on the right) to implement and enhance our Environmental Management System (EMS). We have successfully undergone re-certification, demonstrating our strong commitment to environmental sustainability. A dedicated team regularly reviews environmental performance, ensuring robust system operation and accountability.

We integrate a life-cycle perspective to assess and manage the environmental impact of our products from design, production, to disposal. Through internal operational mechanisms, we proactively prevent pollution and implement continuous improvement measures to minimize environmental impact, supporting our long-term sustainability objectives.

Facing the increasing risks of climate change, we actively identify potential





operational challenges arising from extreme weather events such as droughts, typhoons, and power outages. We periodically review related risk management and response mechanisms to strengthen adaptation strategies and enhance our resilience against climate change.

● **Greenhouse Gas (GHG) Policy Statement**

Aligned with our sustainable business philosophy, our company is committed to addressing global climate change and adhering to international environmental trends. To ensure efficient resource utilization and fulfill our corporate social responsibility, we systematically conduct greenhouse gas (GHG) emission inventories and establish comprehensive emission registries in accordance with ISO 14064-1:2018 and the GHG Protocol. This enables precise monitoring of our company’s GHG emissions and provides a foundation for ongoing reduction initiatives, reflecting our commitment to mitigating global warming and contributing responsibly to environmental sustainability.

5.2 Climate Change & Low-Carbon Production

Since the adoption of the Paris Agreement by the United Nations, climate change has emerged as a critical focus for governments and businesses worldwide. Our company recognizes the potential economic, social, and operational impacts of climate change and integrates environmental risk considerations into operational management and product life cycle assessments. We actively develop adaptation and mitigation strategies to reduce external environmental costs while enhancing corporate resilience and the capacity for sustainable development.

In response to Taiwan’s and the European Union’s 2023 initiatives on the Carbon Border Adjustment Mechanism (CBAM) and carbon pricing policies, businesses are required to accelerate the adoption of ESG governance frameworks and implement systematic GHG emission inventories and verification processes. According to the preliminary plans under Taiwan’s carbon fee system, the initial levy targets industries with annual emissions exceeding 25,000 metric tons of CO₂ equivalent, including the power, gas supply, and manufacturing sectors.

Based on our current inventory, our annual emissions fall below the 25,000 metric ton threshold, and no carbon fees are presently required. Nevertheless, to anticipate potential future expansions of the levy scope and align with international supply chain decarbonization trends, we have proactively established carbon management targets and concrete reduction measures, continuously strengthening our GHG management capabilities.

Targets and Management Measures:

Category	Target	Specific Management Measures
Energy Resource Management and Conservation	Reduce fuel/electricity consumption/costs by 1%	◆ Fuel/Electricity Systems <ul style="list-style-type: none"> ● New official Company vehicles to prioritize hybrid or electric models ● Conduct energy management training to raise employee awareness of energy conservation and environmental protection ● Gradually replace high-energy-consuming production equipment with energy-efficient machines ● Perform regular inspections and maintenance of production equipment and enhance procurement of green energy equipment ● Implement other feasible electricity-saving measures
	Reduce water consumption/costs by 1%	◆ Water Resource Management <ul style="list-style-type: none"> ● Install water-saving faucets and dual-flush toilets in restrooms ● Regularly inspect and maintain rooftop water tanks to ensure appropriate water flow ● Use rainwater harvesting systems for toilet flushing ° ● Implement other feasible water-saving measures

Waste Management

Ensure 100% of industrial and domestic waste is legally handled

◆ Legal Waste Disposal

- Collect and classify waste at headquarters, and recycle or process according to category
- Classify and inspect daily general waste regularly
- Review opportunities for reuse of waste materials

Note: The Company generates no hazardous waste or industrial wastewater; therefore, measures for these categories are not applicable.

■ Implementation of Smart Equipment and Process Improvement Projects

To strengthen sustainable and energy-efficient manufacturing, the company has been actively introducing smart equipment and promoting process optimization initiatives. Key measures include the adoption of automated and semi-automated equipment, high-efficiency air compressors integrated with monitoring and sensor systems (as shown below), and optimized production line layouts to enhance operational efficiency. These efforts help reduce unnecessary manual operations, improve process stability, and establish a solid foundation for future energy management and carbon reduction initiatives.



High-efficiency Air Compressors Integrated with Monitoring and Sensor Systems

■ Enhancing Motor Manufacturing Efficiency and Reducing Carbon Emission Intensity

To maximize production efficiency and minimize energy consumption, high-efficiency equipment and optimized production management systems have been implemented. For example, the establishment of semi-automated and fully automated production lines (as shown below), along with the introduction of new stamping press machines (as shown below), enhances productivity and reduces carbon emissions. In addition, the adoption of the MES (Manufacturing Execution System) for production scheduling and monitoring (as shown below) further improves production planning and management efficiency.



Automated Production Line - 1



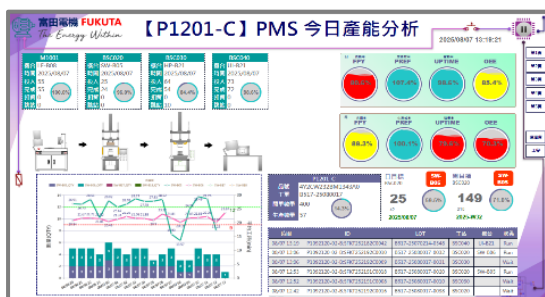
Automated Production Line - 2



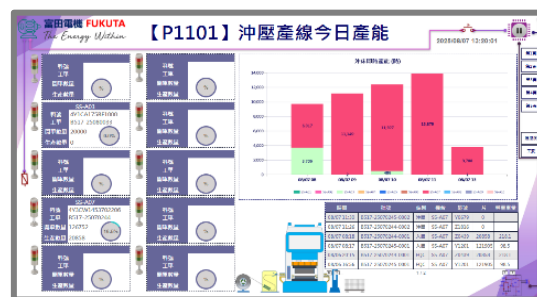
New Stamping Press Machine - 1



New Stamping Press Machine - 2



MES War Display - 1



MES War Room Display - 2

■ Energy-Saving Measures and Training Initiatives at Production Sites

Our production units have adopted a “Empower Through Training, Strengthen Through Self-Action” approach, replacing the traditional 6S audit system with education, on-site reminders, and awareness campaigns. This strategy aims to reduce operational pressure, strengthen internal discipline, and cultivate an energy-saving culture. Energy-saving measures are continuously implemented in production areas, including

paper reduction, optimized lighting, and air conditioning efficiency improvements. For example, the facilities have been fully upgraded to LED lighting (as shown in the figure on the right) and equipped with intelligent temperature control systems (as shown in the figure below). Complementary measures, such as posting energy-saving slogans, providing self-checklists, and recognizing outstanding employees, are also deployed to encourage staff participation and ensure proper adoption of energy-saving practices.



LED Lighting Fixtures



Smart Air Conditioning Temperature Control System



LLED Lighting Fixtures – Dual View

■ Circular Economy Promotion

From the very beginning of product design, we integrate green thinking by carefully selecting materials and emphasizing reuse and recycling, aiming to minimize resource waste at every stage and promote sustainable resource circulation. By employing recyclable and reusable eco-friendly packaging (as shown in the figure to the right), we not only reduce environmental impact during initial use but also recover and reuse the materials after shipment, extending their lifecycle.



Recyclable Packaging Materials Used in Plant M



Recyclable Packaging Materials Used in Plant T

■ Integration of Renewable Energy

Guided by the principles of environmental friendliness and sustainable resource use, we actively plan and progressively increase the proportion of renewable energy within our total energy consumption. This approach reduces reliance on fossil fuels, lowers greenhouse gas emissions, and protects the Earth's precious natural resources. For example, by installing high-efficiency solar power systems (as shown in the figure to the right), sunlight is converted into a continuous source of green energy, effectively meeting part of our electricity demand while simultaneously promoting energy savings, carbon reduction, and long-term cost benefits.



■ Production Equipment Optimization

We actively implement energy-saving upgrade projects, regularly replacing outdated and high-energy-consuming equipment to comprehensively enhance energy efficiency. By integrating a Manufacturing Execution System (MES), we monitor and precisely control production line energy consumption in real time, ensuring every unit of electricity delivers maximum value. For example, upgrading to high-efficiency motors and variable-frequency drives effectively reduces operational energy use, while adopting energy-efficient air conditioning and smart lighting systems (as shown in the figure below) balances comfort with environmental sustainability

■ Green Logistics

FUKUTA is committed to promoting green logistics by carefully planning and optimizing transportation routes to minimize unnecessary travel and energy consumption. We actively adopt low-carbon transport solutions, such as electric forklifts (as shown below) and energy-efficient logistics equipment, effectively reducing carbon emissions throughout the supply chain. We believe that green logistics not only enhances operational efficiency but also lessens environmental impact, achieving a win-win outcome for both the



In-Plant Temperature and Humidity Control Equipment



Inverter-Type Air Conditioner

economy and sustainable development.



Electric Forklift – 1



Electric Forklift – 2



Electric Forklift – 3

5.3 Energy Saving, Carbon Reduction and Energy Management

■ Energy Saving/Carbon Reduction

● Energy Saving/Carbon Reduction Policy and Management Approach

In response to increasing global climate anomalies and greenhouse gas effects, coupled with Taiwan's tightening energy supply, these issues pose significant impacts on both the environment and business operations. As a responsible global citizen, our company actively embraces environmental responsibility, committing to energy saving, carbon reduction, and sustainable development, demonstrating our dedication to environmental protection and ecological conservation.

Management Approach	Policy	Comply with all relevant environmental regulations and continuously implement energy-saving and carbon reduction measures
	Goals and Targets	Reduce annual fuel, electricity, and water consumption and associated costs, while gradually adopting renewable energy to effectively realize energy saving and carbon reduction targets.
	Commitment	Employ due diligence and early-warning mechanisms, and provide guidance and support to employees and partners on energy-saving and carbon reduction initiatives
	Management Measures	<ul style="list-style-type: none"> ● Conduct annual greenhouse gas inventories and obtain third-party verification ● Align with government policies: reduce fuel/electricity consumption and costs by 1%, and water usage/costs by 1% ● Adjust air conditioning maintenance frequency and scope ● Optimize heating equipment temperature control or add timers to reduce energy use ● Gradually replace high-energy-consuming or aging equipment ● Improve office lighting, replace with sensor-based lighting or LED fixtures



● Implementation Results:

The Company conducts annual greenhouse gas (GHG) inventories, achieving **third-party verification** for the years 2022–2024:

2022	ISO14064-1 2018	Passed
2023	ISO14064-1 2018	Passed
2024	ISO14064-1 2018	Third-party verification scheduled for September 2025

Our company continues to perform annual GHG inventories and discloses emissions data across the three scopes based on the GHG Protocol framework. The table below shows trends in emissions for 2022–2024 (unit: tCO₂e):

Category	Description	2022	2023	2024
Scope 1: Direct GHG Emissions	Emissions controlled by the organization	236.1177	402.3485	383.4295
Scope 2: Indirect Energy Emissions	Emissions from purchased electricity	1,032.3180	3031.3633	2,279.6467
Scope 3: Other Indirect Emissions	Indirect emissions from product use, raw materials, transportation, etc.	39,267.6861	51,286.4376	28263.6882

Notes:

1. The data covers four sites: Tongluo Plant 1 & 2, Taichung Fengzhou Plant, and Fenggong Plant.
2. 2024 data are **preliminary estimates**, pending internal review and third-party verification

● Electricity Consumption and Official Vehicle Fuel GHG Emissions, as shown in the table below:

