HIWIN®

ESG REPORT 2024

HIWIN TECHNOLOGIES CORP.
HIWIN ESG REPORT 2024

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Cover Design Concept

Imprinting “Sustainability” on the Heart

By using the shape of a heart,
with sustainability as its pulse,
connecting people, products, services, and nature.

The rhythm of the “heartbeat” is driven by four forces:

- **Caring for employees**
- **Shareholder interests**
- **Long-term development**
- **Social responsibility**

This design integrates the HIWIN’s architecture, nature, and technological energy, expressing our aspiration for sustainability to become the daily rhythm and guiding principle of our actions.

01

Foreword

1.1 Chairman's Statement

The COVID-19 pandemic taught HIWIN the importance of maintaining resilient operations in the face of risks and disruptions. However, the challenges followed in 2024 have been unabated. Ongoing international conflicts, escalating the Red Sea crisis, and increasing pressures from carbon fees and tariffs have compelled us to take proactive plans and make thorough preparations to confront unprecedented challenges.

In 2024, HIWIN reported a consolidated net revenue of NT$24.392 billion and net income after tax of NT$1.863 billion. Operating as a business that delivers positive impact to society has always been HIWIN's core mission. We invite all stakeholders and partners who care about HIWIN to join hands with us in advancing sustainability and building a more resilient core competency for the company. HIWIN fulfills its sustainability vision through four defined sustainability roles, as outlined below:

(1) An Innovator of Industrial Transformation

Innovation is deeply embedded in HIWIN's DNA. In 2024, the High-Speed Electrical Discharge Milling Head RCH-100E was awarded the Silver Award at the Taiwan Excellence Awards. Additionally, through the ecological education film "We Love Living Here," HIWIN changes the traditional mindset of the manufacturing industry by promoting a harmonious coexistence between factories and the natural environment, carrying out the concepts of ecological conservation and environmental sustainability. HIWIN upholds a management philosophy that balances the critical technology R&D with environmental sustainability. We not only breathe new life into critical components, but also aspire to inject renewed energy into the precision machinery industry, continously driving the advancement of high-end manufacturing.

(2) A Practitioner of Green Manufacturing

In 2023, HIWIN committed to the Science Based Targets initiative (SBTi), and after nearly two years of dedicated efforts, we successfully passed SBTi target validation in November 2024. Furthermore, HIWIN was selected as a constituent of the 2024 Dow Jones Sustainability Emerging Markets Index (DJSI EM). As part of its commitment to carbon reduction and environmental stewardship, HIWIN was recognized as one of the Top 100 Carbon Competitiveness Enterprises for both 2023 and 2024. In 2024, we achieved a 26.2% reduction in Scope 1 and Scope 2 greenhouse gas emissions compared to the 2021 base year, and completed carbon footprint verifications for two selected products. Looking ahead, we aim to collaborate with our supply chain partners to advance toward the net-zero target, demonstrating HIWIN's unwavering commitment to carbon reduction.

(3) A Builder of Diversity in the Workplace

Global operations must be rooted in local culture and guided by strong cultural intelligence. To support local economies and gain a deeper understanding of regional needs, HIWIN's overseas subsidiaries primarily employ local personnel, reflecting our commitment to integrating global resources with local perspectives. In Taiwan, HIWIN is dedicated to creating a supportive and inclusive workplace. The Company hires foreign employees across various roles, provides designated parking spaces for pregnant employees, and offers both nursing rooms and an Employee Assistance Program (EAP) to provide timely support to employees, especially women, in need. As of the end of 2024, women held 14.6% of managerial positions and 12.3% of STEM roles. The key talent retention rate rose to 96.5%. Over the past five years, HIWIN has continued to make steady progress and strives to leverage organizational diversity to achieve even greater success.

(4) An Achiever of Common Good in Society

Cultivating a robust talent pipeline has always been one of the key indicators for advancing core technologies and maintaining resilient operations. HIWIN begins at the grassroots level by investing in early education—supporting elementary schools through initiatives such as Elementary school library construction, book donation, English course, and STEAM education demonstration. The Company also continues to sponsor HIWIN Doctoral Dissertation Award and HIWIN Thesis Award. Through industry-academia collaboration with multiple universities, HIWIN is committed to cultivating talent in critical fields such as smart manufacturing, artificial intelligence, and sustainable energy technologies, thereby fostering industrial development and economic prosperity.

HIWIN Chairman & CEO

Eddie Chuo

June 28, 2025

1.2 Honors and Awards (2024)

Member of Dow Jones Sustainability Indices DJSI Emerging Markets

Member of DJSI Emerging Markets Index

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Passed SBTi (Science Based Targets initiative) Verification

Ranked in the top 5% in the 10th Corporate Governance Evaluation of Listed Companies by the TWSE

Obtained the CommonWealth Magazine 1.5°C Label Certificate

Recognized by Business Weekly as one of the 2024 Top 100 Carbon Competitiveness Enterprises

"We Love Living Here" won the Special Award for Ecological Conservation at the 8th PwC Sustainability Impact Awards 2024

High-Speed EDM Milling Head RCH-100E won the 33rd Taiwan Excellence Silver Award

Intelligent 4.0 Ballscrew i4.0BS® awarded the "Machine Tool Industry Energy Saving Gold Label" by TMBA

Intelligent 4.0 Guideway i4.0GW® won the Outstanding Award in the Innovative Application R&D Category at the 4th Robotic System Integration Awards (ARSI)

Taiwan Corporate Sustainability Awards

- Premier Sustainability Performance Award
  Taiwan's Top 100 Sustainable Companies Award
- Corporate Sustainability Reporting Awards
  Platinum
- Outstanding Performance in Sustainable Practices
  Talent Development Leadership Award
  Workplace Wellbeing Leadership Award

Ranked 24th in the 2024 Excellence in Corporate Social Responsibility Large Manufacturing Group

Awarded the 2024 CommonWealth Talent Sustainability Top 100 Large Manufacturing Group

Received 6th CommonHealth Magazine CHR Corporate Health Responsibility Award

Recognized by the Ministry of Interior in 2024 Outstanding Employer for R&D Substitute Military Services

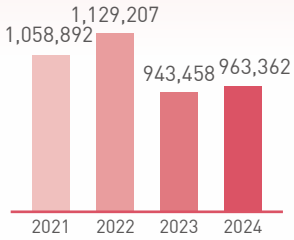
Recognized by the Ministry of Environment in 2024 as an Outstanding Unit for Green Procurement and Green Consumption Promotion

1.3 Achievements in Sustainability

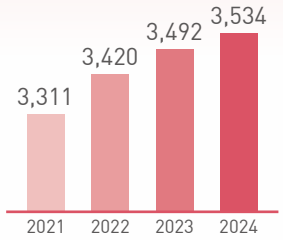
~The largest manufacturer of precision mechanical key components in Taiwan~
~The world-leading brand in motion control and system technology~

An Innovator of Industrial Transformation

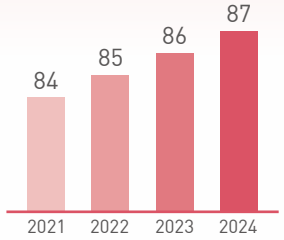
R&D expenditure



Global patent applications

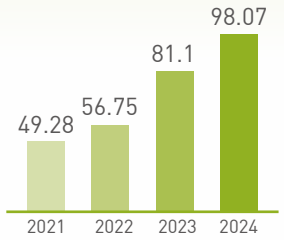


Customer satisfaction

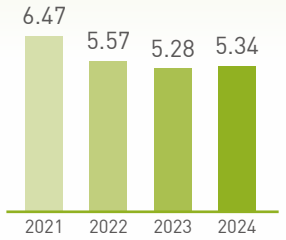


A Practitioner of Green Manufacturing

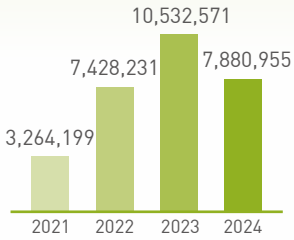
Water reclaimed volume



GHG emissions intensity Scope 1+2

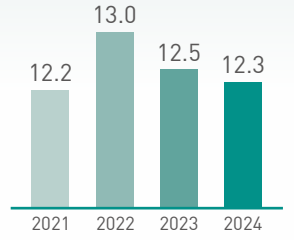


Energy saving project effectiveness

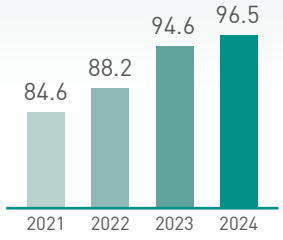


A Builder of Diversity in the Workplace

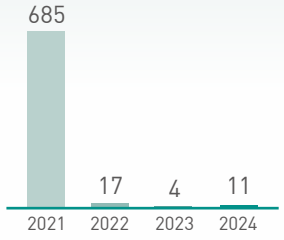
Share of female in STEM-related positions



Key talent retention

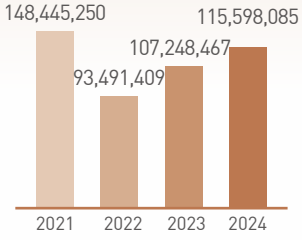


Disabling injury severity rate

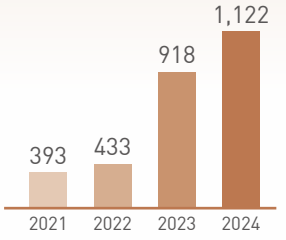


An Achiever of Common Good in Society

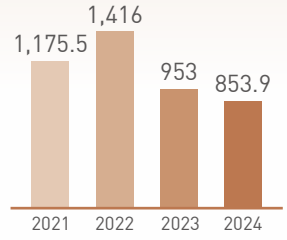
Amount of social engagement investment



Academic visits



Participation in volunteer activities



1.4 ESG Feature Stories

An Innovator of Industrial Transformation: High-Speed EDM Milling Head RCH-100E Wins Silver Award at the 33rd Taiwan Excellence Award

HIWIN continues to lead market development in precision machinery, intelligent automation, and green energy through its outstanding technology and forward-thinking design. By delivering breakthrough solutions and integrating innovative technologies, HIWIN creates greater value for customers worldwide.

HIWIN pioneered the High-Speed EDM Milling Head RCH-100E, the first of its kind in Taiwan, specifically designed for advanced electrical discharge machining (EDM). This high-speed direct-drive rotary table was honored with the Silver Award at the 33rd Taiwan Excellence Award. Its high-speed rotation technology transforms traditional EDM into "discharge milling," increasing machining efficiency by five times and enhancing precision to 2 microns.

This innovation provides exceptional solutions for industries such as aerospace, semiconductors, and medical devices, which demand high precision and hardness in component manufacturing, thereby enhancing productivity and product quality. The RCH-100E adopts a special alloy material that reduces weight by 30% while maintaining rigidity, effectively lowering energy consumption during machine operation and adding new energy-saving value to EDM equipment.

President Enid H.C. Tsai posing with R&D team

Moreover, the discharge milling technology helps to cut production costs by significantly reducing the copper electrode consumption by up to 70%. The RCH-100E addresses key challenges in productivity and quality for EDM manufacturers, establishing new industrial value through sustainable design.

A Practitioner of Green Manufacturing: HIWIN Passes SBTi Target Validation: Advancing Toward a Net-Zero Future

As a leader in the global precision machinery industry, HIWIN has always been committed to innovation and quality. Amid intensifying global climate challenges, we are not only focused on technological breakthroughs, but are also actively exploring how to integrate innovation throughout the value chain to promote environmental sustainability.

In 2024, HIWIN's greenhouse gas (GHG) emissions reduction targets were officially validated by the Science Based Targets initiative (SBTi), confirming that our targets and reduction pathways align with the 1.5°C goal of the Paris Agreement.

Our base year for Scope 1 and Scope 2 emissions is 2021. We have set a near-term target of a 42% absolute reduction by 2030 and a long-term target of a 90% absolute reduction by 2050. For Scope 3 emissions, the base year is 2022. The main sources include purchased goods and services, fuel- and energy-related activities, use of sold products, and upstream transportation and distribution, which together account for approximately 90% of total Scope 3 emissions. The near-term target is a 25% absolute reduction by 2030, and the long-term target is a 90% absolute reduction by 2050.

To achieve these targets, HIWIN will strengthen R&D investments in low-carbon products, implementing carbon reduction initiatives across the entire product life cycle—from raw material sourcing, transportation, and manufacturing to product usage.

At HIWIN, the SBTi validation is only the beginning. "Carbon reduction is not merely the responsibility of a single department, but an integral part of our corporate culture." Every employee is considered a key contributor to the net-zero transition. We have established incentive mechanisms to encourage employees to drive creative carbon reduction initiatives. At the same time, we continue to collaborate with value chain partners to minimize the environmental impact of our operations and collectively advance toward achieving net-zero emissions by 2050.

HIWIN obtained SBTi target validation

A Practitioner of Green Manufacturing: HIWIN Obtains Third-Party Carbon Footprint Certifications for Ballscrews and Linear Guideways

HIWIN has consistently pursued innovation and stable product quality in the research, development, and manufacturing of its products. The Company actively adopts international standards and drives initiatives in environmental protection, energy efficiency, and corporate social responsibility. Recognizing that long-term business growth depends on a strong commitment to environmental stewardship, HIWIN regards environmental sustainability as one of its core values and is committed to delivering more sustainable products and solutions.

In 2024, HIWIN received ISO 14067:2018 carbon footprint certificates for its Ballscrew R40 and Linear Guideway HG25, issued by TÜV Rheinland. Through carbon footprint analysis, businesses can comprehensively assess greenhouse gas emissions, energy consumption, and resource efficiency across the product life cycle. By identifying emission hotspots, HIWIN can implement targeted improvements to enhance its carbon reduction performance and optimize product design—ultimately creating environmentally friendly, low-carbon products that achieve a win-win for technological innovation and environmental responsibility.

With carbon reduction as a core objective, HIWIN is proactively advancing energy-saving and emission-reduction measures throughout its operations. This includes the selection of low-carbon raw materials, the adoption of energy-efficient equipment, and enhancements to logistics processes—all aimed at maximizing carbon reduction at every stage of the value chain. In addition, HIWIN is strengthening collaboration with supply chain partners to enhance transparency and collectively reduce upstream and downstream emissions. Through these efforts, the Company is advancing cleaner and more resilient sustainable solutions that help reduce environmental burdens while providing competitive products and services to customers.

Ballscrew R40 obtained TÜV Rheinland ISO 14067:2018 Certification

Linear Guideway HG25 obtained TÜV Rheinland ISO 14067:2018 Certification

An Achiever of Common Good in Society: Empowered by HIWIN Industrial Robots, National Chia-Yi Industrial Vocational High School Wins Championship

In the 113th Academic Year National High School Skills Competition, the 29th category, "industrial robots technology," attracted participation from 35 schools nationwide. This year, National Chia-Yi Industrial Vocational High School utilized HIWIN Industrial robots in the competition and proudly secured the championship with the prestigious Gold Hand Award, demonstrating that Taiwan-developed HIWIN Industrial robots can excel at the highest level.

The collaboration between HIWIN and National Chia-Yi Industrial Vocational High School began in the 112th academic year, when the school hosted the National High School Skills Competition. Since the "Industrial Robots Technology" category aligns with the trends of Industry 4.0, automation, and smart manufacturing, Dean Ching Min Cheng, the overall convener, strongly promoted the initiative. The Taiwan Automation Intelligence and Robotics Association (TAIROA) supported the effort by producing promotional materials and providing academic exam questions. HIWIN committed to supplying Industrial Robots over a five-year period. Principal Jui Chou Chen, Internship Director Chien Chao Huang, and Electrical Engineering Department Director Min Hsiung Chen took on the responsibility of organizing the event. With the joint efforts of all parties involved, the inaugural "Industrial Robots Technology" competition was a resounding success.

Since 2011, HIWIN has been dedicated to the research and development of Industrial robots, with commercial sales beginning in 2014—nearly 40 years after Japan's FANUC entered the market. As a result, competitors in both national and international skills competitions have favored FANUC industrial robots. In the 2024 academic year, National Chia-Yi Industrial Vocational High School made the bold decision to compete using a HIWIN Industrial robots and secured first place. This victory served as a tremendous boost to HIWIN's R&D team and to the Taiwanese public, demonstrating that Taiwan's domestically developed Industrial robots have achieved international standards in electrical control, software, and mechanical design. There is great hope that the HIWIN team will continue advancing their technologies and take a leading role in the future of high-end manufacturing.

Chairman & CEO Eddie Chuo received a certificate of appreciation at National High School Skills Competition

02

Sustainable Management

HIWIN is dedicated to achieving sustainable development while prioritizing the well-being of its employees and investors.

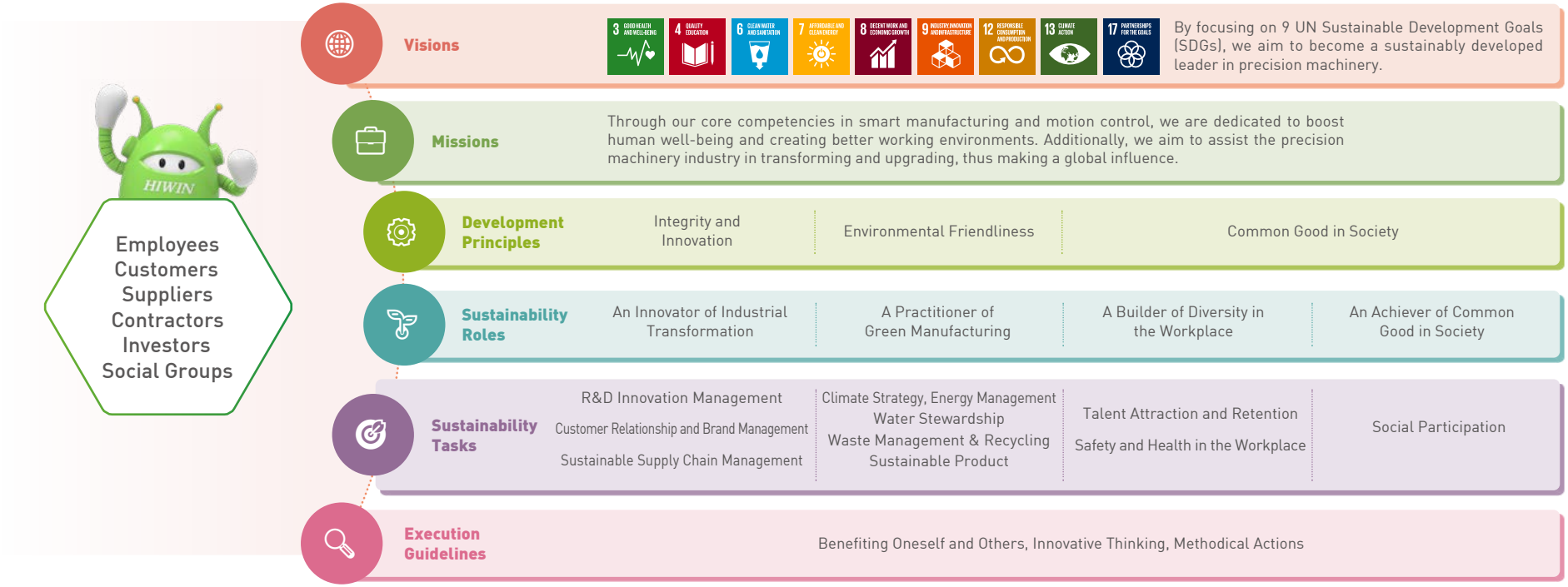
2.1 Vision in Sustainability & Strategies

Vision in Sustainability & Goals

HIWIN's ESG vision was jointly drafted by the team led by Chairman & CEO Eddie Chuo and President Enid H.C. Tsai, with a focus on nine UN Sustainable Development Goals (SDGs). Leveraging our core strength in smart manufacturing and motion control, HIWIN is committed to enhancing human well-being and cultivating better work environments. Our goal is to become a leading sustainable enterprise in the precision machinery industry, driven by innovative thinking and actions that promote positive interactions between the economy, society, and the environment. We strive to contribute to the transformation and advancement of the precision machinery industry, making a global influence.

At HIWIN, from top-level executives to all employees,everyone needs to value and understand their role in promoting sustainability in the organization. These roles include being "an innovator of industrial transformation," "a practitioner of green manufacturing," "a builder of diversity in the workplace," and "an achiever of common good in society." We firmly believe that by fulfilling these sustainability roles, we can achieve our vision by adhering to the three principles of "Integrity and Innovation, Environmental Friendliness," and "Common Good in Society."

To promote sustainable development, HIWIN has established 10 sustainable tasks that addresses the material topics concerning our stakeholders. We encourage all employees to approach these tasks with a mindset of "benefiting oneself and others," embracing "innovative thinking" and "methodical action in order" to gradually accomplish these tasks and contribute to the realization of our company's sustainable vision.



2.2 ESG Committee

To fulfill our ESG vision and mission, HIWIN has established the "ESG Committee," comprised of senior executives from various departments. This committee is responsible for developing sustainable policies in the areas of economics, environment, and society, as well as planning and implementing relevant projects.

The ESG Committee is led by Global Chairman Eric Y.T. Chuo (Ph.D.) and Chairman & CEO Eddie Chuo, providing top-level guidance. President Enid H.C. Tsai serves as the Committee Chairperson. In addition, there are two Vice Chairpersons, seven Advisory Committee members, two Executive Secretaries, and eleven functional organizations within the ESG Committee. The ESG Committee formulates short, medium, and long-term goals, strategies, and action plans based on material topics related to Environmental, Social, and Governance (ESG) aspects. Monthly meetings are held to monitor the progress and outcomes of each task, providing advisory guidance as needed.

Corresponding chapters of the organization of the ESG committee

	No.	Functional Organization	Corresponding Report Chapters	Corresponding Roles
E	1	Sustainable Environment	Climate Strategy & Energy Management, Water Stewardship, Waste Management & Reuse, Air Pollution Prevention, Biodiversity, Sustainable Products	A Practitioner of Green Manufacturing
S	2	Human Resources	Employee Diversity and Inclusion, Talent Attraction and Retention, Talent Capital Development	A Builder of Diversity in the Workplace
S	3	Safety and Health in the Workplace	Safety and Health in the Workplace	
S	4	Creative Collaboration & Corporate Citizenship Impact	Social Impacts, Talent Development, Industry-academia Cooperation, Community Care, A Driving Force in Industrial Development,Creative Collaboration	An Achiever of Common Good in Society
S	5	Human Rights Management	Human Rights	
G	6	Sustainable Innovation Management	R&D Innovation Management, Smart Manufacturing	An Innovator of Industrial Transformation
G	7	Customer Relationship Management	Customer Relations and Brand Management	
G	8	Sustainable Supply Chain Management	Sustainable Supply Chain Management	
G	9	Corporate Governance	Corporate Governance, Business Performance, Brand Values	
G	10	Information Security	Information Security	
G	11	Risk Management	Risk Management	

2.3 UN Sustainable Development Goals

In 2022, HIWIN's President led senior executives to encourage department heads and colleagues to refer to the spirit and practices of the UN SDG Compass. Through collaborative brainstorming sessions, we have followed a structured process consisting of five key steps: "Understanding SDGs," "Defining Priorities," "Setting Objectives," "Integration," and "Disclosure and Communication." These steps have enabled us to identify the SDGs that are most relevant and impactful to HIWIN's operations. After a year of effort, all HIWIN employees have gradually implemented the UN Sustainable Development Goals (SDGs) in their operations, resonating with the essence of operations, and enhancing corporate sustainability and employee awareness levels.

HIWIN has identified nine primary Sustainable Development Goals (SDGs) and established long-term objectives for 2030 based on ten material topics and four sustainability roles. With SDG 17 (Partnerships for the Goals) as a fundamental principle, we actively collaborate with internal and external stakeholders, including business partners throughout the value chain who share our commitment to HIWIN. Together, we implement sustainable initiatives such as promoting the transformation of innovative industries, practicing low carbon manufacturing, create open workplaces, connect society values and other sustainable tasks. These endeavors are deeply rooted in our corporate mission, as we endeavor to improve the well-being of humanity and create a healthier working environment.

① Understanding SDGs and Define Priorities

HIWIN actively engages in and supports initiatives related to the SDGs. In 2023, we continued to deepen our focus on the following eight material topics that are highly related to our value chain and operational core, strengthening the link between our operations and public welfare. Simultaneously, as we pursue each sustainable development goal, we also embrace SDG 17 (Partnerships for the Goals), collaborating with stakeholders to collectively address global sustainable development.

② Setting Objectives and Integration

HIWIN aligns our industry characteristics with the content of each SDG and addresses the challenges in sustainable development, integrating the company's material topics while collaborating with stakeholders, spanning across the supply chain, manufacturing processes, and product value chain stages. This allows us to establish HIWIN's action plans and longterm objectives. By translating the alignment with SDGs into tangible sustainable tasks, we continuously enhance employee awareness and engagement towards SDGs, strengthening the company's internal implementation capabilities and ensuring the realization of sustainable development goals.

③ Disclosure and Communication

In accordance with the disclosure and communication principle of the SDGs Compass, we identify and connect priority SDGs based on material topics. Moving forward, we will annually review and adjust the priority of sustainable development goals, and provide explanations of our management performance and goal achievements for the identified sustainable actions related to the SDGs. We actively disclose and communicate our progress to stakeholders to foster interaction and build trust.

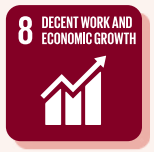
International indicators focused by HIWIN

Sustainability Roles	Material Topics	Value Chain			Corresponding SDGs									GRI Specific Standards	SASB Index	ESG Report Chapters
		Procure-ment	Manufac-ture	Customer	SDG3	SDG4	SDG6	SDG7	SDG8	SDG9	SDG12	SDG13	SDG17			
G An Innovator of Industrial Transformation	R&D Innovation Management		✓		✓					✓			✓	Innovative R&D	RT-IG-440b.1	4.1 R&D Innovation Management
	Customer Relationship and Brand Management		✓	✓					✓	✓			✓	Customer Privacy (418), Customer Health & Safety (416)		4.4 Customer Relationship and Brand Management
	Sustainable Supply Chain Management	✓							✓		✓	✓	✓	Supplier Environmental Assessment (308), Supplier Social Assessment (414)	RT-IG-440a.1	4.5 Sustainable Supply Chain Management
E A Practitioner of Green Manufacturing	Climate Strategy	✓	✓	✓				✓				✓	✓	Emissions (305), Economic Performance (201)		5.1 Climate Strategy & Energy Management
	Energy Management	✓	✓	✓				✓				✓	✓	Energy (302)	RT-IG-130a.1	5.1 Climate Strategy & Energy Management
	Water Stewardship		✓				✓				✓		✓	Water and Effluents (303)		5.2 Water Stewardship
	Waste Management & Reuse		✓								✓		✓	Waste (306)		5.3 Waste Management & Recycling
	Sustainable Products	✓	✓	✓				✓		✓	✓		✓	Customer Health & Safety (416), Energy (302)		4.3 Sustainable Products
S A Builder of Diversity in the Workplace	Talent Attraction and Retention		✓						✓				✓	Employment (401), Market Presence (202), Training and Education (404)		6.1 Employee Diversity and Inclusion 6.2 Talent Attraction and Retention 6.3 Talent Capital Development
	Safety and Health in the Workplace	✓	✓		✓				✓				✓	Occupational Safety & Health (403)	RT-IG-320a.1	6.4 Safety and Health in the Workplace

Actions of HIWIN responds to the UN SDGs

SDGs	Action Plans	Long Term Goal (2030)
	① Development of Intelligent Rehabilitation Robots: Enhancing the efficiency of rehabilitation treatment and improving the medical working environment, contributing to a better society where everyone—regardless of economic status—can access precise medical care. ② Promotion of Upright Posture Exercise for Health Enhancement: HIWIN collaborates with domestic and international hospitals through client visits and educational workshops to encourage patients, elderly in long-term care institutions, and subhealth people to engage in more standing posture exercises to maintain health and prevent disability. ③ Promoting health management: HIWIN is dedicated the care and promotion of colleagues' physical and mental health, building a healthy workplace through the four major areas: special protection, health care, health promotion, and employee assistance.	① > 720,000 individuals for medical services annually ② Health promotion events held annually > 60 sessions ③ Reduce the proportion of colleagues with metabolic syndrome 50% (base year 2021)
	① HIWIN Thesis Award, HIWIN Doctoral Dissertation Award: Combining academia and industry, upgrading R&D, and increasing product added value and industrial core competitiveness. These awards are highly regarded and have been praised by the mechanical industry and academia, being hailed as the "Nobel Prize" of the mechanical industry. ② STEAM Education Model Base Project: HIWIN Education Foundation set up a STEAM classroom in the Chuo Yong-Tong Memorial Library in Liu-Jia Elementary School, Hsinchu. The foundation sought out teaching materials suitable for different grades and commissioned professional agencies to conduct STEAM teacher training. The project enables all students in the school to immerse themselves in an abundance of imagination and creativity through STEAM education. ③ Improving Local Basic Education: In townships where visits and surveys were conducted, HIWIN assisted primary schools in upgrading equipment, book collections, and reading environments or sponsored English courses. Additionally, HIWIN has granted free authorization to elementary schools and kindergartens across Taiwan to show the Ecological Education Film -"We Love Living Here," sharing the concept of environmental sustainability through HIWIN's examples of ecological coexistence. ④ Education and Training: We foster an environment conducive to learning, providing employees with opportunities for classroom training, digital learning, on-the-job training, overseas training, study groups, lectures, exhibition visits, degree programs, job rotation, and project assignments to ensure proper development. ⑤ Employee Course Participation: Our course planning is closely linked to organizational development strategies and employee capability building. By systematically integrating courses with work and projects, we help employees effectively solve work-related problems and enhance performance. Employees who complete training programs or excel in competitions may receive additional learning rewards. ⑥ Corporate Succession Training: For over a decade, we have been deeply committed to nurturing talent in the precision machinery field through industry-academia cooperation. Each year, through diverse industry-academia cooperation programs, we arrange for managers, mentors, and HR professionals to jointly guide industry-academia students, providing long-term training in professional skills and personal development. Many former industry-academia students have grown from young seedlings into the backbone of the company, taking on key positions in various departments.	① Invest at least 2% of the annual profits towards social welfare each year ② Employee learning satisfaction 4.6 ③ Employee training participation rate 90.5% ④ Growth rate of new generation talent 37% (base year 2021)
	① Reduce Water Risk: To ensure sustainable production, we implement various measures such as increasing reclaimed water rates and installing smart water meters to achieve water balance. ② Increase the Use of Recycled Water: Received verification for ISO 14046:2014 water footprint, in which we reviewed the reasonable water usage from manufacturing processes and uncovered opportunities for water recycling to reduce the amount of tap water needed. We obtained ISO 46001:2019 water efficiency management systems certification in 2024, rolling out more effective and comprehensive water conservation and management measures.	① Water reclamation ratio 21% (base year: 2021) ② Water intensity reduced to 14.76 t / NT$ million
	① Energy Efficient Manufacturing Reduction: Optimize the energy management system and smart monitoring system. Enhance energy performance through continuous improvement, accelerate the replacement of old energy-consuming equipment, and adopt more efficient production equipment. ② Renewable Energy: From 2023 to 2030, HIWIN prioritizes the installation of on-site solar photovoltaic systems on its self-owned buildings in Taichung, Yunlin, and Chiayi for self-consumption. In alignment with the phased approach toward net-zero emissions by 2050, the Company will gradually introduce the procurement of green electricity. Starting in 2024, solar power is being supplied to HIWIN's central and southern facilities through participation in the "Chiayi County Green Power Bank Project" and Taipower's "Small-Scale Green Power Sales Program." The Company continues to expand and optimize its deployment of various types of renewable energy.	① Installed solar power generation capacity totaled 10,000 kW (2024 actual performance of 2,935 kW) ② Annual energy-saving projects achieved a power-saving rate of 2%

Note: For actual results in 2024, please refer to Appendix II.

SDGs	Action Plans	Long Term Goal (2030)
	① Talent Attraction and Retention: HIWIN fosters a workplace culture that is diverse, inclusive, respectful, and supportive of employees' self-development. Through comprehensive employee welfare policies, the Company strives to create a secure and dedicated working environment. ② Promoting Industrial Sustainability: We research the development of targeted technologies and reference relevant patents related to process enhancement and automation to improve the efficiency and productivity of our own manufacturing operations. ③ Promoting a Safe Working Environment and Culture: We establish an annual safety and health education training plan to enhance employees' knowledge in safety and health. We actively encourage all employees to participate in identifying and improving hazards, thereby enhancing and optimizing our occupational safety and health management performance. Our objective is to form a culture of safety and health awareness.	① Promotion rate for managerial positions from internal employees 85% ② Retention rate of key talents 90% ③ Output value per capita NT$10 million ④ Disabling injury frequency rate ≦ 0.45 ⑤ Disabling injury severity rate ≦ 13
	① Encouraging Innovation: HIWIN consistently foster innovation and research among our employees by implementing a patent innovation incentive system and a thorough internal patent review process. Our total number of patent applications has exceeded that of our competitors, establishing our prominent position in the patent landscape for smart linear motion products. ② Green Product Innovation: HIWIN's product range includes various components such as ballscrews, linear guideways, special bearings, and reducers, as well as subsystems like single-axis robots and torque motor rotary tables. We also offer full systems such as industrial robots and medical-related equipment. All of our products are specifically designed to optimize production efficiency and support energy conservation efforts. As a result, HIWIN is the best partner for the global automation and medical industries. our innovative solutions have gained significant traction in the global automation and medical sectors.	① R&D expenditure as a percentage of revenue 6 % ② Enhanced investments in industry-academia cooperation NT$35 million per year ③ Accumulated global patent applications 4,000 ④ Overall product manufacturing energy intensity ⬇ 54% (base year: 2021) ⑤ Energy efficiency of products ⬆ 20 % (base year: 2021) ⑥ Waste per unit of product production ⬇ 50% (base year: 2021)
	① Waste Reduction: In line with our commitment to recycling, we consistently apply waste management practices, implement efficient reclamation and reuse methods, and integrate the life cycle concept into our processes. We also incorporate green design principles from the initial design phase to disposal. ② Green Supply Chain Management: HIWIN requires its suppliers to sign an agreement for Non-use of Hazardous Substances to comply with environmental laws and regulations, standards, and directives, ensuring that the relevant electrical materials used meet RoHS guidelines. We prioritize sourcing from local suppliers who demonstrate environmentally friendly practices, emphasizing green, energy-efficient operations. Regular audits are conducted to verify adherence to green procurement practices.	① Waste resource utilization ratio ≥ 90%; Hazardous waste reduction: 91% ② Achievement in conflict minerals investigation 100% ③ Diversifying production bases and evaluate new suppliers, developing 26 alternative raw material sourcing solutions ④ Green procurement accounts for total annual procurement amount 10% (2024 target: 6%; actual performance: 9.7%) ⑤ Local procurement ratio 100% ⑥ Implementation ratio of low carbon raw materials 20%
	① Implementing Climate Change Adaptation Strategies: HIWIN has initiated cross-departmental integration of climate action resources to identify potential risks and opportunities. In 2021, we adopted the TCFD framework to assess climate risks and opportunities, developing adaptation action plans through exposure and vulnerability matrices. ② HIWIN promotes internal carbon pricing and has established an Energy Conservation and Carbon Reduction Task Force to actively implement energy-saving and carbon-reduction improvements. ③ Net Zero Commitment: In 2024, HIWIN officially passed the Science Based Targets initiative (SBTi) review, confirming that its carbon reduction pathway aligns with the Paris Agreement, and committed to achieving SBTi Net Zero by 2050. ④ Energy Conservation & Carbon Reduction: In 2024, HIWIN maintained ISO 50001:2018 Energy Management System certification across all eight operating sites. ⑤ Green Living Initiative: The Company organized environmental protection and green consumption promotion activities, including campaigns for electricity and water conservation, green points collection programs, and plastic reduction initiatives.	① Scope 1 & 2 carbon emissions ⬇ 42% (base year: 2021) ② Scope 3 carbon emissions ⬇ 25% (base year: 2021) ③ Disruptions due to climate disasters 0 days
	① HIWIN collaborates with the value chain to enhance the consistency of sustainable development policies. ② Strengthen global partnerships for sustainable development through multilateral cooperation, mobilizing and sharing knowledge, expertise, and technology.	① The achievement rate of sustainable supply chain evaluation is 100% ② Key Focus on Supply Chain Management: A total of 157 suppliers have been audited to date, with 50 suppliers audited (both onsite and online) in 2024

Note: For actual results in 2024, please refer to Appendix II.

2.4 Sustainable Impact

As a global leading brand in motion control and system technology, HIWIN upholds a core spirit of technological innovation and continuous improvement. The company is committed to delivering high-quality products and services while actively exploring how its operations can create long-term value for stakeholders and generate lasting sustainable impact on society.

To identify the substantial impacts of business activities on society and the environment, HIWIN adopts a Profit & Loss (P&L) perspective, integrating the Triple Bottom Line (TBL) framework — encompassing economic, environmental, and social dimensions. This approach quantifies both the positive benefits and negative costs generated along the value chain on human well-being, expressed in consistent monetary terms to enhance impact transparency and support effective management of potential risks and opportunities.

According to the 2024 analysis, HIWIN's value chain activities contributed a total positive impact of NT$41.2 billion to human well-being. Among these, value creation driven by procurement-induced industrial demand accounted for the largest share (76.7%). However, value chain activities also resulted in a negative impact of NT$770 million, primarily from supply chain greenhouse gas and air pollutant emissions (67.5%) and GHG emissions from operational processes (25.6%). These findings underscore the importance of sustainable supply chain management and proactive strategies in climate change and energy management.

In the upstream supply chain, HIWIN's procurement demand generated NT$31.6 billion in production value, while also contributing NT$1 billion in wages for supply chain workers. However, the environmental impact resulting from supply and demand activities within the supply chain led to NT$520 million in external environmental costs.

In terms of company's operation, HIWIN created a total of NT$14.5 billion in Gross Value Added (GVA) throughout the year. This includes operating profit, tax payments, employee compensation, interest and lease payments, as well as depreciation and amortization. These positive values not only benefited stakeholders but also contributed to the overall economic growth of society. Nevertheless, the environmental footprint and resource consumption from production activities resulted in NT$280 million in external environmental costs, and occupational injuries and health risks led to NT$15.04 million in social costs.

In terms of products and services, HIWIN conducted a focused analysis on its i4.0BS® Intelligent Ballscrews and Crossed Roller Bearings (CRB) series. The applications of these products generated NT$49.18 million in value for customers. Furthermore, the i4.0BS® contributed an additional NT$190 million in positive value through energy-saving and automation-driven innovative design, demonstrating HIWIN's integrated contribution to both product value and sustainable impact.

Looking ahead, HIWIN will broaden its assessment of product innovation and application impacts, deepen sustainable supply chain management, and optimize production models to improve resource efficiency. We are committed to mitigating the environmental impact across the value chain while enhancing contributions to social well-being—continually creating more meaningful positive value for stakeholders and advancing toward a more resilient and sustainable path of corporate development.

NT$31.6 billion
Procurement-driven supply chain production value (Positive)

NT$770 million
Environmental footprint generated by supply chain and company operations (Negative)

NT$190 million
Energy-saving benefits of i4.0BS® Intelligent 4.0 Ballscrew (Positive)

Note:

1. Upstream procurement impacts are estimated using the Input-Output Model to calculate the economic benefits driven by supply and demand activities along the industrial chain, as well as associated environmental impacts and employment/wage generation. Data sources include the Input-Output Tables (DGBAS, 2025), Green National Income Accounts Report (DGBAS, 2022), Energy Balance Sheet (Bureau of Energy, 2022), and the EXIOBASE 2 database.
2. Direct economic contribution is assessed through the Gross Value Added (GVA) method, which measures the positive impact of operational activities on stakeholders, including operating profit (investors), employee compensation (employees), tax payments (government), and depreciation/amortization (suppliers).
3. Environmental footprint impacts are calculated using the Environmental Profit and Loss (EP&L) methodology. This considers the social cost of carbon, health impacts, and ecosystem damages associated with greenhouse gas emissions, air pollution, wastewater, waste generation, and water consumption. References include US EPA (2016), OECD (2012), and CE Delft (2018).
4. Future benefits of skill development are assessed with reference to VBA (2021), evaluating the increase in employability and career wage potential as a result of skills and knowledge acquired through company training programs, which also enhance productivity.
5. Social costs of occupational injuries are estimated with reference to UK HSE (2017), based on employees' willingness to pay to avoid occupational injuries and the medical resource costs associated with such incidents.
6. Health risk assessment considers employees with risk factors for cardiovascular diseases such as hypertension, hyperlipidemia, hyperglycemia, and obesity. The analysis explores the relationship between these health risks and work-related stress, as well as the resulting medical resource inputs. Sources include WHO (2008) and Chieh-Hsien Lee (2009).
7. Downstream product application assessment focuses on the i4.0BS® Intelligent Ball Screw series, evaluating the indirect economic value created through product sales and comparing energy efficiency between product generations.
8. To reflect regional economic differences, valuation coefficients are adjusted based on Purchasing Power Parity (PPP) and Gross National Income (GNI) per capita, with monetary values standardized to 2017 prices. Methodology references include OECD (2012) and PwC UK (2015).