Plant	Item	Energy Type	2022	2023	2024
Tongluo Plant 1	Energy Consumption and Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Official Vehicle Fuel (Liters)	16.6543	14.8287	8.4029
		GHG Emissions from Vehicle Fuel (tCO ₂ e)	42.0948	37.4005	21.4523
	Energy Consumption and Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Electricity Consumption (kWh)	1210.4000	1543.2000	1368.2000
		GHG Emissions from Electricity (tCO ₂ e)	599.1480	762.3480	648.5268
Tongluo Plant 2	Energy Consumption and Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Official Vehicle Fuel (Liters)	- Note ³	0.0000	4.1231
		GHG Emissions from Vehicle Fuel (tCO ₂ e)	- Note ³	0.0000	9.7191
	Energy Consumption and Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Electricity Consumption (kWh)	- Note ³	3807.4400	2679.9369
		GHG Emissions from Electricity (tCO ₂ e)	- Note ³	1880.8759	1270.2901
Fengzhou Plant	Energy Consumption and Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Official Vehicle Fuel (Liters)	27.8581	30.1054	26.6612
		GHG Emissions from Vehicle Fuel (tCO ₂ e)	71.1468	77.5450	68.9343
	Energy Consumption and Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Electricity Consumption (kWh)	533.3709	463.8817	441.3243
		GHG Emissions from Electricity (tCO ₂ e)	264.0186	229.1576	209.1877
Fenggong Plant	Energy Consumption and Direct Greenhouse Gas (GHG) Emissions (Scope 1)	Official Vehicle Fuel (Liters)	4.6950	4.0383	3.9286
		GHG Emissions from Vehicle Fuel (tCO ₂ e)	11.0672	9.5192	9.2606
	Energy Consumption and Indirect Greenhouse Gas (GHG) Emissions (Scope 2)	Electricity Consumption (kWh)	341.7200	321.8400	319.9200
		GHG Emissions from Electricity (tCO ₂ e)	169.1514	158.989	151.6421
Total: Energy Consumption and Greenhouse Gas Emissions		GHG Emissions (tCO ₂ e)	1156.6268	3155.8352	2389.0130

Note:

1. Scope 1 emissions account only for GHG emissions (CO₂, CH₄, N₂O) from gasoline combustion in company vehicles.
2. Category 2 emission sources only calculate electricity consumption, and the calculation adopts the carbon dioxide emission equivalent coefficient for electricity announced by the National Energy Administration. The carbon dioxide emission equivalent coefficient announced by the National Energy Administration is 0.509 kgCO₂e/kWh in 2021, 0.495 kgCO₂e/kWh in 2022, and 0.494 kgCO₂e/kWh in 2023.
3. Due to incomplete process design and setup at the Copper Science Plant 2 in 2023, no relevant data was available for the 2023 inventory check.

■ Energy Management

In response to the challenges posed by climate change, the Company continues to implement energy audits and energy-saving & carbon reduction measures across its headquarters and all production sites to achieve effective energy management.

● Energy Usage Overview:

Year	Plant	Direct Energy Consumption (GJ)	Indirect Energy Consumption (GJ)	Total Energy Consumption (GJ)	Year-on-Year Growth (%)
2022	Tongluo Plant 1	568.07	4357.44	4925.51	-
	Tongluo Plant 2	-	13706.8	13706.8	
	Fengzhou Plant	968.46	1920.14	2888.6	-
	Fenggong Plant	153.22	1230.19	1383.41	-
2023	Tongluo Plant 1	505.11	5555.52	6060.63	23.20%
	Tongluo Plant 2	-	13706.8	13706.8	
	Fengzhou Plant	1039.44	1669.97	2709.41	(6.21)
	Fenggong Plant	131.79	1158.62	1290.41	(6.72)
2024	Tongluo Plant 1	274.47	4925.52	5199.99	(13.88)
	Tongluo Plant 2	134.65	9647.78	9782.43	(28.65)
	Fengzhou Plant	870.93	1588.77	2459.7	(7.30)
	Fenggong Plant	128.26	1151.71	1279.97	(0.82)

Note:

1. The increase in the Company's energy consumption in 2023 was due to a rise in both workforce and production output.
2. Tongluo Plant 2 has no direct energy consumption as it does not operate official Company vehicles.
3. Conversion factors for energy content of various energy sources:
 - Electricity 1 kWh = 3,600 KJ; Gasoline 1 L = 32,635.2 KJ (7,800 kcal);
 - Diesel 1 L = 35,145.6 KJ (8,400 kcal).

■ Renewable Energy

The Company continues to prioritize environmental sustainability and actively explores feasible renewable energy solutions to reduce reliance on conventional energy sources and lower carbon emissions. In the early stages, the roof of the Tongluo Plant was equipped with a solar photovoltaic system as the starting point for green energy use. With advancements in energy technologies and the company's commitment to sustainability goals, we will also evaluate the feasibility of introducing additional renewable energy initiatives in the future, such as expanding solar installations, adopting energy storage systems, or collaborating with external green electricity suppliers. These efforts aim to continuously increase the proportion of renewable energy usage and demonstrate the company's commitment to environmental protection.

5.4 Environmental Management Policy

With the rise of environmental awareness in recent years, expectations for corporate environmental management have also increased, with stricter standards for pollutant emissions. Since its establishment in 1988, the Company has recognized its responsibility toward the environment, adhering to the principle of sustainable operations. Significant resources have been continually invested in pollution prevention and energy-saving initiatives. In recent years, the company has further upgraded pollution control facilities and progressively replaced outdated equipment with high-efficiency, energy-saving alternatives. Moving forward, the company will continue to strengthen its environmental initiatives, advancing its green transformation in tangible ways to contribute to global sustainability.

■ Greening and Organic Composting

To promote environmental sustainability and create a more friendly work environment, the Company actively implements greening initiatives at its plant sites. Through extensive planting of flowers and greenery, the Company cultivates spaces that provide both ecological and aesthetic value. For on-site weed and leaf management, natural composting methods are employed (as shown in the figure), concentrating organic waste in designated rear areas for decomposition. This allows resources to be recycled and returned to the soil, improving soil quality and supporting plant growth.



By integrating greening and resource recycling, the Company not only enhances overall plant environmental quality but also fosters a more comfortable and pleasant working environment, contributing to employee well-being and job satisfaction. These efforts reflect our ongoing commitment to environmentally friendly operations and the company’s long-term dedication to sustainable development.

5.5 Pollution Prevention and Control

Recent Environmental Protection Expenditures and Outcomes:

Unit: NTD

Year	2023	2024	Outcomes
Water Quality Testing Fees	113,572	113,810	Includes wastewater and drinking water testing to ensure compliance with the Water Pollution Control Act, providing employees with safe drinking water and safeguarding employee health.
Industrial Waste Disposal Fees	1,239,867	1,575,103	Compliance with regulations: Proper disposal of industrial production waste and employee-generated waste.
Air Pollution Fees	238,889	279,832	Compliance with regulations: Maintain proper operation of equipment and effectively improve air quality.
Wastewater Discharge Fees	917,971	78960	Compliance with regulations: Reduce contamination of soil and groundwater.
Management Cost	251,496	245,000	Costs associated with management system verification to achieve environmental sustainability KPIs (verification expenses).
Total Environmental Expenditure	2,731,795	2,292,705	

■ Air Pollution Control

● Air Pollution Control Policy

The Company places high importance on air quality protection. For pollutants generated at the Fengzhou Plant, we strictly comply with the Air Pollution Control Act and related regulations, implementing regular emissions reporting and fee payment systems. The Company is committed to continuous monitoring of air pollutant emissions and cooperating fully with government inspections and audits to ensure compliance with standards, actively safeguarding environmental quality and supporting sustainable corporate operations.

● Vision

Looking ahead, the Company will continue to optimize air pollution control measures, explore more effective emission reduction technologies, enhance transparency in emissions management, and actively promote energy-saving and environmentally friendly initiatives. These efforts aim to minimize operational impact on air quality and contribute to a cleaner environment and sustainable development.

■ Water Resource Management

The company has established a Wastewater Discharge Control Procedure to ensure proper operation of plant wastewater treatment systems and compliance with environmental regulations. We conduct comprehensive monitoring of water resource risks, covering water supply and wastewater quality, and maintain robust emergency management mechanisms, including water resource regulation, expansion of local water sources, and recycled water recovery.

● Water Resource Usage

The Tongluo Plants 1 and 2 are located in the Tongluo Science Park, while the Fenggong and Fengzhou Plants are in the Fengzhou Science and Technology Industrial Park. Water is primarily sourced from the Liyutan Dam tap water system. Daily water usage per plant ranges from approximately 50 to 55 tons. The total water consumption across all plants in 2024 was 19,073 tons, with water usage trends over the past three years as shown in the table below:

Unit: Metric Tons (t)			
Year	Plant	Tap Water Volume	Groundwater Volume
2022	Tongluo Plant 1	7,326	
	Tongluo Plant 2	4,991	
	Fengzhou Plant		1,427
	Fenggonng Plant	1,780	
2023	Tongluo Plant 1	7,072	
	Tongluo Plant 2	9,443	
	Fengzhou Plant		1,075
	Fenggonng Plant	1,400	
2024	Tongluo Plant 1	7,791	
	Tongluo Plant 2	8,448	
	Fengzhou Plant		1,333
	Fenggonng Plant	1,501	

■ Waste Management

The Company has established a Waste Management Procedure that, based on a product life-cycle perspective, regulates the classification, collection, storage, and treatment of industrial waste. The objective is to implement management measures to reduce waste, maintain environmental hygiene, and prevent proportional increases in waste generation as production capacity grows, thereby avoiding environmental risks.

● Requirements for Suppliers:

Reusable packaging containers and non-reusable containers must be made of recyclable materials; any waste generated during delivery must be either recyclable or designated for reuse according to announced guidelines.

● Requirements for Production:

Production materials are strictly controlled at the source to avoid using raw materials and equipment that cannot be processed with current environmental technologies. Raw materials used in production and waste are continuously reviewed for recycling and reuse opportunities, thereby minimizing unnecessary resource waste and promote circular utilization.

● Requirements for Employees:

All employees undergo Environmental, Safety, and Health (ESH) training on their first day. Training includes waste segregation practices to enhance environmental awareness and competency. Each employee is empowered to autonomously classify recyclable waste, encouraging every employee to do their part for environmental protection and the Earth's sustainable future.

● Requirements for Waste Treatment and Recycling



We conduct annual reviews to ensure the appropriateness of our waste treatment channels and their compliance with the latest environmental standards. When selecting waste disposal contractors, we prioritize their environmental processing capabilities and clearly stipulate compliance with environmental regulations in our contracts. In addition, we continuously assess the types and volumes of waste generated within our plants to identify opportunities for recycling and reuse, enhance the environmental performance of waste management, minimize environmental impact, and promote the efficient use of resources.

➤ **Turning Waste into Energy:**

Since 2023, the Company has actively promoted the shift from incineration to recycling and reuse of product waste, continuously converting waste into renewable energy as part of our commitment to the planet.

The Company generates no hazardous waste. The following table presents the statistics of recyclable and non-recyclable waste in 2024:

Waste Type	Hazardous/Non-Hazardous	Quantity (tons)	Treatment Method	Proportion (%)
Cardboard & Paper	Non-Hazardous	35.595	Recycled & Reused	17.16%
Plastic Bags & PE Film	Non-Hazardous	2.35	Recycled & Reused	1.13%
Scrap Metal	Non-Hazardous	56	Recycled & Reused	27.00%
General Waste	Non-Hazardous	68.09	Incineration	32.83%
Paint Wastewater	Non-Hazardous	12	Incineration	5.79%
Wooden Pallets	Non-Hazardous	33.34	Recycled & Reused	16.08%
Total (tons)	207.375		Proportion of Recycled and Reused Waste	61.38%

Note: Data covers the Tongluo Plant 1 & 2, Fengzhou Plant, and Fenggong Plant.



06

Friendly Workplace

6.1 Talent Care

6.2 Talent Development

6.3 Compensation & Benefits

6.4 Employee Rights/Benefits

6.5 Occupational Safety and Health

6.6 Health Promotion

6. Friendly Workplace

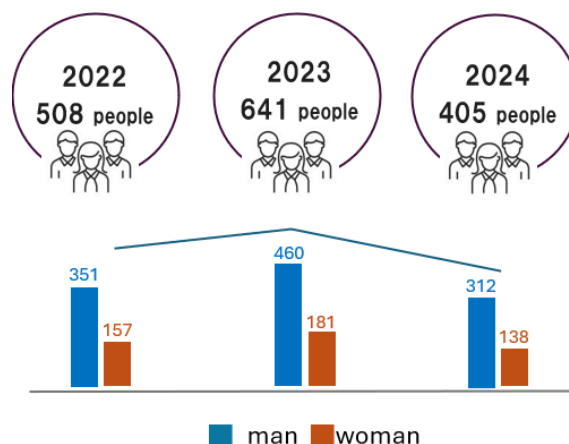
6.1 Talent Care

Amid the rapid progress of artificial intelligence, the Company continues to bolster its capacity for technological innovation, actively expanding its R&D teams and product lines so as to enhance product quality and market competitiveness. To support long-term development goals, we regard talent as our most critical asset. To this end, we are committed to fostering a workplace environment that is challenging, promotes continuous learning, ensures health and safety, and provides professional fulfillment, thereby enabling us to attract and retain outstanding talents.