The impact path of sustainable influence

Cause of Impact	ESG Topics	Activity Output	Impact Category	Impact Properties	Currency Value (NT$ thousand) 2023	2024	Impact Level	Impact Object
Supply Chain	Sustainable Supply Chain Management	Procurement demand drives industrial supply and demand relationship	Social externalities-Boost supply chain output value	Positive +	18,785,093	31,590,907	$$$$$$ ↗	Society
		Procurement demand creates supply chain jobs	Social externalities-Supply chain employee employment income	Positive +	675,803	1,047,912	$$$$$ ↗	External employees
		Supply chain derived greenhouse gas emissions	Social externalities-Supply chain greenhouse gas emissions	Negative −	151,201	259,056	$$$$ ↗	Environment
		Supply chain derived air pollution emissions	Social externalities-Supply chain air pollution emissions	Negative −	169,734	259,056	$$$$ ↗	Environment
		Supply chain derived wastewater discharge	Social externalities-Supply chain derived water pollution	Negative −	1,082	1,810	$$ ↗	Environment
		Supply chain derived waste	Social externalities-Supply chain waste disposal	Negative −	2,695	4,712	$$ ↗	Environment
Company Operations	Business Performance	Operating profits	Stakeholder gross value added	Positive +	2,034,748	1,971,948	$$$$$ ↘	Shareholders/ Investors
		Tax		Positive +	596,527	353,335	$$$$$ ↘	Society
		Interest and lease		Positive +	49,347	45,919	$$$$ ↘	Suppliers
		Depreciation and amortization		Positive +	1,719,862	1,785,638	$$$$$ ↗	Suppliers
	Talent Attraction and Retention	Remuneration and benefits		Positive +	3,835,221	4,141,537	$$$$$ ↗	Employees
	Climate Strategy, Energy Management	Energy use produces greenhouse gas emissions	Environmental externalities-Operational greenhouse gas emissions	Negative −	190,285	196,419	$$$$ ↗	Environment
	Water Stewardship	Water used in manufacturing processes leads to water scarcity	Environmental externalities-Use of operational water resource	Negative −	27,164	26,856	$$$ ↘	Environment
		Wastewater discharged during manufacturing process leads to water pollution	Environmental externalities-Operational wastewater discharge	Negative −	1,036	1,245	$$ ↗	Environment
	Air Pollution Prevention and Control	Gas emissions from manufacturing process cause air pollution	Environmental externalities-Operational air pollution emissions	Negative −	814	675	$ ↘	Environment
	Waste Management & Recycling	Environmental impact caused by waste disposal processes	Environmental externalities-Operational waste disposal	Negative −	3,385	2,494	$$ ↘	Environment
	Workplace Safety and Health	Employee occupational accidents	Social externalities-Employee occupational accidents	Negative −	5,346	2,612	$$ ↘	Employees, Society
		No. of people at risk for cardiovascular disease	Social externalities-Employee workplace health management	Negative −	12,884	12,432	$$$ ↘	Employees, Society
	Talent Development and Retention	Training to acquire skills and income growth	Social externalities-Employee future benefits	Positive +	14,259	13,048	$$$ ↘	Employees, Society
Products & services	Customer Relations and Brand Management	Product sales drive the supply and demand relationship in downstream industries	Social externalities-boost industrial chain output value	Positive +	35,745	49,181	$$$ ↗	Society
	Sustainable Products	Energy-saving product design avoids greenhouse gas emissions	Environmental externalities-product use	Positive +	178,532	186,338	$$$$ ↗	Environment
		Product automation design to avoid occupational accidents	Social externalities-Product Use	Positive +	124	240	$ ↗	External employees

2.5 Materiality & Stakeholders

The Process of Materiality Analysis

HIWIN conducted a materiality assessment in accordance with the GRI Sustainability Reporting Standards and the AA1000 Accountability Principles (AA1000 AP). A four-step analysis process was established to identify material topics for the 2024 Sustainability Report and determine the boundaries for sustainability disclosures. This process also integrates internal resource allocation and serves as a basis for formulating long-term sustainability goals.

In addition, HIWIN's materiality analysis process was validated by internal and external experts and finalized by senior executives, resulting in the identification of 10 material topics. These topics were independently verified by TÜV Rheinland to ensure their reliability and completeness. The material topics were then reported to the Board of Directors and serve as a fundamental basis for developing HIWIN's future sustainability strategies.

To strengthen senior management's commitment and accountability for sustainability issues, HIWIN links material topics to the performance evaluations of senior executives by incorporating specific sustainability targets into the performance assessment system. This approach drives the implementation and continuous improvement of material topics.

Stage 1
Identification of sustainability topics and stakeholders

Identification of 22 ESG Topics
- Governance Aspect: 10 topics
- Environmental Aspect: 7 topics
- Social Aspect: 5 topics

Identification of Stakeholder
- 6 major stakeholder

Stage 2
Questionnaire and feedback analysis

Questionnaire 1
Stakeholders' Level of Concern

Questionnaire 2
Impact on HIWIN's Business Operations

Questionnaire 3
External Sustainability Impact Assessment

Stage 3
Selection of material topics

Principle 1
Results from the three questionnaires

Principle 2
Alignment with HIWIN's long-term goals

Principle 3
Influence on the Value Chain (IMV) evaluation results

Stage 4
Impact Scope Determination

Identification of Impact Scope
- Procurement
- HIWIN Manufacturing
- Customer Use

Correspond Material Topics
- 13 GRI topics
- 4 SASB topics
- 1 Custom topic

Four Stages of Materiality Analysis

- **Stage 1: Identification of sustainability topics and stakeholders**

In response to the revised GRI 2021 Universal Standards, HIWIN identified 22 sustainability topics relevant to its business operations. This process also considered the United Nations Sustainable Development Goals (SDGs), international trends, ESG evaluation criteria from global investors, and recommendations from both internal and external consultants. Based on discussions with internal teams and external consultants, the list of topics was refined as shown in the figure below. The finalized list of sustainability topics was reviewed and approved by the President and subsequently incorporated into three stakeholder questionnaires.

Renamed Topics

Financial Performance	Rename	Business Performance
Information Security	Rename	Information Security Management
Sustainable Supply Chain	Rename	Sustainable Supply Chain Management
Climate Strategy and Energy Management	Split into	Climate Strategy
		Energy Management

Newly Added Topics
- Business Integrity
- Lean & Low-carbon Manufacturing

Removed Topic
- Code of Conduct

G	E	S
• Corporate Governance • Business Integrity • Business Performance • Risk and Crisis Management • Lean & Low-carbon Manufacturing • R&D Innovation Management • Sustainable Supply Chain Management • Customer Relationship & Brand Management • Information Security Management • Compliance with Regulations	• Climate Strategy • Energy Management • Water Stewardship • Air Pollution Prevention & Control • Waste Management & Recycling • Biodiversity • Sustainable Products	• Employee Diversity & Inclusion • Talent Attraction & Retention • Human Rights • Occupational Safety & Health • Social Engagement

HIWIN identified its sustainability report's stakeholder groups based on the five core principles of the AA1000 Stakeholder Engagement Standards (SES): Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. Through this process, HIWIN identified 6 key stakeholder groups: employees, customers, suppliers/contractors, investors, industry associations, and community organizations.

Identification of Sustainability Topics 22
- Governance: 10 topics
- Environmental: 7 topics
- Social: 5 topics

Identification of Stakeholder 6 categories

- **Stage 2: Questionnaire and feedback analysis**

Operational Impact of HIWIN

HIWIN evaluates the impact of sustainability issues on its business operations, including revenue growth, customer satisfaction, operational risks, and employee engagement. A total of 34 senior executives jointly assessed the significance of each sustainability topic to the company's operations.

Analysis Findings ‣ Topics with notable impact on corporate operations

- Business Integrity
- Talent Attraction & Retention
- Business Performance
- R&D Innovation Management
- Customer Relationship & Brand Management

Stakeholder Perspectives

To understand stakeholders' level of concern regarding HIWIN's sustainability initiatives, key stakeholder groups were surveyed based on the principles of interactivity, materiality, and influence to ensure representative sampling. A total of 305 valid responses were collected, including:Employees 233 responses, Suppliers / Contractors 18 responses, Investors 7 responses, Customers 17 responses, Industry Associations 12 responses, Community Representatives 18 responses.

Analysis Findings ‣ Top 5 Topics Stakeholder Concern

- Business Performance
- Talent Attraction & Retention
- Business Integrity
- Sustainable Products
- R&D Innovation Management

Sustainability Impact Assessment

From the perspectives of governance, environment, and human rights, HIWIN assessed the significance of sustainability impacts. Based on a sustainability impact evaluation methodology, 15 external sustainability impacts relevant to HIWIN were initially identified.

Through the participation of 30 managers and employees, five key external impacts were selected by evaluating the actual and potential severity and likelihood of each impact. These were then mapped to the company's 22 sustainability topics, based on participants' understanding of HIWIN's operations.

Final Identification ‣ Key topics influencing external impacts

- Business Performance
- R&D Innovation Management
- Corporate Governance
- Customer Relationship & Brand Management
- Lean & Low-carbon Manufacturing

305 Stakeholder Questionnaires Collected

34 Senior Executives Participated in Business Impact Assessment

5 Significant Sustainability Impacts Identified

Environmental Aspect Social Aspect Governance Aspect

HIWIN process of sustainability impact assessment

● Environmental Aspect ● Social Aspect ● Governance Aspect

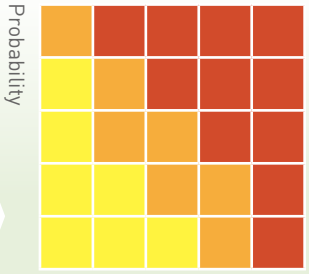
Define positive/negative impact

15 Impact

Impact	Positive	Negative
Governance	4	0
Environment	1	3
Human/ Human Rights	4	3

Impact from:
1. Value Balancing Alliance, VBA
2. Harvard Business School Impact-Weighted Accounts
3. London Benchmarking Group, LBG
4. HIWIN Technologies Corp.

Material impact analysis



Severity=(1)+(2)+(3)
(1) Level
(2) Scope
(3) Irreversibility

Nature of the Impact	5 Material Impacts
Positive	HIWIN's products contribute to the development and application of industrial technologies
Positive	Tax contributions support public infrastructure and social welfare
Positive	Green products generate environmental benefits during the use phase
Negative	Consumption of energy and resources may have impacts on human health
Positive	Wages paid to employees help enhance individual purchasing power

ESG topics that affect material impact

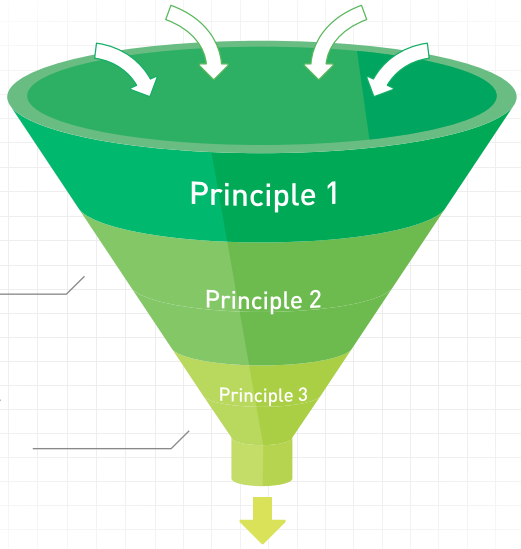
Impact level	ESG Topics
⚠⚠⚠ Primary Impact	● Business Performance ● Corporate Governance ● Lean & Low-carbon Manufacturing ● R&D Innovation Management ● Customer Relationship & Brand Management
⚠⚠ Secondary Impact	● Business Integrity ● Risk and Crisis Management ● Sustainable Supply Chain Management
⚠ Impactful	● Energy Management ● Talent Attraction & Retention

- **Stage 3: Selection of material topics**

01 Based on the results of the questionnaire analysis in Stage 2, HIWIN identified sustainability topics that are highly relevant in terms of stakeholder concerns, operational impacts, and their connection to sustainable development.

02 HIWIN has established long-term sustainability goals for the year 2030.

03 With reference to the monetized results of external sustainability impact assessments, HIWIN defined topics that exert significant influence on external sustainability outcomes and should be prioritized for management and disclosure.



Based on three key principles [Note] HIWIN selected 10 material topics for 2024 ESG Report.

A multi-dimensional approach was adopted to define material topics. Topics that met at least two of the three key principles were prioritized for inclusion in the material topic list. Based on the recommendations and discussions with internal and external experts, HIWIN ultimately identified 10 material topics. Each topic was evaluated against the three principles, and scored using a star rating system derived from the results of the stakeholder questionnaires and the 2024 impact assessment. The top 10 material topics were then ranked accordingly, as shown in the table below.

Note: The three key principles serve as qualitative criteria for determining inclusion in the 2024 material topic list. The four ranking factors were quantified into star ratings based on questionnaire and impact assessment results and used to determine the ranking of the 10 selected topics.

3	10
Principles	Material topics

Ranking results of material topics

Material Topics	Ranking	Four Ranking Factors				Total Star Rating Note 6
		Factor 1 Operational Impact of HIWIN Note 2	Factor 2 Stakeholder Perspectives Note 3	Factor 3 Sustainable Development Impact Note 4	Factor 4 2024 IMV Results Note 5	
Sustainable Supply Chain Management	1	★★	★	★★	★★★	8
R&D Innovation Management	2	★★	★★	★★★		7
Customer Relationship & Brand Management	3	★★	★★	★★★		7
Talent Attraction & Retention Note1	4	★	★★	★	★★	6
Sustainable Products	5	★	★★		★★	5
Climate Strategy	6		★★		★★	4
Occupational Safety & Health	7		★★		★★	4
Energy Management	8		★	★		2
Water Stewardship	9				★★	2
Waste Management & Recycling	10				★	1

Environmental Aspect Social Aspect Governance Aspect

Notes:

1. The topic "Talent Attraction and Retention" was originally two separate topics, "Talent Development" and "Talent Attraction & Retention," to reflect internal resource allocation. These were merged into one topic during the material topic ranking stage. The star rating for the merged topic is calculated by averaging the two original ratings; any decimals are rounded down.
2. The operational impact factors for HIWIN include "Revenue Growth," "Operational Risk," "Employee Engagement," and "Customer Satisfaction." A rating of "★★" indicates that the topic impacts two of these factors, while "★" indicates impact on one factor.
3. HIWIN identified six stakeholder groups. A rating of "★★" means the topic is among the top five concerns of 2 to 4 stakeholder groups, and "★" means it is among the top five concerns of one stakeholder group.
4. HIWIN identified five significant external sustainability impacts. A rating of "★★★" means the topic affects 3 to 5 or more of these impacts, "★★" means it affects 2 impacts, and "★" means it affects 1 impact.
5. The star ratings also represent the monetized value of external sustainability impacts: "★★★" indicates an impact valued at 10,000,000 or more (currency units). "★★" indicates an impact valued between 10,000 and 10,000,000. "★" indicates an impact valued between 0 and 10,000.
6. The total star rating represents the sum of stars from the four ranking factors described above.
7. Material topics are ranked according to their total star ratings. In cases where two topics have the same total stars, the ranking is determined by the number of overlapping stars among the four ranking factors; the topic with more overlaps ranks higher (e.g., "Energy Management" vs. "Water Stewardship"). If the total stars and overlaps are equal, the topics share the same ranking (e.g., "R&D Innovation Management" and "Customer Relationship & Brand Management").

Impact levels of ESG topics on three aspects

Operational Impact of HIWIN		Stakeholder Perspectives		Sustainable Development Impact	
Extremely High Impact	Business Integrity Business Performance	Extremely High Concern	Business Performance	Extremely High Impact	Business Performance Lean & Low-carbon Manufacturing R&D Innovation Management Corporate Governance Customer Relationship & Brand Management
High Impact	R&D Innovation Management Sustainable Supply Chain Management Customer Relationship & Brand Management Talent Attraction & Retention	High Concern	R&D Innovation Management Customer Relationship & Brand Management Business Integrity Lean & Low-carbon Manufacturing Corporate Governance Sustainable Products Climate Strategy Talent Attraction & Retention Employee Diversity & Inclusion Occupational Safety & Health	High Impact	Business Integrity Risk and Crisis Management Sustainable Supply Chain Management
Potential Impact	Risk and Crisis Management Corporate Governance Sustainable Products Human Rights	General Concern	Risk and Crisis Management Sustainable Supply Chain Management Energy Management Social Engagement	Potential Impact	Energy Management Talent Attraction & Retention

Environmental Aspect Social Aspect Governance Aspect

- **Stage 4: Impact scope determination**

After identifying 10 material topics, HIWIN followed the GRI Standards to determine 18 material topics relevant to the company (including 13 GRI Standards, 4 SASB Standards, and 1 HIWIN-defined topic). In accordance with reporting requirements, HIWIN collected and disclosed internal information, data, and management approaches. Each material topic was then reviewed to determine its impact scope, covering the upstream procurement stage, HIWIN manufacturing processes, downstream customer use.

3 Impact stages

18 Material Subjects

- 13 GRI Standards
- 4 SASB Topics
- 1 HIWIN-defined

	Material Topics	Value Chain			GRI Specific Standards	SASB Topics
		Procurement	HIWIN Manufacturing	Customer Use		
G	R&D Innovation Management	○	●	○	HIWIN-defined Topic	Remanufactured Products and Services
G	Sustainable Supply Chain Management	○	●		Supplier Environmental Assessment (308), Supplier Social Assessment (414)	Materials Sourcing
G	Customer Relationship & Brand Management		●	○	Customer Privacy (418), Customer Health and Safety (416)	
E	Climate Strategy	○	●		Emissions (305), Economic Performance (201)	
E	Energy Management		●		Energy (302)	Energy Management
E	Water Stewardship		●		Water and Effluents (303)	
E	Waste Management & Recycling		●		Waste (306)	
E	Sustainable Products	○	●	○	Customer Health and Safety (416), Energy (302)	
S	Talent Attraction & Retention		●		Training and Education (404), Employment (401), Market Presence (202)	
S	Occupational Safety & Health		●		Occupational Health and Safety (403)	Employee Health and Safety

Topics to operational or sustainable development impacts: ○ Impactful ● Cause ○ Facilitate

HIWIN Material Topics Management Approach

	Material Topics	Significance to HIWIN	Commitment	Strategy
G	R&D Innovation Management	Consider our proprietary brand and R&D innovation as the cornerstones of our corporate competitiveness. We are dedicated to developing innovative, low-energy, high-efficiency sustainable products and enhancing quality and efficiency through smart manufacturing to achieve customer satisfaction.	Create an environment conducive to innovation, stimulating innovative momentum. By leveraging our core competencies in "Sustainable Products" and "Smart Manufacturing," we maintain our technological leadership and integrate global resources to advance HIWIN's focused SDGs.	1. R&D Innovation Management: Establishment of Innovation Platforms, Industry-Academia Innovation, and IP Management. 2. Smart Manufacturing: Visualization of production processes, IoT-enabled machinery, intelligent automation, lean production, smart scheduling, smart machinery maintenance.
G	Sustainable Supply Chain Management	Utilize precise procurement to establish partnerships that satisfy both internal and external customers; connect a green value chain that supports sustainable business operations and environmentally friendly development.	Enhance sustainable risk management to drive a green, low-carbon supply chain, creating an operational model that is responsible to both the environment and society.	1. Supply chain hierarchy management. 2. Enhance sustainability risk management. 3. Promote a green and low-carbon supply chain. 4. Avoid using conflict minerals in raw materials. 5. Promote the reuse of materials. 6. Local Sourcing.
G	Customer Relationship and Brand Management	1. Strengthen customer relationships, enhance customer experience, and improve customer satisfaction, loyalty, and trust to maintain brand value. 2. Enhance global market competitiveness, maintain stability, and achieve sustainable growth.	Provide enthusiastic, professional, and comprehensive services to realize the goal of continuous operation.	1. Customer evaluation: Develop marketing and sales strategies based on customer attributes to create value. 2. Agile marketing: Emphasize customer interaction and respond swiftly and accurately to their needs. 3. Precision services: Targeted precise training, improved capability of electromechanical integration, and provide professional support. 4. Innovative Value-Added Services: Respond quickly to market changes, expand market share, and reinforce customer. 5. Creating shared value: Foster mutual success and explore new opportunities together.

	Material Topics	Significance to HIWIN	Commitment	Strategy
E	Climate Strategy	Actively formulate measures and action plans to address climate change to prevent impacts on operations.	Align with global carbon reduction trends to keep temperature rise within 1.5°C by continuously promoting energy-saving and carbon reduction measures, aiming to achieve net-zero by 2050.	1. Strengthen Climate Resiliency (Opportunities, Risks). 2. Use renewable energy sources to increase energy efficiency.
E	Energy Management	To address energy price fluctuations and reduce operational risks, we have established and implemented comprehensive energy management policies.	Reduce Scope 1 and Scope 2 emissions through effective energy management and commit to annual reductions in energy intensity.	1. Establish an Energy Conservation and Carbon Reduction Committee to drive energy-saving initiatives. 2. Continuously promote ISO 50001 energy management systems at all manufacturing sites.
E	Water Stewardship	Promote water conservation and recycling to mitigate water scarcity risks. Enhance water use efficiency through a robust management system and implement water risk management policies to ensure the sustainable use of water resources and achieve sustainable production.	Enhance the efficiency of water resource management through improved equipment, systems, processes, and personnel training to achieve optimal water use efficiency.	1. Introduce water-saving technologies to strengthen wastewater recycling. 2. Water Stewardship Risk Management.
E	Waste Management & Recycling	Implement circular economy principles through procurement, R&D, and manufacturing source reduction and reuse technologies to enhance resource efficiency and reduce environmental impact.	Prevent waste pollution, reduce and recycle waste, continuously manage waste control, comply with legal regulations, and realize a green and sustainable environmental vision.	1. Source Reduction. 2. Circular Economy. 3. Inspections & coaching.
E	Sustainable Products	By incorporating green product design strategies throughout the product lifecycle, from raw materials to end-use and waste recycling to achieve sustainable products.	Strive to reduce the environmental impact at all stages of the product life cycle to achieve sustainable development.	1. Green and low-carbon product design. 2. Product Liability and Certification.
S	Talent Attraction & Retention	1. Develop talent and build outstanding teams to create maximum value for the company. 2. Enhance employee capabilities to maintain long-term competitive advantages.	1. Provide a diverse, open, respectful, and encouraging work environment for professional development, attracting talent, and promoting organic organizational growth. 2. Develop employees' professional skills and ensure training opportunities to strengthen their growth and employability.	1. Recruit high-quality talents to build future industry capabilities. 2. Develop employee potential and retain outstanding employees. 3. Stimulate employees' desire to learn and spread the effectiveness of learning.
S	Occupational Safety & Health	Embed safety and health awareness deeply into employees' minds, ensuring consistency across all levels and internalizing it as part of their DNA.	Create a friendly workplace that prioritizes safety and health, fostering an organizational culture where employees feel secure and dedicated.	1. Establish a safety culture and promote safety performance management. 2. Strengthen employee participation and safety incentive system. 3. Monitor and evaluate the occupational health and safety of the work environment. 4. Promote health and implement appropriate occupational disease prevention measures.

Stakeholder Communication Channels

● Environmental Aspect ● Social Aspect ● Governance Aspect

Highlights	Stakeholder	Significance to HIWIN	Focused Topics	Method/ Frequency	Actions
28 Labor-management Meetings and Welfare Committee Meetings 342 Departmental Communication and Work Meetings	Employees	Employees are important pillars of sustainable corporate management.	● Business Performance ● Talent Attraction & Retention ● Occupational Safety & Health ● Employee Diversity & Inclusion	anytime: Employee opinion mailbox, communication and work meetings across departments, electronic bulletins, care interviews quarterly: Labor-Management Meetings annually: ESG questionnaire, human rights Education & training every two years: Engagement Survey	• Promote company-related information on electronic bulletin boards as needed. • Held 70 KPI meetings, assisting supervisors in setting key performance indicators to cultivate staff and provide precise work guidance. • Robust compensation, welfare, retirement benefits, labor insurance, health insurance, and group insurance. • Diverse employee communication channels and various mechanisms to ensure employee health, physically and mentally. • Implement employee care interviews, listen to employee feedback, and take immediate action accordingly. • Pre-training survey and communication, post-training satisfaction, and feedback. • Talent training and development are closely linked with work, providing employees with mechanisms for sharing and exchanges as well as reward measures. • Organize senior executive panels and growth incentive workshops as needed.

Highlights	Stakeholder	Significance to HIWIN	Focused Topics	Method/ Frequency	Actions
345 Customer Satisfaction Surveys	Customers	Customer satisfaction represents the sustainable performance of the company's operations.	• Business Performance • Customer Relationship & Brand Management • R&D Innovation Management • Sustainable Supply Chain Management • Sustainable Products	anytime: CRM Software, Mobile APP annually: ESG website and report, Customer Satisfaction Survey as needed: Official website/technical support website updates, Product marketing/ Trade fairs	• Utilize the global official website, technical support site, and social media platforms (LinkedIn, YouTube, WeChat, Line@, etc.) to enable customers to quickly understand products and promptly receive service information, while providing feedback to relevant departments. • Manage and maintain customer relationship data through software, including: customer visit records, after-sales service information, exhibition data, and potential business opportunities from website inquiries. This helps understand customer needs, enhance customer relationship management, and increase customer loyalty. • Attend approximately 200 exhibitions in over 30 countries each year to promote and introduce new products. • Regularly or irregularly arrange subsidiaries/distributors for product and quality after-sales service training or hold in-house product displays at major distributors to better familiarize subsidiaries/distributors with HIWIN products, successful applications, and solutions, enhancing customer satisfaction. • Provide product displays and applications to HIWIN partners, i.e., the Industrial Technology Research Institute, National Science and Technology Museum, and educational institutes.
186 Sessions of Contractors Training **142** Assessments of Suppliers	Suppliers/ Contractors	HIWIN's Partnerships for the Goals with suppliers/ contractors provides excellent products and services.	• Business Performance • Sustainable Supply Chain Management • Risk and Crisis Management • Lean & Low-carbon Manufacturing • R&D Innovation Management	annually: ESG official website and ESG reports, Top 100 Supplier Evaluations as needed: Contractor Education & training, contractor consultative organization meetings, supplier evaluation meetings	• Encourage suppliers to reduce energy consumption and carbon emissions by participating in workshops or training courses, working together towards net-zero carbon emissions. • Prioritize procurement from local suppliers in Taiwan to provide local jobs and employment opportunities. • Follow the Supplier Code of Conduct and conduct ESG evaluations of suppliers. • Conduct conflict minerals investigations. • Identify high-risk suppliers to mitigate the risk of supply chain disruptions. • Evaluate outstanding contractors and provide them with safety and health training. • Hold contractor agreement meetings to promote operational safety regulations to contractors.
2 Investor Conferences **28** Released Material Information Items	Investors	Investors are the forces driving HIWIN to strive for sustainable operations and welfare for all mankind.	• Business Performance • Corporate Governance • Business Integrity • Climate Strategy • Talent Attraction & Retention	2-3 times/year: Investor conferences (as needed for special agendas) annually: Shareholders' meetings, annual reports, ESG Reports as needed: Meetings related to public policies, official correspondence, press releases	• Convene at least one Board meeting each quarter to review HIWIN's management performance and discuss topics of strategic importance. • The Board and senior executives shall explore material risks to formulate operational plans. Rigorous internal control of operational processes will help us to continuously improve. • HIWIN's important resolutions are promptly disclosed on the TWSE Market Observation Post System (MOPS). • Internal controls for private information and trade secrets.
6 Conferences between the Industry, Government, and Academia **4** Exchange Sessions between the Industry, Government, and Academia	Social Group (Academia, local communities, and other stakeholders)	Integrate sectors and drive upgrades in Taiwan's industries and strengthen exchanges between the industry, government, and academia. Fulfilling social responsibilities with HIWIN.	• Lean & Low-carbon Manufacturing • Energy Management • Sustainable Products • Climate Strategy • Social Engagement	quarterly: Admissions Briefing and Parent-Teacher Conference annually: ESG Official Website and ESG Report as needed: ① HIWIN Innovation Practice Center at NTU ② Industry-academia collaboration program between HIWIN and the College of Industry Innovation at NTUST ③ HIWIN-NFU Smart Manufacturing R&D and Talent Cultivation Center ④ Volunteer activities organized by the HIWIN Education Foundation ⑤ Guest lectures by industry mentors, official correspondence, seminars, information sessions , and panel discussions	• Comply with ESH laws, regulations, and other related requirements. • Organize the HIWIN Thesis Award, HIWIN Doctoral Dissertation Award, and HIWIN Smart Robotics Contest annually. • Assist in promoting certification exams for automation engineers and robotics engineers. • Establish elementary school libraries and provide children's books and English courses. • Host industry-academia cooperation classes, industry-academia cooperation projects, and technical cooperation with specialized programs. • Create communication and exchange platforms between teachers, students, and HIWIN professionals through school visits and lectures by HIWIN experts. • Visit teachers annually to maintain close industry-academia relationships. • The HIWIN Volunteer Group provides community care and supportive services.

● Environmental Aspect ● Social Aspect ● Governance Aspect

Material Topics and Risk Management

	Material Topics	Potential Risks	Risk Attributes	Risk Severity[Note1]	Risk Occurrence Rate[Note2]	Risk Mitigation and Response
G	R&D Innovation Management	Failure to identify and respond to external innovative technologies and new markets	Strategies/ Operations	Low	Low	Increase research expenditure proportion, enhance industry-academia cooperation exchange expenses, and deepen open innovation.
		Insufficient internal innovation capability	Operations	Low	Low	Provide internal and external innovation course Education & training, interaction and communication with global R&D teams, and improve the innovation incentive proposal system.
		Inadequate protection of patents and trade secrets	Hazards	Medium	Medium	Implement intellectual property and legal education training, conduct regular internal audits of the intellectual property management system (TIPS), and develop a global patent strategy.
		Product development not fully considering low-carbon design, unable to meet carbon tariff and customer requirements	Strategies/ Operations/ Hazards	Low	Medium	Incorporate carbon footprint assessments into product development processes, add low-carbon reviews to product evaluation items, reduce material usage in product design, and lower carbon emissions during product use by customers.
	Sustainable Supply Chain Management	Product supply chain disruption	Operations	Medium	Low	Enhance supervision and management of the supply chain to ensure suppliers meet the company's sustainability standards and requirements, and select multiple suppliers to reduce supply risks.
		Centralized procurement, supplier not meeting HIWIN or regulatory requirements	Strategies/ Operations/ Hazards	Low	High	Execute the four major policies of Sustainable Supply Chain Management: adherence to guidelines, risk assessment, audit activities, and continuous improvement.
	Customer Relationship & Brand Management	Customers unable to obtain necessary product information and technical support	Operations	Low	Very Low	Utilize public websites or social media to inform customers about company products, participate in global exhibitions to provide brand tours, and arrange education and training for subsidiaries/distributors or in-house displays at major distributors.
		Product quality and sales services unable to meet customer needs in a timely manner	Operations	Low	Very Low	Conduct customer surveys, execute employee product quality education & training and technical seminars, and understand real-time customer demands through grievance channels or online meetings.
		Customer information leakage	Operations	Low	Very Low	Establish strict customer data protection policies to prevent data leaks and unauthorized use. Ask employees to sign the Declaration to Protect Trade Secrets and Non-Disclosure Agreement.
E	Climate Strategy	Increase in GHG emissions	Strategies/ Operations/ Hazards	Medium	Medium	By implementing four core strategies—enhancing energy efficiency, innovating low-carbon products, reducing waste through the circular economy, and adopting renewable energy sources—we are launching our carbon reduction initiatives.
	Energy Management	Electricity shortages or interruptions	Operations/ Hazards	Medium	Medium	Increase the proportion of renewable energy source installations, formulate energy-saving measures, and improve equipment energy efficiency.
	Waste Management & Recycling	Contractors failing to properly manage waste	Hazards	Low	Low	Implement mechanism for contractor factory visit, utilize machinery for real-time tracking, and assist contractors in enhancing their self-management capabilities.
	Water Stewardship	Water Resource Shortage	Operations/ Hazards	Low	Low	Actively promote water recycling and reuse, and conduct water consumption analysis to reduce waste at the source.

	Material Topics	Potential Risks	Risk Attributes	Risk Severity[Note1]	Risk Occurrence Rate[Note2]	Risk Mitigation and Response
E	 Sustainable Products	Products unable to meet market energy-saving demands, e.g., improving efficiency or reducing carbon emissions for third parties	Strategies/ Operations	Medium	High	Establish the Product Environmental Performance Ratio (CPV).
		Substances used in product production pose risks to human health and the environment	Hazards	Low	Medium	Require suppliers to sign RoHS commitments and gradually implement plans to eliminate harmful substances.
		Raw material sources of products involve human rights controversies	Hazards	Low	Low	Strictly monitor mineral sources and avoid using conflict minerals.
		Products unable to meet greenhouse gas reduction regulations	Strategies/ Operations	Medium	Medium	Implement systematic product carbon footprint assessments, strengthen green design manpower and capabilities, and reduce waste during production processes.
S	 Talent Attraction & Retention	Challenges in recruiting and retaining talent due to changes in domestic demographics and industrial structure, and intense external labor market competition	Strategies/ Operations	Medium	Medium	Recruit a diverse workforce, provide platforms for key talents through salary structures, welfare adjustments, and internal transfers, and effectively attract and retain talent.
		Talent unable to keep pace with the times	Strategies/ Operations	Medium	Very Low	Offer comprehensive professional, core, and managerial competency training, create work competition platforms to encourage team participation, and adopt the Kirkpatrick Model.
	 Occupational Safety & Health	Environmental deficiencies, insufficient equipment protection, and unsafe employee behaviors	Strategies/ Operations/ Hazards	Medium	High	Promote safety culture activities, conduct themed inspections, establish a digital occupational accident database, and assist departments lagging in safety performance.
		Hazardous chemical storage and disposal	Strategies/ Operations/ Hazards	Medium	Medium	Control chemical inventories, ensure the safety of process activities and raw material storage, and review emergency response measures.

Note: 1. High: Severe, requires immediate improvement; Medium: Requires control improvements or mitigation measures; Low: Safe stage, continue to maintain.
2. High: Once a year; Medium: Once every 1-5 years; Low: Once every 5-10 years; Very Low: Once every 10 years or more.

03

Corporate Governance on Performance

HIWIN is committed to operational excellence and maintaining consistent profitability. We prioritize shareholder value, employee development, and regulatory compliance. We firmly believe that providing our employees with excellent job opportunities and achieving full employment and production capacity are fundamental pillars for sustainable growth and effective management.

3.1 About HIWIN

We market our products globally under our own brand, HIWIN. As a leading brand in motion control and system technology, HIWIN specializes in researching and developing high-precision, efficient, and environmentally friendly key components, subsystems and systems. HIWIN's vision is to be the "Best Partner of Smart Manufacturing," delivering added value to our customers through HIWIN's integrated mechatronic products and global service. HIWIN is committed to ESG sustainable development, actively working to enhance our own competitiveness and drive innovation and transformation within the mechanical industry.

Basic information

HIWIN®
HIWIN Technologies Corp.

Founder	Responsible Person	HIWIN Headquarters Address
Eric Y. T. Chuo (Ph.D.) Global Chairman	Eddie Chuo Chairman & CEO	No. 7, Jingke Road, Precision Machinery Park, Taichung 408208, Taiwan
Establishment Date	**Number of Employees**	**Capital**
Oct. 1989	**4,651** (Dec. 2024) Excludes headcount from subsidiaries and sub-subsidiaries.	**NT$3.53** billion

- **HIWIN's Chinese name was inspired by Lao Tzu's saying that the greatest virtue has the characteristics of water**

HIWIN has adopted this as a guideline for our management philosophies. Water is responsible for nourishing all living beings on the planet, making it a highly valuable resource. Similarly, corporate leaders have the duty to ensure the well-being of their employees and their families, promote industrial development, and contribute to their societies and countries.

Management Philosophy

HIWIN's objective is to integrate global resources in order to foster continuous innovation, improve quality of life, create a better working environment, and achieve sustainable operations. HIWIN will accomplish this through the application of professional excellence, working enthusiasm, and ethics & responsibility.

HIWIN's mission, since inception, has been to enhance the quality of life and create a more conducive working environment for humanity. Furthermore, HIWIN's business philosophy is founded on four key principles: prioritizing employees, satisfying shareholders, fostering long-term growth, and upholding corporate social responsibility.

Service Philosophy

HIWIN is breaking away from traditional machinery thinking by applying core technologies to various industries. These industries include optoelectronic semiconductors, transportation, intelligent automation, life sciences, energy conservation, environmental protection, and medical & welfare. And establish an industry benchmark for high-speed, high-precision, composite, and eco-friendly products.

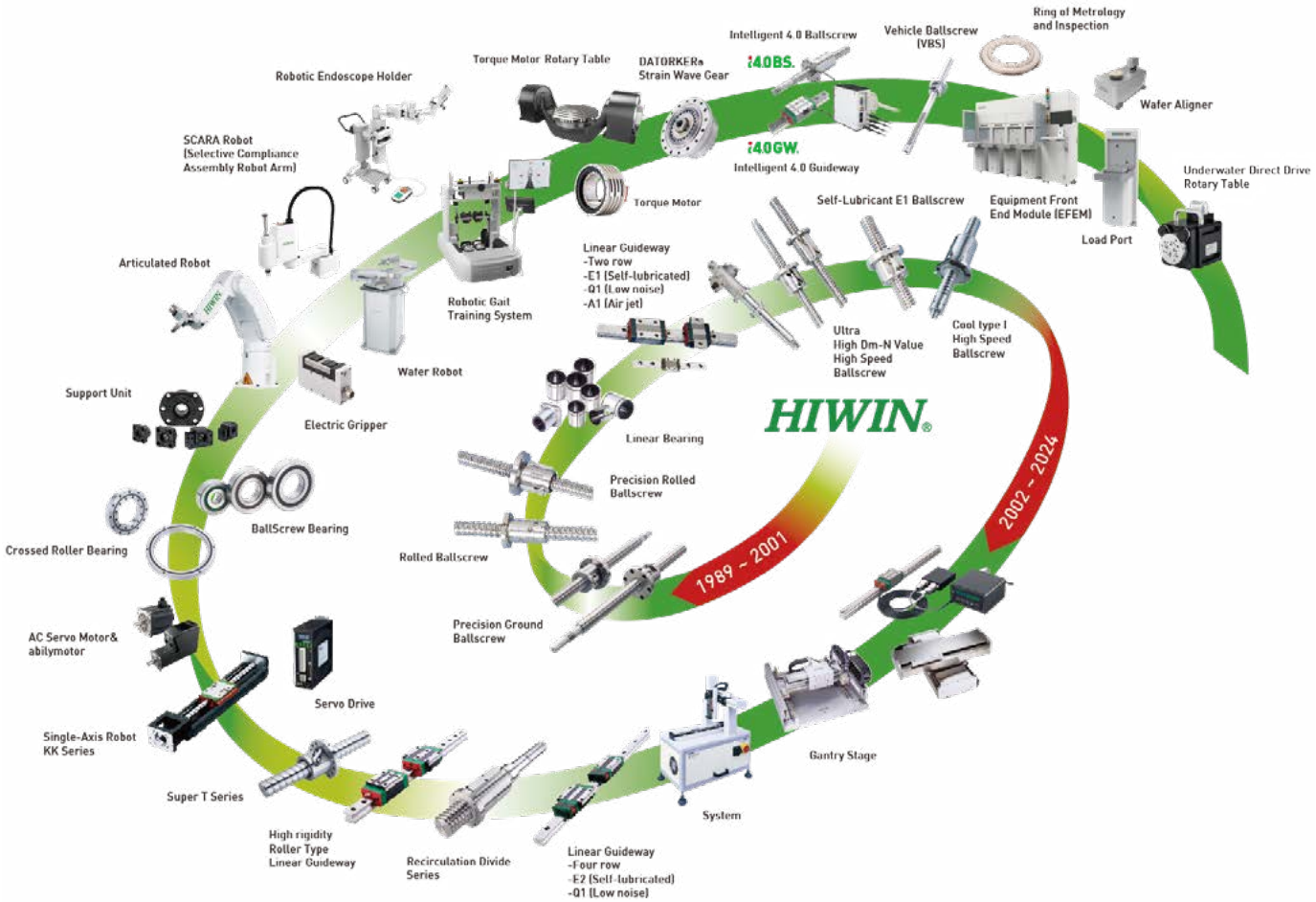
As HIWIN's linear motion control product line becomes more robust, and with the fruits of long-term design collaborations with major global manufacturers, HIWIN can now offer customers total solutions, including machine design services, smart automatic production line planning, and other smart manufacturing capabilities.

Main Products & Services

HIWIN is specialized in developing and manufacturing key components for linear motion products. HIWIN's main products include ballscrews, linear guideways, industrial robots, wafer robots, torque motor rotary tables, bearings, strain wave gear, and medical robots. These products are primarily used in industries such as machine tools, industrial machinery, automation, semiconductor, optoelectronics, LED, new energy, 3C electronics, and medical equipment. Established in 1989, HIWIN has consistently invested in innovation, including production development, manufacturing processes, equipment, production capacities, sales channels, services, and talent cultivation. HIWIN expects itself to be a global leading brand in motion control and system technology.

- **Main products & services**

HIWIN employs a differentiated approach and offers tailored services to deliver added value to our customers.



① Win-win collaborative design

- HIWIN's collaboration with customers in designing synergistic solutions has revolutionized our approach, shifting from a passive order-taking model to an interactive and transparent pre-sales service. This transformation has significantly expedited the introduction of our customers' new products to the market.

② Continuous innovation & manufacturing services

- By conducting in-house research and development, collaborating with academia and industry, and acquiring essential technologies, HIWIN has successfully expanded production lines. As a result, HIWIN is able to offer a wide range of high-quality linear motion products and smart automation services to our valued customers.
- We have embraced the era of smart automation, which has allowed us to create an optimal workplace for industrial manufacturing and medical workers through the implementation of comprehensive robotic production lines.

③ Helping customers achieve smart manufacturing

- HIWIN has partnered with industrial customers in Taiwan to advance smart manufacturing and smart factories, aiming to forge a new direction for the country's industries.
- HIWIN works closely with customers to provide smart automation solutions, saving labor costs for customers and enhancing the industry's competitiveness.

④ Maintaining customer relations

- HIWIN consistently meets customer needs for high-quality products through improvement of manufacturing processes.
- HIWIN establishes subsidiaries and sub-subsidiaries globally to be closer to customers and provide better services. In 2024, HIWIN had subsidiaries, sub-subsidiaries, and labs in 12 countries. We also have over 300 sales and distribution locations around the world.

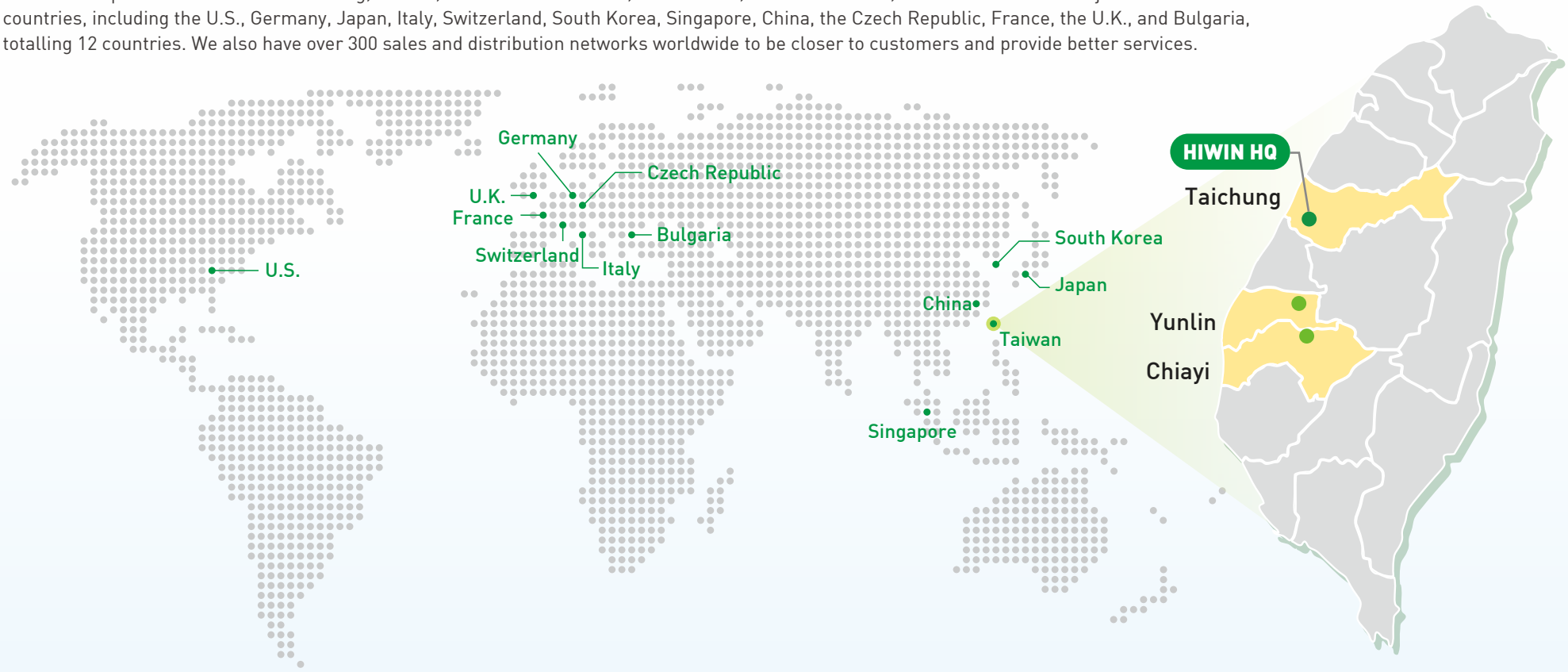
⑤ Updating website interfaces to align with user experience

- HIWIN has continued to enhance the user interface of the website, focusing on providing customers with a more intuitive and efficient user experience for our products.

- **HIWIN's critical role in the industry chain**

Global Layout

HIWIN Headquarters is located in Taichung, Taiwan, with service locations, subsidiaries, sub-subsidiaries, and R&D centers in major industrial countries, including the U.S., Germany, Japan, Italy, Switzerland, South Korea, Singapore, China, the Czech Republic, France, the U.K., and Bulgaria, totalling 12 countries. We also have over 300 sales and distribution networks worldwide to be closer to customers and provide better services.



3.2 Brand Values

The brand name HIWIN is the abbreviation of "HI-TECH WINNER," which is derived from "With us, you are a hi-tech winner." The purpose of the HIWIN brand is that by choosing HIWIN precision motion products, subsystem and mechatronic solutions, customers can improve their products' added value, quality, and performance, enabling them to be the winners in their industries. HIWIN strives to become a "high-tech winner," driving industry upgrades, increasing the industry's international competitiveness, and exerting global influence.

CIS (Corporate Identity System)
Color - Green, Red

RED
As the heat of the earth's core. Representing sincerity, positive and strong spirit of innovation.

GREEN
As a harmonious and thriving earth. Representing nature, environmental protection, sustainability and growth.

Green refers to harmony between all beings, signifying the idea of environmental consciousness, nature, sustainability and growth. HIWIN products can replace hydraulic and pneumatic solutions to reduce pollution and noise, and increase efficiency and precision, thereby achieving the mission to "provide a better life for mankind." Red refers to the passion like the heat of the earth's core, denoting enthusiasm, and strong spirit of innovation.

1. Brand Strategies

① Marketing worldwide under the HIWIN brand.

② With the business philosophy of "Global view, local touch," HIWIN established global sales channels, quickly connecting to the market and providing pre-and after-sales services.

2. Marketing Strategies

① With the mission of sustainable innovation, HIWIN collaborates with customers to implement ESG tasks, including the service of components, subsystems, and system parts.

② Integrating mechatronic products, smart automation equipment, and system services to provide eco-friendly and efficient total solutions.

③ Developing and managing a wide range of products under a single brand. For example, we can apply core technologies to new fields such as healthcare and semiconductors.

3. Brand Management

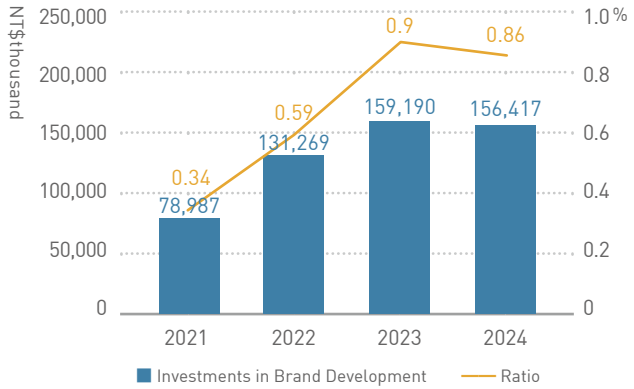
As of 2024, HIWIN has been trademarked and registered in 87 developed countries, including the U.S., Japan, and Europe. Also, trademark applications in two other countries are currently pending. The product line comprises the Ballscrew, Linear Guideway, special bearings, DT Strain Wave Gear, Torque Motor Rotary Tables, Industrial Robots, and semiconductor equipment. The HIWIN brand has a 100% utilization rate[Note].

Note: HIWIN adopts a single-brand strategy for external marketing, with no engagement in OEM or ODM activities or services.

4. Branding Efforts

President Enid H.C. Tsai directly supervises and leads the implementation of existing programs and the launch of new ones under the HIWIN brand. The Sales Department collaborates with the Planning Section and other units to promote and implement these programs jointly.
The Company maintains a consistent annual funding of approximately 1% of the yearly revenue, which may fluctuate depending on the year's global situation and economic conditions.

2021-2024 Investments in brand development



Note:

1. Ratio=Investments in brand development÷Total revenue.
2. Branding expenses include exhibitions, advertising, and marketing promotion activities.
3. In 2021, with the easing of the pandemic, the HIWIN brand was able to allocate more resources to brand development compared to 2020. Despite the increase in revenue, the percentage still experienced a decline.
4. In 2022, as the pandemic gradually subsided and global economies reopened, there was a notable increase in investment towards brand development. This increase in investment has correspondingly led to a rise in the percentage of brand development expenditures.

The HIWIN brand has gained a formidable reputation and is now the leading brand globally for motion control and system technology.

We have long investment in marketing the HIWIN brand, through means such as:

① Each year, we participate in approximately 200 professional exhibitions worldwide to directly engage with customers and potential customers, showcasing HIWIN's capability in providing integrated electromechanical total solutions.

② We invest significant funding in ads on web portals, professional technology forums, technology columns, professional journals, domestic/foreign magazines and digital media.

③ We set up HIWIN ads at airports, train stations, highways, etc.

Tokyo Big Sight subway station in Japan

Shanghai-Nanjing Expressway (Huaqiao Section) in China

Korean magazine


Italian magazine

Offenburg Train Station in Germany

3.3 Corporate Governance

Led by Chairman and CEO Eddie Chuo, HIWIN's board members are exceptional in their professional domains and also independent as they carry out the following essential duties:

Duties of the Board of Directors 1 **Supervision**	Overseeing legal compliance, financial transparency, and the timely disclosure of material information. Establishing various functional organizations to fulfill supervisory responsibilities, such as the Compensation Committee, Internal Audit, and Whistleblower System.
Duties of the Board of Directors 2 **Guidance**	The Board receives quarterly reports from the management team, encompassing key topics such as macroeconomic trends and corporate social responsibility. These reports include evaluations of relevant risks and opportunities, adherence to ethical standards, and other governance-related matters. The Board assesses the feasibility of the strategic plans proposed by the management team, monitors the progress of implementation, and, when necessary, provides oversight and guidance to ensure timely and appropriate adjustments are made.
Duties of the Board of Directors 3 **Appointment and evaluation**	The Board is responsible for the appointment, dismissal, and performance evaluation of managerial officers. It maintains effective communication with the management team and is dedicated to implementing Board directives and managing business operations, with the ultimate goal of maximizing value for all shareholders.

To enhance corporate governance and improve the board's effectiveness, HIWIN has implemented a Key Performance Indicator (KPI) to strengthen operational efficiency. On December 27th, 2018, HIWIN established measures for evaluating board performance in accordance with letter No. 1070025395 of the Taiwan Governance Code. At the end of each year, HIWIN's deliberative unit will ask directors to complete self-assessment questionnaires for the Board of Directors, board members, and functional committees to conduct an annual board performance assessment. The board will then review the questionnaires' outcomes and make necessary improvements in the Q1 board meeting of the following year.

In the 2024 evaluation, the Board achieved an overall performance score exceeding 95.3 points, indicating a performance level above standards, with no significant deficiencies requiring corrective action. The results have been reported to the Nomination Committee and included as an agenda item for the Board meeting on February 26th, 2025. Plans are currently under evaluation to further align Board performance with ESG objectives and to engage an independent third-party organization to conduct an external Board evaluation.

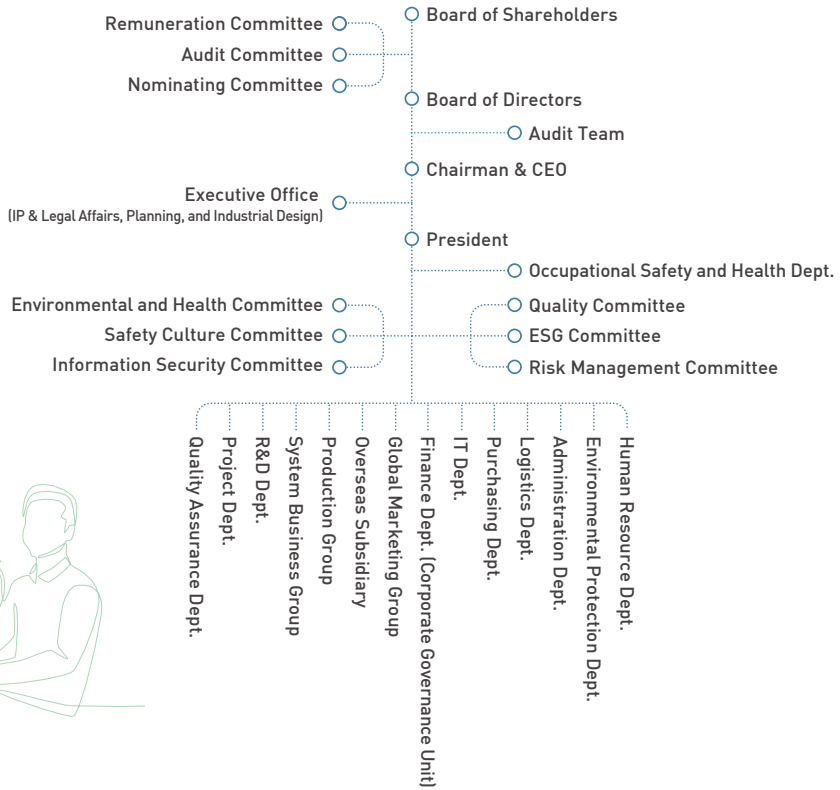
Organization & Structure

HIWIN's management team is committed to upholding corporate governance policies that protect shareholder equity and enhance our information transparency. Our endeavors have received extensive recognition. Main Practices:

1. Functional committees fulfill their respective duties to enhance the board's functioning and implementation of corporate governance.
2. Establish and implement an effective internal control system with self-checking mechanisms.
3. Establish a process for public information declaration to ensure that shareholders and stakeholders have a comprehensive understanding of the Company's financial and business status, as well as the implementation of corporate governance.
4. The Board of Directors serves as the highest governing body, and all resolutions passed by the Board must be approved by the shareholders' meeting. In addition to the board's oversight, the ESG Committee focuses on matters pertaining to education, the economy, the environment, and the disadvantaged in society. The committee also reports significant matters during board meetings.

Organization Chart

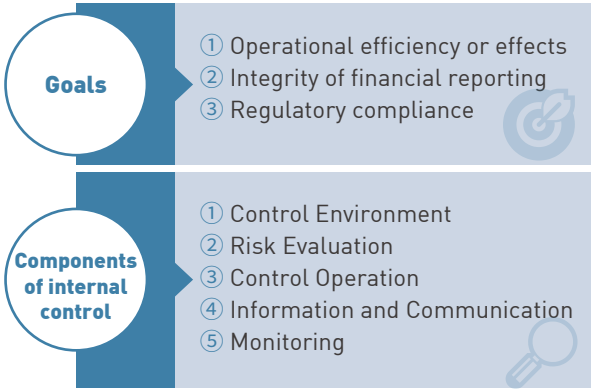
HIWIN is a joint-stock company in terms of its ownership and legal form. As of 2024, the management structure of HIWIN is as follows:



The parent company, subsidiaries, and sub-subsidiaries as of the end of 2024:

Internal Control

The internal control system is designed by management, approved by the board, and it is implemented and managed by the board, management and employees. Its purpose is to promote efficient operations and provide reasonable assurance.



Information Disclosure

HIWIN is committed to transparency and good faith in disclosing Company information. We provide transparent and open access to operational performances, financial reports, and ESG reports on investor service platforms and our official website. Furthermore, we announce information regarding shareholder meetings and roadshows on our website. To ensure effective communication with investors and shareholders, we have established a spokesperson system to address their queries. This system serves as a reliable channel of communication between HIWIN and our valued investors. In 2024, HIWIN released 28 items of Material Information and held 2 investor conferences.

Structure of the Board of Directors

The HIWIN Board of Directors consists of 7 to 11 directors and follows the candidate nomination system outlined in Article 192-1 of the Company Act. The director nomination process is thorough, considering the candidate's professional competence, ethical conduct, and leadership reputation. Currently, HIWIN does not consider ESG background in its director nomination process. Directors at HIWIN serve a three-year term and may be eligible for re-election as per the "Procedures for the Selection and Appointment of Directors."

The 12th Board of Directors consists of 10 directors and serves from June 27th, 2022 to June 26th, 2025. Chairman & CEO Eddie Chuo leads the Board of Directors. Among the directors, 30% are independent directors, and 30% are employee directors. Our Company has not yet set specific targets for the number of employee and non-employee directors or the number of independent directors. To enhance corporate governance and address stakeholder concerns, HIWIN has established an Audit Committee and Nominating Committee, both of which are composed entirely of independent directors.

The directors of HIWIN possess extensive educational and professional backgrounds in business management, finance, engineering, and trading (please refer to HIWIN's 2024 Annual Report for more details). In order to promote diversity, the HIWIN Board of Directors includes four female members. These directors offer valuable insights and guidance for our Company's business operations and development. Additionally, HIWIN provides liability insurance for directors and management, safeguarding them against personal liabilities and financial losses arising from third-party claims related to their duties at HIWIN.

Independent Director

Independent directors possess professional expertise and the capacity to comprehend and evaluate financial reports. Equally important, they must possess qualities that foster independent oversight, such as integrity and fair judgment. These attributes are crucial as they execute and uphold corporate governance, fulfilling their obligations of integrity and diligence to the listed company and its shareholders. In strict adherence to relevant laws, regulations, and the Company's Articles of Association, HIWIN's independent directors conscientiously and diligently fulfill their duties to safeguard the Company's interests and ensure the legitimacy and reasonableness of minority shareholders.

Independent directors fulfill their responsibilities without being influenced by the Company's main shareholder, actual controller, or other stakeholders. They maintain objectivity and fairness, providing suggestions based on their extensive professional experience.

The Board of Directors has established three functional committees: the Remuneration Committee, Audit Committee, and Nominating Committee. All committees consist of independent directors. The HIWIN board meets at least once every quarter to primarily review the Company's business performance and discuss important strategies.

In 2024, a total of four Board meetings were held, with an overall attendance rate of 97.5% among all directors. For individual attendance details, please refer to HIWIN's 2024 Annual Report

Director Training Programs

The board has authorized the ESG Committee to conduct performance evaluations on economic, environmental, and social dimensions. As a result, the highest governing body does not directly assess the performance of actions towards sustainable development. To enhance the highest governing body's understanding of economic, environmental, and social dimensions, directors receive training on corporate governance, sustainable development, and securities laws as necessary. For details on the courses attended and training hours completed by Board members in 2024, please refer to HIWIN's 2024 Annual Report.

Please refer to HIWIN's 2024 Annual Report for more details.

Board Remuneration and Profit-Sharing Mechanism, Major Shareholders, and Functional Committees (Remuneration Committee, Audit Committee, Nomination Committee)

Other Committees

Environmental and health committee

Membership Heads of all departments

In alignment with the Company's business plans, training programs related to environmental protection, occupational safety and health, energy management, and water resource management are developed and implemented to ensure that personnel responsible for Environmental, Safety, Health, and Energy functions possess the necessary professional knowledge to effectively carry out Company policies. On a daily basis, the committee oversees operations in various departments, holds review meetings, and provides suggestions to ensure compliance with management system requirements.

Quality committee

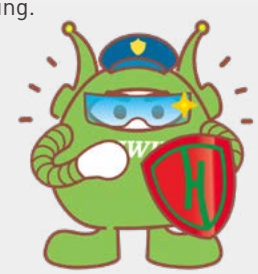
Membership: Production Dept., Quality Assurance Dept., Logistics Dept., Sales Dept., R&D Dept.

The main responsibility of the Quality Committee is to develop and establish product quality standards and strategies. Additionally, they are responsible for consistently monitoring and participating in a range of quality activities, including the creation, implementation, and evaluation of product quality systems. The committee also oversees the management of pre- and after-sales service quality, ensuring adherence to the PDCA (Plan-Do-Check-Act) cycle.

Safety culture committee

Membership: Production Dept., Quality Assurance Dept., Logistics Dept., System Business Group

Based on HIWIN's future development and production environment, a comprehensive safety management system has been established. This framework includes physical infrastructure, mechanical design, protective measures, activity zone evaluations, and employee behavior training. Regular audits are conducted to ensure the safety of personnel and machinery, as well as the integrity of operations.



Risk Management Committee

Membership: Heads of all departments

Chaired by Eddie Chuo, Chairman & CEO. The Risk Management Committee conducts risk factor identification at least twice a year to recognize risks that may impact the Company's sustainable development. The Committee formulates corresponding risk management policies, including management objectives and response measures, and ensures effective implementation. Through this process, the Company aims to identify, assess, and control various risks, keeping them within acceptable levels.

ESG committee

Membership: Heads of all departments

Under the leadership of President Enid H.C. Tsai, monthly meetings are convened to discuss sustainability-related topics across environmental, social, and governance (ESG) dimensions. The ESG Committee manages key material topics related to sustainability, and in principle, reports to the Board of Directors four times a year on implementation results, impacts, and future targets.

The directors received reports from the ESG team in Board of Directors meetings held in February, May, August, and November 2024. Reported topics included: (1) material sustainability issues and corresponding response measures; and (2) implementation progress and oversight of sustainability initiatives. Following the reports, Board members provided feedback and suggestions for the ESG Committee's further consideration, serving as a reference for the management team in refining business strategies.

Senior Executives Remuneration

The remuneration of senior executives includes base salary, bonuses, dividends, and retirement benefits, among others. The related performance assessment and the reasonableness of remuneration are evaluated and reviewed annually by the Remuneration Committee and the Board of Directors. The remuneration is primarily determined by considering the achievement rates of performance targets of the responsible units, the status of ESG implementation projects, the benefits generated, and the contribution to the Company. This is also taken into account alongside the overall operational performance of the Company, potential future industry risks, and the balance between corporate governance performance and risk management. A fair remuneration is provided based on these factors.

For details regarding the compensation paid to senior executives in 2024, please refer to HIWIN's 2024 Annual Report. As of the end of 2024, information on the shareholding of senior executive is available on the Market Observation Post System (MOPS). The market value of the CEO's shareholding was 246.05 times his annual salary, while the market value of the shareholdings of other senior executives (excluding the CEO) was 9.26 times their annual salaries.

Remuneration Paid to Senior Executives

Year	2023	2024
Ratio of CEO Average Compensation to Median Employee Compensation	23.54	23.40
Ratio of CEO Average Compensation to Average Employee Compensation	22.42	22.03

Remuneration Decision Process

HIWIN's Remuneration Policy and Process

① Article 31 of the Company's Articles of Association states that if the Company generates a profit in a given year, it must allocate a minimum of 1% of employee remuneration and a maximum of 4% of director remuneration. The Remuneration Committee will review this amount and present it for discussion to the Board of Directors before it can be distributed. Additionally, it must be reported to the shareholders' meeting.

② The Company has implemented a process for determining the compensation of directors, presidents, and vice presidents. This compensation is determined by taking into account the overall operational performance, future risks in the industry, and development trends, as well as the results of performance evaluations, contributions to the Company and ESG performance outcomes. The Remuneration Committee presents recommendations to the Board of Directors for approval. The compensation system is regularly reviewed to align with current operating conditions and applicable laws, ensuring a balance between sustainable business operations and risk management.

Rigorous Control & Audit

HIWIN, through oversight by the Remuneration Committee, Internal Audit Office, and Independent Directors, ensures that corporate social responsibility (CSR) issues—including economic, environmental, and social aspects—are communicated through the Board of Directors. The senior management team then reviews and mitigates potential material risks by formulating operational plans. Strict internal procedures are implemented to tightly control operations, continuously improve processes, and ensure the timeliness and security of documentation, thereby minimizing the likelihood of risk events. Key positions are rotated regularly, and the Internal Audit Office conducts unannounced audits to reduce the risk of confidential information leakage or corruption to the lowest possible level.

Integrity Management

❶ Policy and system establishment

In accordance with the Company's management philosophy and mission statement, employees are strictly prohibited from engaging in any form of bribery, kickbacks, or other corrupt practices for personal or thirdparty gain while performing their duties. To ensure compliance with our anti-corruption policies, HIWIN emphasizes its philosophies and core values during onboarding and functional training sessions. Additionally, when recruiting new employees, HIWIN carefully selects individuals who align with our Company culture. HIWIN has established an Integrity Management Code that explicitly prohibits HIWIN, directors, management, employees, and actual controllers from directly or indirectly offering, committing, requiring, or receiving any form of illegal profits from customers, distributors, contractors, suppliers, government officials, or other stakeholders in the course of their duties. We expect the Board of Directors and management team to fully adhere to our integrity management policies. The Company's business philosophy is reinforced daily, including during morning meetings, to instill these principles in our employees.

As an example of our commitment, all HIWIN locations achieved 100% compliance with anti-corruption campaigns in 2024, effectively demonstrating our core values of integrity and honesty. The Integrity Management Code is publicly available on our website.

❷ Report process and channel

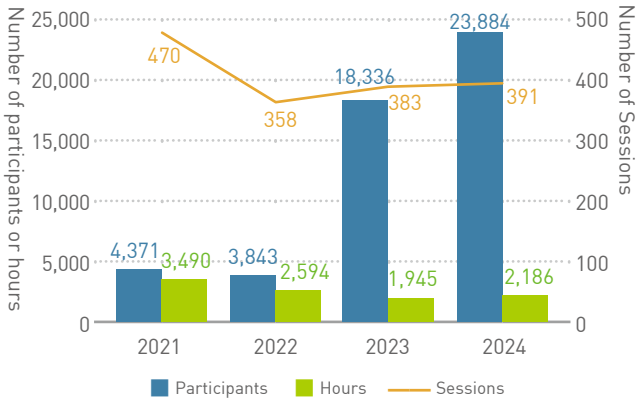
HIWIN encourages the reporting of any unethical or improper behavior. If stakeholders identify suspicious behavior by HIWIN employees or any relevant individuals that may violate the Code of Ethics, they can utilize the reporting management system. The Company will evaluate and inspect the matter and may impose disciplinary measures, including termination, for serious cases. The Company's official website has established a communication mailbox for stakeholders, and the internal website has announced an internal independent reporting mailbox or special line to encourage employees or stakeholders to express their opinions or report violations. The identity of the whistleblower and the content of the report will be kept confidential, and the whistleblower will be protected from any inappropriate actions. In 2024, HIWIN received 23 opinions and reports related to management systems, all of which have been thoroughly addressed and resolved.

Auditing agencies and HIWIN's internal control systems regularly evaluate corruption risks within the Company and formulate audit plans accordingly. The audits are then conducted in accordance with the audit plans. Results are regularly reported to the Audit Committee and Board of Directors to actively prevent corruption. There were no major instances of corruption in 2024.

❸ Training outcomes

HIWIN conducts annual trainings on laws compliance for directors, managers, and employees. These trainings are conducted through monthly supervisor meetings, new hire orientations, supervisor trainings, basic trainings, and promotion trainings. The training materials are customized to cater to the different nationalities of our colleagues, with versions available in Chinese, English, and Vietnamese. These initiatives encompass a variety of methods such as online and physical courses, company websites, internal electronic announcements, and meetings. The main objective of these trainings is to promote ethical business conduct principles and disseminate the content of the "Integrity Management Code" and the "Operating Procedures and Guidelines for Integrity Management." The trainings emphasize the importance of avoiding conflicts of interest, refraining from accepting gifts from manufacturers, preventing insider trading, protecting trade secrets, and more.

Integrity management training



Note:

1. In 2024, the integrity management training courses at HIWIN included subjects such as Case Analysis of Management and Occupational Accidents, Internal Material Information Scope, Confidentiality Procedures, Clarification of Legal Knowledge, and Business Management Meetings, among others.
2. The achievement rate for anti-corruption training for employees and directors at HIWIN was 100%.
3. Starting in 2023, HIWIN enhanced its online training courses, resulting in a significant increase in participation. This not only reduced the consumption of materials for physical courses but also improved the accessibility and reach of training programs.

Compliance with Regulations

HIWIN upholds strict adherence to regulatory and legal compliance as fundamental principles. We conduct regular reviews and actively monitor changes in government regulations, promptly making necessary adjustments. Through the modification of relevant documents, educational training, and issuing announcements, we ensure that all members are informed and compliant with operational laws. We also periodically organize awareness campaigns on regulations and actively monitor compliance within each department. Our efforts aim to enhance employees' legal awareness and assist in resolving practical challenges.

Additionally, we seek guidance from consultants, lawyers, accountants, and other relevant entities regarding significant domestic and international policy and regulatory changes. When necessary, we engage their services to evaluate, suggest, and plan appropriate responses to ensure compliance with laws and mitigate negative financial impacts. Our objective is to achieve medium to long-term adherence to relevant socio-economic regulations without any major violations.

To meet customer demands and ensure timely deliveries, employees voluntarily work overtime. In order to promote work-life balance and prevent excessive work hours, HIWIN has reviewed the attendance system and implemented an overtime alert function. We also regularly advocate for compliance with overtime policies at labor-management meetings on the factory level, urging supervisors and employees to adhere to these policies.

From 2021 to 2024, HIWIN did not incur any significant fines related to environmental, social, or economic issues. (Significant fines are defined as those exceeding US$ 10,000.)

Antitrust, Anti-competitive Behavior

HIWIN strictly prohibits any coordination with industry peers or associations regarding production volumes or sales quantities, in order to prevent price manipulation and ensure compliance with relevant domestic and international regulations.

In terms of customer relations, the company adheres to principles of ethical and lawful business conduct, including honesty, integrity, and respect for the rights of others. HIWIN enters into formal distributor agreements that clearly stipulate confidentiality obligations regarding pricing information. Distributors are expressly prohibited from disclosing such information to any third party and are authorized to sell HIWIN products exclusively within their designated market territories.

In 2024, there were no legal cases related to anti-competitive practices, anti-trust practices, or monopolistic behaviors. In terms of organizational structure, HIWIN has implemented comprehensive internal control systems and measures, such as management policies, authorization systems, and separation of duties. These systems and measures are reinforced by internal audits to prevent any instances of corruption.

Conflict of Interests

Please refer to the 2024 Annual Report for information on HIWIN directors serving concurrently at other companies, stakeholder shareholding, and controlling shareholders and affiliates.

Please refer to HIWIN's 2024 Annual Report for more details.

3.4 Business Performance

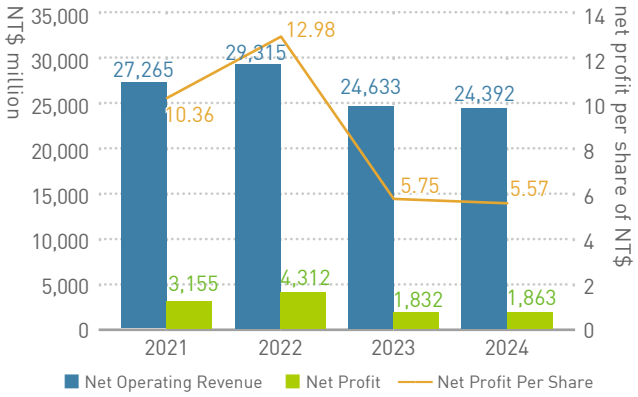
Financial Performance

In 2024, global geopolitical tensions, ongoing trade protectionism, and continued weakness in the Eurozone manufacturing sector resulted in a subdued recovery momentum for the global economy. The average global Manufacturing Purchasing Managers' Index (PMI) stood at only 49.3%, reflecting the sluggish pace of recovery. HIWIN reported consolidated revenue of NT$24.392 billion for the year, representing a slight decline of 0.98% compared to 2023. All figures presented are based on the consolidated financial statements. For detailed financial performance, please refer to the HIWIN 2024 Annual Report.

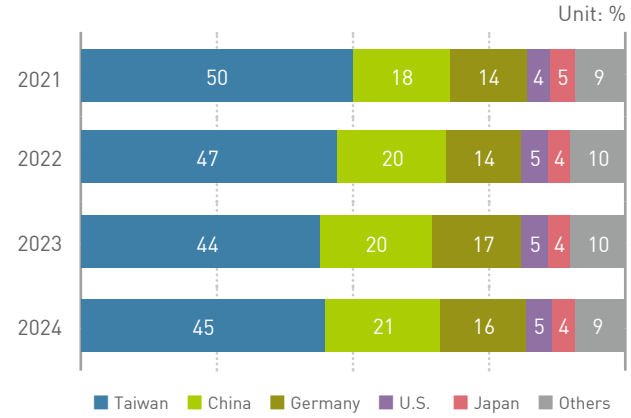
Please refer to HIWIN's 2024 Annual Report for more details.

HIWIN's dividend policy adheres to the Company's articles and legal regulations regarding the annual distribution of earnings. The dividend distributions for the years 2021-2024 are as follows:

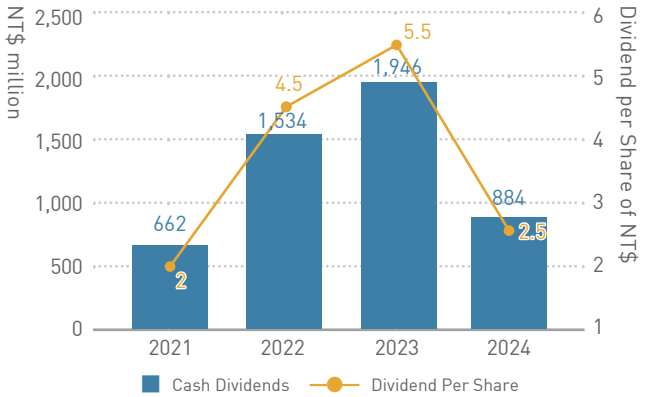
Financial performance



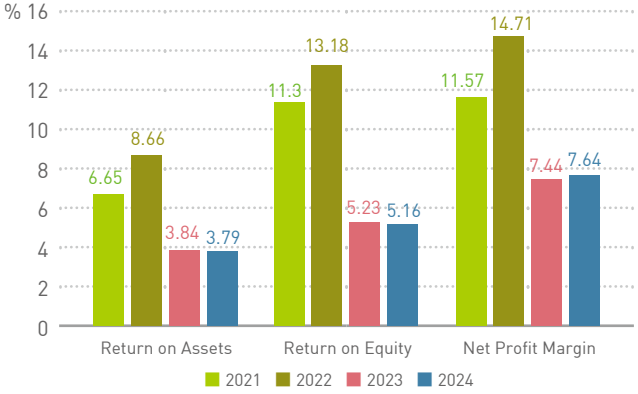
Proportion of operating income by operating location



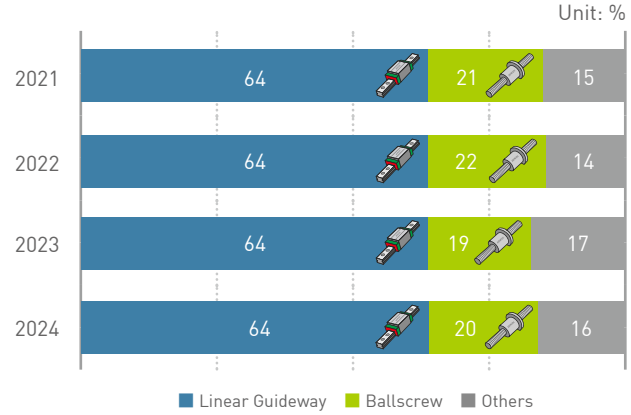
Dividends paid



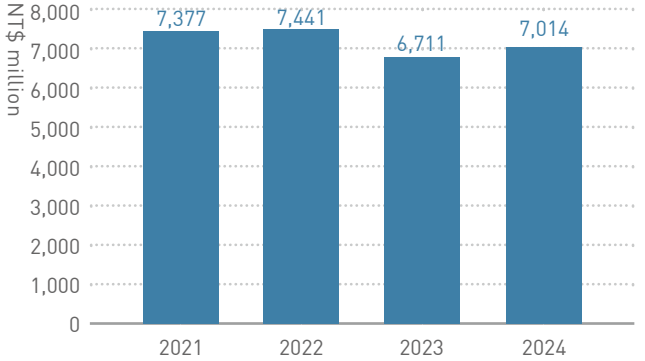
Income performance



Proportion of income by product



Employee remuneration and benefit



Note: Remuneration and benefits encompass various employee expenses, such as salaries, labor and health insurance premiums, pension costs, and other employment-related expenditures (including food expenses, employee benefits, training fees, and group insurance premiums, among others).

Tax Management

❶ Tax policy and principle

As a responsible global corporate citizen, HIWIN upholds the value of innovation and sustainable operation, committing to information transparency and sustainable development. We fulfill our social responsibilities in the regions where we operate, assume reasonable tax burdens in major operating countries, support government tax incentive policies, and contribute to local economic development and industrial innovation. We manage and formulate HIWIN's tax policies and guidelines to pursue sustainable development based on sound and reasonable principles.

HIWIN tax policy and principle

- ✓ Operational activities are conducted in accordance with the local tax laws and regulations of each region, and we diligently fulfill our tax obligations.
- ✓ We do not engage in transactions in low-tax countries for tax avoidance purposes.
- ✓ We do not engage in transactions for the purpose of tax avoidance.
- ✓ We do not transfer the profits to low-tax countries.
- ✓ We enhance our tax expertise through continuous talent development.
- ✓ The disclosure of tax information in financial reports is carried out in accordance with relevant regulations.
- ✓ Based on mutual trust and information transparency, we establish a relationship of mutual respect with tax authorities.

Please refer to HIWIN's 2024 Annual Report for more details.

❷ Tax governance and risk management

HIWIN operates and expands its business globally in full compliance with the tax regulations of the countries in which it operates. We adheres to the arm's length principle in all intercompany transactions and follows the transfer pricing regulations applicable in each jurisdiction. In addition, consolidated entities engage external experts or tax advisory firms to enhance professional capabilities and assist in addressing tax matters. The internal audit department conducts annual reviews to ensure that accounting, taxation, and financial reporting processes comply with internal control systems and applicable legal requirements.