In response to industry transformation and business strategy adjustments, the Company has in recent years continuously optimized its organizational structure and reallocated resources to enhance workforce efficiency and cross-department collaboration.

As of December 31, 2024, the Company employed a total of 450 staff members, including 51 new hires, primarily in research and technology-related fields. This reflects the Company's steadfast commitment to innovation and technological development. The following table presents the workforce distribution over the past three years:

■ Table of the Total Number of Employees and Gender Distribution over the Past Three Years



■ New Hires/Employee Turnover

FUKUTA recruits talents in accordance with customer product requirements, utilizing both online channels and in-person recruitment events. Through offering competitive compensation and a collaborative work environment, FUKUTA is successful in attracting diverse talents.

In 2024, FUKUTA onboarded 29 male employees, representing 56.86% of total new hires, and 22 female employees, representing 43.14%. Among the new hires, 12 were under 30 years old (23.53%), 35 were between 30 and 50 years old (68.63%), and 4 were over 50 years old (7.84%).

The gender and age distribution of new hires and employee turnovers over the past three years at FUKUTA ELEC. & MACH. is as follows:

Number of new employees Statistics/number of people		2022		2023		2024	
		total	Proportion	total	Proportion	total	Proportion
age	Under 30 years old	117	41.34%	158	45.66%	12	23.53%
	≥ 30 years old	157	55.48%	179	51.73%	35	68.63%
	≤ 51 years old	9	3.18%	9	2.60%	4	7.84%
gender	man	197	69.61%	261	75.43%	29	56.86%
	woman	86	30.39%	85	24.57%	22	43.14%

New Hires – Gender and Age Distribution

Number of employees leaving Statistics/number of people		2022		2023		2024	
		total	Proportion	total	Proportion	total	Proportion
age	Under 30 years old	45	27.44%	71	33.33%	84	34.01%
	≥ 30 years old	110	67.07%	129	60.56%	159	64.37%
	≤ 51 years old	9	5.49%	13	6.10%	4	1.62%
gender	man	115	70.12%	152	71.36%	178	72.06%
	woman	49	29.88%	61	28.64%	69	27.94%

Employee Turnover – Gender and Age Distribution

Note: Turnover rate = (Number of employees in the current year / Total number of employees who left in the current year) * 100%



■ Unpaid Leave

The Company, in accordance with government regulations, allows all eligible employees to apply, regardless of gender. The statistics over the past three years regarding applications for parental leave without pay, application rates, and reinstatement rates are as follows:

Year	Gender	No. of Employees Eligible for Parental Leave (A)	No. of Employees Who Actually Applied (B)	Application Rate (B/A) (%)	No. of Employees Scheduled to Return (C)	No. of Employees Who Actually Returned (D)	Return Rate (D/C) (%)
2022	Female	11	7	63.60%	6	5	83.30%
	Male	21	6	28.60%	2	2	100%
	Total	32	13	40.60%	8	7	87.50%
2023	Female	13	3	23.10%	5	2	40.00%
	Male	28	1	3.60%	4	4	100%
	Total	41	4	12.90%	9	6	66.70%
2024	Female	10	9	90%	2	2	100%
	Male	10	4	40%	3	3	100%
	Total	20	13	65%	5	5	100%

• In accordance with Article 16 of the Gender Equality in Employment Act, employees, regardless of gender, may apply for parental leave without pay for each child until the child reaches three years of age.

• The company actively supports employees in balancing family care and career development, and encourages stable employment upon returning to work in accordance with the law.

■ Employment of Persons with Disabilities

In accordance with the People with Disabilities Rights Protection Act, the company actively fulfills its corporate social responsibility by employing qualified persons with disabilities and ensuring that their number meets the statutory minimum of at least 1% of total employees. As of the end of 2024, the company employed a total of five persons with disabilities, including one with mild disability and two with severe disabilities (each severe case counted as two under the law), and the weighted employment ratio meets regulatory requirements.

Adhering to principles of equality and inclusiveness, the Company continues to open positions and encourages persons with disabilities to apply, striving to create a diverse and inclusive workplace. Regarding labor-management relations, the company promotes humane management practices, strengthens mutual trust and collaboration, and fosters positive interactions that benefit both parties, demonstrating stable and constructive labor relations outcomes.

■ Information from non-employees (outsourced)

To ensure operational safety and facility maintenance quality at its plants, FUKUTA ELEC. & MACH. outsources certain support services, including security, cleaning, equipment maintenance, and fire safety. The details of involved workers who are not employees are as follows:

Outsourced Services	No. of Contractors	Summary of Duties
Plant Security	3	<ul style="list-style-type: none"> Registering and controlling personnel and visitor access Directing vehicle traffic and controlling entry/exit points, patrolling the plant, and maintaining safety Monitoring the plant perimeter to prevent fire, theft, and other risks
Plant Cleaning Management	1	<ul style="list-style-type: none"> Daily cleaning of public areas in the headquarters Basic glass cleaning and maintenance of cleaning tools
Elevator Maintenance	2	<ul style="list-style-type: none"> Responsible for regular maintenance and repair of elevator equipment at the Fengzhou, Fenggong, and Tongluo No. 2 plants
Electrical Equipment Maintenance	2	<ul style="list-style-type: none"> Maintaining high- and low-voltage electrical equipment at the Fengzhou, Fenggong, and Tongluo plants (including No. 2 plant)
Fire Safety Equipment and Services	4	<ul style="list-style-type: none"> Regular inspection, maintenance, and repair of fire safety equipment Annual fire safety reporting and regulatory inspections Assisting with plant zoning adjustments and fire safety layout planning

6.2 Talent Development

FUKUTA ELEC. & MACH. upholds the belief that “talent is the foundation of sustainable business development.” The Company continuously invests resources in employee education and training to strengthen professional competencies and enhance organizational competitiveness. Talent development is closely aligned with business strategies, with annual training programs planned based on departmental functions and job categories. Through a systematic training and development mechanism, FUKUTA strives to achieve its core objectives of developing talent, retaining talent, and enhancing team performance.

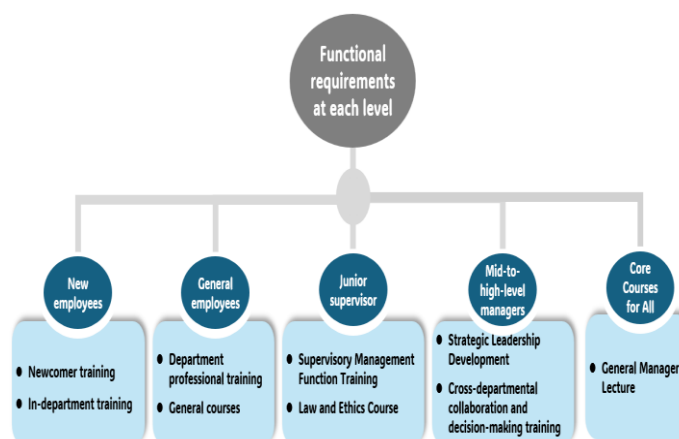
■ Training Program Planning Mechanism

Each year in the fourth quarter, the Human Resource Department conducts a company-wide training needs assessment, compiling OJT (On-the-Job Training) course proposals from various departments. These are integrated with the key operational priorities and strategic direction for the following year to develop cross-departmental core programs, forming a comprehensive training blueprint.

In addition to internal knowledge sharing, external experts are also invited to conduct courses covering professional skills, management competence, regulatory compliance, and sustainability topics, continuously enhancing employees’ overall capabilities.

■ Diversified Training Program Design

FUKUTA designs a variety of training programs based on different job levels and functional requirements. The training targets and content coverage are planned as shown on the right.



■ Course Types and Example Course Topics

Category	Course Examples
Career Development & Management	Leadership Journey for Supervisors, Personal Career Development, Succession Planning
Professional Skills	QC Seven Tools, FMEA, 8D Analysis
Regulations & Ethics	Understanding Labor Contract Terms, Prevention of Sexual Harassment
Sustainability & Corporate Culture	Knowledge Management, Internal Instructor Trainer Program, General Manager Seminar

■ Vision Sharing and Employee Engagement

In 2024, FUKUTA specially held a General Manager Seminar themed “FUKUTA’s Future Outlook and Current Affairs,” personally delivered by the General Manager. The session was open to all employees and received enthusiastic participation, reflecting the Company’s strong commitment to open communication and shared vision.

Additionally, during the “Passing on the Corporate DNA” Internal Instructor Trainer Program, the General Manager personally attended the certification ceremony, presenting the first-place award to outstanding participants and taking commemorative photos with them, demonstrating the Company’s recognition and support for employee growth and internal training initiatives. Photos capturing moments of interaction during the training further highlight FUKUTA’s tangible achievements in fostering a culture of continuous learning.

■ Training Outcomes Analysis

The 2024 annual training statistics by employee category are as follows:

Category	Training Hours (h)	Participants (people)	Average Training Hours (h)
Management	736.5	64	11.5
Indirect Staff (Non-Management)	1410.5	230	6.13
Direct Staff	805	156	5.16

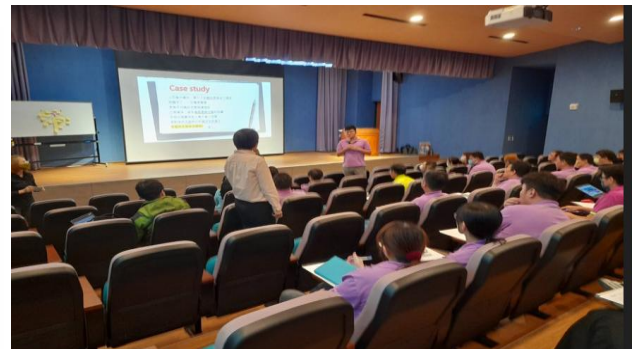
Training participation was broad, with employees at all levels demonstrating strong willingness to learn and active engagement, which also contributed to enhancing overall organizational effectiveness.

■ Training System Quality Certification

From a procedural perspective, FUKUTA ELEC. & MACH. successfully passed the Ministry of Labor's 2024 "Talent Quality-Management System (TTQS)" Bronze Evaluation (see figure), obtaining official certification. This demonstrates that the company has a professional system in place for training planning, execution, follow-up, and performance management, providing a solid foundation for sustainable development (see figure for related highlights).



GM Seminar: A Date with You



Leadership Journey for Supervisors: Stories from Supervisors



Internal Instructor Trainer Program – GM Certification



Ways to Multiply Work Efficiency – Group Discussion



Practical Application of Selection Interviews – Interactive Session

6.3 Compensation & Benefits

FUKUTA ELEC. & MACH. adheres to a “people-oriented” philosophy, establishing a comprehensive and market-competitive compensation system designed to attract top talent and retain high-performing employees. This approach continuously strengthens organizational capability and supports sustainable business growth.

The Company’s salary adjustment mechanism is based on a comprehensive evaluation of individual performance, departmental performance, industry salary benchmarks, and overall business conditions. Adjustments are made appropriately during employee promotions to ensure fairness and incentive effectiveness in the compensation system.

In addition, to implement the spirit of profit-sharing and strengthen employees’ engagement with the company, FUKUTA has established a reward system that distributes bonuses according to operational results. This allows employees to meaningfully participate in the Company’s performance outcomes, fostering a workplace environment of mutual trust and shared success.

■ Compensation Policy

The Company upholds principles of fairness and market competitiveness in establishing an incentive-driven compensation system. Salary adjustments and bonus allocations are based on business performance and employee performance. Regular external salary surveys and internal structure reviews are conducted to ensure compensation aligns with industry standards and reflects job value.

To address stakeholder concerns regarding salary fairness and transparency, the company continues to disclose annual average and median salaries for non-managerial employees, along with workforce size.

Annual Salary Statistics for Full-Time Non-Managerial Employees (Taiwanese, below Section Chief Level)

Year	Average Salary (NT\$)	Median Salary (NT\$)	No. of Full-Time Non-Managerial Employees
2022	429,658	454,608	363
2023	427,498	450,155	432
2024	535,337	489,683	326

Note: The increase in average salary in 2024 is mainly due to adjustments in workforce composition and a higher proportion of high-skilled personnel.