In response to global trends in tax governance and the implementation of a global minimum tax regime, each consolidated entity is responsible for filing and paying taxes in accordance with local tax laws. Day-to-day tax administration and management are handled by the respective finance departments, ensuring compliance with internal procedures and relevant tax regulations. Tax-related matters are reviewed by certified public accountants or tax professionals and submitted to the appropriate approval levels.

Recognizing that changes in tax laws and regulations may pose potential risks to business operations, HIWIN closely monitors policy and legislative developments that may impact taxation. In the event of changes to local tax laws or international tax standards, the Company gathers relevant information, assesses potential impacts, and formulates appropriate response strategies. Group-level tax matters are centrally coordinated by HIWIN's Finance Department, while significant tax issues at the subsidiary level are reported to the Board of Directors on an as-needed basis.

❸ Tax information

2021-2024 Tax Information (consolidated)

Items	Units	2021	2022	2023	2024
Income Tax Expense	NT$ million	1,320	1,506	709	387
Current Income Tax		1,433	1,306	654	441
Deferred Income Tax		(113)	200	55	(54)
Tax Credit [Note 1]		125	155	138 [Note 2]	126 [Note 2]
Pre-Tax Income		4,475	5,818	2,540	2,250
Income Tax Rate	%	29.5	25.9	27.9	17.2
Share of Consolidated Revenue		4.84	5.14	2.88	1.59

Note:

1. Income tax credits are granted for the purchase of machinery and equipment, as well as for research and development expenditures, in accordance with relevant regulations.
2. The above amounts are subject to confirmation by the tax authorities.

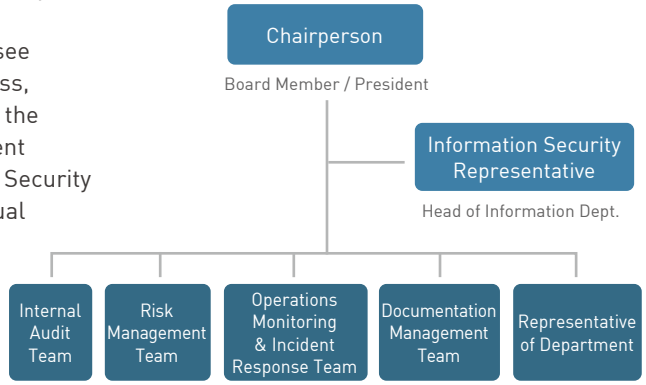
3.5 Information Security

Policy, Governance, and Strategic Objectives

To safeguard the integrity of its information assets and ensure business continuity, HIWIN has established a robust foundation for information security governance through the formal publication of its Information Security Policy and Objectives. This framework is designed to protect the interests of the company, customers, suppliers, and employees, while ensuring compliance with regulatory requirements and addressing stakeholder expectations. The policy emphasizes the core principles of confidentiality, integrity, and availability (the CIA triad) of information systems and data, aligning with global best practices in cybersecurity and digital risk management.

At the governance level, HIWIN has established the Information Security Committee, chaired by a Board Member, the President, to oversee the implementation, effectiveness, and continuous improvement of the Information Security Management System (ISMS). The Information Security Representative submits an annual governance report to the Board of Directors, ensuring board-level oversight and accountability.

The Information Security Committee Structure



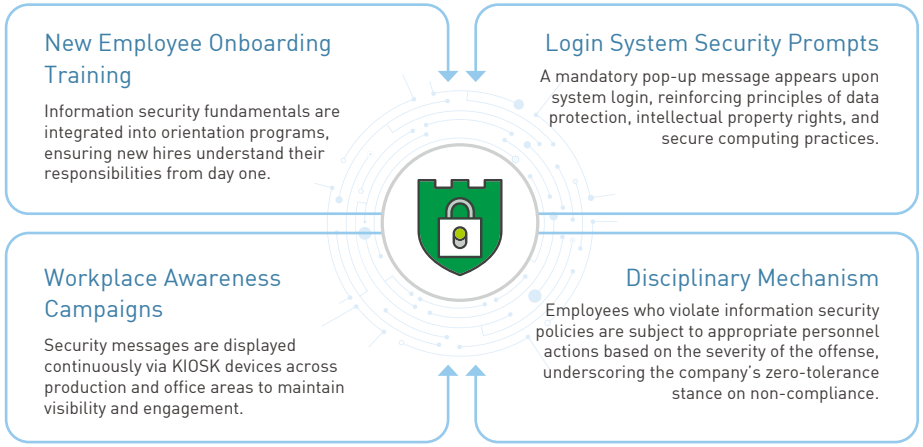
To institutionalize information security across the organization, dedicated task forces operate under the Committee's structure. Each department appoints an Information Security Officer (ISO), typically a managerial-level supervisor, to promote cross-functional collaboration and embed a culture of shared responsibility. This decentralized yet coordinated approach ensures that information security is integrated into daily operations at all levels.

Information Security Certification

HIWIN has consistently demonstrated a strong commitment to establishing a comprehensive Information Security Management System (ISMS), supported by the implementation of various system management tools. To ensure the effectiveness of its ISMS and alignment with international standards, HIWIN successfully obtained ISO/IEC 27001 certification in March 2023. The certification scope encompasses personnel, systems, facilities, and data centers involved in core operations. In March 2024, HIWIN once again passed an external audit conducted by an accredited certification body, reaffirming the continued effectiveness and robust operation of its ISMS.

Fostering a Culture of Information Security Awareness

Recognizing that human behavior is a critical component of cybersecurity, HIWIN implements a multi-tiered training and awareness program to cultivate a strong security-conscious organizational culture. These initiatives aim to instill secure practices among all system users and equip technical personnel with advanced skills. Key Initiatives to Strengthen Security Awareness:



2024 Information Security Training Results

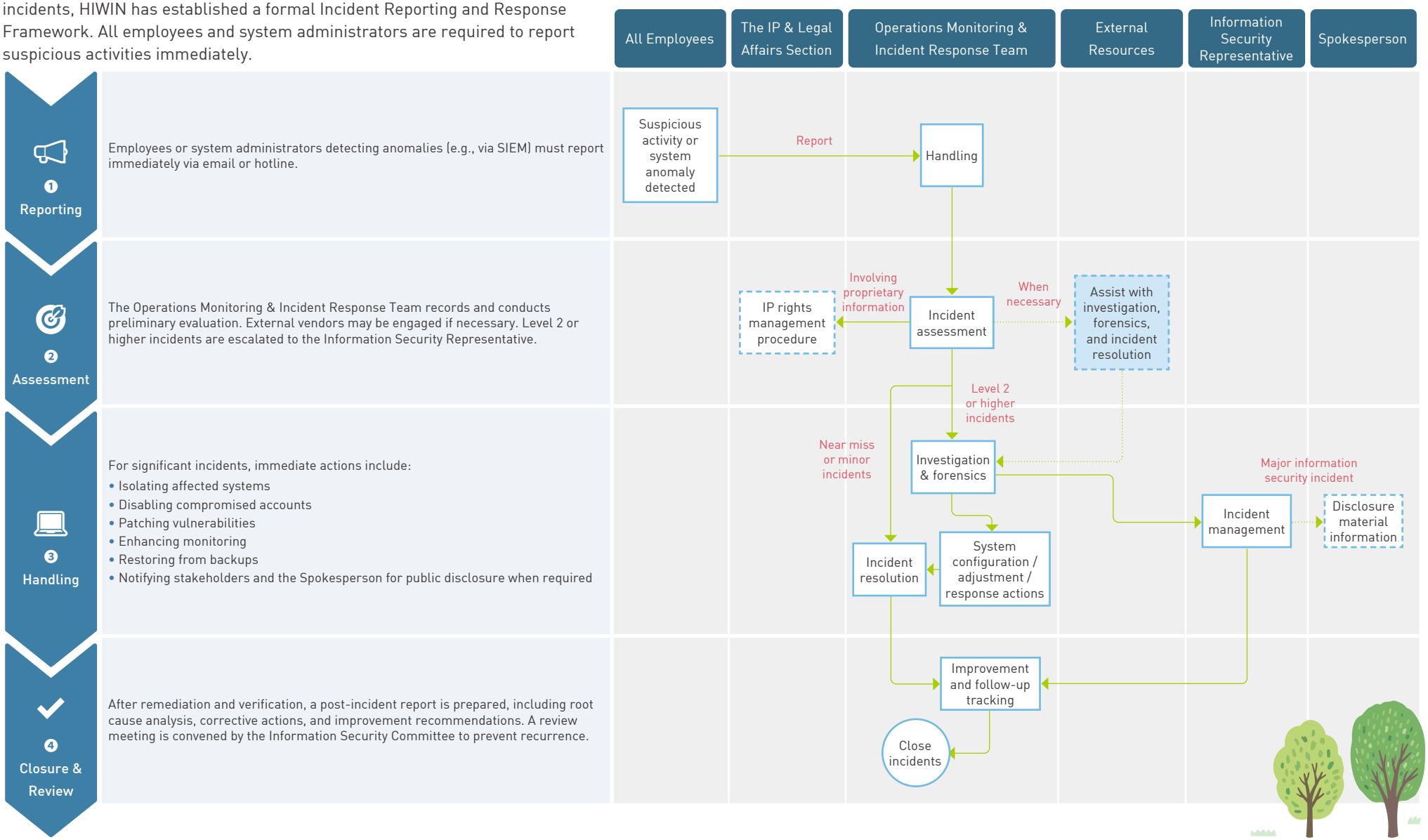
	Course Name	Duration (hrs)	Target Audience	Participants	Passed	Completion Rate
1	New Employee Training – Information Security	0.5	New Employees	158	158	100%
2	Fundamentals of Information Security Awareness Note	0.5	System Users	2,212	2,105	95.2%
3	Information Security Awareness and Prevent Phishing Emails	1	Failed Drill Participants	296	296	100%
4	Information Security System Management Practices	1	System Administrators	69	69	100%

Note: Employees who fail the Fundamentals of Information Security Awareness course for two consecutive years will be subject to disciplinary action.

Information Security Incident Reporting and Response Process

To ensure prompt detection, assessment, and resolution of potential security incidents, HIWIN has established a formal Incident Reporting and Response Framework. All employees and system administrators are required to report suspicious activities immediately.

Reporting Channels
is.incident@hiwin.tw
#1001



Information Security Measures Implemented - Items & Outcomes

Identify

- Cloud Access Control
- Two-Factor Authentication (2FA)
- Internal Access Control
- Remote Access Control
- Hardware and Software Asset Management

Protect

- WAF / L7 Firewall
- Secure Web Gateway
- Network Access Control
- Subsidiary / Facility Network Segmentation
- IT/OT Network Segmentation
- Access Control
- Surveillance Monitoring
- Facility Entry and Exit Security Checks

Recover

- Heterogeneous Protocol Backup System
- Virtualized Data Center
- Business Continuity Plan
- Disaster Recovery Drills

Detect Response

- MDR (Managed Detection and Response)
- Threat Detection and Response Service
- SIEM (Security Information and Event Management)
- Information Security Incident Reporting & Response Process

2024 Information Security Awareness and Compliance Metrics

Management Procedures

28 items
Increased/revised information security procedures and forms

External Audits

2 times
Passed external audits by TUV NORD (ISO 27001 certification) and Deloitte (Computerized System Audit)

Drills

1 time
Conducted phishing simulation drill

1 time
Business continuity drill

8 times
Disaster recovery drills

Security Goal

91.7 %
Achieved of information security goals

Vulnerability Scanning

1 time
Engaged external vendors to conduct vulnerability scanning for key services

Network Risk Zoning

100 %
Completed OT/IT network risk zoning and firewall isolation management

Disciplinary Actions

0.96 %
Employees received warnings or demerits for violating information security rules

Major Security Incidents

0 time
Major information security incidents occurred

Training / Awareness

95.2 %
System users completed basic awareness training

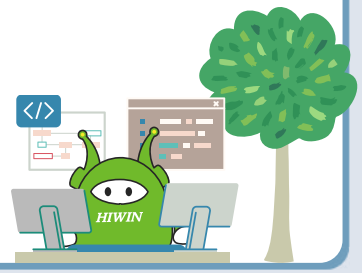
100 %
System administrators completed advanced training

100 %
Failed phishing drill participants completed remedial training

Awareness Campaigns

3 copies
Revised security awareness alerts

7 times
Issue security threat notifications



Continuous Improvement of Application System Security

As most core information application systems are self-developed, continuous security enhancements are required to achieve organizational security goals and strategies. In 2024, we focused on eight key areas-identity tracking, system permission control, technical risk mitigation, software development protection, data security, physical document protection, authentication mechanism improvement, and data integration-and completed the design and deployment of 186 application security improvement items.

Cybersecurity Threats and Mitigation Measures

2024 Cybersecurity Threat	Mitigation Measures
Ransomware remains the primary information security threat, posing high risks to operations.	① Eliminate most known threats through email filtering systems. ② Enforce internal and external use of secure gateways to reduce access risks from malicious links. ③ Conduct regular phishing simulation drills; failed participants will receive additional training. ④ Deploy endpoint protection systems to prevent execution of malicious programs. ⑤ Subscribe to 7×24 MDR (Managed Detection and Response) threat detection and response services from external vendors. ⑥ Conduct regular vulnerability scans and patch high-risk vulnerabilities or implement risk avoidance measures. ⑦ Strictly enforce daily backup procedures to ensure data recovery in crisis situations.
As system services gradually migrate to public cloud environments, misconfigurations may lead to serious security issues.	① Regularly review membership of administrator groups and minimize the number of privileged users. ② Implement conditional access policies allowing only managed trusted devices to access cloud systems from outside the company; MFA is mandatory when required. ③ Enforce mandatory MFA for all administrator role members. ④ Utilize Microsoft Service Hub enterprise-exclusive technical support to obtain security recommendations for cloud environment configurations and continuously adjust management strategies.

3.6 Risk Management

Risk Management Framework and Policy

HIWIN has established Risk Management Committee responsible for risk control implementation. It adopts the Three Lines of defense mechanism of internal control to ensure the smooth operation of overall risk management.

Risk Management Procedure

HIWIN established its risk management procedures based on the ISO 31000 framework, which the Board of Directors approved in 2020. We control risks relevant to business operations by following the tiered organization and internal control systems. We commit to evaluating critical global economic, social, environmental, and innovative technology risks by senior managers' participation. We implement six cyclical processes: identification, analysis, evaluation, response, management, and continuous monitoring of risks that could threaten the Company's future sustainable operation.

Please refer to HIWIN's 2024 Annual Report for more details.

❶ Risk identification

Collect data from historical records, industry peers, or media coverage

We examine the various risks we face in daily operations, including—but not limited to—industry changes, climate change, supply chain, intellectual property and litigation, cybersecurity, credit and financial, human resources, occupational safety, and other emerging risks. We focus on HIWIN's multiple factory sites in Taiwan and will include domestic and overseas subsidiaries in the future. Please see the 2024 Annual Report, "Risk Analysis."

❷ Risk analysis

Analyze operations-related risk factors

Each department identifies risks, assesses their likelihood of occurrence and potential impact on the company's financial and operational performance, and then develops a risk matrix. Risks are ranked from highest to lowest based on their risk scores. Considering the company's risk appetite, the tolerance level for each risk is also evaluated to ensure that all identified risks are reasonably controlled.

❸ Risk evaluation

Assess the likelihood of various risks occurring and the degree of impact on the Company's operations

❹ Risk response

Formulate response measures and action plans for items with higher risk coefficients

❺ Risk management

Execute corresponding action plans for existing risks; evaluate if risks have changed

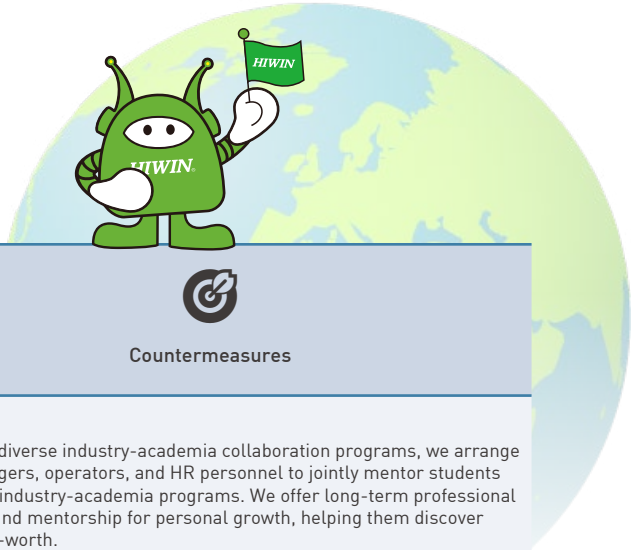
Concerning high-risk issues, each business unit regularly reports the risk status to management, reinforces control plans, and submits them to the Risk Management Committee for supervision and review. The 2024 Risk Strategies and Critical Contingency Plans have been included in the Board of Directors' report on November 12 2024. Please refer to pages 34-35, 44 of the 2024 Annual Report.

❻ Continuous monitoring

Annually test whether action plans effectively reduce risks

Emerging Risk

In order to address the emerging risks that result from ongoing changes in the global economy, society, and natural environment, HIWIN has implemented a mechanism for identifying these risks. This mechanism includes identifying emerging risks, assessing their impact, and developing measures to mitigate and manage these risks. The purpose of this mechanism is to effectively identify emerging risks and propose countermeasures to ensure sustainable operations.



Emerging Risk	Risk Description	Potential Impact	Countermeasures
Key Talent Risks	① The declining birthrate affects Taiwan's population structure, leading to a yearly decrease in the labor force. ② The semiconductor industry, artificial intelligence industries and multinational companies are competing for talent, affecting the recruitment and retention of professionals in the precision machinery industry. ③ Labor shortages worldwide have led governments to attract talent actively, posing challenges for employing an international workforce.	① Changes in Taiwan's demographic structure and social attitudes, combined with the rise of artificial intelligence, are reshaping labor market trends. Additionally, the semiconductor industry's high salaries are attracting STEM talent, intensifying competition for skilled workers in the precision machinery sector. ② Foreign professionals remain an important human resource for the Company. However, due to global labor shortages, many countries have adjusted immigration policies to attract international talent, increasing workers' mobility and selectiveness—posing potential risks to HIWIN's talent retention. ③ As Southeast Asian economies continue to grow, the willingness of migrant workers to seek overseas employment has declined, resulting in a shortage of cross-border labor.	① Through diverse industry-academia collaboration programs, we arrange for managers, operators, and HR personnel to jointly mentor students from the industry-academia programs. We offer long-term professional training and mentorship for personal growth, helping them discover their self-worth. ② We opt for rolling yearly/structural salary adjustments, care interviews, internal transfers, guaranteed annual salaries, and offering a stage for key talents to shine to attract and retain talent. ③ Salary adjustments are assessed based on external market benchmarks and the Company's operational performance. In addition, irregular employee care interviews and internal job rotations are conducted to offer key talents diverse challenges and development opportunities, thereby enhancing talent attraction and retention.
Geopolitical Risks	① Ongoing geopolitical tensions- such as the Russia-Ukraine war, the Israel–Palestine conflict, and the Taiwan Strait situation-continue to exert pressure on global supply chains and the world economy. ② Protectionist policies by major global economies in the technology and energy sectors- for instance, expanded U.S. sanctions against China and the European Union's enhanced Carbon Border Adjustment Mechanism (CBAM)- are increasing compliance burdens and operational costs for enterprises. ③ The prolonged instability of the Russia–Ukraine conflict and the Red Sea region continues to impact energy prices and global logistics, further intensifying cost pressures on businesses.	① Trade and Market Contraction: Regional cooperation is diminishing, free trade is gradually shrinking, and export tariffs and non-tariff barriers continue to rise, impacting global market liquidity. ② Supply Chain Fragmentation and Restructuring: The global supply chain is rapidly shifting towards South Asia, Eastern Europe, and Mexico, increasing corporate restructuring costs and causing short-term instability. ③ Energy and Raw Material Supply Risks: Ongoing geopolitical conflicts and sanctions have heightened uncertainty in energy supply, raising production costs and product prices, thereby affecting corporate profit margins.	① Optimize Global Footprint and Supply Chain Resilience: Accelerate expansion into emerging markets, enhance regional production capabilities and localized services to reduce risks associated with specific regions. ② Accelerate Product Upgrades and Green Transition: Develop low-carbon technology products aligned with ESG principles, and strengthen competitiveness in semiconductor and renewable energy technologies. ③ Enhance Core Product Competitiveness: Optimize linear motion products and leverage mechatronics integration to increase the share of high-value-added solutions. ④ Diversified Supplier Strategy: Broaden sources of key components to mitigate supply chain disruption risks caused by geopolitical tensions. ⑤ Improve Policy Responsiveness: Closely monitor policy changes across countries and adjust regional market strategies to ensure business stability and sustainable development. ⑥ Innovation and Application Expansion: Advance technological innovation, focusing on semiconductor equipment, AI, and automation products to capture growth opportunities in high-end markets.

Strengthening the Risk Culture

All members of HIWIN's Board of Directors possess expertise in risk management. The Nominating Committee periodically assesses and designs relevant courses to ensure that all directors continue their professional development. For training courses completed in 2024, please refer to the Annual Report (pp. 27–28). Before making critical decisions, the management team considers various current and future risk factors and only executes after making an assessment. The performance of these decisions is reflected in the Company's profitability. Therefore, the management team's remuneration is linked the effectiveness of risk control. Combining the management team's KPI goals with risk control ensures management and prevention of the risks within the scope of each executive's responsibilities. The Company then provides reasonable remuneration based on performance evaluation results.

We continuously include risk management standards in the HR review process for employees evaluation and organize multiple courses, competitions, and activities to promote risk culture.

① Workplace Safety

We promote safety culture campaigns, formulate Safety and Health training plans, and have occupational doctors on-site regularly to provide relevant health services.

② Intellectual Property Protection

We rolled out the Taiwan Intellectual Property Management System (TIPS), implemented a trade secrets registration system, collected evidence of trademark use, and conducted training to enhance the legal and patent knowledge of managers and employees in R&D.

③ Information Security

We conduct training courses and course-end exams on information security. By disseminating information on cybersecurity through multiple channels and conducting social engineering drills for all employees, we examine the effectiveness of the cybersecurity training course in terms of the employees' awareness and behavior, and followed by review and improvement.

3.7 Human Rights

Human Rights Policy and Management

HIWIN supports and adheres to fundamental human rights principles outlined in the Universal Declaration of Human Rights, the United Nations Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance for Responsible Business Conduct, as well as the legal requirements in all jurisdictions where it operates. A Human Rights Policy has been established to apply to all global employees, suppliers, contractors, and communities impacted by HIWIN's operations. HIWIN is committed to complying with all labor laws and regulations in the employment of personnel and does not coerce employees into performing services against their will. For suppliers, HIWIN conducts a thorough qualification and evaluation process covering seven key assessment areas, including labor management systems. Through these measures, HIWIN aims to uphold fundamental human rights and ensure the protection of lawful employee rights in collaboration with its supply chain partners, thereby jointly advancing corporate social responsibility.

To effectively identify, prevent, and mitigate human rights-related impacts and implement human rights management, HIWIN has adopted the Human Rights Policy and Specific Management Measures as the highest guiding principle for its human rights governance. In alignment with international sustainability standards, the company has established a human rights due diligence process. A human rights due diligence assessment was conducted in 2023, with the next assessment scheduled for 2026.

Human rights due diligence process

Formulate Human Rights Policies	Commit to supporting and adhering to international standards and labor regulations, and to formulating human rights policies.
Identify Objects and Human Rights Issues	Identify major human rights issues and affected objects in the organization and industrial chain.
Risk Evaluation	Regularly assess and understand the level of risk exposure for employees, suppliers, and customers.
Establish Risk Mitigation Measures	Set goals for responding to human rights risk issues, as well as action plans and mitigation measures.
Review Execution Results	Regularly review execution results and performance.
Disclose Relevant Information	Conduct discussions and reports on human rights management.
Improvement and Tracking	In case of incidents of human rights violations, carry out improvement and remedial measures.

❶ Management principles

HIWIN focuses its human rights management on employees, suppliers, and the community.
We aim to prevent incidents that could harm human rights through various due diligence methods and grievance channels.

HIWIN's Role	Target Groups	Human Rights Issues	Main Policies	Responsible Unit	Due Diligence	Grievance Mechanism
Employer	All employees Female employees Teenage workers Migrant workers	• Diversity, inclusion, and non-discrimination • Sexual harassment • Equal pay for equal work • Working hours and salary • Prohibition of any form of human trafficking • Opposition to child labor • Humane treatment • Workplace safety and health • Positive labor-management communication • Data privacy protection and management	• Human rights policies	Human Resource Dept. Occupational Safety and Health Dept.	According to the United Nations Guiding Principles on Business and Human Rights, we prudently evaluate employee human rights risks and implement controls and mitigation measures to safeguard them.	Internal grievance mailbox ✉ help@hiwin.tw ✉ hope@hiwin.tw ✉ argon@hiwin.tw
Buyer	All suppliers and contractors	• Freedom to choose a profession • Teenage workers • Salary and benefits • Working hours • Humane treatment • Non-discrimination/No harassment • Freedom of association • Occupational Safety • Emergency reserves • Health and Safety Communication • Responsible mineral procurement • Data privacy protection and management	• Supplier Code of Conduct	Purchasing Dept. Occupational Safety and Health Dept. IT Dept.	Supplier Self-evaluation Form	External Reporting Channels ✉ speak-up@hiwin.tw Audit Office, No. 7 Jingke Rd., Taichung City
Facilitator of community development	Neighboring communities and the environment	• Pollution and toxic or hazardous chemicals	• Environmental Management Policy • Occupational Health and Safety Policy	Environmental Protection Dept. Occupational Safety and Health Dept.	① Environmental Impact Assessment and regular factory noise, effluent, and air pollution monitoring. ② Chemicals inventory investigation, chemical hazard assessment, and periodic environment monitoring for chemicals.	Grievance mailbox ✉ safety@hiwin.tw ✉ health@hiwin.tw

❷ Human rights risk identification and assessment

Out of the 18 issues in the United Nations Guiding Principles on Business and Human Rights, we confirmed no violation occurred for three issues from empirical data. For the 15 remaining issues under six major categories, which are labor rights, environmental rights, freedom of expression and participation, gender equality, product development/ advertising/use and services, and governance and safety, we assessed human rights risks by questionnaire. This assessment involved 40 ESG members from various departments, including manufacturing, R&D, finance, and administration department. They evaluated the significant human rights issues for HIWIN Taiwan employees, measuring the importance and impact of each human rights indicator on the employees and the value chain from a cross-departmental perspective. We improved and implemented mitigation measures for medium- and high-risk human rights issues based on the questionnaire results. The execution results are tracked and reviewed annually. HIWIN reviews and reassesses significant human rights issues every three years based on human rights principles, labor laws, and global human rights topics.

Identification results of human rights risk questionnaire

15 issues

No high-potential issues require Immediate response

5 issues

were of medium risk

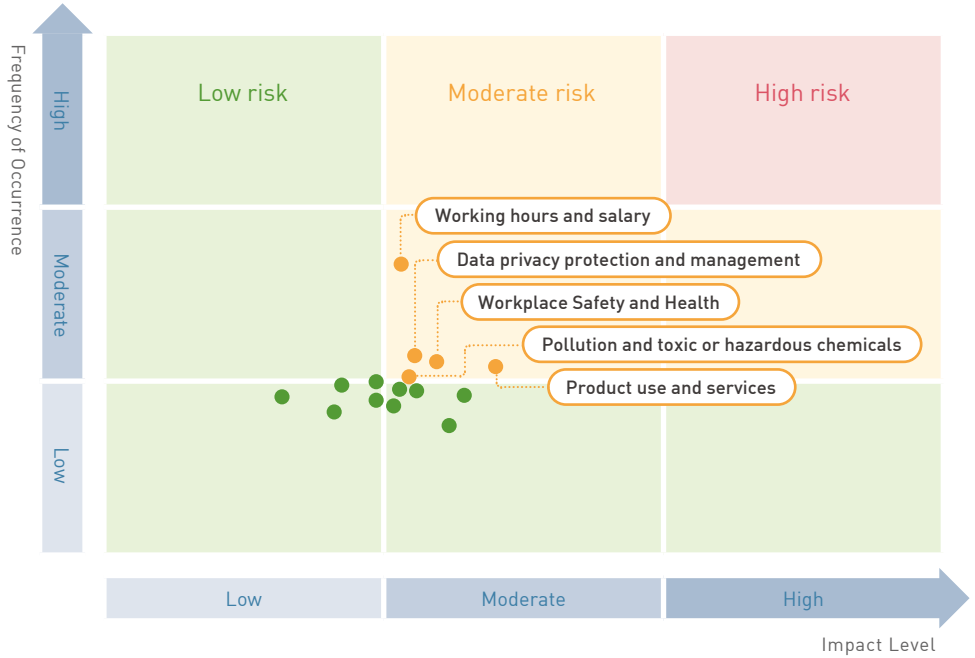
which should be monitored and managed while we propose mitigation and remedial measures

10 issues

were of low risk

which means that employees believe the likelihood of such incidents occurring at HIWIN is low and the potential harm to individual rights is limited

Human rights risk matrix

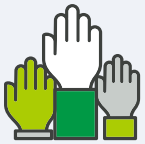


Note: Risk (R)= Risk Likelihood (Likelihood)x Risk Impact Level (Impact)
High Risk (4 points); Moderate Risk (0.67~4 points); Low Risk (0~0.67 points)

Risk description and mitigation measures for human rights issues

Major Human Rights Issues	Impact Target	Risk Description	Assessment Frequency	Evaluation Factors	2024 Mitigation and Remedial Measures	
Working Hours and Salary	All employees	Due to market changes and business needs, employees may have to work overtime, resulting in excessive monthly hours and a lack of work-life balance. In the long run, this could harm the employees' physical and mental well-being.	Annually	• Achievement rate of one fixed day off and one flexible rest day • Achievement rate of daily shifts lasting no more than 12 hours • Achievement rate of average monthly overtime being less than 46 hours • Employee Opinions/Grievances ※ Source: Working hours statistic data, grievance mailbox, labor-management meetings	Mitigation measures	① Continue to strengthen supervisor training to ensure the prioritization of tasks and reinforce the reasonableness review of overtime requests, thereby enhancing working hour management mechanisms. ② Proactively monitor employee working hours, appropriately adjust workloads or provide timely guidance to prevent overwork. Promote internal cross-functional skill development to facilitate flexible workforce allocation and ensure compliance with the "one day off in every seven" principle.
					Remedial measures	① Continuously review access control at plant entrances and exits, verify the completeness of working hour records, and follow up on departmental implementation of improvement measures. ② Optimize the alert functions of the working hour system and strengthen communication of attendance regulations. For irregularities that do not comply with company policies, the "HR Attendance System" will automatically send reminder emails to provide timely alerts on working hour management. ③ Adjust workforce allocation based on capacity planning to ensure balanced workload distribution among employees.
Sexual Harassment	All employees Female employees	Employees who experience sexual harassment in the workplace are unable to work comfortably, and in the long run, this may lead to physical and mental harm.	Annually	• Gender harassment grievance case ※ Source: grievance mailbox	Mitigation measures	① Produced and posted "Zero Tolerance for Workplace Sexual Harassment" posters in work areas to foster a safe and respectful working environment. ② Completed sexual harassment prevention training for all employees (both local and foreign) to enhance awareness of gender equality and respect in the workplace.
					Remedial measures	① In 2024, one incident of sexual harassment was reported. We immediately adjusted the wrongdoer's work area afterward and initiated the investigation process, including interviews and deliberations with relevant personnel. Based on the deliberation results, response measures were taken. ② We offered care and followed up on the claimant's physical and mental well-being, and provided counseling and other resources. ③ Subsequently, we imposed penalties on the wrongdoer and increased our efforts to raise awareness of sexual harassment prevention.
Workplace Health and Safety	All employees	In the manufacturing process, employees may face risks of accidents during operations due to environmental factors, equipment safety, or inadequate safety awareness.	Annually	• We conduct risk assessments on unsafe behavior of personnel, equipment safety, materials safety, work methods, and environmental safety: we first determine the likelihood and severity, then evaluate the risk level according to the risk matrix. ※ Source: Hazard Identification and Opportunity & Risk Assessment Table	Mitigation measures	① Implemented a Safety Culture Project and launched employee safety knowledge and skills certification. High-risk operations are managed using a risk mapping approach to prevent and mitigate occupational safety risks. ② Enhanced regulatory compliance through theme-based key regulation self-assessments and cross-audits to improve both the completion rate and depth of legal identification, thereby reducing the risk of violations. ③ Provided focused guidance and training for departments with underperforming occupational health and safety performance. Topics included: quarterly analysis of occupational incidents and deficiencies, recurrence prevention measures, safety observation practices, job safety analysis, and case studies on personal protective equipment (PPE) use and related incidents.
					Remedial measures	① We assist employees in quickly obtaining medical and wage-related compensation or pensions to alleviate their economic burden. ② We implemented a work resumption plan to help employees recover and return to work as soon as possible.
Pollution & toxic or hazardous chemicals	All employees Community	Air pollution and chemical spills are transboundary environmental issues. Inadequate or passive management may result in abnormal emissions, potentially impacting surrounding communities and residents, and placing additional burdens on the environment.	Annually	• Particulates, SOx, NOx, VOCs concentration ※ Source: Environmental Aspect and Impact Assessment	Mitigation measures	① Conduct regular assessments, audits, and controls of chemical substances to manage the emission of volatile organic compounds (VOCs). ② Utilize pollution control equipment such as scrubbers and dust collectors to treat exhaust gases and maintain air pollutant concentrations within regulatory limits.
					Remedial measures	Implement source management and regular monitoring, equipment maintenance, and the use of high-efficiency treatment facilities and, monitoring systems across production processes, pollution control equipment, and emission management.

Major Human Rights Issues	Impact Target	Risk Description	Assessment Frequency	Evaluation Factors	2024 Mitigation and Remedial Measures	
Product usage and services	Customers	The medical device products may not adequately protect the patient's private data, which can lead to leaks, infringe on patient privacy, and damage the Company's reputation.	Annually	• UL 2900-2-1:2017 Standard for Software Cybersecurity for Network Connect • IEC62304- Software Life Cycle Processes • Grievance cases ※ Source: grievance mailbox	Mitigation measures	① We set login accounts and passwords and restrict access to patient data. ② We conduct user operation training. ③ We conduct validity tests to ensure compliance with IEC 62304 Software Life Cycle Processes and verification and validation of network security authentication for medical equipment.
					Remedial measures	No incidents of personal data or privacy infringements occurred in 2024. If any such incidents are found upon investigation, they will be reviewed and improved immediately. Meanwhile, we communicate with customers and evaluate compensation measures on a case-by-case basis.
Data privacy protection and management	All employees	The Company collects employee personal data without consent or improperly handles, stores, disposes of, or deliberately exposes employee personal information.	Annually	• Whether there are appropriate management measures for the collection, storage, use, transmission, and destruction of personal data	Mitigation measures	① A total of 186 cybersecurity-related enhancements were implemented in internal systems. ② We prohibit unauthorized external transmission.
					Remedial measures	① No personal data breaches or privacy violations occurred in 2024. ② Data masking was applied to names in test environment databases. ③ No major deficiencies were identified in the 2024 ISO 27001 external audit and Deloitte IT audit. ④ Physical destruction was performed on storage media during hardware decommissioning. ⑤ BitLocker was enabled to encrypt computer hard drives.



HIWIN human right issues management

Factories and subsidiaries around the world

We prioritize the principles of equal employment, diverse hiring, and anti-discrimination, as well as the prevention of sexual harassment and power bullying, and the protection of personal privacy.

Related to suppliers

To pursue sustainable operations, we require critical domestic suppliers and new suppliers to sign the HIWIN Supplier Code of Conduct to ensure a safe working environment in the supply chain, assume environmental responsibility, and guarantee human rights for their employees. This Code is based on the Responsible Business Alliance (RBA) Code of Conduct and refers to international standards such as ISO 45001,ISO 14001 and ISO 14064-1. The RBA guidelines set six major issues with grievance channels established for each, namely A) labor, B) health and safety, C) environmental protection, D) code of ethics, E) management systems, and F) Climate Change and disclosure.

Related to customers

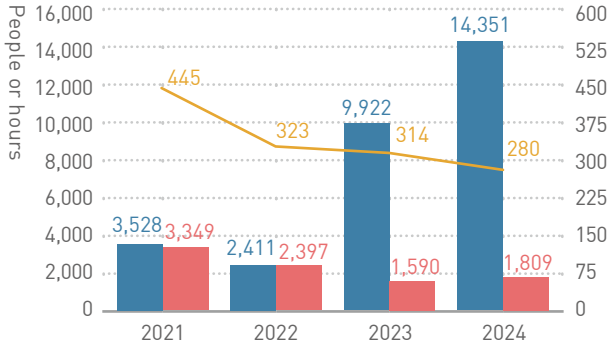
① HIWIN recognizes the significance of customer privacy and is dedicated to upholding the respect and safeguarding of customer privacy and confidentiality. Unless explicitly authorized or legally mandated, HIWIN will refrain from disclosing or utilizing customer privacy and confidential information for any purpose.

② We establish a strict customer data protection policy based on TIPS to prevent leakage or unauthorized use of customer data or information. All customer-related information, such as customer drawings, is classified as confidential. Only authorized personnel may access it and must comply with TIPS usage regulations.

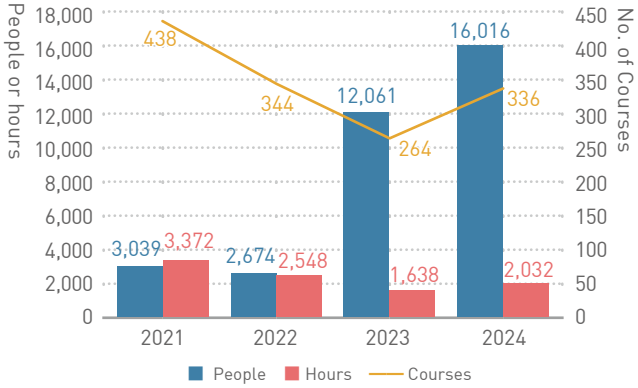
❸ Training on human rights protection

HIWIN provides education and promotion of government policies on environmental safety and health, labor, new regulations for public companies, trade secrets, and information security through internal and external courses, as well as internal announcements. To strengthen employees' knowledge and application of laws and regulations, we integrated human rights issues into training materials to ensure an equal, friendly, and mutually respectful work environment.

Total number of participants and training hours in human rights training



Total number of participants and training hours in anti-corruption training



Note: In 2024, HIWIN continued to enhance the diversity and richness of training programs, significantly increasing employee engagement and participation.

Employee Feedback Channels and Case Management

HIWIN places a high value on employee opinions and rights. Our goal is to establish effective two-way communication between employees and the Company, ensuring that employees' rights are protected and that any negative impacts are minimized. To achieve this, we have established various communication channels. In addition to regular labor-management meetings, we have created a dedicated employee mailbox and dedicated personnel in each factory to address their needs and listen to their voices. This allows us to continuously improve and create a workplace environment that is supportive of our employees.

❶ Monthly supervisor meetings

The meetings are personally chaired by the Chairman to ensure that employees are kept informed of the company's operational policies and performance. In 2024, a total of 12 sessions were held, with over 3,000 attendances.

❷ Regular labor-management meetings

HIWIN engages in two-way communication with employees by listening to their feedback during quarterly labor-management meetings. These meetings provide an opportunity for employees to express their opinions and for the Company to make subsequent improvements. Even during the pandemic, online meetings were promptly held to maintain the relationship between labor and management. In 2024, a total of 24 sessions were conducted.

Regular labor-management meetings

❸ Employee dedicated mailbox

HIWIN provides three employee suggestion email addresses, allowing employees to directly send feedback to the Global Chairman, President, and Human Resources Dept. This ensures prompt, fair, and confidential processing of employee opinions, enabling objective and comprehensive handling. All previous complaints have been successfully resolved.

Feedback channels

Channels	Type	Responsible Person
argon mailbox	Exchange Channel between Global Chairman and Employees	Global Chairman
hope mailbox	Communication Platform between President and Employees	President
help mailbox	Human Resources Department Feedback Platform	Manager of Human Resources Dept.

4 Unlawful infringement, harassment, and discrimination case handling procedures

Our objective is to maintain a safe and secure working environment for employees during their job responsibilities. In the event that an employee encounters physical violence, verbal abuse, psychological threats, sexual harassment, or stalking, we are committed to upholding their gender equality, personal dignity, privacy, and mental and physical well-being. To address such cases, we have implemented the following process:

Report to the HR dept. or contact the complaint hotline and email. → The HR Dept. forms an investigation team and conducts meetings. → The incident unit, Occupational Safety & Health Dept., and IP & Legal Affairs Section, provide the required information and resources. → Arrange for occupational medical or counseling services. → Impose appropriate disciplinary action or make job adjustments based on the findings. → Evaluate and enhance preventive measures and monitor the recovery progress.

Note: If violations are found, an investigation will be initiated according to procedures. Per our company rules, we will take disciplinary action and announce the results if verified. We also deduct points for the wrongdoers during the performance evaluation process. The wrongdoer's quarterly or annual evaluation cannot be rated as excellent in case of major violations. Furthermore, the quarterly dividends, employee bonuses, and year-end bonuses will also be reduced accordingly.

In 2024, HIWIN received 12 workplace misconduct complaints through internal feedback channels. All were investigated in accordance with established procedures. 4 cases were substantiated, with the following types of harassment identified: (1) Physical and verbal misconduct, including stalking harassment (2) Verbal misconduct and sexual harassment (3) Verbal misconduct (4) Psychological and verbal misconduct.

Item	Case Category		Total
	Harassment	Discrimination	
Complaints	12	0	12
Substantiated Cases	4	0	4

5 2024 Employee feedback cases

We collected 8 employee feedback cases from various channels, and each case was processed in accordance with the procedure.

Communication Channel	Case Category		Completed Cases	Improvement Summary
	Management System	Employee Benefits		
Labor-Management Meetings	1	2	3	① Classify and refer employee complaints to the appropriate contact points. ② Listen to and promptly address employee feedback, ensuring clear communication so that employees understand supervisors' objectives. The responsible business unit will follow up and resolve issues to promote harmonious labor-management relations. ③ In addition to workplace environment inspections and assessments, we enhance security surveillance and training to prevent recurrence.
Employee Dedicated Mailbox	4	1	5	
Total	5	3	8	

04

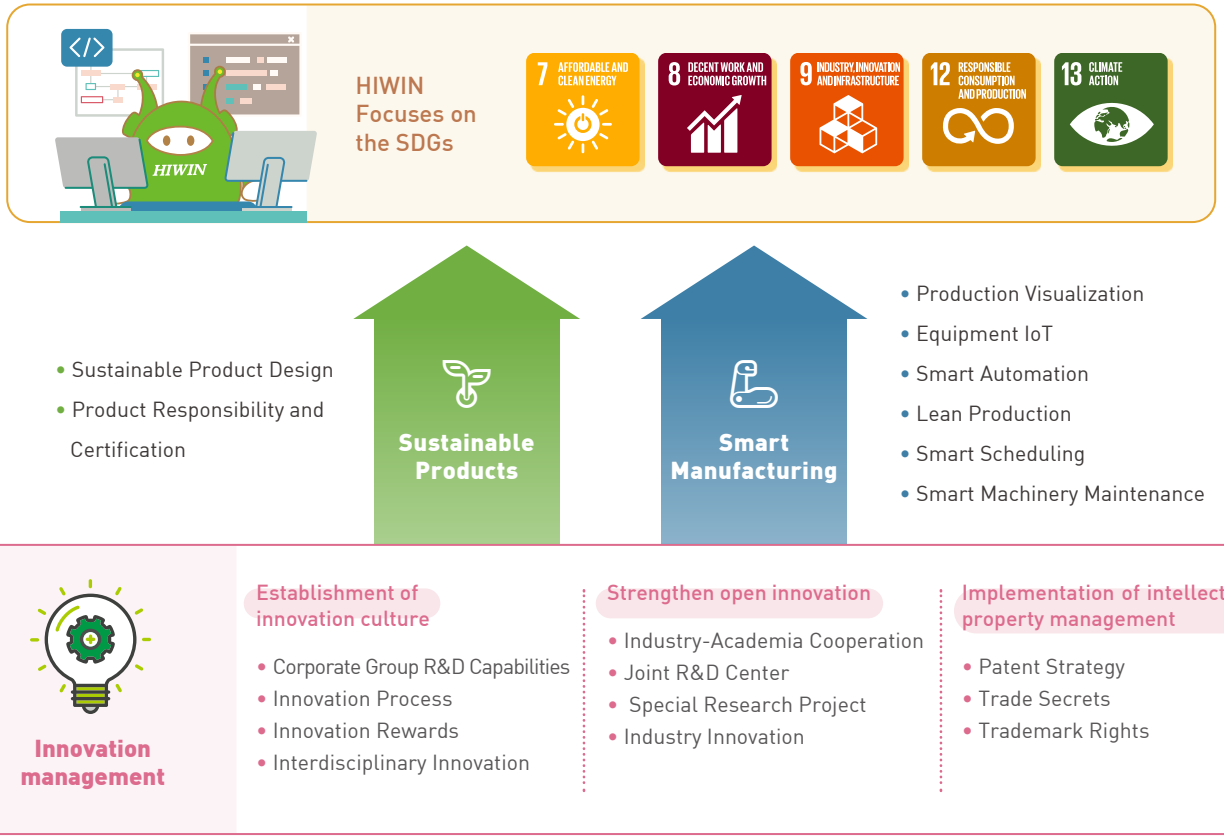
An Innovator for Industrial Transformation

HIWIN offers total solution through innovation, providing pre-sales and after-sales services, while also prioritizing the protection of customer confidentiality and proprietary information. Our commitment extends to ensuring the well-being of customers and end users, as well as fostering collaboration with our suppliers to generate value.

4.1 R&D Innovation Management

R&D Innovation Strategy

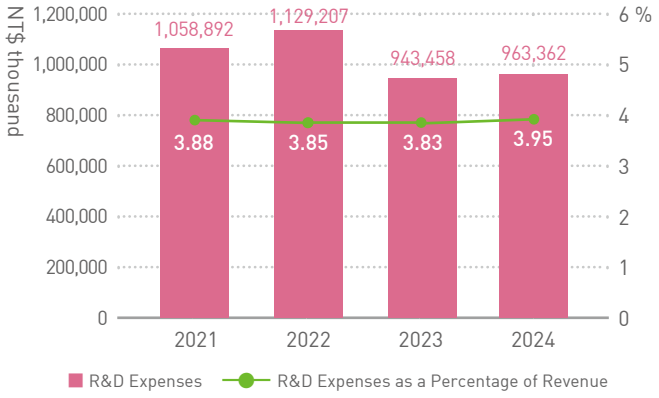
Open R&D innovation and cultivating the HIWIN brand are the cornerstone of HIWIN's sustainable development. We actively create a learning environment that enjoys innovation. By implementing three key strategies — "cultivating an innovative culture, strengthening open innovation, and implementing intellectual property management" — HIWIN empowers and motivates its employees to enhance their innovation capabilities. This, in turn, enables HIWIN to strengthen its two core competencies: "sustainable products and smart manufacturing." HIWIN remains dedicated to developing environment-friendly and high-value products to maintain its industry-leading position in the face of intense competition.



R&D Innovation Platform

Based on our innovation management and service mindset, HIWIN allocates 3.8%-5.8% of our annual revenue to fund R&D. We have consistently innovated our existing products to meet customer demands. In response to the energy conservation trend, we have applied our motion control technologies to achieve low energy consumption used by various industries, such as semiconductors, robots, green energy, consumer products, and the automotive industry to replace less efficient motion methods such as pneumatic and hydraulic systems. Additionally, HIWIN is actively establishing a strong presence in high-end applications, such as industrial/wafer robots, EFEM, strain wave gear, torque motor rotary tables, and intelligent motion products.

2021-2024 R&D expenses and percentage



Note: Percentage=R&D investment÷overall revenue

❶ Group R&D capabilities

Innovative R&D and the HIWIN brand are our core values. Since our founding, HIWIN has drawn up a long-term development blueprint to make HIWIN the leading brand in motion control and system technology products. HIWIN has R&D centers in Taiwan, Tokyo (Japan), Offenburg (Germany), with over 500 R&D personnel. We are dedicated to global resource integration and technological innovation. The IP & Legal Affairs Section manages and maintains the Company's IP systems, regularly reporting to the management team about IP management. Additionally, overseas R&D centers have quarterly international exchanges and product sharing with R&D personnel at HIWIN Headquarters. After the COVID-19 pandemic restrictions were lifted in 2023, HIWIN GROUP's R&D personnel worldwide engaged in cross-regional exchanges on innovative design, process technologies, smart technology, and environmental protection. These elements were incorporated into new product development and were improved over time. We also invited members across the organization to discuss new business models and market strategies. We aim to achieve economies of scale through global deployment and regional integration, expanding product portfolios and market footprint. Our goals are to satisfy the needs of more customers and build the Company's sustainability capacity.

R&D personnel exchange of HIWIN GROUP

❷ Internal innovation process

HIWIN fosters an innovation culture to strengthen R&D capabilities in response to changes in smart manufacturing and the industry. To encourage internal innovation and develop competitive products, we apply Synchronization Engineering (SE) to accelerate the implementation of innovative ideas. This approach helps establish a product development process that aligns with our corporate culture and values, allowing inspiration to take shape and be aligned. The synchronization spans from experience transfer, patent arrangements, and target market during the design phase to production equipment, facilities, auxiliary engineering, logistics information synchronization, and collaborative synchronization during the later stages of R&D.

HIWIN focuses its R&D services on the voices of end customers and addresses customer pain points in the product development process. Using big data analysis, HIWIN promptly rollsout new products, expands into new markets, and enhances the Company's long-term competitiveness.

Deepening operations and strengthening new markets

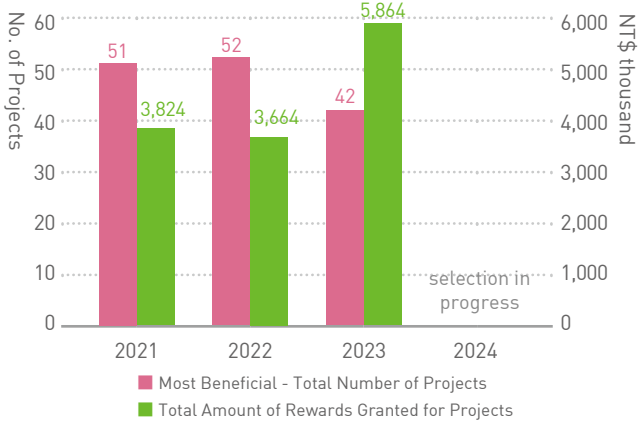
❸ Most beneficial award

HIWIN promotes and motivates employees to implement innovative ideas in products, processes, and manufacturing through our internal innovation mechanism. This helps us establish a sustainable foundation for our organization's competitiveness. We also believe in rewarding employees who propose innovative ideas by providing them with tangible benefits.

The HIWIN Most Beneficial Award categories include Proposals for Improvement, Processes, Automation, Products, AI & Big Data, Patents, and ESG. The Award encourages employees to actively generate innovative ideas and creativity before practically implementing them for company-wide optimization and innovation, establishing a virtuous cycle within the organization.

Chairman & CEO presents awards to inspire the colleagues' innovation energy

2021-2024 Bonuses awarded and number of cases

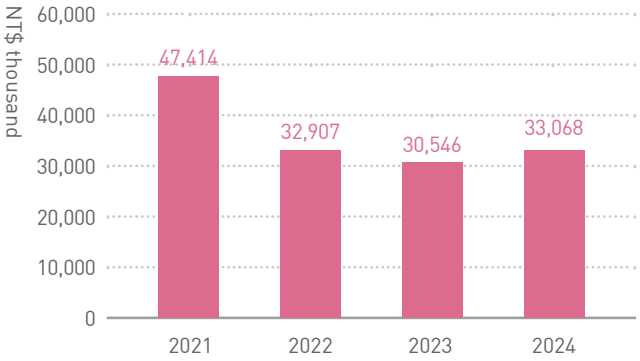


Establishment of Innovation Culture

❶ Strengthen open innovation

HIWIN is committed to ongoing innovation in research and development, as well as leveraging the expertise of industry, government, and academia to strengthen Taiwan's machinery industry. To this end, HIWIN has been providing resources to domestic and overseas universities and research institutes, fostering technological advancements and educational reforms in engineering through the integration of global resources and a commitment to continuous innovation. HIWIN recognizes the importance of long-term research and development, and promotes open innovation annually across multiple dimensions.

2021-2024 Industry-academia and commissioned research spending

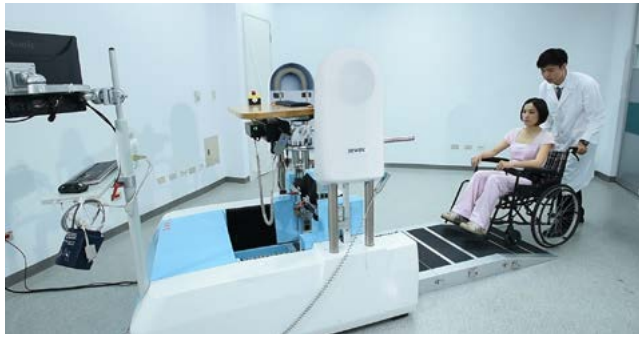


- Dialogue between technology and medicine

Since 2015, HIWIN has engaged in industry-academia collaboration projects in the medical field, partnering with several universities and medical institutions to carry out technology development and clinical research.

In 2024, HIWIN conducted an advanced study on the effects of lower-limb rehabilitation robots on stroke patients by integrating imaging diagnostic equipment to collect more objective evidence. Unlike traditional clinical scales, this study utilized a gait analysis system and functional MRI to observe data and imaging changes before and after using the robot. By simulating gait patterns for automated training, the rehabilitation robot improved training efficiency and intensity, with results showing a slight increase in the muscle relaxation index, serving as a valuable reference for further large-scale research.

Collaborating with medical experts, HIWIN established systematic dialogues and cooperative mechanisms focusing on knowledge exchange and technological innovation, bridging academic research and industrial development, planting the seeds of innovation, and strengthening the competitiveness of the medical industry.



Applying Mechanical Expertise to Medical Engineering – Robotic Gait Training System

- Joint R&D collaboration with external partners

In response to the international trends for ESG and energy-saving, we gradually shift towards electric designs for our industrial brakes. In response to the demand from a leading European client for high-end electric actuators, HIWIN leveraged its expertise in flexible and innovative transmission systems to collaborate with external partners in the joint development of key components. The design focused on achieving a more compact and lightweight structure through integration and miniaturization.

- Collaborative value chain research project

To enhance the capabilities of critical manufacturing processes, HIWIN actively collaborates with suppliers to boost momentum in the overall industry chain. For example, to address issues of high sourcing costs and long lead times for rotary joints, HIWIN partnered with suppliers to develop different rotary joint modules. After a series of tests, validations, and continuous design optimizations, we successfully introduced this technology in 2023. This technology enables us to respond to the customers' special needs with great flexibility, increasing customer satisfaction and loyalty.

❷ Innovation management

HIWIN encourages R&D activities by promoting a culture of open innovation. We also created a comprehensive review mechanism to evaluate product development and production risks. All R&D processes and outputs are controlled through the internal control document "Illustration on Failure Mode and Effects Analysis." Innovation is the source of HIWIN's competitiveness. We can minimize risks in the R&D process through effective management and supervision to ensure product quality.

IP Management

❶ IP management system

HIWIN is dedicated to integrating global resources and fostering continuous innovation. To safeguard the Company's intellectual property (IP), the Chairman's Office has established a specialized IP & Legal Affairs Section. Additionally, HIWIN has implemented the Taiwan Intellectual Property System (TIPS), which formulates IP management policies and objectives centered around patents, trade secrets, trademarks, and copyrights. Corresponding implementation methods which have been established for relevant departments to adhere to, with the aim of preventing any infringement of others' IP during product development or marketing. HIWIN actively encourages its colleagues to innovate and develop a comprehensive IP portfolio, thereby upholding the Company's brand image. Furthermore, effective communication channels have been established to facilitate ongoing enhancements to the IP management system.

❷ Patent management

Since its establishment, HIWIN has prioritized the development of its patent portfolio to safeguard the company's significant R&D accomplishments. Before introducing new products, HIWIN implements a rigorous review system to evaluate the patentability and infringement risks associated with its products. The IP & Legal Affairs Section conducts patent searches to enhance the quality of the patents. HIWIN encourages its employees to innovate in R&D and uphold its business philosophy of "Continuous Innovation" through a comprehensive approach that includes five stages of patent education and training for R&D personnel, a patent rewarding system, and a most beneficial patent competition.

The five stages of patent education and training are specifically designed for new R&D personnel and cover topics such as introdution of patent specification and patentability, patent searches in different countries, drafting of patent proposals, defense against patent rejections, and identification of patent infringement. This systematic course arrangement enables the Company to cultivate the fundamental patent knowledge of new R&D personnel, improve the quality of patent proposals, and mitigate the Company's risk of infringement. HIWIN has consistently received significant patent awards, as indicated in the table below, establishing itself as a technology leader in the industry. In response to the growing emphasis on ESG, HIWIN has developed numerous green patents focused on environmental protection and energy conservation. These patents encompass various technologies, including temperature detection, reduction in the use of parts and materials, noise reduction, oil leakage prevention, and improvement in lubrication effectiveness.

IP management

Policy | Respect others' IP

Goal | Avoid infringing others'

Implementation Methods

① IP and legal education and training
② Patent infringement identification and design around
③ Pre-disclosure review of new products
④ Patent mapping

Policy | Continuously innovate and develop our own IP

Goal | Encourage innovation and strengthen IP portfolio

Implementation Methods

① Patent proposal review
② Patent rewarding system
③ Organize the most beneficial patent competition
④ Patent/trademark search service
⑤ Trade secret registration

Policy | Use IP to protect the legal interests of the Company

Goal | Take legal action for counterfeits and protect the Company's brand

Implementation Methods

① Infringement investigations
② Counterfeit administrative investigation
③ Infringement litigation
④ Revocation of counterfeiters' patents and similar trademarks

Policy | Continuously improve the IP management system

Goal | **Improve the quality and efficiency of IP management**

Implementation Methods

① IP management system
② Contract review system
③ TIPS internal audit
④ Software Usage Review System
⑤ Trademark Use Evidence Collection and Audit

Important patent layout

By the end of Dec. 2024 a cumulative total of patent applications
3,534 applications

Patents granted globally[Note1]
3,036 patents

Patent licensing rate[Note2]
90%

2024 Total patent applications worldwide
42 patents

2021-2024 Total green patent applications worldwide
149 patents

Note: 1. Patents granted includes patents both lapsed and not lapsed.
2. Patent granting rate = Number of patents approved ÷(number of patents granted + number of patents rejected) × 100%

Major patent awards

In 2009, 2011, 2018, 2022, 2024 Employees of the Company awarded
National Invention and Creation Awards
Gold & Silver

2001~2024 for 24 consecutive years
Taiwan Excellence Awards
Gold & Silver

❸ Trade secrets management

To maintain our Company's competitive advantage in the industry and safeguard HIWIN's process technologies, we have built upon our experience of implementing the Taiwan Intellectual Property Management System (TIPS) from 2014 to 2017. We have formulated relevant systems based on recommendations from a third-party verification agency and continuously improved our existing practices.

Currently, we have implemented a trade secret registration system within the relevant departments to ensure proper retention of our self-developed technology know-how. The supervisor at the manager level of the registered unit serves as the manager for the trade secret. The IP & Legal Affairs Section conducts audits on managers throughout the entire factory. Additionally, access to the area where the trade secret is located is strictly controlled. We have established a reporting and penalty mechanism to address any unauthorized personnel entering the controlled area.

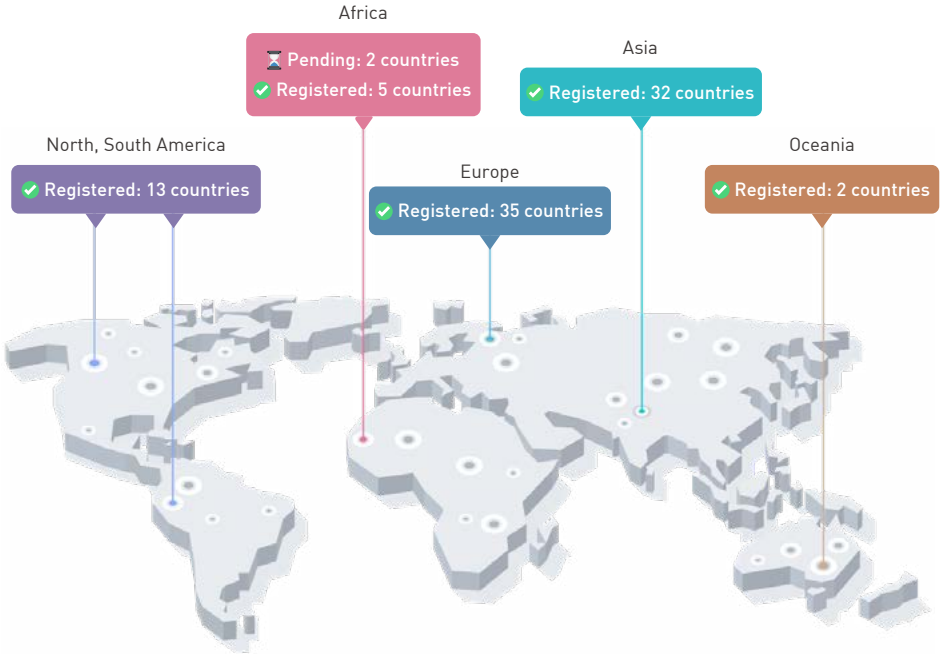
Since 2018, we have expanded the system at not only HIWIN Headquarters in Taichung but also factories in Taichung, Yulin, and Chiayi. Every year, internal audits and management review meetings are conducted to ensure the effective implementation of our management system across all units, thereby preventing the leakage of confidential information, such as manufacturing processes.

Furthermore, the IP & Legal Affairs Section provides legal courses to HIWIN's managers annually and offers IP training to new employees. This training enhances employees' legal and IP awareness, thereby maintaining our competitiveness in the industry.

❹ Trademark management

HIWIN has successfully established a global presence with its renowned brand. With over 30 years of dedicated brand marketing, "HIWIN" has become the second largest brand in the global linear motion products industry.

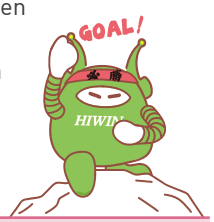
By the end of Dec. 2024 trademark (registered)	By the end of Dec. 2024 trademark (pending)
87 countries	2 countries



HIWIN's market share in China has been increasing yearly, and it has already become a well-known brand for linear motion products in China. This has led illegitimate Chinese companies to produce and sell counterfeit HIWIN products, exploiting HIWIN's brand visibility. To stop counterfeit products from recurring, which may damage HIWIN's brand image, we registered the "HIWIN" trademark in China. Besides, we actively applied for multiple color combination trademarks (non-traditional trademarks) which have been granted for registration in China. The above trademarks can help us combat counterfeit manufacturers and prevent customers from purchasing low-quality counterfeit products.

Following rigorous crackdowns on counterfeit products in China and, thankfully, with strong support from Chinese law enforcement department in protecting the HIWIN brand image, we have uncovered 126 counterfeit manufacturing factories and 575 counterfeit sellers, along with the seizure of 555,013 counterfeit blocks and 12,086 counterfeit block packing boxes as of the end of December 2024.

Furthermore, HIWIN has intensified its efforts to combat large-scale counterfeiting factories in recent years. In 2024, a major counterfeit factory involved in serious infringement activities was discovered in Yueqing City, Zhejiang Province. The case met the criteria for criminal prosecution, and the defendant was ultimately sentenced to seven months of imprisonment and fined. This case serves as a deterrent to counterfeiters and demonstrates HIWIN's firm stance and determination in safeguarding the integrity of its premium brand image.



List of HIWIN color combination trademarks

No.	Trademark Icon	Trademark No.	Note
1		24542227	Red/Green/Gray combination trademark
2		18961112	Red/Green/Black combination trade-mark
3		18961115	
4		14320371	Red/Green combination trademark
5		18961113	Red/Green combination trademark for packaging box
6		18961114	

❺ Copyright management

HIWIN's IP & Legal Affairs Section reviews all works before publication to check for potential infringements. Important works are registered with relevant authorization departments for copyright protection, documenting the date of completion and the process of creation. In recent years, HIWIN has registered copyrights for HIWIN Ambassadors, product catalogs, software interfaces, and the Ecological Education Film "We Love Living Here." In addtion, HIWIN has built a stronghold of its brand image through the dual protection of copyrights and trademarks.

To protect HIWIN's copyrights and prevent the circulation of plagiarized HIWIN publications in the market, HIWIN has asserted its rights against counterfeiters in the following ways: ① Several domestic and foreign companies plagiarized HIWIN product catalogues on their websites. After HIWIN sent warning letters, the counterfeiters removed the infringing links and apologized. ② Infringement lawsuits were filed against two Chinese companies for plagiarizing HIWIN product catalogues. The courts ruled in favor of HIWIN, and the defendants paid compensation.

In addition, HIWIN implements a software usage review system to ensure that when installing commercial software and using open source software, legal authorization from the original manufacturer is obtained and the terms of the authorization are followed. This allows the Company to provide customer services with better efficiency and legitimacy, enhancing its long-term competitiveness.

In summary, HIWIN's works are original. If illegitimate companies attempt to enhance the value of their products through counterfeiting, HIWIN will actively combat counterfeiting to safeguard the company's intellectual property rights and brand image.

"We Love Living Here" Taiwan audiovisual copyright certification

4.2 Smart Manufacturing

HIWIN is a leading innovator in smart manufacturing, actively responding to the United Nations Sustainable Development Goals (SDGs), particularly in mitigating the impact of climate change through production activities and promoting sustainable manufacturing practices, HIWIN has implemented various smart manufacturing measures within its factories to enhance production efficiency and reduce environmental impact. To achieve this, we have formulated six key development strategies and three implementation phases aimed at continuously increasing per capita output, establishing a sustainable production model, and effectively minimizing environmental impact. These efforts not only strengthen the company's competitiveness but also contribute to the realization of a green economy.

Smart manufacturing phases and goals

Goal	The first phase	The second phase	The third phase
A sustainable production model that enhances productivity per person	**1 Visualization of the Production Process** Through collaboration between the IT Dept. and the Production Dept., HIWIN has successfully implemented a visualized system for monitoring the production process, manufacturing orders, and production machine capacity. Currently, 80 production kanban have been successfully implemented. These kanban enable the production unit to efficiently track the workflow and status of thousands of manufacturing orders on a daily basis. Additionally, the boards provide real-time updates on the operation status of machines within the factory. **2 Machine IoT** In order to visualize the production process, it is essential to establish a comprehensive Internet of Things (IoT) system for all machines in each factory, enabling the collection of key production information for monitoring purposes. Currently, HIWIN has successfully implemented the smart machinery network on over 1,000 processing machines across all factories. By integrating machine IoT with a visualized kanban, HIWIN has achieved the initial stage of smart manufacturing, resulting in a reduction of daily operation time for the Manufacturing Department in accessing maintenance-related information and enhancing overall work efficiency.	**3 Smart Automation** HIWIN possesses the necessary R&D expertise to design and manufacture industrial robots internally. Additionally, a dedicated service team has been established to effectively deploy industrial robots across diverse production requirements. By the end of 2024, HIWIN had deployed over 1,200 industrial robots across its manufacturing facilities, executing smart and automated production processes for thousands of machines, seamlessly integrating AMR AGV, robots, and vision technologies. This comprehensive approach ensures complete smart automation within our factories. **4 Lean Production (TPS)** The management team at HIWIN remains committed to continuous improvement and accurately monitors the standard working hours and utilization status of key processes. The team is dedicated to controlling and reducing the environmental impact of its products. In collaboration with suppliers, HIWIN promotes the use of eco-friendly grinding fluids and aims to establish a green supply chain. Through effective management and technological development, green production practices are implemented throughout the manufacturing process. In addition to improving production efficiency, the goals are to conserve energy, reduce consumption, and minimize pollution, ultimately achieving the production of green products that meet environmental standards.	**5 Smart Scheduling** The production model of HIWIN products includes mass-produced specification products, customized specification products, and system-integrated production models. Adapting to the diverse production models, product management personnel can utilize the data collected in the first stage to arrange efficient production and ensure that each manufacturing process station and each machine operate at maximum efficiency, maximizing the effective allocation of input production resources and output. **6 Smart Machine Maintenance (TPM)** HIWIN has successfully implemented IoT technology over 1,000 production machines and has integrated HIWIN's self-developed i4.0BS® Intelligent 4.0 Ballscrews into key production machines. By real-time data monitoring and analyzing, the machine maintenance department can establish comprehensive maintenance schedules to prevent issues and minimize the impact of unexpected downtime on production and resource depletion. 

HIWIN will continue to expand the coverage and maturity of its smart manufacturing initiatives while leveraging the mechanisms established in the first and second phases to consistently collect production data and foster a culture of continuous improvement. Through digital transformation in manufacturing, the Company aims to achieve a highly efficient and sustainable production model. HIWIN maintains its corporate competitiveness through various business strategies, including brand positioning, innovative design, and smart manufacturing.

In recent years, affected by broader economic conditions, HIWIN's output per capita decreased from NT$7.38 million in 2022 to NT$6.19 million in 2023. Despite the continued economic downturn, HIWIN's early investment in smart manufacturing and automation helped enhance product competitiveness, leading to a slight recovery in 2024, with output per capita rising to NT$6.23 million. Looking ahead to 2025, the company will continue deepening and expanding its efforts in this direction, targeting an output per capita of NT$7.40 million. At the same time, in response to global trends in corporate sustainability and ESG, HIWIN is developing a unique smart production model that balances production efficiency with long-term competitiveness.

Note: The figures have been revised based on updated calculation criteria as of 2025 and may differ slightly from those published in the 2023 ESG Report.

✨ Highlight Case-Smart Automation

HIWIN's automation team has integrated machine automation with unmanned transport systems across production processes, enabling cross-process logistics through system-wide integration. By adopting more advanced technologies and fully functional mechanisms, and synchronizing with system databases, the team built a visualized platform to monitor production parameters and achieve digital management. This facilitates faster and more informed decision-making by managers. Looking forward, this technology will be expanded in parallel across various production sites to maximize the benefits of smart automation.

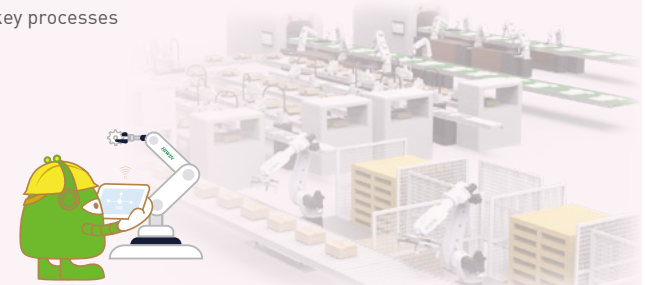
Results after implementation in key processes

Increase in production capacity

⬆ 30%

Reduction in manpower on the production line

67%



4.3 Sustainable Products

HIWIN is committed to green manufacturing and sustainable development through technological innovation and product design. By integrating green design and manufacturing guidelines in each stage of the product life cycle, we can fulfill sustainable product liability and reduce environmental impact. Additionally, HIWIN upholds the principles of sustainable development by ensuring compliance with health and safety laws and regulations throughout the product life cycle. We prioritize the well-being of our customers and end-users, as well as environmental protection. Our raw materials and contents are aligned with international standards, including EU RoHS, REACH, and other regulations.

Green Product Design Strategy

To achieve the goal of sustainable products, HIWIN adopts Life Cycle Assessment (LCA) for green product design. This systematic approach analyzes products from raw material acquisition, manufacturing and assembly, sales and transportation, usage, to end-of-life disposal, identifying environmental impacts at each stage. We identify the environmental impacts at each stage and conduct carbon inventory using ISO 14067:2018. The carbon footprint verification for the linear guideway HG25 series and the ball screw R40-16-BD6.35 series was completed in 2024.

At every stage of the product life cycle, HIWIN incorporates environmental protection into product development and design, employing green manufacturing methods such as energy saving, carbon reduction, and resource recycling. Continuous improvement is pursued to achieve product sustainability. HIWIN regards environmental protection as one of the core elements of its corporate social responsibility and remains dedicated to minimizing environmental impact throughout the product life cycle to realize sustainable development.

HIWIN is dedicated to promoting ESG sustainable development. Through various measures such as the development of smart energy-saving machinery, the establishment of a carbon management platform, integration of green product development processes, and the use of low-carbon materials, we aim to reduce the carbon footprint of our products. In addition, we have developed a variety of smart products to assist customers in energy conservation and carbon reduction, and have shared relevant experiences with our overseas subsidiaries. HIWIN will continue to promote low-carbon products and reduce environmental impact in our efforts to achieve net zero carbon emissions by 2050.

HIWIN's green product design goals and strategies

Life Cycle	Raw Materials		Manufacturing	Downstream Transportation	Product Use	End of Life Processing
Disclosure Items	Local procurement ratio	Implementation ratio of low carbon raw materials	Overall product manufacturing energy intensity base year: 2021	Waste resource utilization ratio	Energy efficiency of mechatronic products base year: 2021	Recycling rate for domestic wooden packaging materials base year: 2021
2024 Achievements	70%	15.6%	⬇ 0% (Maintained at the baseline year level)	85%	⬆ 8.1%	⬆ 10.69%
2025 Targets	70%	18.5%	⬇ 25%	88%	⬆ 10%	⬆ 7.5%
2030 Targets	70%	20%	⬇ 54%	91%	⬆ 20%	⬆ 20%
Development Strategies and Practices	Local Procurement and Management • Low-Carbon Raw Materials • Avoidance of Hazardous Substances • Supplier Energy Management Support • Green Product Design Guidelines		Green manufacturing • Smart Energy-Saving Equipment • Energy Management • Green Product Design Guidelines	Green packaging • Packaging circularity • Waste reduction • Green Product Design Guidelines	Sustainable design guidelines • Increasing product energy efficiency • Decreasing product wastes • Lightweight Product Design	Green recycling guidelines • Product disassemble instructions • Product recycle instructions • Green Product Design Guidelines

Note: Low-carbon raw materials refer to raw materials with low carbon emissions. Localization refers to the adoption of local suppliers in Taiwan. Green product design guidelines incorporate environmentally friendly requirements such as energy saving, recyclability, and waste reduction during the new product development stage.

Product life cycle liability

Items	Unit	2021	2022	2023	2024
Product disassemble and recycle instructions - Percentage of applicable products Note 1	%			88	89
Percentage of products made from recycled materials Note 2		2	35	45	38
Revenue from Product Recycling Program Note 3	NT$ thousand	-	1,820	1,210	5,190

Note: 1. Product disassemble and recycle instructions: help customers disassemble and recycle products after the end of their lifecycle.

2. We have gradually introduced recycled materials into production since 2021. The calculation basis = revenue from products using recycled material ÷ total revenue of the year.

3. Financial revenue generated from disassembly, leasing, and remanufacturing of products and their components through technical services.

Product Life Cycle Management

Assessment Method	Unit	2021	2022	2023	2024
Full Life Cycle Assessment (LCA)	%	0	0	0	0
Simplified Life Cycle Assessment (LCA)		0	0	0	8
Others (Green products comply with international regulations and customer requirements)		100	100	100	92

Note: The percentage of products covered by life cycle assessment is calculated based on: Revenue from product series subject to LCA ÷ Total annual revenue.

Green Products

HIWIN is dedicated to enhancing the energy efficiency of its products and has created a range of environment-friendly and energy-saving products to support customers and end-users in their pursuit of reducing carbon emissions and promoting sustainable development. These energy-saving products encompass crossed roller bearings, strain wave gear, underwater direct drive rotary tables, wafer robots, industrial robots, cool type ballscrews, intelligent ballscrews, and other related products. Energy conservation is also achieved through innovative process technologies, including energy-saving manufacturing methods, plastic recycling and waste reduction techniques, and the reuse of packaging materials.

2024 Environmental benefits of products

Category	Products	Environmental Benefit Practices	Carbon Reduction Volume (tCO_2e)	Overall Achievements
Energy-saving products	Wafer Robots	Following the principle of "Optimization," we implement design measures to reduce waste and wiring, digitize product manuals, and reclaim wooden packaging materials.	57.8 Note 2	2024 Accounts of the total shipments **39 %** Total carbon reduction **120,379 t** Customer-side Carbon Reduction **117,179 tCO_2e**
	Industrial Robots	We comprehensively implemented modular design and local procurement. We also introduced weight reduction design and measures such as process digitization, manual digitalization, and recycling of wooden crate packaging materials.	0.22 Note 2	
	Heavy Load Series Ballscrew	The products allow customers to replace traditional hydraulic systems to reduce energy consumption.	117,093 Note 2	
Plastic Circularity and Waste Reduction Products	Linear Guideway	We established a process for plastic recycling through product design, manufacturing process improvement, and waste reduction technology.	379.8	
	Intelligent Ballscrew	The sensor and expert algorithm technologies allow the customers to conserve power consumption.	28 Note 2	
	Crossed Roller Bearing	Reduced material usage during manufacturing processes, minimizing unnecessary packaging.	61.75	
Energy-saving Manufacturing	Linear Guideway	We improved the new manufacturing process and green design controls to achieve waste reduction, recycling, and low energy consumption.	2,339.2	
	Ballscrew	Continuous improvement in the manufacturing process to reduce processing time and machine power consumption.	2.9	
	Crossed Roller Bearing	Process improvements and continuous optimization of machining methods to reduce processing time, machine energy consumption, and waste generation.	7.53	
Circularity and Recycling	Medical Equipment	We reduce waste generation by recycling and reusing wooden crate packaging materials.	0.79	
	Torque Motor Rotary Table Rotary Joint Module	Development of adapter modules reduces the carbon footprint from overseas procurement and the additional emissions from maintenance services.	7.6	

Note: 1. Calculate the reduction based on the latest carbon emission factor announced by the Bureau of Energy, Ministry of Economic Affairs.

2. This figure represents the estimated carbon emission reductions achieved by customers through the adoption of HIWIN products, contributing to user-side carbon reduction.

Case Raw Materials

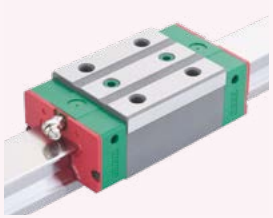
① Wafer Robots

In response to the recent increase in demand for wafer robots in the semiconductor industry, optimization has become our principle for green products. In 2024, we reduced carbon emissions by approximately 291.7 kg for the new standalone machine by reducing waste, wire materials, digitizing product manuals, and recycling wooden crates packaging materials. The same year, we assisted the semiconductor industry in reducing emissions by at least 57.8 tCO_2e. HIWIN's new green products have become a mainstream in the market. Additionally, customers are very satisfied with the latest machine's functional specifications and sustainability performance.

2024 Carbon emissions volume of the optimized standalone machine

↓ 291.7 kg

Case | Raw Materials » | Manufacturing »



② Industrial Robots

HIWIN provides automation solutions to support industrial upgrading and has continuously developed and improved industrial robots since 2021. By adopting modular designs to reduce the number of components, utilizing a green supply chain, and consolidating outsourced processes, HIWIN has shortened transportation distances and reduced carbon emissions. The products are designed with weight reduction in mind, while design drawings and product manuals have been fully digitized. Reusable wooden crates have been adopted to replace single-use packaging, reducing overall carbon emissions and increasing the reuse rate of packaging materials.

We reduced product weight without affecting the mechanical structure
⬇ 18%

Energy use during product operation decreased
⬇ 3.3%

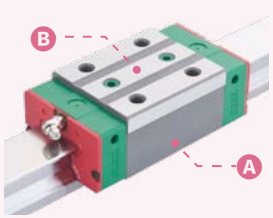
In 2024, the carbon emissions of the new model decreased compared to the 2023 prototype of the same specifications
⬇ 332.2 kg

③ Linear Guideway Sustainable Utilization and Waste Reduction

HIWIN's sustainability strategy aims to reduce carbon emissions and achieve a circular economy by incorporating waste reduction techniques and establishing plastic recycling processes in the product design and manufacturing stages.

In 2024, material saved totaled
⬇ 121.4 t

Carbon emissions reduced
⬇ 379.8 t



① Energy Conservation in the Ballscrew Manufacturing Process

HIWIN has implemented ongoing enhancements to the manufacturing process of ballscrews in order to decrease processing time and machine power consumption.