		Gender Pay Ratio (Female : Male)					
Category Item	Item	2022		2023		2024	
		Monthly	Annual	Monthly	Annual	Monthly	Annual
		F:M	F:M	F:M	F:M	F:M	F:M
Position	Production	1:1.04	1:1.05	1:1.03	1:1.04	1:1.05	1:1.06
	Management	1:1.15	1:1.15	1:1.13	1:1.12	1:1.11	1:1.13
	R&D	1:1.15	1:1.17	1:1.24	1:1.23	1:1.15	1:1.15

Note: Salary ratios reflect differences in job level, tenure, and professional background, and are not indicative of gender-based pay disparity. The company will continue to optimize talent promotion and placement systems to strengthen the implementation of gender equality.



■ Employee Benefits

In addition to statutory leave and insurance rights mandated by the government, FUKUTA provides further benefits to enhance employee satisfaction and workplace engagement.

Benefits Category	Description	Actions Taken
Insurance Plans	Group insurance covering accident, accidental medical, hospitalization, and overseas business travel insurance	Enrolled upon joining
Employee Health Promotion	Regular health check-ups	<ul style="list-style-type: none"> On-site medical staff Annual health screenings for all employees
Workplace Facilities	Facilities designed for safety and convenience	<ul style="list-style-type: none"> Free Parking Provision of safety helmets/shoes
Employee Engagement & Team Building	Promote interaction and team cohesion, fostering a positive work environment	<ul style="list-style-type: none"> Occasional company meals (fully subsidized) Year-end party New Year lottery
Employee Welfare Committee	Structured promotion of employee welfare programs	<ul style="list-style-type: none"> Subsidies for weddings, funerals, and celebrations Travel subsidies

6.4 Employee Rights/Benefits

FUKUTA ELEC. & MACH. upholds the philosophy of respecting labor rights and safeguarding employee well-being. The company is committed to building a fair, transparent, and inclusive workplace system that integrates human rights protection and sustainable management at the institutional level. This ensures that every employee can work in an environment of safety, respect, and personal growth. With regard to employee rights, the company focuses on the following four key aspects:

■ Communication Channel

FUKUTA values employee feedback and has established diverse, two-way, and institutionalized communication mechanisms to foster dialogue and coordination between labor and management, continually deepening mutual understanding and trust. Since its establishment, the company has maintained harmonious labor relations without any major disputes, reflecting a stable and mature culture of communication that minimizes the risk of future losses.

To effectively gather employee feedback on management policies and welfare programs, the company has implemented multiple communication channels as follows:

● Regular Labor-Management Meeting

Held quarterly, where employee representatives engage in dialogue and submit proposals on working conditions, welfare policies, and workplace issues. Through these meetings, both parties reach consensus to ensure open and effective communication.

● Three Dedicated Committees

In accordance with legal requirements, FUKUTA has established and operates three dedicated committees — the Employee Welfare Committee, the Occupational Safety & Health Committee, and the Labor Pension Reserve Fund Supervisory Committee — which convene regularly to help safeguard employee rights and enhance well-being.

● Anonymous Feedback and Grievance Channels

Employees can freely express suggestions, inquiries, or complaints through various anonymous and real-time channels, including suggestion boxes, internal feedback systems, designated email accounts, and HR contact windows.

● Response and Handling Procedures

All feedback is handled based on the principles of fairness, confidentiality, and timeliness. Major cases are reviewed by the responsible departments, and responses are provided to ensure issues are properly addressed and resolved.

Through the aforementioned formal and informal communication mechanisms, FUKUTA ELEC. & MACH. has fostered an open, trusting, and mutually beneficial labor–management culture that strengthens organizational cohesion, ensures employee participation and the protection of rights, and lays a solid foundation for sustainable corporate development.

■ Labor-Management Meeting

FUKUTA ELEC. & MACH. prioritizes employee voice and the right to participation. In compliance with the Labor Standards Act and relevant regulations, we have established an institutionalized, two-way, and representative labor-management communication mechanism, and are dedicated to fostering fair, transparent, and mutually trusting labor relations.

● Statutory Communication Mechanism Establishment and Representative Composition (2024)

Name of Communication Mechanism	No. of Employee Representatives	No. of Management Representatives	Brief Description of the Mechanism's Function
Labor-Management Meeting	5	5	Coordinate labor-management relations

※Employee representatives are elected by all employees and gender quotas are implemented to ensure that the voices of various labor groups are represented.

● Overview of Labor-Management Meetings

- Frequency: Convened on a quarterly basis, with ad hoc meetings held as necessary.
- Meeting Content: In addition to reporting on employee status, business performance, welfare planning, and operational improvements, discussions also cover topics such as work rules, employment conditions, and representative elections.
- Handling Mechanism: All proposals are brought into discussion during meetings, evaluated for feasibility, and incorporated into improvement plans, which are subsequently tracked and implemented by relevant departments.

● Anonymous Feedback and Grievance Channels

Mechanism Type	Description
Employee Suggestion Box (or Grievance Box)	Placed in a private location for employees to anonymously submit suggestions and report issues.
Dedicated Email Account	Provides an instant written communication channel, facilitating documentation and rapid feedback.

● Effectiveness of Feedback Handling

Year	No. of Cases Received	No. of Cases Resolved	Handling & Response Rate
2022	1	1	100%
2023	5	5	100%
2024	1	1	100%

■ Human Rights Management

FUKUTA regards “protecting human rights and promoting diversity and inclusion” as a key sustainability issue and is committed to creating a workplace that is safe, respectful, equitable, and free from discrimination. The company aligns its practices with the UN Global Compact, International Labour Organization (ILO) Core Conventions, and the Responsible Business Alliance (RBA) Code of Conduct, while complying with domestic labor laws to implement a systematic human rights management and education framework.

● Management Policies and System Establishment

- Policy Principles:
Established the Labor Human Rights Protection Guidelines, covering areas such as working hour management, prohibition of child and forced labor, humane treatment, anti-discrimination, prevention of workplace harassment, protection of religious beliefs, and freedom of association.
- Commitment to Diversity and Inclusion:
Formulated the Regulations on Religious Belief Management and the Recruitment and Employment Management Procedures, explicitly safeguarding religious and cultural diversity, and prohibiting night shifts for underage workers and the employment of child labor.
- Goal Setting:
Achieve 100% compliance with legal requirements while continuously foster a workplace culture that values gender equality, ethnic diversity, and respect for human rights.

● Risk Identification and Control Mechanisms

- Conduct regular assessments of internal risks related to forced labor and working hours management,



monitor consecutive workdays and holiday shifts, and establish grievance mechanisms to eliminate any form of involuntary labor.

- Verify age documentation during interviews to ensure no child labor is employed; implement work hour and shift restrictions for underage workers.
- Recruitment, promotion, performance evaluation, and compensation systems explicitly prohibit discrimination based on gender, age, religion, or personal status.
- Employees are guaranteed the right to freedom of association without interference or restriction.

● **Human Rights Education and Training System**

FUKUTA ELEC. & MACH. has established a comprehensive human rights training mechanism to embed human rights awareness into its corporate culture, ensuring effective communication and implementation of related policies:

- Onboarding Training:
On the first day of employment, all new employees attend a 30-minute session on human rights and corporate social responsibility. The course covers labor rights, grievance mechanisms, and anti-discrimination practices, using multimedia materials such as videos and presentations.
- Learning Effectiveness Verification (as shown on the right):
Each employee must complete a post-training test (40 questions, passing score of 80). Those who do not meet the standard are required to undergo retraining to ensure full understanding of the content.

year	Number of new employees receiving trainin	test pass rate
2022	283	100%
2023	346	100%
2024	51	100%

● **Implementation Results and Audit Effectiveness Over the Past Three Years (2022–2024年)**

Management Indicators	Results
Incidence of Child Labor	None
Incidence of Forced or Compulsory Labor	None
Incidence of Discrimination or Gender Disparity	None
Incidence of Prohibition of Freedom of Association	None
New Hire Human Rights Training Pass Rate	100%

■ **Pension Management**

FUKUTA has established a diversified retirement protection system in accordance with the Labor Standards Act, Labor Pension Act, and Labor Insurance Act, covering three mechanisms: the old pension scheme, the new pension scheme, and labor insurance old-age benefits, to ensure employees’ retirement rights. In compliance with regulations, the company contributes 6% of each employee’s monthly salary to their individual account under the new pension system and engages professional accounting consultants to perform regular actuarial evaluations of the retirement reserve, ensuring the system’s sustainability and stability.

● Pension Scheme Basis

Pension Type	Legal Basis	Applicable Employees
Old-System Pension	Labor Standards Act	Employees originally covered before
New-System Pension	Labor Pension Act	New hires after 2005
Labor-Insurance Old-Age Benefit	Labor Insurance Act	All employees enrolled in labor insurance

● Pension Eligibility and Withdrawal Conditions

Pension Type	Eligibility for Voluntary Retirement (whichever qualifies)	Mandatory Retirement Conditions
Old System	Age 55 + 15 years of service / 25 years of service / Age 60 + 10 years of service	Age 65 or deemed unable to work
New System	Age 60, or meeting legally defined early retirement criteria	None
Old-Age Benefit	Age 60 with sufficient service; may claim pension or lump-sum based on years of service	None

● Contribution & Benefit Summary

Item	Description
Contribution Mechanism	The company legally contributes 6% of salary to the employee's individual retirement account
Voluntary Employee Contributions	Up to 6%, participation is optional based on employee preference
Old System Benefit Standard	2 base units per year, plus 1 base unit per year after 15 years, up to a maximum of 45 base units
Old-Age Benefit Calculation	0.775%–1.55% of monthly salary per year of service, with ±4% adjustment for early or delayed retirement

● Retirement Statistics Over the Past Three Years

Year	Number of Employees Retired
2022	1
2023	4
2024	1

● Benefit and Management Procedures

- Upon an employee's retirement application, the company shall complete payment within 30 days.
- Installment payments may be made upon approval by the competent authority.
- Retirement benefits must be claimed within five years from the month following retirement; overdue claims will be forfeited.
- The Labor Pension Reserve Fund Supervisory Committee oversees fund allocation and utilization.
- Annual actuarial assessments are conducted to ensure fund adequacy and long-term sustainability of the system.

6.5 Occupational Safety and Health

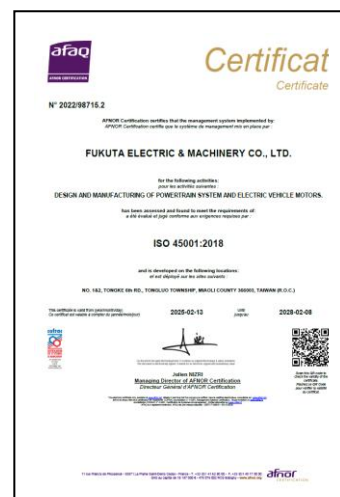
■ Safety & Protection

Material Topic: Occupational Safety and Health

Management Approach	Policy	"Zero Occupational Injuries." Prevention first — building a safe, healthy, and high-quality work environment.
	Goals & Targets	Committed to environmental protection and occupational safety and health management, the Company implements the Environmental, Safety, and Health (ESH) Management System in compliance with applicable OSH laws and regulations, promotes hazard prevention, and pursues continual improvement in occupational safety and health performance."
	Commitment	Employs due diligence and proactive communication mechanisms to understand the needs of both supervisors and employees regarding the work environment, progressively establishing a safe and healthy workplace.
	Management Measures	<ul style="list-style-type: none"> • Based on the "ISO 45001 Occupational Safety and Health Management System" and the "Occupational Safety and Health Law". • Complies with OSH laws and other requirements, implements hazard identification and risk classification, and mitigates occupational safety and health risks • Establish a prevention and management mechanism by implementing an occupational safety and health system, including self-inspections and unscheduled audits by occupational safety officers. • Implementation of Occupational Safety and Health Training, Emergency Response and Drills, and Workplace Environment Monitoring.