The power consumption of the new manufacturing process for each ballscrew is reduced
⬇ 147 kWh

Carbon emission reduced
⬇ 69.7 kg

② Crossed Roller Bearing

- Through process optimization, raw material usage is reduced, and packaging is improved to minimize plastic consumption and waste generation.
- Adoption of new grinding technologies and continuous process enhancements have resulted in further energy savings.

2024 Carbon emission reduction
⬇ 61.8 t

Annual power savings
⬇ 1.5 kWh

Carbon emission reduced
⬇ 7.5 t

③ Energy Conservation in the Linear Guideway Manufacturing Process

Ⓐ Enhancing Energy Efficiency

HIWIN has optimized manufacturing processes to reduce material procurement, manufacturing costs, waste treatment costs, and carbon emissions generated during production.

Material saved totaled
⬇ 172.5 t

Carbon emissions reduced
⬇ 2,314.3 t

Annual power savings
⬇ 226.9 million kWh

Ⓑ Green Design

Following the principles of green design, HIWIN has modified component configurations and optimized processes to reduce raw material usage and avoid additional energy consumption caused by production tool replacement.

Product specifications implemented
22

Raw material savings
⬇ 14.4 t

Carbon emission reduction
⬇ 24.9 t

Case Downstream Transportation » Product Use »

① Medical Equipment

We use simple packaging for domestic shipments, whose materials can be recycled and reused, effectively reducing carbon emissions.

The volume of wood incinerated was reduced	Carbon emission in 2024
⬇ 480 kg	⬇ 792 t

By promoting the recycling and reuse of packaging materials used by product cover suppliers and the packaging bags used for storage and transportation of distribution materials, we can reduce carbon emissions from incineration and combustion.

Annual reduction of plastic packaging materials	Annual carbon emissions reduction from packaging recycling
⬇ 19 kg	⬇ 38 公斤

① i4.0BS® Intelligent 4.0 Ballscrew

Incorporates specialized sensors and algorithms for real-time performance monitoring and remote machine condition monitoring.

Lifetime predictive diagnosis

Increases machinery utilization, prevents unexpected downtime, and reduces power consumption from changes of production line.

Annual carbon emissions reduced

⬇ 8~24 kg

Temperature notification

Reduces warm-up time.

Power use per warm-up	Annual carbon emissions
⬇ 50%	⬇ 60~107 kg

Smart lubrication

Annual carbon emissions reduced

⬇ 180~280 kg

Awarded Gold Label by TMBA in 2024
ENERGY SAVING CERTIFICATION FOR MACHINE TOOL INDUSTRY

② DATORKER® Strain Wave Gear

The DATORKER® Strain Wave Gear Heavy Load Series was launched in 2023. It features high torque, high precision, and zero backlash. Energy-saving and emission-reducing same as the Standard Series reducers, the DATORKER® prolongs the product service life and reduces waste, making it suitable for processing equipment, automation, and semiconductors.

Compared to the standard series of strain wave gear in same sizes

Bearing torque load	Product life
⬆ 30%	⬆ 43%

③ Heavy-load Ballscrew

Heavy-load ballscrews have the capability to replace conventional hydraulic systems, resulting in energy conservation. This product not only promotes energy conservation but also contributes to minimizing the environmental impact, making it a significant contribution towards green development.

Helped customers to save power

⬇ 2.47 million kWh

Equivalent to carbon emissions

⬇ 117,093 t

Case End of Life Processing

① Torque Motor Rotary Table Rotary Joint Module

The Torque Motor Rotary Table initially used imported rotary joint modules produced abroad, which required long-distance transport to Taiwan. If maintenance issues arose, the parts had to be returned to the original manufacturer for repair. This process inadvertently increased carbon emissions, directly impacting the environment. Therefore, HIWIN developed rotary joint modules in-house and produced them locally, which match the imported ones in terms of performance and eliminate transport emissions, achieving carbon reduction and improving environmental impacts.

Materials used are locally sourced in Taiwan	Carbon emissions reduced from transportation activities
100%	⬇ 53%

Hazardous Substance Management

① Hazardous substance management and product environmental impact assessment

HIWIN markets its products worldwide. To guarantee compliance with customers' and international laws and regulations, such as the EU REACH and RoHS, suppliers must sign prohibition clauses and provide detailed information to confirm that their products are free from environmentally hazardous substances. HIWIN will systematically implement an auditing and inventory system to ensure that suppliers consistently deliver safe and reliable materials.

Hazardous substance management policy

Understanding Regulatory Trends	Hazardous Substance Management System
In light of our diverse product development and global trade relations, HIWIN remains committed to adhering to the applicable laws and regulations in every country and product category.	All HIWIN suppliers must sign clauses prohibiting the use of hazardous substances. In the future, a system for managing hazardous substances will be implemented to ensure the safe use of materials throughout the design and procurement processes.
Regular Audit and Inventory	**Hazardous Substance Disclosure**
In the future, we will gradually implement an audit system and an inventory system to ensure suppliers' compliance with the prohibition clauses.	In accordance with the EU REACH, RoHS, etc., we disclose hazardous substances in response to HIWIN's diversified product development.

② Hazardous substance elimination program

HIWIN will gradually develop a comprehensive mechanism for managing hazardous substances, in accordance with international regulations. This mechanism will include activities such as material declaration, supplier evaluation, product testing, and hazardous substance information management. HIWIN regularly investigates, screens, and audits the materials used in its products, and updates information on hazardous substances to ensure compliance with environmental regulations and customer requirements. Since 2023, HIWIN has gradually introduced plant-based cutting fluids to replace mineral-based ones, aiming to reduce harm to both the environment and human health. The full replacement is targeted for completion by 2026.

③ Product certification

With the increasing global focus on environmental issues, customers are now more concerned about purchasing green products. HIWIN has always prioritized the development and promotion of green products. To ensure compliance with international standards and regulations, HIWIN has actively pursued international certifications and product certifications. HIWIN has already obtained several international certifications and is currently Hazardous Substance Management System certified. Additionally, HIWIN is dedicated to researching and producing green products, with all of its products currently meeting the environmental protection requirements of RoHS, REACH, and other regulations. Moving forward, HIWIN will continue to promote the development and certification of green products, further refining the environmental indicators of its products. This will provide consumers with increased confidence in choosing HIWIN's products, as we work towards jointly building a green and sustainable future.

2024 Compliance with international safety standards and environmental standards

Regulatory Directives / Signs / Declarations	Content	Revenue Contribution of Compliant Products
EU RoHS Directive	Restriction of hazardous substances in electrical and electronic equipment	100%
Conflict Minerals	Conduct investigations on upstream suppliers	100%
EU PFAS Regulation	Prohibition of per- and polyfluoroalkyl substances	95%
EU POPs Regulation	Prohibition of persistent organic pollutants	95%
EU REACH Regulation	Compliance with restrictions on 247 Substances of Very High Concern (SVHC).	95%
Japan CSCL	Prohibition of chemical substances regulated under the Japanese Chemical Substances Control Law	95%
US TSCA	Prohibition of five persistent, bioaccumulative, and toxic (PBT) chemicals regulated under the Toxic Substances Control Ac	95%
EU CE Marking	Compliance with legal requirements for products within the European Economic Area (EEA)	6.8%

Sustainable Raw Materials

HIWIN is committed to sustainable development, recognizing that the sustainable sourcing of raw materials is critical to product quality, manufacturing activities, reducing environmental and social impacts, ensuring supply chain resilience, and promoting a circular economy. Following the principles of green design and manufacturing, the Company has established a Sustainable Raw Materials Policy to guide its procurement practices.

<table>
<tr><th>Item</th><th>Raw Materials</th><th>Raw Material Suppliers</th></tr>
<tr><td>Tracking and Data Collection</td><td>Traceability : HIWIN requires suppliers not to purchase or use mineral raw materials originating from conflict-affected areas. Regular inspections are conducted on upstream suppliers and their supply chains to ensure transparency and legality of material sourcing. Suppliers are also required to provide clear declarations committing not to use conflict minerals.</td><td>Proactive Investigation : Preliminary assessments are conducted based on business relationships, product supply categories, geographical locations, and potential negative impacts across environmental, social, and governance (ESG) aspects.</td></tr>
<tr><td>Risk Assessment</td><td>• Non-toxicity : Establish a hazardous substance management mechanism to ensure that raw materials used in the production process do not contain substances harmful to human health or the environment and comply with environmental standards such as RoHS and REACH.
• Recyclability : Evaluate material and waste recycling and remanufacturing potential.
• Conflict-Free: Avoid the use of materials originating from conflict mineral source countries.</td><td>To further mitigate overall supply chain risks, HIWIN continues to strengthen sustainable risk management of upstream raw material suppliers by focusing on key suppliers. Through supplier self-assessment questionnaires—covering five key aspects: labor, ethical standards, health and safety, environment, and management systems—combined with on-site verification, HIWIN assesses and confirms their risk status.</td></tr>
<tr><td>Collaborative Actions</td><td>During the product development process, HIWIN adheres to green design principles by prioritizing recyclable materials, ensuring products are easy to disassemble and recycle. Green design checkpoints are incorporated into project reviews to ensure that every project considers environmental impacts across all stages of the product life cycle.</td><td>Supplier Coaching : Based on feedback from on-site audits, improvement recommendations are provided to suppliers. Follow-up actions or secondary audits are conducted to verify improvements and reduce risks.
① Suppliers whose improvement results fail to meet requirements are added to the "Key Supplier Watch List" for continuous guidance, with monthly review and tracking of corrective actions.
② Suppliers who fail to meet requirements after six months of continuous coaching will face a gradual reduction in purchase volumes or a temporary suspension of orders until compliance is achieved and cooperation can be resumed.</td></tr>
<tr><td>Target Actions</td><td>① Proportion of recycled plastics and metals used in products in 2024
<table>
<tr><th rowspan="2">Items</th><th rowspan="2">Unit</th><th>Plastic Materials Used</th><th>Metal Materials Used</th></tr>
<tr><th>Engineering Plastics</th><th>Steel / Iron</th></tr>
<tr><td>Weight</td><td>t</td><td>534</td><td>69,143</td></tr>
<tr><td>Recycling Ratio</td><td>%</td><td>14</td><td>27</td></tr>
</table>
② 2025 target for recycled plastics in products: 15%</td><td>Key Supplier Evaluation – On-site Audits: 20 suppliers (annual target)
<table>
<tr><th>Items</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Number of On-site Audits for Raw Material Suppliers</td><td>105</td><td>127</td><td>68</td><td>26</td></tr>
</table>
Note: In 2024, both online and on-site audits were conducted in parallel, resulting in a reduced number of on-site audits.</td></tr>
</table>

4.4 Customer Relations and Brand Management

Customer Service and Satisfaction

Customer satisfaction is the fundamental obligation of business operations, and it serves as a potent marketing tool and communication medium. HIWIN has successfully achieved customer satisfaction through surveys, regular interactions, and exceptional pre-sales and after-sales services. This has not only propelled HIWIN's continuous advancement but has also enhanced the competitiveness of our customers products in the global market.

❶ Implementation methods

HIWIN provides customers with the highest quality services through excellent products, high-performance services, reasonable ontime delivery rates, and diversified product categories. Additionally, HIWIN assists customers in gaining a comprehensive understanding of the characteristics and specifications of our products. We collaborate with customers in developing end-user products and technologies, respond promptly to customer feedback, and carefully listen to and understand their needs. This approach enhances our R&D capabilities, manufacturing quality, and customer satisfaction.

HIWIN Headquarters annually issues a customer satisfaction survey to key customers, subsidiaries, and distributors. We gather customer feedback from the surveys, note issues, and propose solutions after cross-departmental discussions. We also regularly review the progress and results of the improvement measures.

Customer satisfaction survey flowchart

	Distribution	Assessment	Collection	Analysis	Review and Improvement
Responsible Dept.	Sales Dept.	Customer	Sales Dept.	Sales Dept.	Production / Quality Assurance/ R&D/Sales Dept.
Operating Procedure	Sales Dept. proposes a list of customers		Collect questionnaires	Statistical results	Management review meetings → Propose improvement plans
Assessment Procedure		Customers fill out assessments			Semi-annual assessment meetings ← Implement improvement plans

❷ Cross-departmental communication

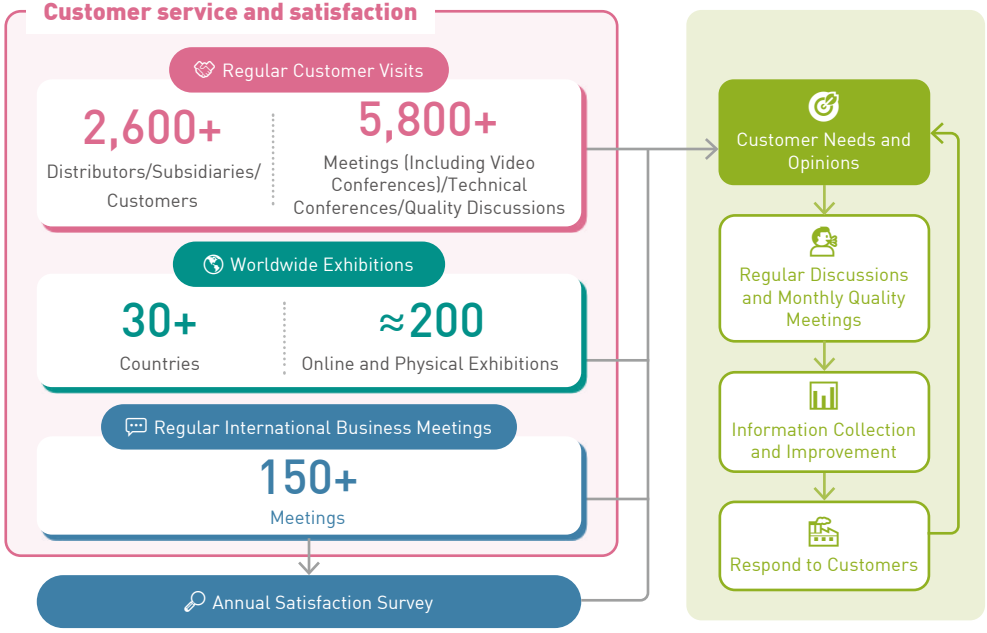
The marketing group at HIWIN collects customer needs, suggestions, and feedback through various communication methods such as the official website, service hotline, business mailbox, and interactions between sales personnels and customers. They provide relevant departments with information through written reports and presentations, proposing new product development or improvements to existing products. Additionally, they hold regular quality management meetings to discuss areas for improvement in manufacturing processes.

The Sales Department and the Production Department also have regular meetings through the production and sales coordination meeting. This allows them to promptly address customer delivery requirements and the status of materials preparation on the production lines. The production department facilitates two-way communication and provides real-time information to effectively control the production schedule. This ensures that product lead times are met, customer requirements are satisfied, and the efficiency is enhanced throughout the supply chain.

❸ Market communication

HIWIN is a global leading brand in motion control and system technology. Our products are sold worldwide under the HIWIN brand. HIWIN consists of several key teams: the Global Marketing Group, responsible for product sales and marketing; the Industrial Design Section and Planning Section, focused on corporate identity and branding; and the IP & Legal Affairs Section, dedicated to ensuring product designs comply with regulations and preventing the sale of prohibited or controversial items.

At HIWIN, we highly value customer feedback and suggestions. To facilitate this, we offer various communication channels for customers to provide their input. Additionally, we regularly visit customers, organize business meetings, and conduct satisfaction surveys to gather information and analyze areas for improvement. A customer's score of 70 or above is considered satisfactory in the satisfaction survey. If the score is below 70, we deem the customer dissatisfied and follow up with the customer to address the issues. We aim to enhance service satisfaction continuously.



❹ Management performance

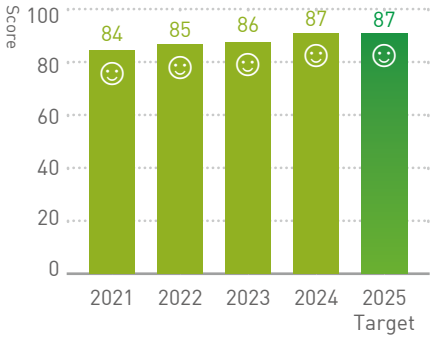
- Outcomes of customer satisfaction surveys

The 2024 Customer Satisfaction Survey covered key customers in Taiwan and overseas,achieving a customer satisfaction rate of 88%. A total of 422 questionnaires were distributed among subsidiaries, distributors, and end customers, with 345 recovered, yielding a recovery rate of 82%.

The survey results for 2024 showed consistent improvement in production lead time, business services, and after-sales services compared to 2023. This indicates that HIWIN has successfully met customers' needs in terms of delivery management, product education and training, after-sales technical support, and comprehensive product consulting services.

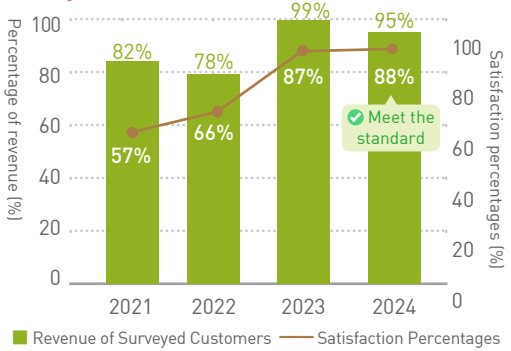
The product quality satisfaction score for 2024 remained consistent with that of 2023. Amid the rapidly changing market environment and the increasing customer demand for quality, HIWIN will continue to optimize product design and refine manufacturing processes to enhance quality and deliver greater added value to customers, thereby meeting their expectations.

Customer satisfaction



Note: Satisfaction score ranges are as follows:
100–90 points — Very Satisfied
89–80 points — Highly Satisfied
79–70 points — Satisfied
Below 69 points — Unsatisfied

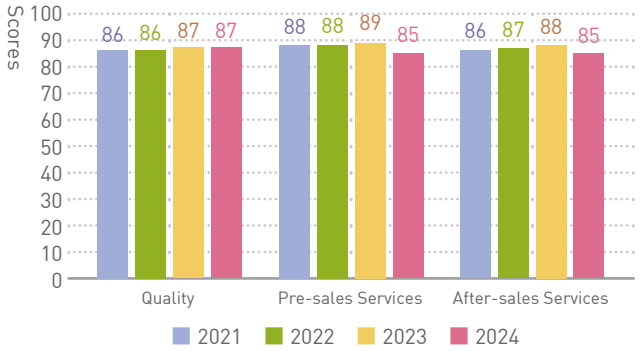
Revenue and satisfaction percentages of surveyed customers



Note: 1. The satisfaction rate target for 2024 is 70%.
2. Percentage of surveyed customers' sales revenue = Sales revenue of survey respondents ÷ HIWIN's total revenue (including subsidiaries, distributors, and end customers).
3. Satisfaction percentages = Number of questionnaires meeting overall satisfaction score ÷ Total number of questionnaires collected.

- Improvement measures

Customer satisfaction scores



1 Based on data collected from the customer satisfaction survey, HIWIN will continue to improve in all areas, such as increasing the content on our technical website and providing more immediate and convenient pre-sales services. In response to the continuous introduction of new products, we will strengthen the professional knowledge and service capabilities of employees in our global subsidiaries and distributors through product training, exhibition visiting, and technical seminars. We aim to improve the quality of pre-sales and after-sales services by listening and providing real-time feedback on customer needs.

Note: Pre-sales services, such as establishing a dedicated technical website, enable customers to quickly access various services, including product selection and life calculation, from their own perspective.

2 We proactively gain insight into our customers' trouble and expectations through pre-sales and after-sales services. By providing solutions and innovative services, we create added value for our customers. Furthermore, we continuously optimize internal processes and improve manufacturing processes, which are implemented in our daily operations. This proactive approach allows us to offer customers greater differentiation and competitiveness, from quality assurance to quality enhancement.

- Specific actions taken by HIWIN

Frequency of customer satisfaction surveys

Customer satisfaction is a comprehensive measure of a Company's performance in terms of products, sales activities, and service support. Utilizing customer satisfaction levels as a key indicator of corporate competitiveness can also contribute to sustained profitability. Customer satisfaction surveys are conducted annually, aligned with implementation projects and department operations. These surveys are completed within the project year to obtain data for comparison and analysis.

Customer satisfaction tracking system

The Sales Dept. will internally review and address any reports of customer dissatisfaction and suggestions through management review meetings. The responsible unit will analyze the root cause of the issue, propose corrective actions, and monitor progress towards improvement.

Customer feedback system

Implement a customer satisfaction feedback system to consistently monitor levels of customer satisfaction. Utilize survey data to establish goals, drive continuous improvement, and establish milestones for measuring progress. These milestones will also aid in adjusting targets and strategies as needed.

Survey method standards

HIWIN conducts a customer satisfaction survey at the end of each year. Samples are collected from the date of survey to one year ago. Once the samples are collected, we compile an analysis report based on the data obtained. The survey primarily focuses on: ⓐ Product Quality ⓑ Pre-sales Services ⓒ After-sales Services

Customer satisfaction process flow

01 Propose an improvement plan according to the outcomes of customer satisfaction surveys.

02 After proposing improvement plans for all indicators, the Sales Dept., Quality Assurance Dept., R&D Dept., and Production Dept. will collaborate together to roll out improvement plans.

03 Use milestones to measure progress.

04 Ensure the Sales Dept., Quality Assurance Dept., R&D Dept., and Production Dept. collaborates to discuss and adjust improvement plans.

Short- and long-term targets

Customer Satisfaction	2022	2023	2024	2025 target	2030 target
Score	85	86	87	87	89

Product Quality

HIWIN adheres to the PDCA management cycle. Following our business philosophy of customer service and continuous improvement, we strategically manage the entire quality system, encompassing raw material procurement, product design, development, manufacturing, inspection, transportation, storage, pre-sales, mid-sales, and after-sales services. Internal audits are conducted to ensure the active involvement of all employees in achieving our goal of total quality management.

- **Establishing a culture of quality**

HIWIN implements the Total Quality Management (TQM) model based on ISO 9001. Through continuous improvement, regular supplier assistance, standardization efforts, and quality system audits, we enhance product quality, strengthen personnel training, and promote a safety culture to provide a good working environment. We implement TPM activities to maintain proper equipment operation and make TPS activities the core of the production management system. We comprehensively integrate the efforts stated above, which apply to all business tasks, to improve product quality and customer satisfaction.

HIWIN adopts ISO 9001:2015 as the standard for its Quality Management System (QMS). To ensure the effectiveness and continual improvement of the system, internal audits are conducted semi-annually, while external audits are carried out by the third-party certification body SGS. A formal Corrective and Preventive Action (CAPA) procedure is established to serve as a mechanism for managing complaints and handling non-conforming products raised by customers, suppliers, and other process-related stakeholders.

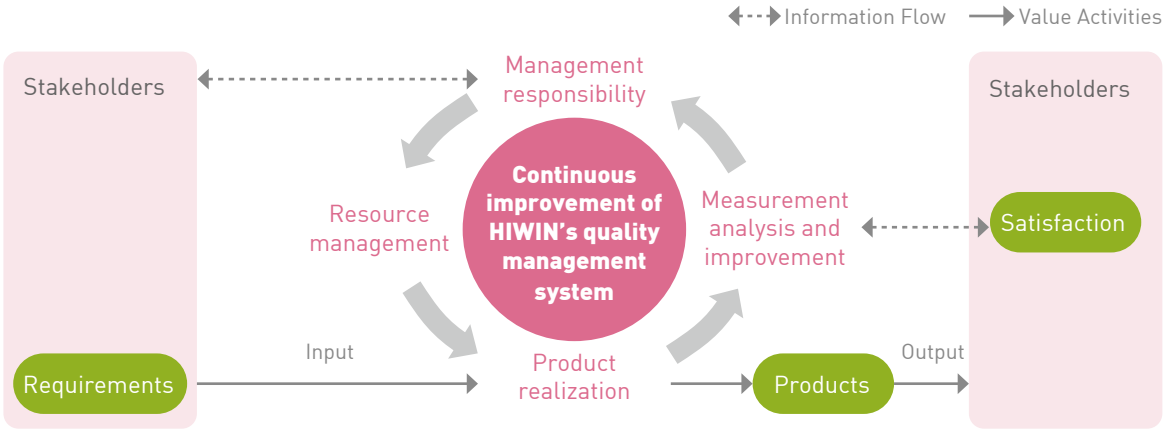
From 2021 to 2024, there were no product recall incidents caused by quality-related issues.

In line with our commitment to continuous improvement, HIWIN encourages all employees to submit improvement proposals to enhance the quality and efficiency of HIWIN. Additionally, we organize the annual QCC achievements presentation contest to actively promote quality and innovation among employees. Chairman & CEO Eddie Chuo personally evaluates the results of these improvement efforts, aiming to shape the quality of MIT and our branding paradigm.

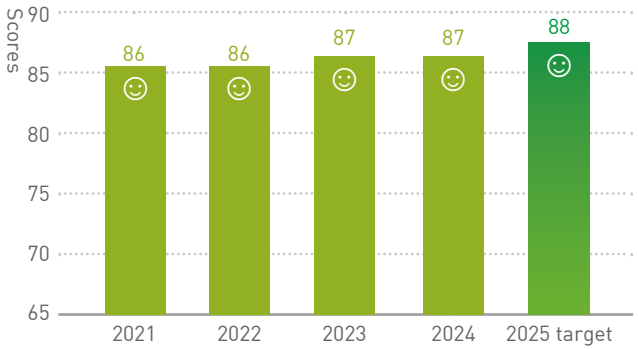
HIWIN actively listens to customer feedback on product quality, striving for continuous improvement. In the annual customer satisfaction survey, feedback regarding product quality and the impact of products and services on health and safety are documented for improvement. We track the progress of improvement and respond to the customers. In 2024, none of HIWIN's products violated health and safety-related issues.

Through the distributor management process, we actively promote ISO 9001 Quality Management System (QMS) certification for distributors. In 2024, we achieved the target of having 30% of our distributors certified with ISO 9001. Looking ahead to 2025, we plan to increase the distributor certification rate to 33% to ensure continuous improvement in quality standards among our distributors. The Sales and Quality Assurance departments collaborate as teams, conduct on-site visits, and hold occasional quality seminars and training courses for distributors. Through audits and guidance, we aim to enhance distributor service quality, resolve end-customer issues, and ensure quality consistency.

With changes in the overall environment, customer quality expectations continue to rise. The product quality satisfaction score in 2024 remained consistent with 2023. The target score for 2025 is set at 88 points, with ongoing quality improvement initiatives implemented to achieve the product quality satisfaction goal.



Product quality satisfaction



Customer Privacy

❶ Privacy policy

To safeguard the privacy of our employees, customers, suppliers, contractors, and website visitors, HIWIN has developed a privacy policy that adheres to the Personal Data Protection Act and the Information Security Policy.

To protect personal information, HIWIN employs multiple layers of encryption for its website registration data. Additionally, our website host is equipped with a firewall and anti-virus system. HIWIN has implemented internal procedures for confidential document control (TIPS) to ensure that all information, regardless of its format, necessary for maintaining the confidentiality of the Company's operational data or documents held by external organizations (such as public agencies, schools, and corporate bodies), is covered by this privacy policy.

❷ Unless authorized or legally required, HIWIN strictly prohibits the disclosure or use of customer privacy and proprietary customer information in any situation.

❸ To prevent any leaks of proprietary information resulting from employee behavior, new employees are required to sign a service agreement that clearly stipulates confidentiality obligations upon onboarding, and all employees must annually sign the "Intellectual Property Management Procedure Acknowledgment Form." In order to safeguard customer interests and prevent unauthorized disclosure of customer information, HIWIN has implemented stringent measures to protect customer data. We emphasize the importance of safeguarding customer information and proprietary data, and have implemented an access system based on authorized permissions. Additionally, we have engaged an independent auditor to conduct internal audits, further enhancing our control and management of customer privacy and trade secrets.

❹ HIWIN has established an Information Security Committee, consisting of supervisors from each unit at the managerial level. This committee holds an annual meeting to discuss and establish information security protocols. The IT Department is responsible for developing and enhancing regulations related to network security, the use of Company email, and reporting violations. Additionally, they actively promote the certification of the ISO 27001:2013 information security management system. To enhance employees' understanding of occupational ethics and information security, we regularly organize training sessions and conduct phishing email tests to evaluate their awareness of information security protection.

Note: For information on security policies, please refer to Chapter 3.5, Information Security.

❺ Training

- We introduced the Taiwan Intellectual Property Management System (TIPS) and established procedures for managing confidential documents. We provide relevant training in IP courses for new employees and the annual TIPS internal auditor training courses. In 2024, 122 participants passed the TIPS internal auditor training course.
- The IP courses for new employees offer examples of relevant infringement cases. We also provide annual training on patent infringement assessment for new R&D personnel.

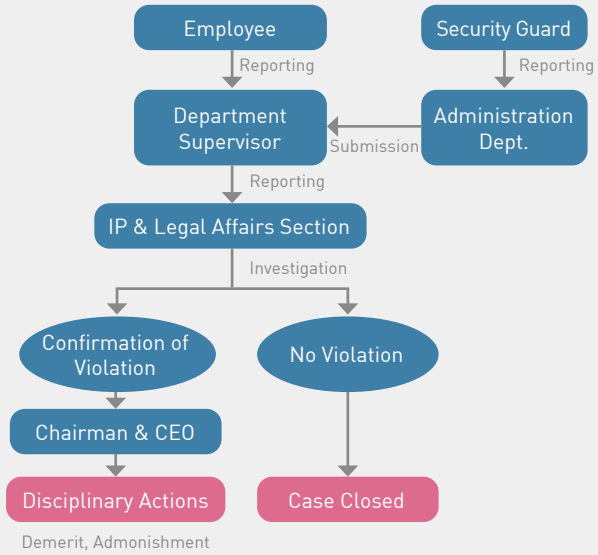
❻ Privacy leakage handling process

1. We have implemented regulations regarding penalties for violations related to the unauthorized disclosure of confidential documents and trade secrets. Disciplinary actions, such as admonishment and demerits, will be imposed based on the specific circumstances.
2. In the case of a breach of confidentiality and subsequent disciplinary action, a proposed improvement plan must be submitted within 3 days.
3. The Sales Dept., IP & Legal Affairs Section, and IT Dept. can collaborate to discuss and determine feasible solutions for the improvement plan.
4. Specific targets will be established at each stage to measure the results of the improvement efforts.

❼ 2024 Privacy leakages & disciplinary actions

0	Disciplinary actions from regulatory authorities
0	Reports of suspected customer data leakages
0	Incidents of confirmed customer data leakage, theft or loss
0	Lawsuits for infringement of customer privacy

Handling procedures of privacy incidents

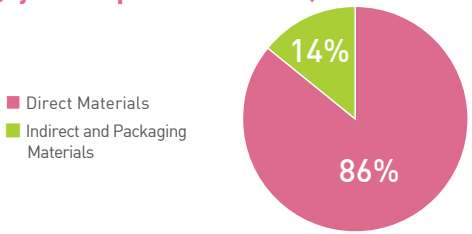


4.5 Sustainable Supply Chain Management

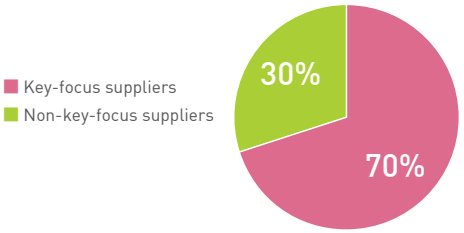
HIWIN's Supply Chain

HIWIN is a professional manufacturer in global motion control and system technology product. In terms of procurement practices, HIWIN classifies raw material suppliers, which have the most significant impact on daily operations and production, into two categories based on supplier attributes: direct materials (materials directly related to production) and auxiliary materials (materials not directly related to production or packaging materials). Depending on their level of operational importance, different degrees of requirements and management systems are established to enhance supply chain resilience.

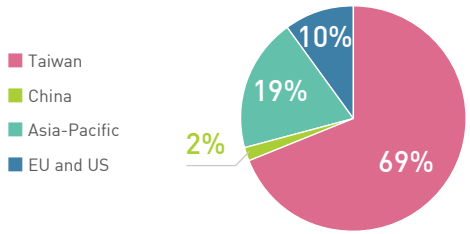
2024 Materials supplier categories (by annual purchase amount)



2024 Key-focus and non-key-focus (by annual purchase amount)

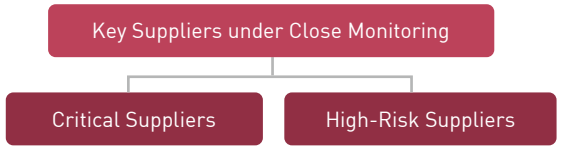


2024 Distribution of materials suppliers by region (by annual purchase amount)



To maximize the efficiency of management resources, HIWIN focuses on regular raw material suppliers whose annual procurement value reaches a certain threshold and who maintain continuous transactions. These suppliers are defined as Tier-1 Suppliers [Note 1] and are subject to further environmental, social, and governance (ESG) management according to their industry and business characteristics. To effectively control supply chain risks, Tier-1 Suppliers whose annual procurement value exceeds a specified threshold or who are involved in major incidents or legal violations are designated as Key Suppliers [Note 2]. These suppliers receive enhanced guidance and stricter monitoring.

To further reduce overall supply chain risks, HIWIN continues to strengthen sustainable risk management for the upstream raw material suppliers of Key Suppliers [Note 3]. In 2024, HIWIN gathered information on more than 181 upstream raw material suppliers of Key Suppliers and conducted preliminary risk assessments based on their geographic locations and material categories. The Company will continue tracking their status and implementing more proactive risk control measures.



- Direct Material Suppliers Accounting for the Top 85% of Total Procurement Value
- Indirect and packaging material suppliers with annual procurement value exceeding NT$3.6 million
- Sole-source or non-substitutable suppliers

- Suppliers with records of major incidents or violations
- Suppliers with potential negative ESG impacts
  - ① Environmental: Hazardous substances management
  - ② Social: Child labor, forced labor
  - ③ Governance: Corruption, bribery, supply disruption risks

Note: 1. Tier-1 Suppliers: Suppliers with an annual procurement value exceeding NT$4 million and maintaining continuous transactions for two consecutive years. In 2024, there were 272 Tier-1 Suppliers.
2. Key Suppliers: Critical suppliers: (1) Direct material suppliers accounting for the top 85% of procurement value; (2) Indirect and packaging material suppliers with annual procurement exceeding NT$3.6 million; (3) Single-source or non-substitutable suppliers. High-risk suppliers: (i) Suppliers with records of major incidents or legal violations; (ii) Suppliers with potential negative ESG impacts. In 2024, there were 142 Key Suppliers, representing 70.1% of total procurement value.
3. Upstream raw material suppliers of key suppliers: raw material suppliers providing upstream inputs to Key Suppliers. In 2024, there were 181 such suppliers.

Sustainable Supply Chain Management

❶ Supplier management policy

To communicate the management requirements of the supply chain and ensure the achievement of sustainable targets, HIWIN formulated sustainable supply chain management strategies and mid- to long-term targets, which were implemented after senior management decided on supply chain-related plans and were disclosed on HIWIN's website. We aim to exert a positive influence on the supply chain of the precision machinery industry, advocate for building a sustainable supply chain with our suppliers, and commit to responsible procurement and developing the supply chain's technical capabilities. To continuously provide responsible and high-quality services to our customers, please refer to Chapter 3.3 Organizational Management Structure and the "Supplier Management Policy" for more information.

❷ Supplier code of conduct

HIWIN is committed to promoting the sustainable development of the precision machinery industry by integrating ESG issues into its sustainability management practices. The Company aims to reduce environmental impact, external costs, and operational risks by actively encouraging suppliers to establish waste and carbon reduction targets, thereby mitigating the industry's impact on climate change and resource depletion.

In 2024, HIWIN continued to adopt two core strategies—enhancing sustainability risk management and promoting a green, low-carbon supply chain—as the guiding principles of its supply chain management. The "HIWIN Supplier Code of Conduct" was revised accordingly.

Suppliers are also required to communicate the Code to their sub-tier suppliers and to monitor their compliance. This approach aims to foster safe working environments, respectful labor relations, ethical operations, and sound environmental protection practices, while continuously reducing the risk of operational disruptions. In 2024, no supplier relationships were terminated due to the use of child labor or forced labor.

HIWIN is committed to green manufacturing and aims to reduce environmental impacts across the supply chain. To do so, we mapped a path toward achieving net zero emissions and urged the supply chain to implement ESG practices. We also seek to provide suppliers with relevant resources to take scientific, data-driven, and empirical approaches to reduce carbon and mitigate climate change's impact on society. This anchors the supply chain's sustainable development and demonstrates multiple added values.

❸ Supplier sustainable management framework

❹ Four major implementation guidelines of sustainable supply chain management

HIWIN maintains close cooperation with its suppliers by adhering to four key implementation guidelines: compliance, risk assessment, audit activities, and continuous improvement. These guidelines aim to support suppliers in making ongoing improvements and commitments, as well as proactively initiating sustainability actions with their own upstream suppliers. To foster the growth of our global supplier partners, HIWIN has established "SCM Platform," a supply chain management system. This platform consolidates supplier communication channels, facilitates information exchange and feedback, and enables us to monitor the sustainable development concept and progress of our supply chain.

Compliance with Guidelines

Suppliers must comply with HIWIN Supplier Code of Conduct and complete signing it.

Risk Assessment

- Proactive investigation

We conduct preliminary assessments and analyses on business relationships, product categories, locations, and potential negative impact risks of the environmental, social, and governance aspects.

- Self risk assessment

Suppliers must complete the supplier self-evaluation questionnaire (covering labor, code of ethics, health and safety, environment, and management systems). We also identify high-risk suppliers by referring to procurement records.

Audit Activities

- Written-Document Audit

We complete the written document risk assessment by cross-referencing the supplier self-evaluation and the supporting documents.

- Physical Audit

Referring to the supplier self-evaluation, we evaluate the risk status on-site, and the procurement personnel relay the audit results to the suppliers for improvement.

Continuous Improvement

- We counsel the suppliers according to the audit results and provide recommendations for improvement, verifying improvement efforts or conducting re-audits to reduce risks.
- Exit mechanism

① We keep a watchlist for suppliers whose improvement results do not meet requirements for continuous guidance and monthly improvement reviews and follow-ups.

② Suppliers who fail to meet the requirements after six months of continuous counseling will gradually see a reduction in procurement volume or a temporary suspension of orders. The partnership will only resume once they meet the requirements.

To instill sustainability awareness among our supply partners, HIWIN has planned its first "HIWIN ESG Partner Conference," to be held at the corporate headquarters in March 2025. The purpose of this event is to help suppliers understand HIWIN's commitment to net-zero and carbon reduction issues, while encouraging them to embrace ESG principles. Approximately 50 suppliers—around 75 participants—will be invited to join the event, during which 8 outstanding suppliers will be recognized: 6 suppliers for their exceptional ESG performance, and 2 exemplary suppliers as industry benchmarks. By showcasing these role models, HIWIN aims to strengthen ties with supply partners, promote ongoing ESG initiatives, expand circular economy opportunities, and enhance carbon reduction capabilities—jointly building a greener future.

Moving forward, HIWIN will continue to host this partner conference, further expanding supplier engagement. We will highlight unique, high-impact, and quantifiably beneficial sustainability projects, and recognize suppliers with strong sustainability performance. Through a variety of incentive mechanisms, we aim to encourage broader supplier participation in sustainability initiatives and inspire more innovative collaboration models.

• Audit process

Sustainability audits & evaluations

First stage[Note1]

Written-document audit

Tier-1 Suppliers

We require Tier-1 suppliers to conduct sustainability risk self-assessments according to the Sustainability Audit Guidelines. In addition to completing the survey, the suppliers are required to provide corresponding supporting documents. We review and notify them of the assessment results promptly and provide relevant guidance. In 2024, 95.3% of the Tier-1 suppliers completed the first stage of sustainability risk assessment, totaling 287 suppliers.

Second stage[Note2]

Physical audit

Key-focus on suppliers

The results of supplier self-assessment questionnaires were reviewed to identify high-risk suppliers. Based on their level of significance to HIWIN, key suppliers under close monitoring were defined. On-site audits and guidance measures were implemented for these suppliers to verify risk status and continuously reduce potential risks.

Note: 1. Phase I: A document-based audit was conducted for Tier 1 suppliers listed in the 2023 Sustainability Report, totaling 301 suppliers.
2. Phase II: On-site audits were carried out for key suppliers under close monitoring as defined in the 2023 Sustainability Report, totaling 157 suppliers.

2024 Major sustainability risk factors for suppliers

Category	Main Deficiencies		Corrective Action Plan
Labor	Labor standards	No labor risk management or relevant regulations	Develop an employee handbook with reference to the Ministry of Labor Global information website
Code of Ethics	Human rights management	No policy or regulation for human rights management	Recommend including relevant items in the employee handbook and posting them on public bulletin boards
Health and Safety	Occupational health	No risk assessment process for employee health	Request to review and revise the occupational safety and health training manual
	Occupational safety	No relevant drills or response procedures were executed or documented	Regularly engage professional agencies to conduct fire drills and maintain proper records
Environment	Carbon emission management	No GHG or carbon inventory mechanism	Guidance provided to promote daily energy conservation and carbon reduction, enhancing ESG awareness
	Water management	No water resources reduction targets or measures	
	Environmental permits	Lack of the required environmental authorizations	Ongoing monitoring of the acquisition of required certifications
Management System	Management of personal data and privacy rights	No privacy or personal data risk control procedures	Establish access control regulations for document review
	Information security management	No information security management or employee training	
	Sustainability management	Absence of a sustainability risk management procedure	Recommendation to consult professional advisors
	Employee training	Lack of a structured training program	Suggest developing strategic plans to enhance employee competitiveness

• Supplier Evaluation Dimensions

Dimension	Assessment Criteria
Business Criticality	Based on procurement value, suppliers are assessed alongside their industry categories, including direct materials, auxiliary materials, and equipment engineering services.
Environmental / Social / Governance (ESG)	① Records of major incidents and legal violations related to governance, environmental, and social aspects. ② Potential Negative Impact Risks - Environmental: Hazardous substances management - Social: Child labor, forced labor - Governance: Corruption, bribery, supply disruption risks
Region / Country	Supplier risk levels are evaluated based on their geographic location, taking into account geopolitical risks, natural disasters, conflicts, and high-risk countries. Corresponding mitigation measures are implemented accordingly.
Industry Attributes	Supplier industries and risk factors are analyzed to develop tailored sustainability risk assessment questionnaires that identify industry-specific risks.
Product Characteristics	Key materials containing heavy metals or hazardous substances are identified based on material characteristics.

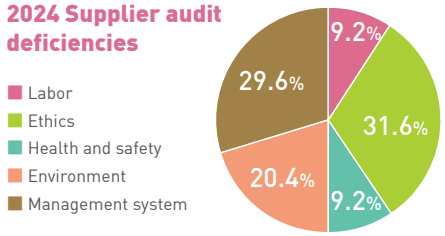
• Audit results

① In 2024, HIWIN conducted audits on 50 suppliers (26 on-site and 24 remote). Based on risk assessments, 30 suppliers were identified as having potential ESG risks. Audit findings and improvement recommendations were submitted to senior management for review, followed by corrective action verification or a second audit to mitigate risks.

② Suppliers with significant incident records are assessed for risk, and those failing to meet requirements for two consecutive years will have transactions suspended until corrective actions are completed within a specified timeframe, after which their qualification for cooperation will be re-evaluated.
For the 2023 Key Suppliers, environmental and social impact assessments revealed 3 suppliers with environmental violations and 1 supplier with social violations. By 2024, corrective actions for 3 of these suppliers were completed, resolving all violations. The remaining supplier had labor

hour violations against legal regulations and has submitted a corrective action plan, which will be followed up through ongoing audits.

2024 Supplier audit deficiencies



❺ Sustainable supply chain seed training

To enhance procurement personnel's awareness and capabilities in sustainability, HIWIN conducts systematic training programs covering topics such as the circular economy, Supplier Code of Conduct policies, conflict minerals policy, and the implementation outcomes of sustainability management objectives. The training also communicates the Company's annual supplier management goals and key projects, cultivating procurement staff's ability to effectively convey supply chain development policies and management strategies. Through training sessions and interactive models, HIWIN establishes a platform for communication between procurement teams and suppliers, fostering a corporate culture of sustainable development.

2024 Held	Total training hours	No. of participants
25 sessions	50.3 hours	14 persons

❻ Sustainable supply chain training program

HIWIN strengthens supplier collaboration by promoting sustainability concepts, securing government resources, implementing multi-faceted sustainability capability-building projects, utilizing the SCM management platform, hosting thematic ESG workshops, and conducting systematic training. In 2024, HIWIN proactively organized sustainability training sessions with suppliers, providing resources, information, and phased guidance to enhance mutual cooperation and improve collective risk management capabilities.

2024 Supplier engagement overview

Category	Type	Target Audience	Participation	Description
Internal	Occupational Safety and Health Dept.	Tier 1 Supplier	195 companies	• Established a comprehensive contractor safety system to ensure occupational safety and labor rights, reducing workplace accidents.
External	National Taxation Bureau	Qualified Suppliers	150 companies	• Promoted the use of e-invoices to reduce carbon footprint and mitigate climate change. • Enhanced information transparency and strengthened corporate governance.
	NCCU College of Commerce Sinyi School	Tier 1 Suppliers	350 companies	• Conducted ESG surveys.

Reducing Environmental Impact

Through effective leadership and precise requirements, HIWIN collaborates with suppliers to build a workplace environment where "labor is dignified, and business is ethical." We encourage suppliers to develop materials and processes that reduce environmental impacts, conserve energy, and reduce carbon emissions in their manufacturing process. We aim to optimize the manufacturing processes, improve quality, and pay more attention to environmental issues, including climate change and biodiversity. We conduct comprehensive partnerships by engaging closely with suppliers to establish an continuous green supply chain.

❶ New suppliers evaluation mechanism

HIWIN promotes a virtuous cycle in the industry and supply chain by establishing supplier management procedures and conducting Environmental and Social investigations on new suppliers. The completion rate in 2024 was 100%.

❷ Sustainability capacity building program

During the supplier selection process, HIWIN evaluates both product attributes and supplier capabilities. Since 2022, HIWIN has collaborated with seven plastic raw material and consumable suppliers to jointly develop recycling and reuse projects—successfully converting production scraps back into raw materials and reusing consumables. In addition, one steel manufacturer has continued to advance recycling initiatives, contributing to a reduction in overall Scope 3 carbon emissions and related costs, while achieving results aligned with circularity, emission reduction, and waste minimization objectives.

❸ Manufacturing process quality guidance

- To pursue stable product quality, HIWIN reviews supplier quality monthly, provides guidance and corrective measures to the top 10 suppliers with the highest defect rates, and if the defect rate occurs 4 times in 6 months, reduces or suspends orders. Partnership can be resumed based on the effectiveness of improvements through cross-departmental collaboration.
- In 2024, we counseled 38 suppliers, 5 among which had their orders reduced or temporarily suspended, and 1 was re-evaluated and met quality requirements. The remaining 4 are still under counseling and will be re-evaluated based on their progress in improvement.

④ Continuously reducing environmental impacts

HIWIN has established targets for energy saving, water conservation, waste reduction, and carbon reduction, and continues to guide suppliers in recognizing and addressing these environmental impacts. As of 2024, supplier performance in energy conservation has been assessed: 26 suppliers have adopted energy-efficient equipment, 10 have installed solar panels, and 18 have conducted carbon footprint assessments—certified under ISO 14064 and ISO 14067 standards.

⑤ Conflict minerals procurement management policy

HIWIN supports the procurement of conflict-free materials and requires suppliers to procure non-conflict materials. In 2024, HIWIN required suppliers of products containing tantalum, tin, gold, and tungsten to follow the responsible mineral procurement policy and sign the responsible minerals declaration. All Tier-1 key-focus suppliers, totaling 157 companies, have completed this requirement.

HIWIN conflict minerals management process

Compliance with HIWIN Conflict Minerals Policy → The supplier signs a commitment not to use conflict minerals → Disclosing the percentage of qualified suppliers for using non-conflict minerals on the official website

⑥ Promote local supply chain

HIWIN classifies its suppliers into three main categories: production-related direct raw materials, non-production-related indirect materials, and labor, and other categories. To foster strong relationships with local partners, promote local socio-economic development, and minimize CO_2 emissions in manufacturing and transportation, HIWIN is committed to building a green supply chain through the implementation of a local procurement strategy.

⑦ Promoting e-invoicing for sustainability

To further advance its Environmental, Social, and Governance (ESG) goals, HIWIN proactively collaborated with the National Taxation Bureau to assist suppliers in adopting electronic invoicing (e-invoices). As of 2024, 90.1% of HIWIN's suppliers have successfully implemented e-invoicing, significantly reducing paper consumption and supporting sustainable development and corporate social responsibility (CSR) practices.

Additionally, e-invoicing enhances tax fairness by ensuring that businesses comply with tax regulations and protect consumer rights. This not only increases government tax revenues but also contributes to national development and social welfare, ultimately fostering a better living environment for society as a whole.

⑧ Green procurement

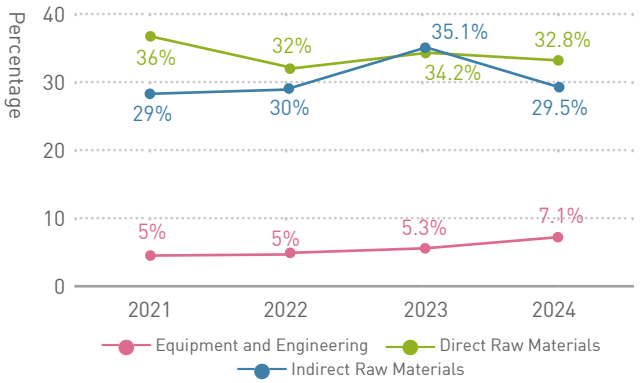
HIWIN is dedicated to integrating the ESG concept into our management philosophy. Our objective is to advance green procurement and foster the notion of resource value and environmental sustainability.

2024 Green procurement results	Percentage of annual procurement amount	Achievement rate
NT$802.5 million	9.7%	100%

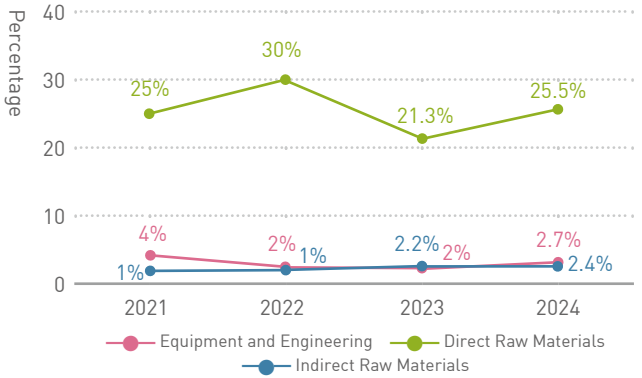
⑨ Promotion method of low carbon supply chain

We formulated a roadmap to net zero, urged the supply chain to implement ESG, and sought relevant resources for suppliers. Supported by diverse material sourcing plans, in 2024, the percentage of low-carbon materials procurement was 15.6%, with an achievement rate of 84.3%.

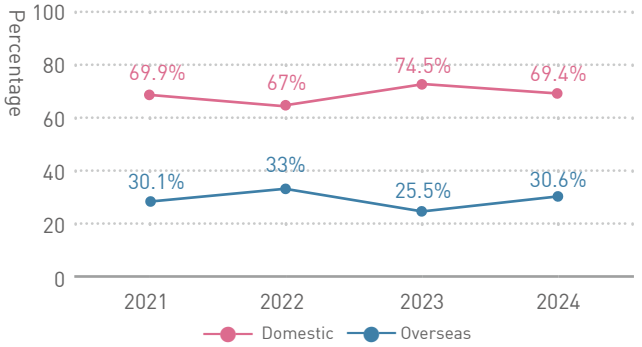
Percentage of procurement by category - domestic



Percentage of procurement by category - overseas



Local procurement ratio



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A Practitioner of Green Manufacturing

HIWIN is committed to reducing carbon emissions, pollution, and waste from the production process, seeking to fulfill our vision for a green and sustainable environment through recycling and reusing.

5.1 Climate Strategy and Energy Management

Climate Change Management & Strategies

HIWIN places significant emphasis on the efficacy of corporate energy conservation and carbon reduction. Every year, the sustainability reports discloses HIWIN's energy management policies and utilization performance. Since the introduction of the FSB's TCFD in 2017, HIWIN has actively engaged in internal and external expert reviews and consulting systems to explore and plan accordingly. As a result, HIWIN has become a TCFD supporter and included its first disclosure in the 2021 report. In 2022, HIWIN further enhanced its inventory and review mechanism, providing regular updates to the Chairman of the ESG Committee. This allows for a comprehensive evaluation of the risks and opportunities faced by the enterprise, along with the corresponding responses and guidance measures.

Guiding Principles	Specific Actions	Achievements
1 Governance	① The Chair of the ESG Committee reports the action plans addressing material risks and opportunities to the Board of Directors four times a year, based on the progress made. ② The ESG Committee conducts various risk and opportunity assessments, identifying material risks and opportunities through risk exposure analysis and evaluating potential impacts through climate risk analysis to ensure rigorous mechanisms are in place to manage risks to company operations.	① The HIWIN Board of Directors expresses concern regarding the potential influence of climate change on our business operations. In light of the ESG Committee's report, the Board provides recommendations on risk and opportunity management, as well as resource allocation. ② The executive secretary of the ESG Committee provides monthly updates to the Chairman regarding the targets and current status of implementation for the upcoming month. ③ Monthly meetings are scheduled to assess the progress of strategy implementation and target achievement. The outcomes are reported to the Board of Directors on an annual basis.
2 Strategies	Conduct simulations using RCP2.6 and IEA SDS scenarios to identify short-term (0-3 years), mid-term (3-5 years), and long-term (5-30 years) climate risks and opportunities. Present the simulation and results to the president for decision-making. Relevant risks and opportunities are as follows: • International industry norms and voluntary norms • Changes in customer and market demands • Changes in rainfall or weather patterns • Increased transition risks due to the frequency or severity of extreme weather events • Resource alternatives and diversity • More efficient production	① Introduction of smart automation to enhance productivity in the factories producing ballscrews and linear guideways. ② As of 2024, the cumulative installed capacity of on-site solar PV systems for self-use has reached 2,935 kW. ③ Irregularly assess climate variability and the development of renewable energy policies, and adjust renewable energy procurement strategies on a rolling basis. ④ Exploration of new materials or alternative sources of materials to enter the European smart automation market. ⑤ Development of molds to minimize mechanical processing, waste disposal, and promote recycling.
3 Risk Management	The ESG Committee establishes a process to identify climate risks in compliance with policies and regulations, explores the resulting opportunities, formulates action plans, and establishes a mechanism. ① The procedure for identifying risks and opportunities involves evaluating 15 risks and 13 opportunities, either potential or previously encountered. ② Experts across different departments convene during the TCFD Workshop to deliberate on material risks and opportunities based on likelihood and level of impact. In addition, they conduct monetization analysis on material risks and opportunities to assess their level of financial impacts. ③ The Risk Management Committee integrates relevant material risks and opportunities to conduct risk assessment items and formulate major response plans.	① Based on the interdepartmental discussions in the TCFD workshop, HIWIN has prioritized four significant risks and two major opportunities. Each of these has been thoroughly examined to develop action plans, establish management measures, and allocate budgets. ② During the TCFD workshop, the Company identified risks and opportunities for monetization analysis. The percentage of annual revenue associated with each opportunity and risk was estimated. ③ To further evaluate the financial impact, the Company selected two specific business product. The financial impact on the income statement and balance sheet was calculated for this product. ④ Install smart water meter monitoring equipment to effectively utilize water resources and respond to changes in rainfall patterns or weather conditions (e.g., water shortages).
4 Indicators and Targets	Formulate action plans for climate change to reduce carbon emissions year by year. This includes action plans for renewable energy use, energy conservation measures, water recycling, and emergency response for climate risks. Continue to obtain third-party verification statements for ISO 14064-1:2018. In 2024, HIWIN completed the CDP survey and leveraged the opportunity to disclose material climate risks and opportunities, monetization analyses, corporate carbon management performances, and engagement with suppliers and the value chain as we strive toward a net zero future.	① The ESG Committee's monthly progress report is utilized to present the outcomes of electricity and water conservation, establish annual carbon reduction targets, and assess the results for each manufacturing department. ② Based on the findings from the ISO 14064-1 inventory and CDP questionnaire assessment, we have conducted a thorough examination of emission hotspots, made adjustments to enterprise quality, and implemented ISO 50001:2018 energy conservation project management. ③ Promote Science Based Targets initiative (SBTi) and commit to reducing greenhouse gas(GHG) emissions under Scope 1 and Scope 2 by 42% by 2030 with 2021 as the base year, and Scope 3 by 25% by 2030 with 2022 as the base year, and aim for net zero emissions by 2050.

- **Climate risk and opportunity identification and assessment**

In line with the TCFD framework, HIWIN convenes regular workshops to identify climate risks and opportunities, bringing together department managers and external consultants. We focus on eight major risk categories, including existing and emerging regulations, technological, legal, market, and reputational risks, as well as immediate and long-term physical risks. These risks encompass our operations, upstream and downstream activities, and customer activities. During the workshop, various groups engage in in-depth discussions on the likelihood and impact of these risks and opportunities and map out a risk and opportunity matrix. We then prioritize the top five risks and opportunities based on their dimensions and scores. The ESG Committee then reports the results to the president (Chief Sustainability Officer). The risks and opportunities are analyzed according to their potential revenue impacts, feasibility, and effectiveness. Resulting decisions are as follows.

Top five risks

Risks focused by HIWIN

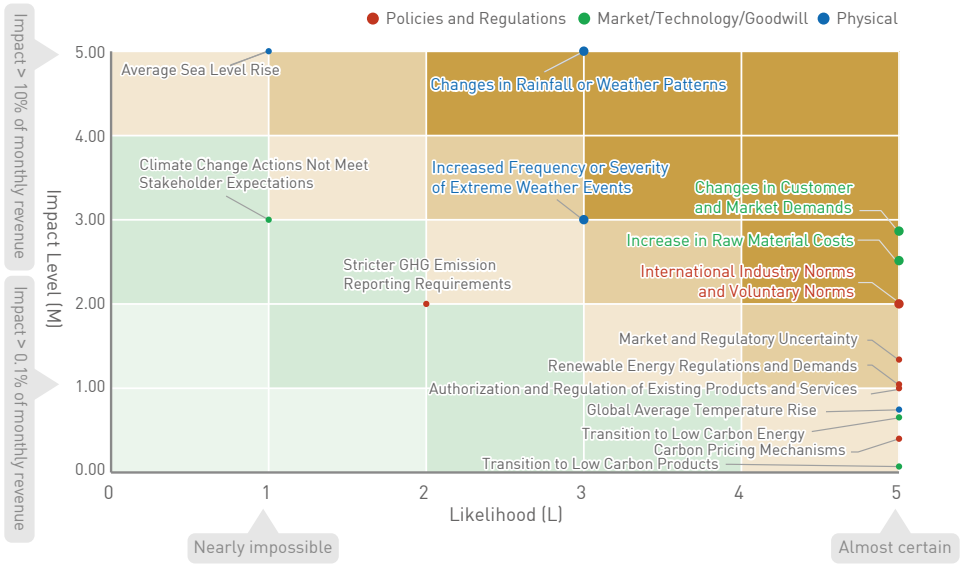
①	Changes in rainfall or weather patterns (Droughts)	✓
②	Increased frequency or severity of extreme weather events (Flooding)	✓
③	Changes in customer and market demands (Including technological, legal, reputational, and market risks)	✓
④	Increase in raw material costs	
⑤	International Industry Norms and Voluntary Norms (Including existing and emerging regulations)	✓

Top five opportunities

Opportunities focused by HIWIN

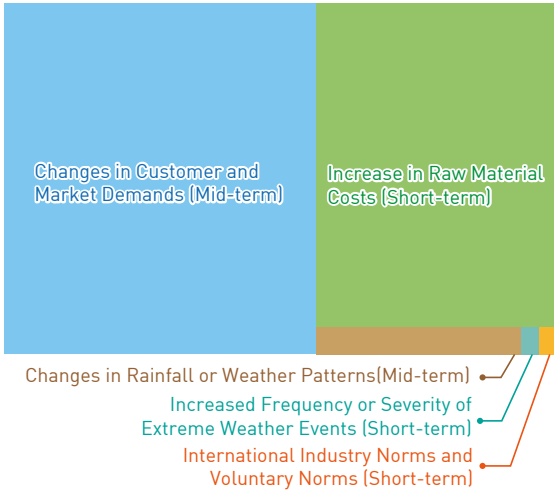
①	Resource alternatives and diversity	✓
②	More efficient production	✓
③	Recycle and reuse	
④	Development of low carbon products and services	
⑤	Participation in renewable energy programs and energy enhancement	

Matrix of financial impacts from climate risks



Financial impacts are classified by percentage of revenue impacted. The diagram outlining the financial impacts of risks and opportunities is presented below:

Financial impact diagram of climate risks



Monetization Analysis of Physical Risks

With climate risk assessments and the risk impact matrix, we've identified flooding and drought risks as having potential impacts to our operations. We've combined these findings with a physical risk analysis model to estimate potential losses.

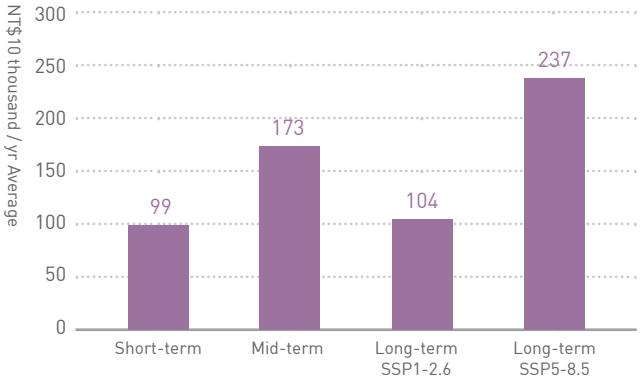
Physical risk items and financial impacts

Risk Item	Potential Impact	Financial Impact	Management Cost
Increased transition risks due to the frequency or severity of extreme weather events (Flooding)	Large-scale flooding can cause employees to be absent and result in a failure to produce or deliver products as usual by raw material suppliers, posing a risk of operational disruption.	Operational disruption affects revenue.	Procurement of sand bags and property insurance
Changes in rainfall or weather patterns (Droughts)	A water shortage can lead to higher production costs or pose a risk of operational disruption.		Establishment of water conservation measures and water truck dispatch mechanisms

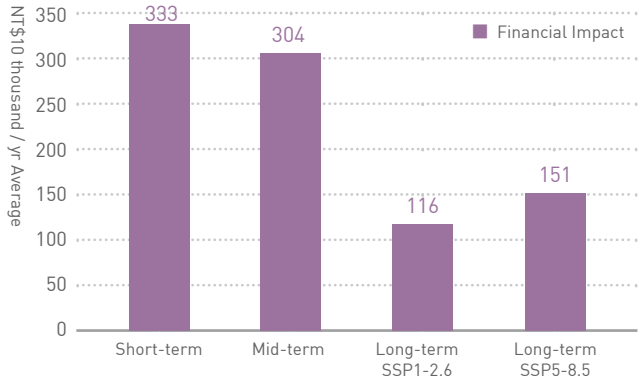
Regarding the monetization analysis of flood risk, HIWIN utilizes rainfall observation and scenario simulation data to determine the duration of operational disruptions caused by flooding in each factory under various scenarios. Based on the revenue data of each factory, the losses attributed to flood risk are estimated. Analysis conducted in 2024 revealed, under various scenarios, the financial impacts of floods remain far below 1% of our annual revenue. In 2024, HIWIN experienced no instances of floods, and this does not constitute significant financial impacts.

In 2021, Taiwan faced a significant drought. To ensure the quality of our products, HIWIN took several measures, including purchasing water storage equipment, deploying water trucks for backup, and implementing other water stewardship initiatives. These actions resulted in additional management costs. To assess the potential impact of future droughts, HIWIN used drought indicators and management costs from 2020 to 2021. By analyzing these data, we estimated the trend of drought risk changes in future climate scenarios and projected the potential management costs that may arise. Using the Taichung factory in 2023 as an example, our analysis revealed that the additional management costs caused by droughts, under all scenarios, amount to less than 1% of our annual revenue. Therefore, these costs do not pose a significant financial impact.

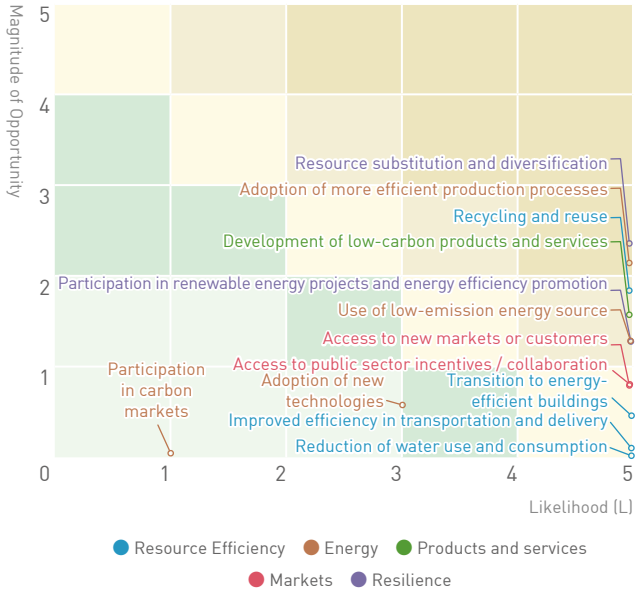
Monetization analysis of physical risks of flooding in Yunlin factory



Monetization analysis of physical risks of droughts in HIWIN's Taichung factory



Climate-related opportunities impact matrix



Climate Risks and Opportunities Management

In line with the TCFD identification and assessment process, we focus on both transition and physical risks and opportunities. Transition risks include international industry regulations and voluntary standards as well as changes in customer and market demand. For example, rising raw material costs could drive up operational expenses while shifts in demand might lead to revenue declines or profitability challenges. Both examples could have significant impacts on HIWIN's operations. Physical risks include the rising occurrence of extreme weather events and changes in rainfall and weather patterns, which could disrupt production continuity and consistency, leading to disruptions in our operations and shipping (related action plans will be implemented within the next five years). Additionally, international regulations, such as the EU's tax on plastic packaging and mandatory disclosure of product carbon footprints, pose minor impacts on our operations and management costs. Opportunities focus on more efficient production processes as well as resource substitution and diversification. HIWIN will engage in preliminary investments in the short-term and generate more opportunities in the long-term to capitalize on climate opportunities and increase our revenue. For example, in 2022, we increased the energy efficiency of production processes by 7% to save electricity expenses. In 2024, we started generating solar energy for self-use to save electricity expenses and carbon fees, while further advancing energy efficiency of production processes to contribute to revenue.

Type	Evaluation Item	Scenario	Location of Impact	Estimated Time of Occurrence	Existing Control Measure	Action Plan	Financial Impact
Transition Risks	International industry norms and voluntary norms	Carbon inventory and product carbon footprint are mandatory information, and commitments have been made toward decarbonization goals relating to SBTi, green energy, and low-carbon equipment, materials, and products.	Self-operation	Short-term (0-3 years)	• Product carbon footprint verification (2 specifications) • Research substitute materials to reduce product carbon footprints	• Train carbon footprint specialists for various products • Complete annual product carbon footprint assessments based on scheduled plans • Implement product carbon footprint training and guidance for the supply chain	<0.4%
	Changes in customer and market demands	Confronted with increasing demands for low-carbon products, HIWIN fails to meet customer demands with existing development timelines for low-carbon products.		Mid-term (3-5 years)	• ISO 14067 product carbon footprints • Low-carbon product R&D	• Establish carbon footprint inventory and low carbon supply chain • Define low-carbon products & introduce low-carbon materials • Implementation of green design guidelines	<14%
Physical Risks	Increased frequency or severity of extreme weather events	Floods from extreme weather events may lead to the following: ① Employees may be unable to attend work, affecting production. ② Raw material suppliers may be unable to produce or deliver products. ③ Delays in R&D projects could damage our reputation.	Self-operation	Short-term (0-3 years)	• Emergency response procedures • Procurement procedures	• Establish emergency response measures for labor shortages • Stockpile materials in advance • Assess drought/flood risks at factories, develop and implement risk mitigation measures • Activate remote working mechanisms and set up temporary prototyping areas to ensure continuity in R&D	<0.1%
	Changes in rainfall or weather patterns	Estimations based on a scenario derived from the 2021 drought in central Taiwan are as follows: ① During the harshest period of the drought, a three-day-on, four-day-off water supply schedule was enforced, with average reservoir levels supporting only two days of operation, resulting in a two-day shutdown. ② A consecutive two-day water outage at the Yunlin factory will also result in a two-day shutdown.		Mid-term (3-5 years)	• Introduction of ISO 46001 water efficiency management system • Procurement of water storage equipment and water trucks, and signing of supply contracts	• The water conservation program achieved a water recycling rate of 16.7% in 2024 • Installation of smart water meters and integrated energy monitoring • Derivation of water storage expenses and replenishment expenses	<0.2%
Opportunities	More efficient production	As a response to net zero and decarbonization trends, HIWIN is called to reduce carbon emissions across the product life cycle, introduce new technologies and carbon management platforms, increase productivity, reduce energy consumption, decrease operating costs, and increase productivity.	Self-operation	Short-term (0-3 years)	• ISO 14067 product carbon footprints • Increase the use of renewable energy and enhance energy efficiency • Implement smart manufacturing	• Establish carbon footprint inventory and low carbon supply chain • Continue to purchase renewable energy and use self-generated solar power • Ensure better coordination across factory equipment	<0.1%
	Resource alternatives and diversity	Proactive planning to ensure future demands for low-carbon materials can be fulfilled: ① Scenario 1: Anticipate potential increases in raw material prices to reduce operating costs. ② Scenario 2: Develop a robust supply chain to prevent disruptions in the supply chain and increase percentage of local procurement.		Short-term (0-3 years)	• Supplier assessment • Cooperation programs (customers, suppliers, researchers, schools)	• Regularly convene meetings to identify demand for raw materials • Research low-carbon materials and processes and recycle sludge mixtures	<0.1%

Striving for Net-Zero Emissions

HIWIN passed the Science-Based Targets initiative (SBTi) validation in 2024 and committed to achieving SBTi Net-Zero by 2050, advancing its sustainable goal toward Net-Zero emissions. Accordingly, the data disclosed in this section have been adjusted to include all operating sites of the parent company as well as all subsidiaries. For the SBTi short-term targets, the total Scope 1 and 2 emissions for 2024 are 130,193.580 tCO_2e, representing a 26.2% reduction compared to the base year 2021.

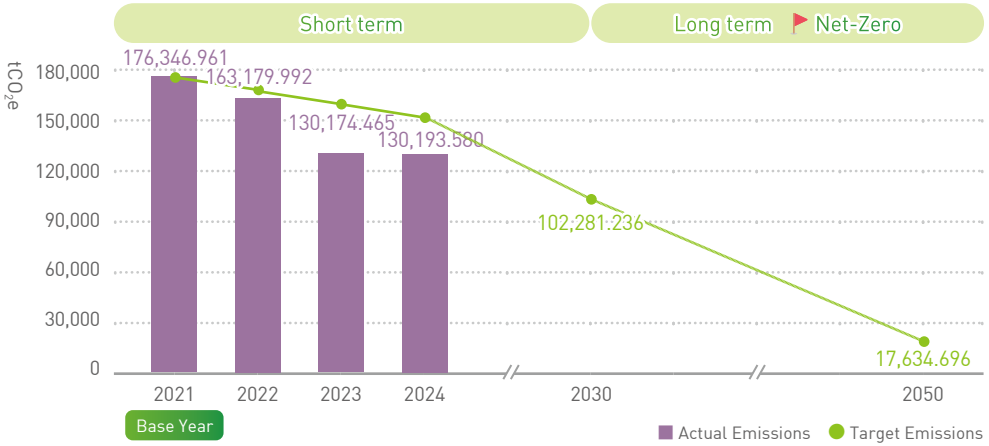
Regarding the Scope 3 short-term reduction targets, the main categories are C1 (Purchased Goods and Services), C3 (Fuel- and Energy-Related Activities), C4 (Upstream Transportation and Distribution), and C11 (Use of Sold Products), covering approximately 75.29% of the total Scope 3 baseline emissions. Based on the coverage of these four categories, the estimated Scope 3 emissions for 2024 amount to 178,562.915 tCO_2e, showing a downward trend compared to the base year. However, this still exceeds the original 2024 emissions target of 4,880.73 tCO_2e (2.7%), mainly due to increased sales volume of electrical products driven by the group's electromechanical integration sales strategy.

Emission reduction target

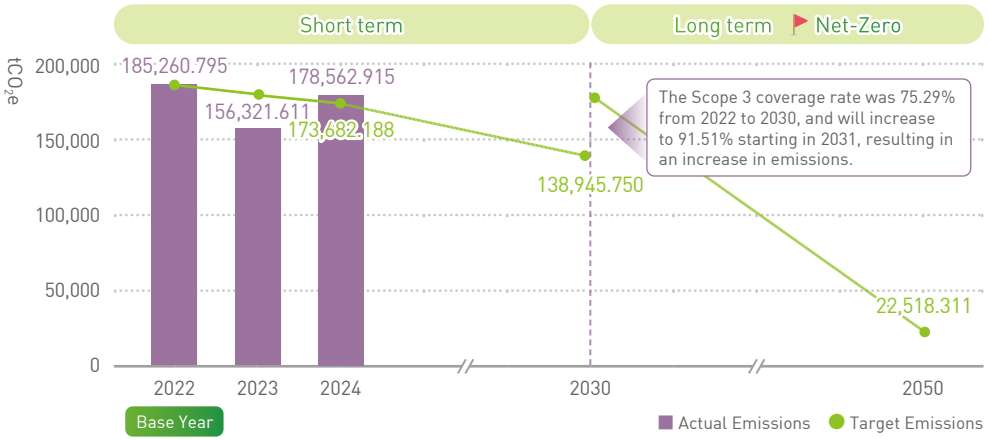
Scope	Base Year	Target Year	Coverage	Reduction Target
Scope 1 & 2	2021	Short term (2030)	100%	42%
		Long term (2050)	100%	90%
Scope 3	2022	Short term (2030)	75.29%	25%
		Long term (2050)	91.51%	90%

Note: The remaining 10% of the Net-Zero emissions target will be offset through carbon credits to achieve carbon neutrality.

HIWIN's SBT carbon reduction pathway Scope 1 & 2



HIWIN's SBT carbon reduction pathway Scope 3



Greenhouse Gas Emissions Management (Scope 1 & 2)

Based on historical Greenhouse Gas inventory results, the main emissions for HIWIN's Scope 1 and 2 originate from Scope 2. Therefore, the Greenhouse Gas reduction strategy focuses primarily on energy management. In 2024, energy-saving improvement initiatives will be promoted, including standby power reduction and process equipment energy efficiency enhancements, compressed air reduction, and cooling tower heat dissipation improvements at the manufacturing stage. Moving forward, the company will continue to implement the ISO 50001 Energy Management System to further reduce Greenhouse Gas emissions.

HIWIN Group's scope 1 & 2 greenhouse gas emissions

Item			2021	2022	2023	2024
Scope 1 (tCO_2e)		Parent Company	10,220.1300	10,295.9489	6,219.0261	10,899.6222
		Subsidiaries	981.2948	827.4612	3,452.1627	2,334.3532
		Subtotal	11,201.425	11,123.410	9,671.189	13,233.975
Scope 2 (tCO_2e)	Location -based	Parent Company	151,871.6812	140,759.9472	115,638.4641	113,310.6201
		Subsidiaries	13,273.8553	11,296.6350	4,883.0491	4,853.8633
		Subtotal	165,145.537	152,056.582	120,521.513	118,164.483
	Market -based	Parent Company	151,871.6812	140,759.9472	115,638.4641	112,134.6824
		Subsidiaries	13,273.8553	11,296.6350	4,864.8121	4,824.9222
		Subtotal	165,145.537	152,056.582	120,503.276	116,959.605
Total [Note1] (tCO_2e)		Location-based	176,346.961	163,179.992	130,192.702	131,398.458
		Market-based	176,346.961	163,179.992	130,174.465	130,139.580
Operating Revenue (NT$ million)			27,265	29,315	24,633	24,392
Emission Intensity (tCO_2e / NT$ million)			6.47	5.57	5.28	5.34

Note:

1. Total (Location-based) = Subtotal of Scope 1 + Subtotal of Scope 2 Location-based; Total (Market-based) = Subtotal of Scope 1 + Subtotal of Scope 2 Market-based.
2. In response to the company's 2024 SBTi target approval, the greenhouse gas data from 2021 to 2022 have been recalculated with adjusted methodologies and boundaries. Therefore, the data differ from previous sustainability reports and have not undergone third-party verification.
3. Emission sources include CO_2, CH_4, N_2O, and HFCs.
4. No use or emissions of ozone-depleting substances.
5. Emission intensity = Market-based emissions (tCO_2e) ÷ Operating Revenue (NT$ million), covering Scope 1 and Scope 2.
6. Emission factors are based on the latest official standards announced for each factory location.
7. In 2024, the carbon emission data of HIWIN GmbH and HIWIN Schweiz were based on unverified GHG inventory, with Scope 1 emissions totaling 744.22 tCO_2e and Scope 2 emissions totaling 518.06 tCO_2e. All other sites have completed third-party verification of their carbon emission data.

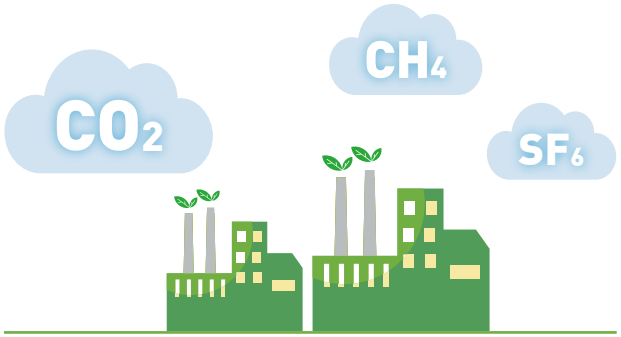
2024 Greenhouse gas emissions

Item	Greenhouse Gas Emissions
CO_2	117,554.6811
CH_4	432.6476
N_2O	20.4074
HFCs	4,979.4755
PFCs	0
SF_6	0
NF_3	0
Total (tCO_2e)	122,987.2116

Note: The data disclosed in this table only includes HIWIN Taiwan.

Greenhouse Gas Emissions Management (Scope 3)

In addition to its own operational greenhouse gas emissions, HIWIN also references ISO 14064:2018 and the GHG Protocol standards to inventory indirect greenhouse gas emissions across various categories. The primary Scope 3 emission categories are C1 (Purchased Goods and Services) and C11 (Use of Sold Products). The company will continue to focus on developing low-carbon products and working with the supply chain to achieve emissions reductions.



HIWIN Group's scope 3 greenhouse gas emissions

Scope 3	Category	Emission Source	Verification method	2021	2022	2023	2024
01	Category 4	Purchased goods and services	Third-party verified	47,793.7410	17,897.2145	85,815.3429	118,557.7369
			Unverified GHG inventory	-	139,515.4277	46,053.7859	12,526.0091
02	Category 4	Capital goods	Third-party verified	-	-	14,459.3015	14,225.3847
			Unverified GHG inventory	-	10,630.7618	1,959.5076	8,982.3667
03	Category 4	Fuel- and energy-related activities	Third-party verified	28,816.4369	25,819.9135	24,015.3242	26,962.9814
			Unverified GHG inventory	-	2,025.3685	754.0428	488.2808
04	Category 3	Upstream transportation & distribution	Third-party verified	-	-	3,149.6306	9,419.7699
			Unverified GHG inventory	-	6,416.1716	1,322.0216	1,175.7000
05	Category 4	Waste generated in operations	Third-party verified	3,523.0962	1,017.0229	551.8563	566.6726
			Unverified GHG inventory	-	379.9660	251.6198	207.7474
06	Category 3	Business travel	Third-party verified	-	-	-	333.3331
			Unverified GHG inventory	-	276.0219	406.3910	210.4773
07	Category 3	Employee commuting	Third-party verified	-	-	-	2,715.3892
			Unverified GHG inventory	-	3,356.0914	4,053.6696	1,714.5843
08	Category 4	Upstream leased assets	Third-party verified	-	-	-	0
			Unverified GHG inventory	-	771.9046	729.9642	0.7300
09	Category 3	Downstream transportation & distribution	Third-party verified	4,672.3541	-	732.0179	476.9700
			Unverified GHG inventory	-	1,279.0211	214.9717	948.1400
10	Category 5	Processing of sold products	Third-party verified	-	-	-	320.3284
			Unverified GHG inventory	-	510.6198	380.0447	202.2657
11	Category 5	Use of sold products	Third-party verified	-	-	-	27,438.1334
			Unverified GHG inventory	-	31,340.1220	26,585.5044	42,158.2323
12	Category 5	End-of-life treatment of sold products	Third-party verified	-	-	2,402.2160	80.5909
			Unverified GHG inventory	-	3,123.9982	-	50.8877
15	Category 5	Investments	Third-party verified	-	-	-	3,223.8608
			Unverified GHG inventory	-	1,714.9713	1,713.3884	0
Total (tCO_2e)				84,805.628	246,074.597	215,550.601	272,986.573
Emission Intensity (tCO_2e/NT$ million)				3.11	8.39	8.75	11.19

Note: 1. The company's Scope 3 boundary in 2021 covered the purchase of 95% of raw material types for two products: RGW45 linear guides and R16 ball screws.