The Company is committed to providing employees with a safe, healthy, and high-quality workplace, while also ensuring the safety of contractors and visitors. In accordance with the ISO 45001:2018 Occupational Health and Safety (OH&S) Management System and the Occupational Safety and Health Act, the Company has established the “Occupational Safety and Health Work Rules” to assist departments in identifying hazards, implementing risk classification, and establishing safe operating standards to prevent potential incidents.

Risk and opportunity assessments are conducted regularly, with corresponding improvements and controls implemented to enhance OSH performance and reduce occupational hazards. In 2022, the Company completed the ISO 45001 system upgrade and obtained third-party certification (as shown on the right), while ongoing supervision and audits ensure full implementation of OSH policies. Through the Plan-Do-Check-Act (PDCA) cycle, the Company continually enhances OSH management performance.



● Key Occupational Safety and Health Measures:

The Company implements the ISO 45001 OH&S Management System to provide a safe and healthy work environment while ensuring personal safety, fully complies with OSH laws and other requirements through hazard identification and risk classification to mitigate occupational risks, and actively promotes employee engagement and open communication channels to support safety, health, and overall well-being.

● Statutorily Certified Occupational Safety and Health Professionals

The Company has appointed all necessary professional OSH personnel as required by the Occupational Safety and Health Act and related regulations, including OSH managers, safety officers, fire prevention personnel, first responders, and occupational health nurses, covering all operational areas.

All professionals hold legally required certifications and achieve a 100% pass rate in regular retraining, ensuring their professional knowledge and adaptability continuously meet the latest regulations and on-site requirements. This also ensures the professionalism and timeliness of the company's occupational health

License type	Whether to set	Retraining completion rate
Occupational Safety and Health Manager (Level B)	YES	100%
Class A Safety and Health Business Supervisor	YES	100%
fire manager	YES	100%
first responder	YES	100%
On-site doctors/nurses	YES	100%

● Occupational Safety and Health Training

To ensure new hires quickly understand the Company's OSH regulations and operating procedures, comprehensive OSH training is provided upon onboarding. In addition, ongoing annual OSH education programs are delivered to all employees, with assessment mechanisms incorporated to enhance safety awareness and practical skills.

The number of training sessions, participants, and total hours over the past three years (see table below) demonstrates the Company's commitment to expanding training coverage and strengthening training effectiveness.

Training Hours (Year)	2022				2023				2024			
	Sessions	Participants	Hours Per Session	Total Hours	Sessions	Participants	Hours Per Session	Total Hours	Sessions	Participants	Hours Per Session	Total Hours
New Hires – General Safety Training	12	257	3	771	35	273	3	819	21	48	3	144
On-the-Job OSH Training	8	398	13	5,174	12	442	15	6,630	25	816	33	26,928
Internal OSH Auditor Training	2	25	6	150	6	65	15	975	3	30	15	450
Emergency Response Training	2	508	4	2,032	2	641	4	2,564	6	520	4	2,080
Total	24	1,188	26	8,127	55	1,421	37	10,988	55	1,414	55	29,602
Average Training Hours per Employee	16.1				17.1				65.7			

● Occupational Safety and Health System, Self-Inspection, and Management

The Company has established and continuously enhanced its **Occupational Safety and Health (OSH) Management System** to ensure that all working environments comply with domestic regulations and international standards, thereby safeguarding workplace safety and employee well-being. The OSH system encompasses the following key management dimensions:

Management Aspect	Key Management Practices
Management System and Operational Mechanisms	<ul style="list-style-type: none"> Establish an OSH management system incorporating the PDCA (Plan-Do-Check-Act) cycle Set up a dedicated OSH unit and hold regular management meetings Conduct workplace environment assessments and accident data analysis
Self-Inspection and Risk Control	<ul style="list-style-type: none"> Implement autonomous equipment inspections and preventive maintenance Conduct internal audits and hazard tracking for continuous improvement Identify and classify occupational hazards for tiered risk control Provide appropriate PPE and ensure related training
Training & Certification Management	<ul style="list-style-type: none"> Require pre-employment OSH training for all new hires Conduct regular safety training for on-the-job employees Ensure that personnel performing specialized operations hold valid licenses and complete mandatory refresher training Organize emergency response and evacuation drills
Health Care & Incident Management	<ul style="list-style-type: none"> Conduct employee health examinations and manage risks based on results Provide on-site nursing and medical care In the event of an incident, promptly report, respond, and perform root cause analysis and corrective actions
Contractor & High-Risk Operations Management	<ul style="list-style-type: none"> Establish a safety review mechanism for contractor site access Conduct pre-construction training and risk assessments Implement GHS-compliant chemical labeling and storage Conduct regular fire and emergency response drills
Facility Planning & Inspection	<ul style="list-style-type: none"> Plan and design safety facilities in accordance with laws and standards Perform safety inspections during construction and final acceptance checks Conduct regular inspections and risk assessments to ensure facility safety

● Stakeholder Risk Management

To prevent potential occupational health impacts arising from business operations, the Company extends its safety and health standards to key stakeholders as follows:

Outsourcing and Contractor Management

- Require all construction and maintenance contractors to sign the Occupational Safety and Health Commitment
- Contractors must attend safety briefings prior to entering the worksite and comply with on-site OSH regulations
- Company personnel supervise and audit safety performance throughout project implementation

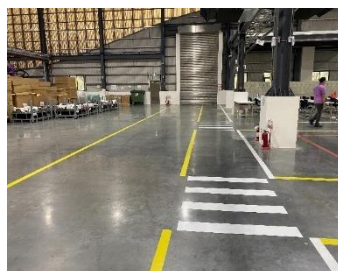
● Incorporation of OSH Standards into Supplier Assessment

- For suppliers of high-risk materials or equipment, OSH criteria are integrated into the supplier assessment and scoring process

■ Process Optimization, Prevention, and Control Measures

To address high-risk or potentially hazardous operations related to occupational safety and environmental risks, the Company implemented a series of process improvement measures in 2024, focusing on three key areas: exhaust ventilation, traffic flow separation, and equipment protection. These initiatives were executed according to departmental responsibilities, with notable outcomes as follows: :

- The exhaust system in the electrical control laboratory was optimized to improve ventilation efficiency, effectively reducing concentrations of harmful gases and dust. This improvement ensures a safer working environment and better protection of employee health.
- The plant’s pedestrian–vehicle separation project was completed, introducing clear markings and dedicated pathways to optimize movement routes. This enhancement significantly strengthens on-site safety management and reduces the likelihood of accidents.
- Physical were installed to prevent unauthorized personnel from entering restricted work areas, thereby improving production safety and operational control within the workplace.



● Workplace Environment Monitoring

To ensure a safe working environment, the Company conducts semiannual workplace environment monitoring to assess actual exposure levels to potential hazards. Monitoring parameters include dust, noise, carbon dioxide, and organic solvents. In cases where abnormal results are detected, engineering controls and administrative improvements are implemented to address the issues. The implementation results are shown in the table on the right:

Year	Workplace Environment Monitoring	Completion Rate
2022	8	100%
2023	8	100%
2024	8	100%

● Emergency Response and Drills

Employee safety is at the core of the Company’s sustainable operations. A comprehensive emergency response system has been established, with regular scenario-based drills designed according to potential risk types and site-specific conditions. These exercises strengthen employee response capabilities and organizational coordination, minimizing the impact of emergencies on personnel, operations, and the environment.

Each plant has a self-defense fire response team, with designated roles for command, communication, rescue, evacuation, disaster prevention, and medical aid.

Starting in 2024, in addition to traditional fire and chemical spill drills, the Company introduced earthquake, flood, and pandemic simulation exercises to enhance adaptability to compound risks. The key emergency drill scenarios include:

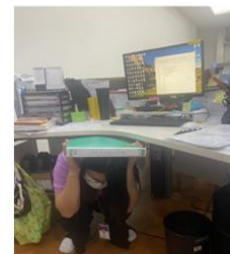
- Fire and explosion simulations (chemical storage areas, offices, etc.)
- Chemical spill response and evacuation procedures
- Earthquake evacuation and personnel accountability processes
- Plant perimeter flood simulation and critical equipment protection drills
- Pandemic response exercises, including personnel access control, quarantine route management, and deployment of epidemic prevention supplies



Chemical spill response and evacuation



Firefighting and disaster prevention drills



Earthquake emergency drill



Infectious Disease Response



Evacuation to Assembly Point



First Aid Training & Procedures

■ Occupational Incident Management

With great emphasis on understanding the root causes of each occupational incident as well as ensure effective management, FUKUTA has established the “Incident (including near-miss) Reporting and Investigation Procedure.” Once an incident occurs, it must be reported and handled according to the procedure. The Environmental Safety section (ESG unit), together with labor representatives and the relevant supervisors, conducts a thorough investigation and analysis to determine the cause, assess compliance, clarify the relationship between the incident and work processes, and develop corrective and preventive measures. If a similar incident recurs, the effectiveness of these measures is re-evaluated.

In addition, the Environmental Safety unit, in collaboration with all departments, employs work observation, training, workplace inspections, and internal/external audits to reduce potential operational hazards and environmental risks and to raise overall occupational safety awareness. Beyond controlling risks within the workplace, the Company also prioritizes employee safety during commuting. Safety awareness is promoted through ad hoc departmental meetings, as well as daily bulletin boards and electronic displays featuring traffic safety and defensive driving guidance, reinforcing safe commuting behavior and reducing the likelihood of traffic accidents.

In 2024, one occupational incident occurred, primarily due to insufficient personal awareness and unsafe work conditions. In response, the Company re-communicated safe operating procedures for the affected process and implemented improvements to unsafe work environments. Occupational incident statistics for the past two years are summarized in the table below:

In 2024, one occupational incident was reported, with FR = 3.68, SR = 14.73 and FSI = 0.23

Occupational Injury Metrics / Index	2023	2024	Trend	Notes
Reported Cases	1	0	▼	Occupational incident statistics (excluding traffic accidents) <ul style="list-style-type: none"> Frequency Rate (FR) = Total Disabling Injuries / Total Working Hours x 1,000,000 Severity Rate (SR) = Total Lost Work Days from Disabling Injuries (excluding fatalities) / Total Working Hours x 1,000,000 Frequency-Severity Index (FSI) = $\sqrt{(FR \times SR / 1000)}$ Fatality Rate from Occupational Injuries = Number of Deaths / Total Working Hours x 1,000,000
Frequency Rate (FR)	7.7	3.68	▼	
Severity Rate (SR)	104.44	14.73	▼	
Frequency-Severity Index (FSI)	0.90	0.23	▼	
Fatality Rate from Occupational Injuries	0	0	-	

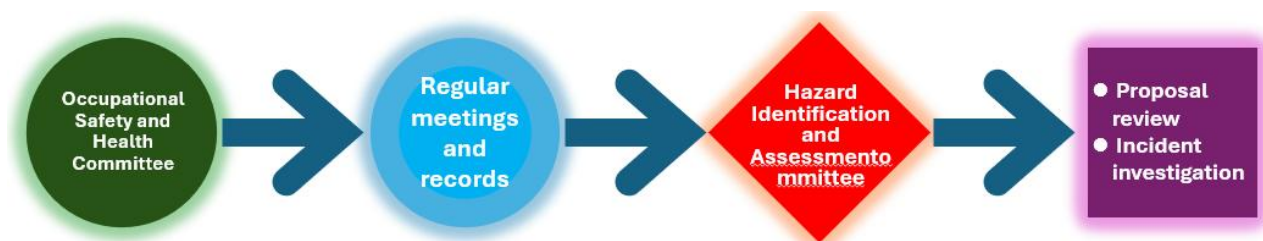
Note: In the 2023 report, the highlighted area only contains data from Tongluo Plant 1 & 2, and did not cover all plants; therefore, the relevant values have been revised.

● Internal Safety & Health Audits

To enable personnel to conduct internal automated inspections of machinery, equipment, and safety and hygiene matters to eliminate potential operational hazards, the Environmental Safety Department conducts four key audits on the daily operations of each unit, including chemicals, machinery and equipment, fire-fighting equipment, and the on-site environment.

Year	Departments Audited	Nonconformities	Chemicals	Machinery	Fire Safety Equipment	Workplace
2022	15	5	-	-	-	5
2023	16	31	3	9	1	18
2024	16	15	4	5	1	5

● Internal Consultation and Communication Channels



● Occupational Safety & Health Committee

The Company has established an Occupational Safety and Health Committee. In compliance with regulations, employee representatives are elected to provide a formal platform for direct communication between management and employees on workplace environmental, safety, and health issues. The committee convenes quarterly meetings to discuss ESH-related matters and review or revise implementation measures as necessary.

● Hazard Identification, Opportunities, and Risk Assessment

Cross-departmental hazard identification teams have been established to identify potential routine and non-routine hazards associated with operations, areas, equipment, and the physical and mental health of personnel. Supervisors and safety personnel conduct risk assessments, which serve as the basis for risk control, incident prevention, and continual improvement within the OSH management system.

6.6 Health Promotion

■ Health Services

Upholding the principle of “People-Oriented, Health First,” the Company actively promotes various health services and wellness programs to safeguard employees’ physical and mental well-being and ensure workplace safety. Through scientific management and diversified promotional activities, FUKUTA aims to enhance employees’ health literacy and foster a friendly work environment.

The Company provides a range of health services and wellness initiatives, including:

- **Regular Health Examinations (as shown in the figure on the right)**

Based on different operational risk levels, the Company arranges annual general and special health examinations for employees, covering basic physical checkups, blood tests, and imaging diagnostics. In line with government health policies, additional screenings for hepatitis B and C and oral cancer are also provided to facilitate early detection of potential health issues and improve timeliness in disease prevention and treatment.



- **On-Site Nursing Services**

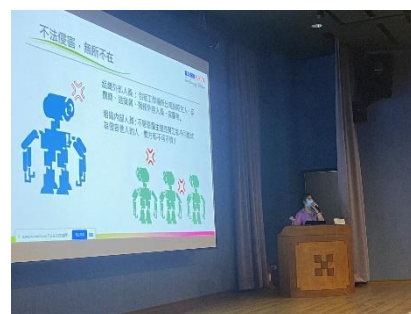
Qualified professional nurses are stationed at the plant on a regular basis to provide health consultations, deliver health education on occupational disease prevention and wellness promotion, and conduct case management. Nursing staff assist employees with health concerns arising from work or daily life and encourage the adoption of healthy behaviors, ensuring employees’ physical and mental well-being.

- **Health Abnormality Tracking and Management**

For employees identified with abnormal indicators or higher health risks during medical examinations, the Company initiates a case-tracking mechanism. In collaboration with health managers and external medical resources, continuous monitoring and health guidance are provided. When necessary, employees are referred to professional medical institutions to ensure appropriate care and follow-up.

- **Health Promotion Activities**

Each year, the Company organizes a variety of wellness activities, including health seminars (as shown in the figure on the right), workplace fitness training, and stress management courses. Programs also cover topics such as workplace violence prevention and smoking cessation, helping employees establish healthy lifestyles and reduce risk factors.



Health Service Item	Implemented	Remarks
Regular Health Checkups	☑	Including special health examinations for designated job categories
On-Site Health Consultation	☑	Conducted regularly by qualified nurses
Individual Health Tracking	☑	Follow-up in collaboration with health managers and external medical providers
Health Promotion Activities	☑	Annual health seminars and awareness campaigns

■ Responsible Business Alliance (RBA) System Implementation and Certification

To strengthen the Company's commitment to corporate social responsibility, the Responsible Business Alliance (RBA) system was fully implemented in 2024. In the first year of adoption, the Company successfully passed third-party verification and obtained **RBA Silver Recognition**, demonstrating active alignment with international sustainable supply chain standards.

The RBA Silver Recognition signifies that the Company has achieved substantial compliance and implementation in the following core aspects:

- Protection of labor rights and workplace human rights
- Establishment and execution of OH&S systems
- Environmental protection and regulatory compliance
- Ethical management and anti-corruption practices
- Sound management systems and internal control mechanisms
- Initial establishment of responsible supply chain management processes

Summary of Implementation Results:

- Established a cross-departmental ESG × RBA Task Force, completing company-wide risk mapping and internal gap improvement
- Completed the RBA Self-Assessment Questionnaire (SAQ) and supplier data collection.
- Underwent an on-site audit conducted by a third-party verification body through the Validated Audit Process (VAP)
- Enhanced employee engagement mechanisms and occupational health training based on audit feedback
- Obtained the Silver Certificate in the third quarter of 2024 after completion of the improvement plan (as shown in the figure on the right)



This Silver Recognition marks a significant milestone in the Company's journey toward responsible supply chain governance. From 2025 to 2026, we will continue to strengthen Human Rights Impact Assessments (HRIA), supplier audit systems, and internal training coverage, expanding the program to include key suppliers and global sites, thereby enabling FUKUTA to further advance toward higher-level certification standards.



07

Social Responsibility

7.1 Social Care

7.2 Diverse Participation

7.3 Industry-Academia Collaborations

7.4 Social Welfare Activities

7 Social Responsibility

7.1 Social Care

Upholding our responsibility as a corporate citizen, FUKUTA actively practices the spirit of shared prosperity through four key pillars: social care, diverse participation, industry-academia collaboration, and social welfare activities. These efforts strengthen positive connections between the enterprise and society, thereby creating long-term sustainable value.

The Company has long been committed to community engagement and support for the underprivileged, fostering a culture of empathy and connection. The key initiatives implemented in 2024 are as follows:

■ Local Support and Livelihood Assistance

Continued to provide financial and material support to local police associations, charitable groups, and welfare organizations, reinforcing trust and connection between the Company and the community.

■ Cultural and Educational Assistance

Donated educational supplies and supported cultural events to improve learning conditions for underprivileged children and contribute to the preservation of local culture.

■ Blood Drive and On-Site Care Activities

Organized employee blood drives and visits to the Taiwan Fund for Children and Families - Miaoli Branch, donating essential supplies to care for disadvantaged children and their families.

■ Charitable Donation Outcomes

In 2024, total donations reached NT\$390,600, representing an approximately 37.8% increase compared with the 2022–2023 annual average of NT\$283,300, reflecting the Company's ongoing commitment to expanding social investment and engagement.

The Company will continue to plan and implement social care initiatives in a long-term and systematic manner, enhancing community participation and strengthening sustainable social impact.

7.2 Diverse Participation

Enterprises are not only drivers of economic growth but also catalysts for social progress. In 2024, the company actively engaged with diverse organizations and social networks through the following actions:

■ Policy and Industry Dialogue

The Company maintains active membership in several key industry associations, including the Taiwan Electrical and Electronic Manufacturers' Association, Taiwan Motor Industry Association, Taiwan Bearing & Transmission Association, Taiwan Refrigeration & Air-Conditioning Engineering Association of R.O.C., National Association of Small and Medium Enterprises, R.O.C., Taiwan Ventilation Equipment Association, and the Taichung City General Industrial Association. We regularly pay membership fees and actively participate in policy advocacy, industry standard-setting, and sustainability dialogues. The annual contribution amounted to NT\$240,800.

■ Local Industrial Park Participation

The Company joined organizations such as the Tan-Ya-Shen Industry Association and Fengzhou Hi-Tech Industrial Park Association to enhance local industrial collaboration, resource sharing, and regional sustainable development.

■ Community Safety Engagement

The Company provides regular support to local police associations such as the Fengzhou Police Friends Station (of Taichung City) and Friends of the Police Association, Taichung City (North District Branch) contributing to public security and community safety initiatives.

■ Community Green Maintenance and Adoption

● Fengzhou Science and Technology Industrial Park – Fengyue Pond

Located on the right side of the main entrance of Fengzhou Science and Technology Industrial Park in Shengang District, Taichung, Fengyue Pond covers an area of 4,641 m² and serves as both a functional and scenic landmark. Since first adopting the site in 2006, the Company has continuously invested manpower and resources in its maintenance, receiving positive local feedback and helping shape a welcoming image for the park.



● Tongluo Science Park – Adopt a Green Heart Park (including a mountain temple)

The Shrine of Mountain and Earth Deity, located within the Tongluo Science Park (No. 6, Gongye 6th Rd), sits at the center of the park's 1,385 m² Green Heart Area. Since the establishment of the Tongluo Plant, the Company has devoted efforts to preserve and care for this rich ecological site. In 2015, the shrine was reconstructed and a golden finish applied to the statue, and then opened to the public for local residents to worship.

Given the age of the large banyan tree (Sacred Tree) and other trees in the area, pest infestations occasionally occur. To ensure their health, the Company spends nearly NT\$600,000 annually to hire professional arborists for inspection and maintenance, thereby protecting these valuable trees while preserving a pleasant and harmonious park environment.



■ Friendly & Inclusive Workplace

- Promoted employment programs for middle-aged and senior talents, providing flexible roles and reskilling opportunities.
- Established the “Guidelines for Respecting Religious Beliefs and Managing Employee Cultural Diversity” to foster an inclusive workplace culture.
- Implemented long-term retention mechanisms for migrant workers to promote cross-cultural integration and stable employment.
- Strengthened local talent linkages by participating in county and city government job fairs, expanding workforce diversity.
- Through structured participation and alliance strategies, the Company effectively enhances its social influence and strengthens corporate governance resilience.



7.3 Industry-Academia Collaborations

The Company continuously strengthens its collaboration with educational institutions at all levels, utilizing cooperative education programs, internships, and industry-academia research and development (R&D) projects to help students transition to the workplace and promote technological innovation:

Types of Industry-Academia Collaboration

Collaboration Type	Partner Institutions (Selected Examples)	Collaboration Focus
Cooperative Education	Taichung Municipal Dajia Industrial Senior High School	Provides workplace training and technical mentorship to cultivate foundational engineering talent
Off-Campus Internships	National United University, Minth University of Science and Technology, Providence University, etc.	Offers multifaceted internships in management, electrical engineering, languages, and other fields
Industry-Academia R&D Projects	National Tsing Hua University, National Chin-Yi University of Technology, Southern Taiwan University of Science and Technology, etc.	Focuses on the development of electric vehicle motors, smart control systems, and high-efficiency drive modules
Long-term Collaboration	National United University	Establishes a four-year cooperative framework to continuously strengthen educational and R&D linkages

■ Highlights of Visits and Interactive Exchanges

To reinforce connections with the academic community and build long-term trust, the Company organized multiple visits and on-site exchanges this year, including:

- Hosting technical and university faculty and students for site visits to introduce production facilities and practical work environments.
- Conducting discussions with faculty to plan smart manufacturing initiatives and collaborative course structures.
- Participating in internship briefings and campus presentations to enhance the Company's employer branding.
- Delivering technical seminars to strengthen industry knowledge transfer and school-enterprise co-development mechanisms.
- Hosting visits and exchanges with organizations such as the Tainan Industry Association, Taiwan Mold & Die Industry Association, Siluo Agricultural Industrial High School, National Kaohsiung University of Science and Technology, National Cheng Kung University, and Providence University to showcase industrial applications and smart manufacturing achievements.
- Receiving letters of appreciation from Providence University and National United University in recognition of the Company's tangible contributions to industry-academia cooperation and talent development.

Through institutionalized collaboration and interaction mechanisms, the Company is gradually establishing a school-enterprise co-learning platform and continuously optimizing talent cultivation channels and the integration of R&D resources.

7.4 Social Welfare Activities

In 2024, the Company's total charitable donations amounted to approximately NT\$390,600, focusing on the following key areas:

■ Education Support

Enhancing teaching equipment and learning environments to support access to education for children in rural and disadvantaged areas.

■ Support for Disadvantaged Groups

Providing living assistance and medical resources to reduce social and urban-rural disparities.

■ Cultural Preservation

Sponsoring local temples/shrines and cultural organizations to promote traditional activities and preserve local heritage.

■ Community Safety

Supporting local police-friend and neighborhood associations to strengthen community security systems.

■ Professional Exchange

Funding engineering and technical societies to encourage technological advancement and industry development.

The Company also strengthens its social engagement through hands-on activities, such as employee blood drives and material donations, further bridging the gap between the enterprise and society (see images below).

Looking ahead, the Company will continue to expand integrated charitable resources, encourage employee participation in volunteer services and local interactions, and foster a corporate social responsibility culture with warmth and impact.



Blood Drive, 5/21/2024



Material Donations to Miaoli Family Support Center 07/29/2024





08

Appendix

Appendix 1: ESG Performance

Appendix 2: GRI Standards Cross-reference Table

Appendix 3: SASB Cross-reference Table

■ Appendix 1: ESG Performance

Category	Sustainability Indicator	Unit	2022	2023	2024
Corporate Governance	“Principle of Integrity” violations by managers or employees	Case(s)	0	0	0
	100% return rate on signed integrity, anti-corruption and intellectual property (IP) agreement.	%	100	100	100
	Employee completion rate for annual ethics and ethical management training	%	100	100	100
Risk Management	Completion rate in annual review of hazard and risk assessments across all departments	%	100	100	100
Customer Satisfaction	Customer Satisfaction Rate $\geq 90\%$	%	91	91	91
	Customer complaints regarding the leakage or unauthorized disclosure of personal data or proprietary order information	Case(s)	0	0	0
Innovative Products and Services	Patents granted in the current year ≥ 2	Case(s)	0	5	10
	R&D expenditure as a percentage of revenue: 4–8%	%	5.52	4.47	5.94
	Certified under ISO 9001/IATF 16949 quality management systems	Certified	Certified	Certified	Certified
	Average yield rate of main products: $>95\%$	%	99.4	99.3	98.78
Regulatory Compliance	Major violations of corporate governance-related laws and regulations	Case(s)	0	0	0
	Violations of customer privacy or information security regulations	Case(s)	0	0	0
	Violations of product or fair trade regulations	Case(s)	0	0	0
	Violations of product labeling or patent regulations.	Case(s)	0	0	0
	Violations of air pollution and environmental protection regulations	Case(s)	0	0	0
	Violations of wastewater discharge compliance regulations	Case(s)	0	0	0
	Violations of waste management and environmental protection regulations	Case(s)	0	0	0
	Violations of labor and occupational safety regulations	Case(s)	2	2	0
Supply Chain Management	Signing rate of raw material suppliers’ social responsibility commitment letter: $>45\%$	%	45.6	49.5	81.5
	Achievement rate of periodic evaluations for raw material suppliers: 100%	%	100	100	100
	Achievement rate of periodic performance evaluations for raw material suppliers: 100%	%	100	100	100
	Implementation rate of social and environmental responsibility surveys among raw material suppliers: $>85\%$	%	87	90	100
	Survey rate of compliance minerals and REACH SVHC prohibited substances $>89\%$	%	90.0	90.1	100
Energy Saving and Carbon Reduction	Electricity savings: $\geq 200,000$ kWh/year	kWh / Year	20.0	20.13	21.14
	Greenhouse gas emission reduction: ≥ 50 tons CO ₂ /year	tCO ₂ /year	90.56	99.67	100.20
	Strengthening climate resilience: production interruption due to post-disaster climate events	Day(s)	0	0	0
Waste Disposal	Waste recycling rate: 70%	%	65.32	70.46	61.38
	Proper waste disposal: 100% handled by licensed contractors	%	100	100	100
Labor-Management Relations	Total turnover rate: $\leq 33.50\%$	%	32.28	33.23	52.76
	Retention rate of new Taiwanese employees (after 3 months): $\geq 70\%$	%	70.8	71.6	80.39
	Execution of regular labor–management meetings: 100%	%	100	100	100
	Pass rate of new employee training: 100%	%	100	100	100
	Average annual training hours of ≥ 20 hours	Hours (h)	20	25	65.7
Human Rights Protection	Completion rate of employee “Code of Professional Ethics” training: 100%	%	100	100	100
	Workplace misconduct/harassment cases: ≤ 0	Case(s)	0	0	0



	Employee grievance/whistleblowing and cases involving penalties/damages: ≤ 1	Case(s)	1	1	1
Occupational Safety and Health	Certified under ISO 45001 Occupational Health and Safety Management System	Certified	Certified	Certified	Certified
	Participation rate of new employees in occupational safety and health training: 100%	%	100	100	100
	Participation rate of health check: ≥ 90%	%	90	91	92
	Hazard identification and risk assessment for operations: 100%	%	100	100	100
	Major occupational accidents: ≤ 1 case/year	Cases / Year	0	1	0
	Occupational diseases caused by chemical exposure: maintained at 0 cases	Cases / Year	0	0	0
	Disabling injury frequency rate (FR): ≤ 3	million hours / year	--	7.7	3.68
	Disabling injury severity rate (SR): ≤ 50	million hours / year	--	104.44	14.73

Statement of Use: FUKUTA ELEC. & MACH. CO, LTD. has reported with reference to the GRI Standards for the reporting period January 1 to December 31, 2024.

Usage of GRI 1: Foundation 2021

Applicable GRI Sector Standards: None

Appendix 2: GRI Standards (2021) and the 2024 ESG Sustainability Report Cross-reference Table

GRI Indicator		Corresponding Section/Chapter in 2024 ESG Report	Page No.	Notes
General Disclosure (2-1~2-30)				
Organization and Reporting Practices	2-1 Organizational details	0.2 About FUKUTA	8	
	2-2 Entities included in the organization's sustainability reporting	<div> <div>Report Overview and Scope</div> <div>Report Overview</div> <div>Scope & Boundaries</div> </div>	4	
	2-3 Reporting period, frequency, and contact point	<div> <div>Reporting Period</div> <div>Reporting Period & Frequency of Publication</div> <div>Contact Information</div> </div>	4 4,5 5	
	2-4 Restatements of information	<div> <div>Scope & Boundaries</div> <div>Principles & Guidelines</div> </div>	4	
	2-5 External assurance	<div> <div>Accuracy of publicly available information</div> <div>External verification</div> </div>	5 5	
Activities and Workers	2-6 Activities, value chain and other business relationships	<div> <div>3.1 Operations & Finances</div> <div>3.4 Customer Communication/Service</div> </div>	41~42 48~51	
	2-7 Employees a. report the total number of employees, and a breakdown of this total by gender and by region b. The report includes the total number of employees in different categories.	<div> <div>6.1 Talent Care</div> <div>Table of the Total Number of Employees and Gender Distribution over the Past Three Years</div> </div>	72~73 72	
	2-8 Workers who are not employees	<div> <div>Disclosure on Workers Who Are Not Employees</div> </div>	73	
	2-9 Governance structure and composition	<div> <div>2 Corporate Governance</div> <div>2.2 Organizational Structure</div> <div>Board of Directors Operations</div> </div>	25 26 26	
Governance	2-10 Nomination and selection of the highest governance body	2.3 Board of Directors	26	Board of Directors elections are conducted through a candidate nomination system.
	2-11 Chair of the highest governance body	<div> <div>Summary of Current Board Members' Educational and Professional Backgrounds, and Concurrent Positions in Other Companies</div> </div>	29	Chair of the Board: Chairman

Governance	2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> ■ Board of Directors Operations ● Audit/Compensation Committee 	26 30,31	
	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development	1.5 ESG Corporate Sustainability Management and Implementation	15	
	b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people	2.5 Ethical Management	32	
		<ul style="list-style-type: none"> ■ Results Over the Past Three Years ■ Whistleblowing Mechanism ■ Code of Ethics ● Conflict of Interest Avoidance 	33 33 34 34	
		2.4 Internal Control & Audit	31	
	2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> ■ ESG Sustainability Committee 	15	The Chair of the ESG Sustainability Committee is appointed by the Chairman of the Board and delegated to the General Manager.
	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people	2.2 Organizational Structure	26	
	b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people	2.7 Risk Management	37	
	2-14 Role of the highest governance body in sustainability reporting	Functions of the Board of Directors	27	In the Company, the Board of Directors serves as the strategic planning unit for ESG, while the [ESG Sustainability Committee] acts as the supervising and executing unit.
	a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information	8. Promotion of Sustainable Operations and Verification Timeline	14~23	
	b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this			
	2-15 Conflicts of Interest	2.5 Ethical Management	32	
	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated	<ul style="list-style-type: none"> ■ Business Philosophy and Ethical Management ■ Results Over the Past Three Years ■ Whistleblowing Mechanism 	32,33 33 33	
	b. report whether conflicts of interest are disclosed to stakeholders			
	2-16 Communication of critical concerns	<ul style="list-style-type: none"> ■ Board of Directors Operations 	26	(6) Provide regular reports to the Board of Directors on the implementation results of corporate sustainability initiatives.
	a. describe whether and how critical concerns are communicated to the highest governance body	1.5 ESG Corporate Sustainability Management and Implementation	15	
	2-17 Collective knowledge of the highest governance	<ul style="list-style-type: none"> ● Summary of Current Board Members' Educational and Professional Backgrounds, and Concurrent Positions in Other Companies 	29	
	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development			
	2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> ■ Board of Directors Operations ■ Board Performance Evaluation 1.5 ESG Corporate Sustainability Management and Implementation ■ ESG Sustainability Committee 	26 27,28 15,16 15	(6) Provide regular reports to the Board of Directors on the implementation results of corporate sustainability initiatives.
	a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people			
	2-19 Remuneration policies	2 Corporate Governance	25	
		<ul style="list-style-type: none"> ■ Directors' Compensation ■ Functional Committees ● Compensation Committee 	26 30 30	
		6.3 Compensation & Benefits	76	
		■ Compensation Policy	76	
	2-20 Process to determine remuneration	2 Corporate Governance	25	
	a. describe the process for designing its remuneration policies and for determining remuneration	<ul style="list-style-type: none"> ■ Directors' Compensation 6.3 Compensation & Benefits ■ Compensation Policy 	26 76 76	



	2-21 Annual total compensation ratio	6.3 Compensation & Benefits ● Annual Salary Statistics for Full-Time Non-Managerial Employees ● Gender Pay Ratio	76 76 76	
Strategy, Policies and Practices	2-22 Statement on sustainable development strategy a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development	1.1 Message from the Chairman: Vision of Sustainability and Global Challenges	13	
	2-23 Policy commitments a. describe its policy commitments for responsible business conduct b. describe its specific policy commitment to respect human rights	2.5 Ethical Management ■ Business Philosophy and Ethical Management 6.1 Talent Care ■ Human Rights Management	32 32,33 72 78,79	Implementation of the UN Global Compact, ILO Core Conventions, and the RBA Code of Conduct.
	2-24 Embedding policy commitments a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships	List of 10 key issues and management	Attachm ent-8	Appendix 2-1
	2-25 Procedures for Remedying Negative Shocks a. The organization identifies the negative impacts it caused or facilitated. b. Describe the methods for identifying and handling appeals.	6.4 Employee Rights/Benefits ■ Human Rights Management ● Anonymous Feedback and Grievance Channels	77 78,79 78	In the past three years, a total of seven feedback cases were received, all of which were resolved within the designated timeframe.
	2-26 Mechanisms for seeking advice and raising concerns	1.6 Stakeholder Identification & Engagement ■ Key Stakeholder Communication, Reporting/Whistleblowing, and Grievance Channels	17 18,19	
	2-27 Compliance with laws and regulations a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period	2.5 Ethical Management ■ Regulatory Compliance	32 34,35	No regulatory violations occurred in 2024.
	2-28 Membership associations	7.2 Diverse Participation	89	
Stakeholder Engagement	2-29 Approach to stakeholder engagement a. describe its approach to engaging with stakeholders	1.6 Stakeholder Identification & Engagement ■ Key Stakeholder Communication, Reporting/Whistleblowing, and Grievance Channels	17 17	
	2-30 Collective bargaining agreements a. report the percentage of total employees covered by collective bargaining agreements	6.4 Employee Rights/Benefits ■ Communication Channel ■ Labor-Management Meeting	77 77 78	No collective bargaining agreements exist; however, labor-management meetings are held.
Material Topics	3 Material Topics – Guidance to determine material topics	1.6 Stakeholder Identification & Engagement	17	
	3-1 Process to determine material topics	■ Material Concerns Identification Process 1.7 Identification & Determination of Material Topics ■ Prioritization of Material Topics ■ Material Topic and Identification	18 19,20 21 21	
	3-2 List of material topics a. list its material topics b. report changes to the list of material topics compared to the previous reporting period	1.7 Identification & Determination of Material Topics ■ Prioritization of Material Topics by Stakeholder Concern and Positive/Negative Impact ■ Response to Material and Secondary Topics	19 19,20 21~23	
	3-3 Management of material topics	List of 10 key issues and management	Attachm ent-8	Appendix 2-1

List of 10 key issues and management and ESG response sections

NO	Article	Key Requirements of GRI Standards	Corresponding ESG Report Section/Chapter	Page No.	Remarks
Occupational Safety and Health	Occupational Health & Safety: Management of Material Topics (GRI 3-3)		Occupational Health & Safety: Policies and Management Approach	80~85	Certification obtained, including documented participation in hazard identification, risk assessment, incident investigation, and internal consultation and communication channels (as shown in the photo).
	403	Occupational Health and Safety	6.5 Occupational Safety and Health	80	
	403-1	Occupational health and safety management system	Implementation of Occupational Health & Safety Management System in accordance with ISO 45001	81	
	403-2	Hazard identification, risk assessment, and incident investigation	6.6 Health Promotion	86	
	403-3	Occupational health services	● Occupational Safety & Health Committee	85	
	403-4	Worker participation, consultation, and communication on occupational health and safety	● Statutorily Certified Occupational Safety and Health Professionals	81	
	403-5	Worker training on occupational health and safety	● Occupational Safety and Health Training	81	
	403-6	Promotion of worker health	6.6 Health Promotion	86	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	● Emergency Response and Drills	83,84	
	403-8	Workers covered by an occupational health and safety management system	● Occupational Safety & Health Committee	85	
II. Customer Relationship Management	Customer Relationship Management: Management of Material Topics (GRI 3-3)		Customer Relationship Management: Policies and Management Approach	48~51	Number of Occupational Health and Safety Certifications
	416	Customer Health and Safety	3.4 Customer Communication/Service	48	
	416-1	Violation of health and safety of products and services	4.3 Ethical Procurement	57	
	416-2	regulatory events	※ No incidents of customer health or safety violations occurred in 2024	51	
	Customer Privacy: Management of Material Topics (GRI 3-3)		Customer Privacy: Policies and Management Approach	51	
	418	Confirmed to have violated customer privacy or resulted in loss	3.5 Customer Privacy Management	51	
III. Risk Management	418-1	Complaints about customer data	※ No incidents of customer privacy breaches occurred in 2024		Occupational Injury Statistics Over the Past Two Years
	Risk Management: Management of Material Topics (GRI 3-3)		Risk Management: Policies and Management Approach	37~39	
			2.7 Risk Management	37	
	2-25	Processes to remediate negative impacts	6.4 Employee Rights/Benefits	77	
			■ Human Rights Management	78	
IV. Innovative Products and Services			● Effectiveness of Feedback Handling	78	Governance, Strategy, Risks, and Metrics & Targets Related to Climate Change
	TCFD	Financial Impacts and Risks of Climate Change	5.1 Environmental Policies & Commitment	61,62	
			5. TCFD Core Framework	59	
			5. 2 Climate Change & Low-Carbon Production	62~64	
V. Operational Performance	Innovative Products and Services: Management of Material Topics (GRI 3-3)		Innovative Products and Services: Policies and Management Approach	45	FUKUTA's Operational Strategy
			3.3 R&D and Innovation	45	
			■ Key R&D Achievements	47,48	
V. Operational Performance	Risk Management: Disclosure of Major Themes 3-3		Operational Performance: Policies and Management Approach	41	Percentage of revenue by product category (based on units produced)
	201	Economic Performance	■ Operational Performance	41	
	201-1	Direct economic value generated and distributed	Operating Performance and Direct Economic Value Generated and Distributed over the Past Three Years	41	



	201-2	Financial implications and other risks and opportunities due to climate change	5 Sustainable Environment 5. TCFD Core Framework 5.2 Climate Change & Low-Carbon Production	59 59 62~64	Governance, Strategy, Risks, and Metrics & Targets Related to Climate Change
	201-3	Defined benefit plan obligations and other retirement plans	6.3 Compensation & Benefits ■ Employee Benefits 6.4 Employee Rights/Benefits ■ Pension Management	76 77 77 79,80	
	201-4	Financial assistance received from government	2.1 Annual Goals & Results ■ Regulatory Compliance	25 25	
	Energy Resource Management, Energy Saving, Carbon Reduction: Management of Material Topics (GRI 3-3)		Energy Resource Management, Energy Saving, Carbon Reduction: Policies and Management Approach	59	
VI. Energy Resource Management, Energy Saving, Carbon Reduction	302	Energy	5.1 Environmental Policies & Commitment	61	
	302-1	Energy consumption within the organization	5.3 Energy Saving, Carbon Reduction, and Energy Management	65	
	302-2	Energy consumption outside of the organization	■ Energy Saving/Carbon Reduction	65	
	302-5	Reductions in energy requirements of products and services	■ Energy Management	67	
			■ Renewable Energy	67	
	305	Emissions: Management of Material Topics (GRI 3-3)	5.3 Energy Saving, Carbon Reduction, and Energy Management	65	
	305-1 305-2	Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions	● Electricity Consumption and Official Vehicle Fuel GHG Emissions 5.4 Environmental Management Policy	66,67 67	
VII. Corporate Governance and Taxation	Corporate Governance and Taxation: Management of Material Topics (GRI 3-3)		Corporate Governance and Taxation: Policies and Management Approach		Taxation Management Approach
	2-9	Governance structure and composition	2 Corporate Governance 2.2 Organizational Structure 2.3 Board of Directors ● Summary of Current Board Members' Educational and Professional Backgrounds, and Concurrent Positions in Other Companies	25 26 26 29	
	2-12	Role of the highest governance body in overseeing the management of impacts	Functions of the Board of Directors ● Audit Committee ■ ESG Sustainability Committee 2.5 Ethical Management ■ Results Over the Past Three Years ■ Whistleblowing Mechanism ■ Code of Ethics ■ Conflict of Interest Avoidance 2.4 Internal Control & Audit	23 31 15 32 33 33 34 34 31	
	2-15	Conflicts of interest a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated b. report whether conflicts of interest are disclosed to stakeholders	2.5 Ethical Management ■ Business Philosophy and Ethical Management ■ Results Over the Past Three Years ■ Whistleblowing Mechanism	45 45 47 47	
	201-4	Financial assistance received from government	2.4.2 Taxation Management Approach 2 Corporate Governance	52	
VIII. Supply Chain Sustainable Management	Supply Chain Sustainable Management: Management of Material Topics (GRI 3-3)		Supply Chain Sustainable Management: Policies and Management Approach	54	
	308	Supplier Environmental Assessment (GRI 3-3)	4.1 Policies & Goals of Supply Chain	54	
	308-1	New suppliers that were screened using environmental criteria	■ Supplier Assessment	54	
	414	Supplier Social Assessment (GRI 3-3)	4.1 Policies & Goals of Supply Chain	54	
	414-1	New suppliers that were screened using social criteria	■ Supplier Assessment	54	
	414-2	Negative social impacts in the supply chain and actions taken	4.2 Green Supply Chain ■ Social Responsibility	55 56	
	204-1	Proportion of spending on local suppliers			

IX. Human Rights Protection and Inclusivity	Human Rights Protection and Inclusivity: Management of Material Topics (GRI 3-3)		Human Rights Protection and Inclusivity: Policies and Management Approach	
	406	Non-discrimination	6.4 Employee Rights/Benefits	77
	406-1	Incidents of discrimination and corrective actions taken	■ Human Rights Management	78,79
	408	Child Labor	6 Friendly Workplace	72
			6.4 Employee Rights/Benefits	77
			■ Human Rights Management	78,79
			● Management policies and systems to prohibit child labor and forced labor	78
	408-1	Operations and suppliers at significant risk for incidents of child labor		
	409	Forced or Compulsory Labor: Management of Material Topics (GRI 3-3)	6.4 Employee Rights/Benefits	77
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	■ Communication Channel ● Implementation Results and Audit Effectiveness Over the Past Three Years	77 79
X. Regulatory Compliance	3-3	Management of Material Topics	2.5 Ethical Management	25
	2-27	Compliance with laws and regulations	■ Regulatory Compliance	34

Appendix 3: SASB Reference Table SASB Index

Electrical and Electronic Equipment Industry: Sustainable Development Topics and Accounting Metrics with ESG Sections Cross-Referenced

Theme	Code	Accounting Metric	Type	Measurement Unit	ESG Section/Page
Energy Management	RT-EE-130a.1	Total Energy Consumption	Data	(GJ)	5.3 Energy Saving, Carbon Reduction & Energy Management 89 ■ Energy Management 91
		Percentage of Grid Electricity	Data	Percentage (%)	Undisclosed
		Percentage of Renewable Energy	Data	Percentage (%)	5.3 Energy Saving, Carbon Reduction, & Energy Management 89 ■ Renewable Energy 92
Hazardous Waste Management	RT-EE-150a.1	Hazardous Waste Generated	Quantitative	ton	5.3 Energy Saving, Carbon Reduction & Energy Management 89 ■ Waste Management 95
		Hazardous Waste Recycling Rate	Quantitative	Percentage (%)	※FUKUTA reports no hazardous waste generated
	RT-EE-150a.2	Reportable Spills Count	Quantitative	ton / %	N/A
		Reportable Spills Volume	Quantitative	Data / Kg	N/A
		Reportable Recovery Volume	Quantitative	Data / Kg	N/A
Product Safety	RT-EE-250a.1	Product Recalls Count	Quantitative	Count	3.2 Product Quality 58
		Number of Recalled Products	Quantitative	Count	
	RT-EE-250a.2	Financial Losses Due to Product Safety Lawsuits	Quantitative	Instances / Amount	No financial losses reported
Product Lifecycle Management	RT-EE-410a.1	Revenue from Products Containing Declarable Substances per IEC 62474	Quantitative	Percentage (%)	N/A
	RT-EE-410a.2	Revenue from Energy Star Certified Products	Quantitative	Percentage (%)	N/A
	RT-EE-410a.3	Revenue from Renewable Energy or Energy Efficiency Products	Quantitative	Amount	N/A



Materials Procurement	RT-EE-440a.1	Discussion of Risk Management Mechanisms Related to Critical Materials	Discussion / Analysis	Not Applicable	4.1 Policies & Goals of Supply Chain ■ Supplier Assessment 74 4.3 Ethical Procurement 78
Business Ethics	RT-EE-510a.1	Discussion of Anti-Corruption or Anti-Bribery Policies and Actions	Discussion / Analysis	Not Applicable	2.5 Ethical Management 45 ■ Whistleblowing Mechanisms 47 ■ Code of Ethics 47
		Financial Losses from Anti-Competitive Behavior Lawsuits	Discussion / Analysis	Not Applicable	
	RT-EE-510a.2	Financial Losses from Bribery or Corruption Lawsuits	Quantitative	Amount	2.5 Ethical Management 45 ■ Regulatory Compliance 35, 48
	RT-EE-510a.3	Financial Losses from Anti-Competitive Behavior Lawsuits	Quantitative	Amount	
Activity Metrics					
RT-EE-000.A	Units Produced by Product Category		Quantitative	Count	3.1 Operations & Finances 57 ■ Revenue Contribution by Major Product Lines Over the Past Three Years 61
RT-EE-000.B	Number of Employees		Quantitative	Count	6.1 Talent Care 98 ■ Table of the Total Number of Employees and Gender Distribution Over the Past Three Years 98

FUKUTA

FUKUTA ELEC. & MACH. CO, LTD.

Headquarters/ Tongluo Science Park Plant

No 6, Tongke 6th Rd., Tongluo Township,
Miaoli County, Taiwan (R.O.C.)
Tel : +886-37-980799
Fax : +886-37-980709

Fenggong Plant / Central Business Office

No 18, Fenggong S. Rd., Shengang Dist.,
Taichung City, Taiwan (R.O.C.)
Tel : +886-4-2515-9568
Fax : +886-4-2515-9538

Fengzhou Plant

No 2-1, Ln. 301, Fengzhou Rd., Shengang
Dist., Taichung City 429, Taiwan (R.O.C.)
Tel : +886-4-2528-8833
Fax : +886-4-2528-3979

Northern Business Office

2F., No. 29, Huaya 2nd Rd., Guishan
Dist., Taoyuan City 333411, Taiwan
(R.O.C.)
Tel : +886-3-3272-909
Fax : +886-3-3275-158

Southern Business Office

1F., No. 1, Ln. 201, Guangming St., East
Dist., Tainan City 701014, Taiwan (R.O.C.)
Tel : +886-6-2098-236
Fax : +886-6-2085-402

日本営業窓口株式会社 YTK

〒 556-0011 大阪府大阪市浪速区難波中
2-10-70 なんばパークスタワー19 階
Tel : +81-06-7662-8687
Fax : +81-06-6777-7941