2. Downstream leased assets are included in Scope 1 and Scope 2, so they are excluded from Scope 3 to avoid double counting; chain distributors are not applicable; Emission intensity = emissions (tCO_2e) ÷ Operating Revenue (NT$ million).

3. Emission factors are sourced from the IPCC Sixth Assessment Report (AR6) GWP values. Greenhouse Gas emissions reference the Ministry of Environment's Greenhouse Gas Emission Factor Management Table version 6.0.4, the Ministry's Product Carbon Footprint Information Platform, and the SimaPro database.

Internal Carbon Pricing

HIWIN has long been attentive to global carbon pricing trends. To conduct cost-benefit analyses, drive energy use efficiency, drive low-carbon investments, incentivize consideration of climate-related issues in decision-making, identify and seize low-carbon opportunities, influence strategic or financial planning, setting or achieving climate-related policies, proactively address risks from future carbon pricing policies increasing costs, and strengthen internal carbon reduction motivation, HIWIN introduced carbon fee mechanisms in 2025. This system internalizes the economic costs of carbon emissions generated from operational activities and assists the company in embedding energy saving and carbon reduction in its decision-making processes.

The internal carbon price uses the shadow price approach, based on carbon fees, emissions trading systems (ETS), and regulatory fees to calculate the cost required to reduce 1t of carbon emissions. Following a resolution by the ESG Committee, the rate is set at US$ 50 / tCO_2e , covering Scope 1 and Scope 2 Greenhouse Gas emissions. At the beginning of each year, the rate will be reviewed and adjusted if necessary, with reference to carbon fee trends, internal carbon pricing set by domestic and international companies, and the company's internal carbon reduction targets.

The initial implementation will be piloted at HIWIN's Taiwan factories. When evaluating investments in energy-saving equipment, the concept of carbon payback period will be introduced, considering not only the financial payback period but also carbon reduction benefits as one of the assessment indicators. Carbon fees will be charged to each manufacturing unit and pooled into a carbon fee fund. The carbon fee charged through the internal carbon pricing mechanism is reflected in the monthly management report and linked to the performance evaluation of each factory and manager to incentivize investments in low-carbon equipment and process carbon reduction.

Energy Management

❶ Energy usage

In 2024, HIWIN added the use of renewable electricity, with total energy consumption reaching 961,430 GJ. Purchased electricity accounted for 89%, with 4,928 GJ from purchased solar power and 13,685 GJ from self-generated solar power. Compared to the 2021 base year, energy intensity increased by 6%, while energy consumption decreased by 17%. Efforts will continue to be reviewed. In 2024, HIWIN promoted the Energy Conservation and Carbon Reduction Task Force, forming a team of experts to develop relevant strategies aimed at accelerating energy efficiency improvements. To raise employee awareness of energy, energy education and training courses were held, with 193 participants and a total of 1,363 training hours in 2024. These efforts helped employees gain in-depth understanding of energy-saving technologies and future trends, jointly promoting the company's green transformation and sustainable development.

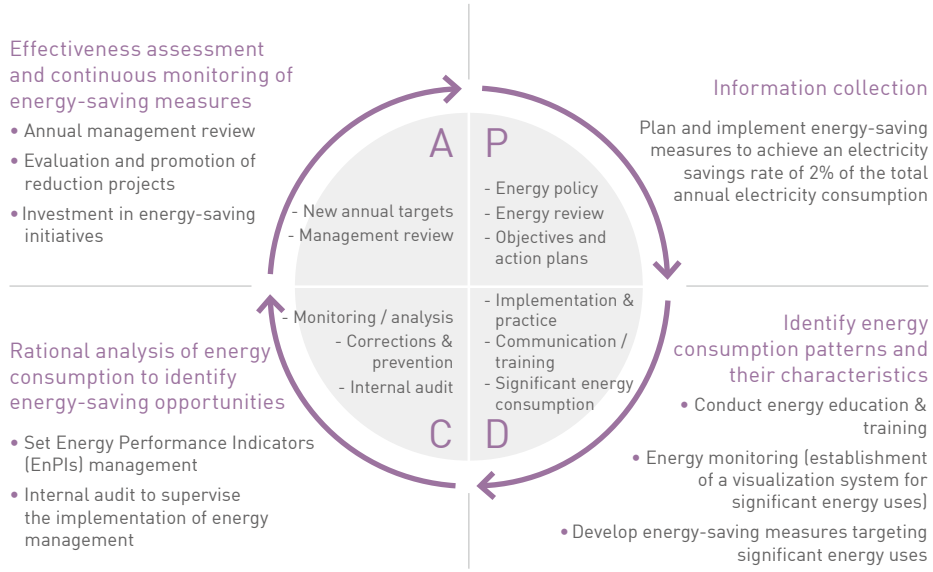
2021-2024 Energy consumption

Item	Unit	2021	2022	2023	2024
Purchased Non-renewable Electricity	MWh	301,083	274,877	233,613	236,572
	GJ	1,084,094	989,734	841,158	851,812
Self-generated for Own Use and Externally Purchased Renewable Electricity	MWh	-	-	-	5,169
	GJ	-	-	-	18,613
Natural Gas	GJ	55,912	50,613	59,095	76,669
Diesel	GJ	9,570	12,710	10,726	11,489
Gas	GJ	2,437	2,704	3,070	2,847
Acetylene	GJ	0	0	0	0
Total Energy Usage	GJ	1,152,012	1,055,762	914,050	961,430
Energy Usage of Non-renewable	MWh	319,946	293,214	253,857	261,847
Energy Intensity	GJ/NT$ million	50	47	52	53

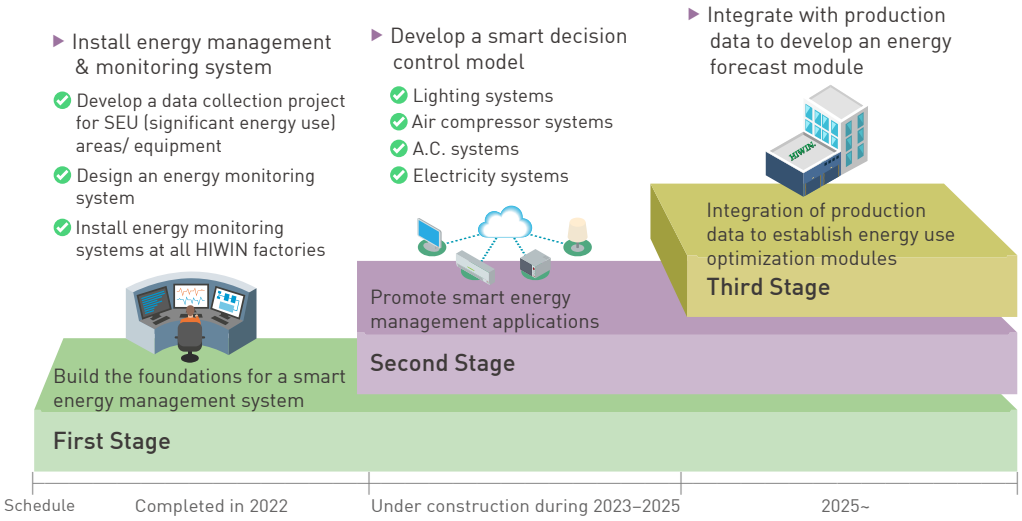
Note:
1. Average calorific value from energy suppliers across factories: natural gas 8,584 kcal.
2. Ministry of Environment's Business Greenhouse Gas Emissions Information Platform: diesel 8,642 kcal, gasoline 7,609 kcal.
3. Ministry of Economic Affairs Energy Bureau Energy Product Calorific Value Table: acetylene 12,800 kcal, purchased electricity 860 kcal.
4. 1 kcal = 4.1868 x 10^{-6} GJ.
5. Energy intensity = total energy consumption (GJ) ÷ Operating Revenue (NT$ million).
6. Total non-renewable energy usage: estimated value calculated using purchased electricity calorific value of 860 kcal.
7. Due to data entry errors in purchased non-renewable electricity and natural gas data for 2021-2023, corrections were made in 2024.

❷ Energy conservation actions

ISO 50001 Energy Management System Certification Process



Energy monitoring systems



HIWIN has achieved scientific-based energy management goals through smart energy management strategies. The organization has established an energy baseline and Energy Performance Indicators (EnPIs), using visualization and systematic diagnosis to identify major energy consumption hotspots for management and energy-saving solutions. The three-stage objectives progress from building a foundation for smart energy management, to promoting smart energy management applications, and finally achieving energy management optimization.

In 2024, visualization monitoring systems for each factory were completed. By continuously collecting large energy consumption data for statistical analysis, a smart energy decision-making digital model was established as the basis for the rollout and optimization of the third-stage energy management optimization module.

2024 Technical diagnostic tests and improvement methods

Diagnostic Item	Number of machines	Improvement Method
Air Compressor Efficiency	65	① Review the equipment replacement mechanism and gradually decommission air compressors with low efficiency. Adjust the operational model to use variable frequency as the primary unit and fixed-frequency units for rotation. ② Turn off any remaining dryers. ③ Adjust the pressure settings of the air compressors, switch to a heavy load operational unit, and ensure heavy vehicles maintain low load operation of the frequency conversion unit. ④ Perform maintenance on the inverter and adjust the air compressor pressure settings to minimize power consumption of idle air compressors. ⑤ Minimize unnecessary power consumption of air compressors.
Cooling Machine Efficiency	55	① Modify the operation settings of the inverter. ② Integrate energy efficiency standards into procurement regulations and replace equipment that consumes high levels of power. ③ Routinely clean cooling water towers and enhance water quality management to prevent scaling and optimize the cooling efficiency of the towers. ④ Acquire an extra packaged air conditioner equipped with an independent cooling water pump, ice water pump, and cooling water tower.
Lighting Efficiency	12,835	Replace LED lighting.
Packaged AC	79	Replace equipment on an annual basis.
Boiler Combustion Efficiency	5	Adjust piping to minimize unnecessary heat loss and improve boiler efficiency.

2021-2024 Achievements in energy conservation

Item	Unit	2021	2022	2023	2024
Number of Projects	Case	18	19	24	27
Annual Energy Savings	kWh	3,264,199	7,428,231	10,532,571	7,880,955
Annual Energy Cost Savings	NT$ thousand	9,600	20,500	38,230	31,450
Carbon Reduction	tCO_2e	1,639	3,781	5,214	3,736
Energy Performance Indicators	(EnPI)%	1.1	2.9	4.7	3.6

Note: 1. The electricity emission factor used for carbon reduction calculations from 2021 to 2023 is consistent with greenhouse gas calculations and adopts the previous year's announced emission factor. The 2024 carbon reduction uses the current year's electricity emission factor of 0.474 kg CO_2e/kWh.
2. Energy Performance Indicators (EnPIs)(%) = Energy savings ÷ (Energy savings + Total energy use).
3. The average electricity price in 2024 is NT$ 3.99/kWh.

HIWIN is dedicated to effectively managing energy consumption and enhancing energy efficiency by shifting from a passive to a proactive approach, from energy saving to energy generation, and from refining the energy management system to smart monitoring to achieve optimal power generation efficiency. In 2024, we launched 27 energy-saving projects and plan to implement 29 projects in 2025. These initiatives include equipment efficiency upgrades and standby energy management, with an estimated carbon reduction of 2,115 tCO_2e and an estimated electricity savings of 4,461MWh. Leveraging our own capabilities and expertise, HIWIN continues to explore boundless possibilities for energy conservation across various fields.

2024 Achievements of reduction programs

Energy Conservation Topics	Number of Projects (cases)	Annual Energy Savings (1,000 kWh)	Annual Energy Savings (NT$ thousand)	Actual Carbon Reduction (tCO_2e)
Air Compressor Systems	4	1,047	4,180	496
Air Conditioning Systems	8	2,395	9,560	1,135
Process Improvement	9	3,794	15,140	1,798
Improvement of Pollution Control Equipment Operation	1	381	1,520	181
Standby Energy Improvement	3	6	20	3
Lighting Systems	2	258	1,030	122
Total	27	7,881	31,450	3,736

❸ Green energy development

To support the government's prioritization of carbon reduction and promote sustainable green energy development, HIWIN has been installing solar photovoltaics power generation systems since 2016. Prior to 2023, all generated power was sold to Taipower. By 2024, we had installed approximately 2,935 kW of solar power capacity, with actual self-generated and self-used solar power reaching about 3,801 MWh in 2024. In 2025, we plan to develop an additional capacity target of 2,200 kW, bringing the total installed capacity to approximately 5,135 kW, with an estimated annual self-generated green electricity of about 6.4 million kWh. We will continue to plan and install solar photovoltaics power generation systems on our own buildings in the future.

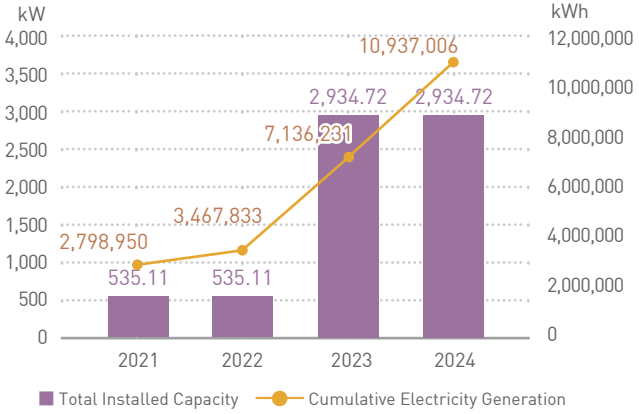
In 2023, the Chiayi County Government and WEPOWER signed an MOU to jointly establish a Green Energy Bank. HIWIN was among the first to sign a 1.2 MW contract to purchase locally produced renewable energy, with approximately 1.5 million kWh of solar power available for wheeling annually starting in 2024, for a duration of 20 years. Actual wheeling of solar power began in April 2024, reaching about 1.12 million kWh.

Under Taipower's small-scale green energy sales pilot program for renewable energy certificates, HIWIN secured 250,000 kWh of green electricity annually for five years starting in 2024, with actual wheeling of 250,000 kWh in 2024.

In 2024, externally purchased green electricity wheeled amounted to 1,368 MWh, with 1,367 renewable energy certificates obtained. The total of self-generated and externally purchased green electricity reached approximately 5,169 MWh in 2024.

Starting in 2024, HIWIN is actively assessing the feasibility of various green electricity procurement and wheeling options, continuously expanding and optimizing renewable energy allocations in line with the 2050 Net-Zero pathway requirements.

2021-2024 Total installed renewable energy capacity & cumulative electricity generation



❹ International environmental protection day activities

To raise employees'environmental awareness, encourage collective participation in environmental actions supporting the UN Sustainable Development Goals (SDGs), and maintain ongoing focus on various green sustainability issues, HIWIN organizes annual activities in observance of international environmental days. In 2024, the following events were held to engage employees in joint support and participation:

💧 World Water Day

Rapid technological development worldwide has led to drastic climate changes, causing water shortages. Through World Water Day, we encourage employees to cultivate water-saving habits in daily life and take action to support the UN Sustainable Development Goals (SDGs).

🌎 Earth Day

Earth Day, celebrated every April 22 as a global day for environmental advocates and awareness, is promoted at HIWIN by inviting employees to respond and show their support. Employees select from 21 green action tasks they wish to participate in, and upon completion, they record reflections and photos of their actions. Participants receive limited-edition reusable bags, eco-friendly cutlery sets, and green points. The event attracted 166 enthusiastic employees, demonstrating strong commitment to environmental protection.

💡 Earth Hour

Earth Hour is a global voluntary energy-saving and carbon reduction event. In 2024, HIWIN's General Manager personally led the ESG team in participating in the event's photo campaign. HIWIN Group locations—including 9 factories in Taiwan, HIWIN Mikrosystem, Matrix Precision, subsidiaries in Japan, Korea, and China, as well as invited suppliers—all joined the initiative.

HIWIN Group hopes that "everyone can contribute to the planet through small lifestyle changes," actively inviting employees and their families to participate in Earth Hour. On the event day, participants creatively photographed lights-off scenarios, uploaded them to the company's ESG website, and wrote reflections to receive exquisite gifts. Through this event, HIWIN Group reduced 10.13 kg of CO_2e emissions. Having held the event for three consecutive years, HIWIN plans to continue in 2025 and invite suppliers to join as well.

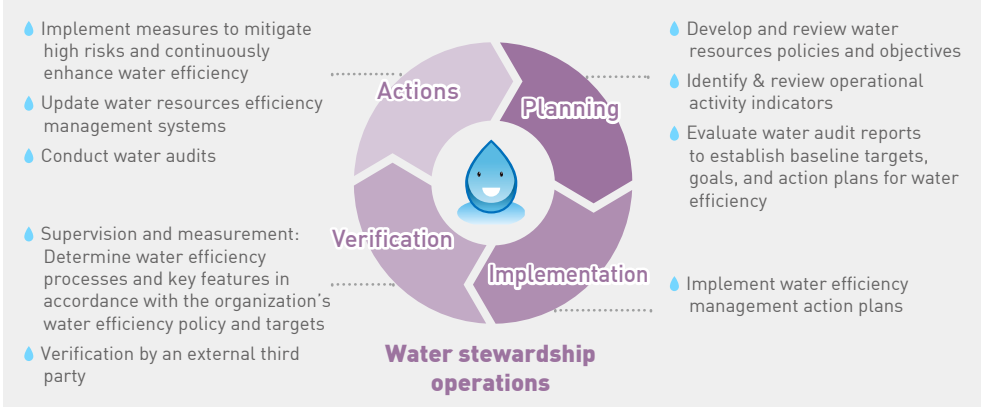
HIWIN employees supported Earth Hour by turning off lights for one hour.

5.2 Water Stewardship

Water is a vital natural resource to our daily lives. In 2021, Taiwan experienced a once-in-a-century drought. Since then, water shortages have become a major issue impacting company operations. HIWIN values water resource management and is actively engaged in water conservation efforts. In 2024, we organized water resource management training courses for employees, with a total of 323 participants and 135 training hours. To mitigate the risks associated with water shortages, we have adopted a water resource management system to enhance water recycling efficiency and formulated water risk management policies to achieve a balanced use of water and ensure sustainable production.

HIWIN obtained verification for ISO 14046:2014 water footprint. This certification allowed us to assess the rational use of water in our manufacturing processes and identify opportunities for water recycling, thereby reducing our reliance on tap water. Additionally, HIWIN Headquarters received ISO 46001:2019 certification for water efficiency management systems in August 2022. This certification, provided by the Taiwan Green Productivity Foundation, has enabled HIWIN to enhance our water efficiency performance by establishing management indicators. In 2024, we continued to obtain TÜV Rheinland verification.

HIWIN is committed to a systematic approach in water management, as demonstrated by the establishment of ISO 46001:2019 water efficiency management systems. These systems outline our organization's water use requirements and provide recommendations to guide our water usage practices. This includes the establishment of operational activity indicators and water use efficiency indicators, as well as practical actions such as supervision, measurement, documentation, reporting, design, and procurement. The ultimate goal is to improve the efficiency of water equipment, systems, processes, and personnel training, in order to achieve optimal water use efficiency.



Related plans

① Establish annual maintenance schedules for wastewater and recycling facilities.
② Conduct daily equipment inspections to ensure operational efficiency.
③ Analyze water recycling data and address any abnormalities.
④ Continue consulting with external experts to review and improve water recycling strategies.
⑤ Introduce water recycling systems at Factory 1 & 2.
⑥ Expand the use of recycled water for landscape irrigation within the factories premises.

Water Resource Structure and Risk Management

In 2024, HIWIN consumed a total of 587.4 million liters of water, sourced exclusively from local water companies as tap water. To assess water risk levels in areas where HIWIN operates, we utilized the Aqueduct tools provided by the World Resources Institute (WRI) and Taiwan's water distribution data. It is worth noting that all HIWIN factories are strategically situated in regions with minimal water stress risks.

Percentage of supplied water & final destination

Taichung Industrial Park/ Precision Machinery Park
- Water supply: 900,000 t/day
- Source of water supply: Dajia River Shigang Dam
- Percentage of water use to source: 0.062%

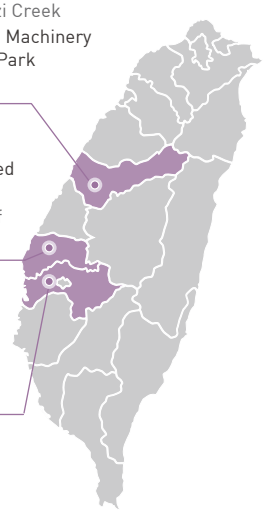
Yunlin Technology-based Industrial Park
- Water supply: 16,000 t/day
- Source of water supply: Northern Part of Huwei Creek
- Percentage of water use to source: 5.39%

Dapumei Precision Machinery Park
- Water supply: 20,500 t/day
- Source of water supply: Dapumei Creek
- Percentage of water use to source: 0.96%


Taichung Industrial Park
→Nanbian Creek & Fazi Creek
Taichung City Precision Machinery Innovation Technology Park
→Fazi Creek

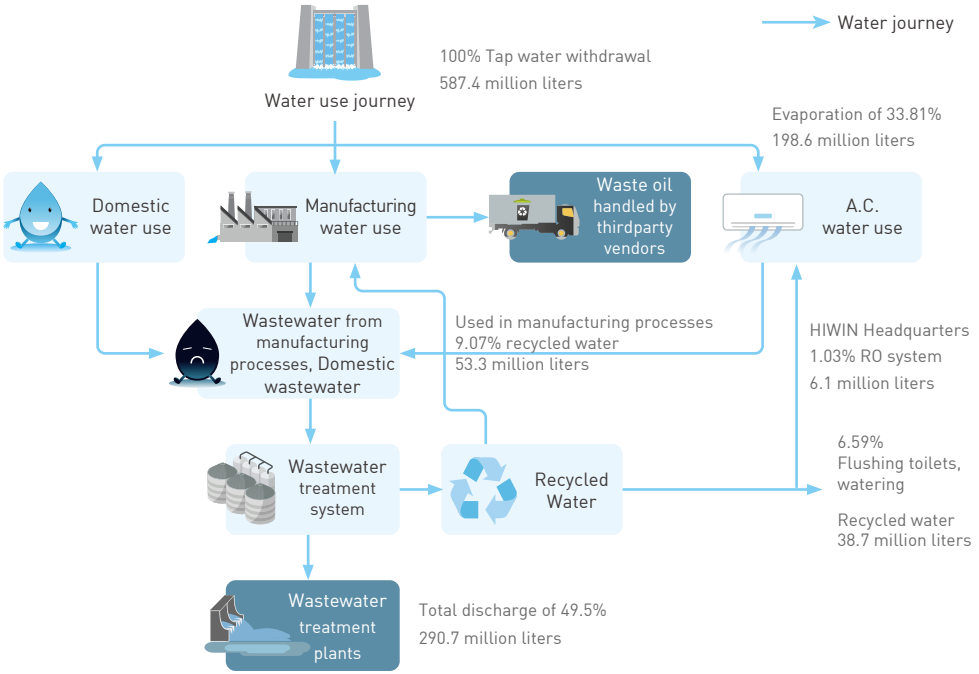

Yunlin Technology-based Industrial Park
→Southwestern Part of Huwei


Dapumei Precision Machinery Park
→Dapumei Creek



Note: All HIWIN factories are located in industrial parks have no significant impact on local communities.

Water flow



Water Recycling Planning and Water Efficiency Management

HIWIN has implemented internal water stewardship measures to actively conserve water and improve our water recovery systems, with support from industrial parks and in alignment with government initiatives. In 2024, our water recycling rate reached 16.7%, achieving our target of 15%. Recycled water was utilized at HIWIN Headquarters, Jingke Factory, Yunlin Factories 1–3, and Dapumei Factory 3, representing a 3% increase compared to 2023. Smart water meters are integrated with the energy monitoring system to continuously monitor instantaneous water flow and proactively detect equipment abnormalities or malfunctions, monitor daily water usage, and enable immediate adjustments when discrepancies occur.

HIWIN primarily withdraws tap water and fresh water (≦1,000mg/L total dissolved solids) for its various needs. The company has a total water storage capacity of 16 million liters, representing the change in water storage from the beginning to the end of 2024. This water storage is primarily used for air conditioning cooling purposes. The water intensity in 2024 was 0.0016 (million liters / NT$ million), a 5.27% decrease compared to 2023. Total water consumption decreased by 15.8% compared to 2023. In 2025, we will continue efforts to reduce water use.

2021-2024 Water Resource Usage

Water Resource Usage	Unit	2021	2022	2023	2024
Water Withdrawal	million liters	833	673	594	587
Water Discharge	million liters	280	248	242	291
Water Consumption	million liters	553	425	352	297
Water Withdrawal Intensity	million liters / NT$ million	0.036	0.030	0.034	0.032
Recycled Water	t	49,278	56,751	81,098	98,066
% of Recycled Water	%	5.9	8.4	13.7	16.7
Water Discharge Intensity	million liters / NT$ million	0.012	0.011	0.014	0.016

Note:
1. The data covers HIWIN Taiwan factories.
2. Water Consumption (million liters) = Water Withdrawal (million liters) - Water Discharge (million liters).
3. Water Withdrawal Intensity (Water Productivity Intensity, WPI) = Water Withdrawal (million liters) ÷ Revenue (NT$ million).
4. Water Discharge Intensity = Water Discharge (million liters) ÷ Revenue (NT$ million).

Water Pollution Prevention and Control

HIWIN has applied for Water Pollution Control Measure Permits in accordance with regulations. The main water source is tap water, used for domestic purposes, industrial processes, and pollution control equipment. Wastewater from all operating sites is treated onsite before being discharged into the industrial park service center's wastewater treatment system, and subsequently released into respective watersheds.

To ensure water quality meets the industrial park's wastewater discharge standards, HIWIN has established laboratories for regular water quality testing and commissions EPA-certified testing agencies to monitor wastewater discharge conditions. Waste oil water generated from manufacturing processes is handled directly by qualified disposal contractors. In 2024, personnel at HIWIN's Jingke Factory made an operational error while adjusting wastewater equipment parameters, causing suspended solids to exceed the industrial park's permitted limits. Subsequently, parameter adjustment protocols and alert mechanisms were implemented to ensure discharge quality complies with the required standards.

2024 Description of emissions of substances of priority concern

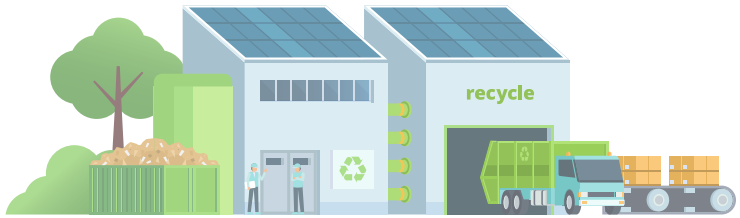
unit: mg/L

Factory	COD		SS	
	Standard	2024	Standard	2024
HIWIN Headquarters	300	39.2~63.9	250	17.2~32
Factory 7		32.8~106		24~91
Factory 2	480	44.4~467	320	6.5~126
Factory 1		41.4~301		8.8~13
Jingke Factory	250	7.1~3590	200	2.9~7130
Yunlin Factory 1	480	31.5~95	320	3.65~7.65
Yunlin Factory 2		6.2~30.3		3.3~8.55
Yunlin Factory 3		3.3~28.1		1.0~8.8
Yunlin Factory 4		15.6~35.4		3.1~7.1
Yunlin Factory 5		5.3~22.6		3.0~5.3
Dapumei Factory 3 [Note]	400	5.0~22.8	200	1<

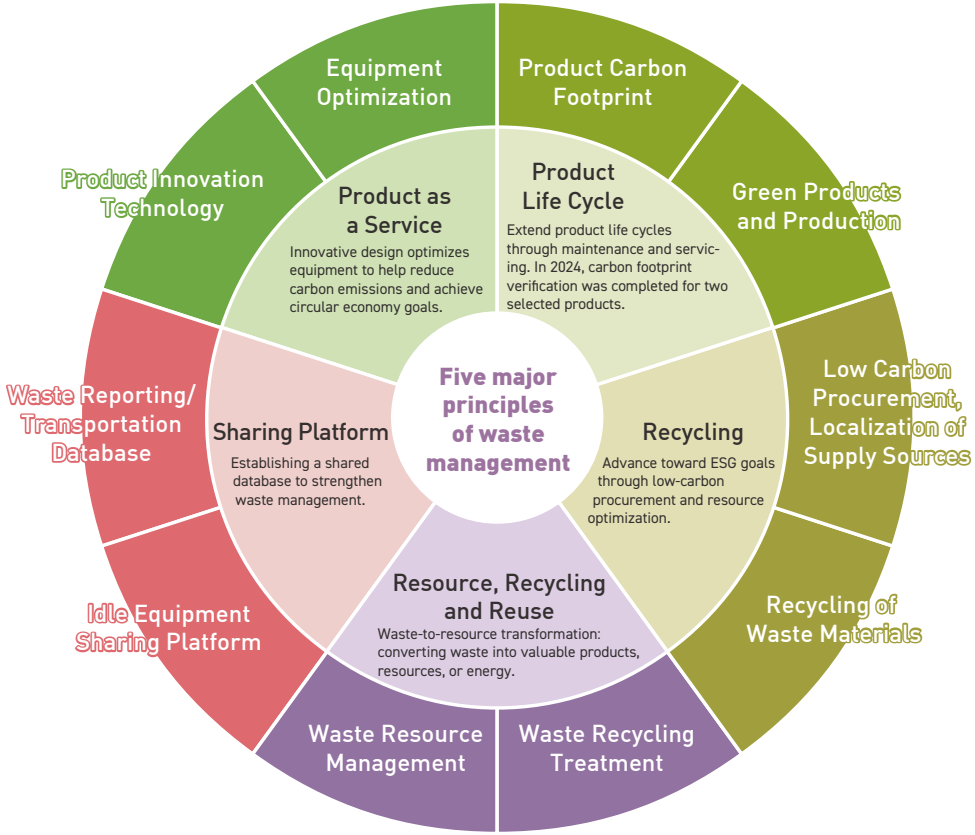
Note: Dapumei Factory 1 is connected to Dapumei Factory 3 with regard to discharge control.

5.3 Waste Management and Recycling

HIWIN is dedicated to the prevention, reduction, and reuse of waste, and fully promotes the goals of a circular economy throughout procurement, product design, and manufacturing. To raise awareness of waste management, HIWIN arranges waste management training for employees to help them stay informed about future trends. In 2024, a total of 473 participants attended, with approximately 261 training hours. In addition, by holding regular waste project meetings and continuously promoting the ISO 14001:2015 environmental management system, HIWIN reviews source reduction and improvement strategies, formulates waste reduction plans, and actively moves toward the goal of zero waste.



HIWIN handles both general and hazardous business waste and follows a waste management procedure-based control system. To achieve the goal of zero landfill, the Company has increased investment in waste classification, resource recycling, and circular reuse, while continuously optimizing internal processes and technologies. HIWIN plans to reduce landfill volume each year and explore innovative technologies or external treatment partners for waste types that are difficult to reuse, gradually working toward the reduction of landfill. At the same time, the Company has set long-term goals to strengthen recycling and reuse, enabling effective waste management and ongoing waste reduction to facilitate resource reuse. By implementing the five major principles of waste management, HIWIN aims to minimize waste production, lower carbon emissions, and lay a solid foundation for achieving zero waste and zero landfill.

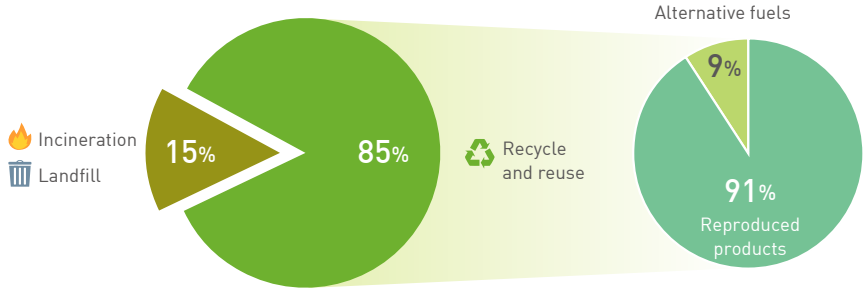


Waste Resources

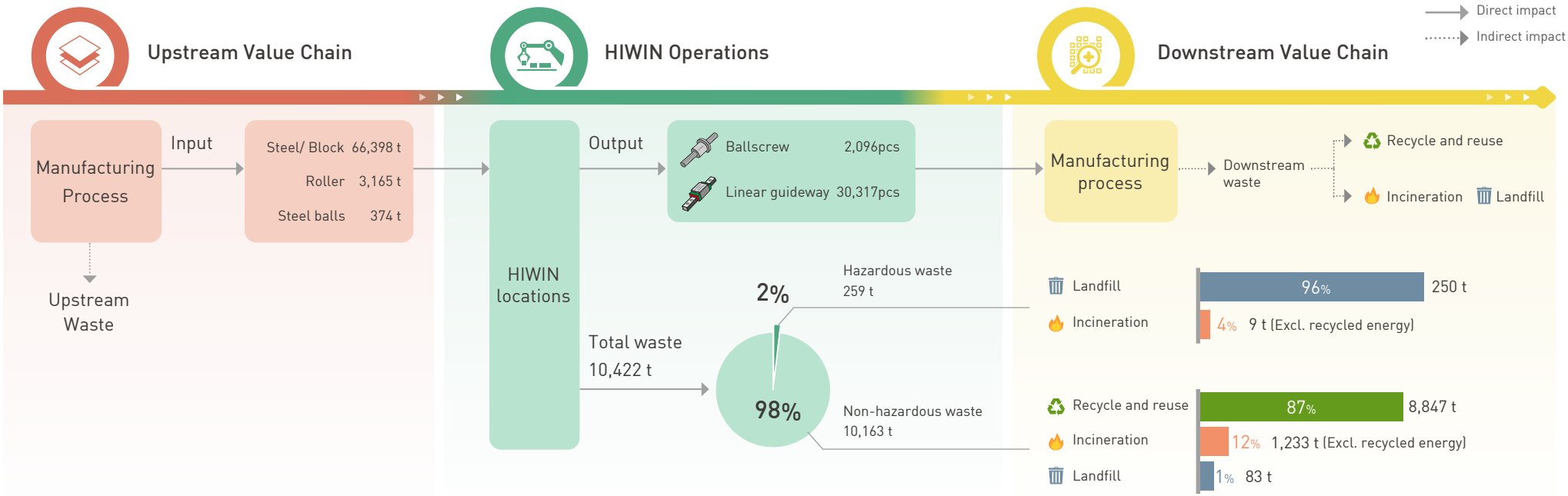
In 2024, HIWIN generated a total of 10,422t of waste-of which 10,163t were general industrial waste and 259t were hazardous industrial waste. The waste generated was handled through reuse and direct treatment (incineration and landfill). Specifically, 8,847t of general industrial waste were treated for reuse, representing 85% of total waste generated. Due to reductions in raw material residues, sludge mixtures and hazardous industrial waste, the reuse rate rose by 4% compared with 2023.

The intensity of general industrial waste in 2024 increased by 0.02t/ NT$ million compared to 2023, while the total volume rose by 4%. Waste-reduction efforts will continue into 2025. In contrast, the intensity of hazardous industrial waste in 2024 decreased by 0.02t per NT$ million compared to 2023. Since the hazardous-waste acid-liquid treatment equipment was completed in May 2024 and optimization is ongoing, total hazardous industrial waste volume declined by 45.5%.

2024 Percentage of waste resource recycling



2024 Significant Impact from Waste Input, Activities, and Output



Note: Data collection involves online data entry, real-time weighbridge measurements, and annual external data verification.

2021-2024 Total output of general industrial waste

Item	Unit	2021	2022	2023	2024
Landfill	t	493	801	346	83
Incineration	t	908	1,473	1,079	1,233
Recycle and Reuse	t	9,701	8,970	8,169	8,847
Intensity	t / NT$ million	0.48	0.5	0.54	0.56

Note: 1. General industrial waste includes household garbage, waste wood, scrapped oil mixtures, scrapped lubricating oil, sludge mixtures, scrapped grinding wheels, non-hazardous furnace dust, waste fiber, waste activated carbon, waste container, and waste gypsum.
2. Intensity = Total Output of General Industrial Waste (t) ÷ operating revenue (NT$ million).

2021-2024 Total output of hazardous industrial waste

Item	Unit	2021	2022	2023	2024
Landfill	t	16	43	474	250
Incineration	t	0	306	1	9
Intensity	t / NT$ million	0.001	0.02	0.03	0.01

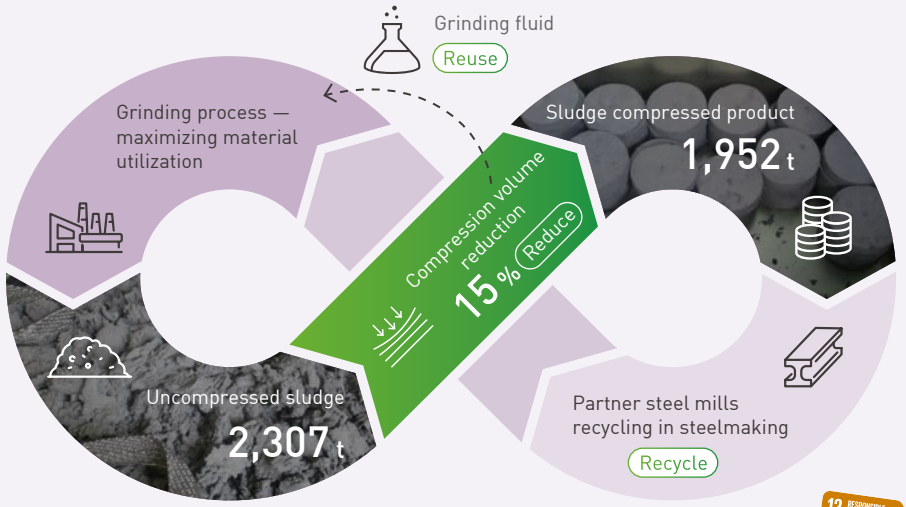
Note: 1. Hazardous industrial waste includes hazardous sludge, ammonium sulfate, and other waste containing toxic heavy metals.
2. HIWIN does not import or export any hazardous waste.
3. Intensity = Total Output of Hazardous Industrial Waste (t) ÷ operating revenue (NT$ million).
4. Due to a clerical error, the reported landfill and incineration volumes of hazardous industrial waste for the year 2023 were incorrect and have been corrected in the 2024 data.

Source Reduction Measures

At HIWIN, waste management adheres to the principles of recycling and reusing. We regularly conduct life cycle assessments for various stages, including raw materials, products, shipping, packaging, etc., to prevent ineffective waste treatment caused by environmental impacts.

Highlight case ① Reduction of sludge mixture

HIWIN aims to effectively reduce the amount of sludge mixtures for treatment by strengthening innovation and research & development. Since 2023, the company has invested in relevant equipment, achieving an annual reduction of approximately 35%, while increasing the reuse rate of grinding fluids to about 35%. In 2023, we successfully reduced about 46t, with an estimated reduction of about 355t in 2024, accumulating to approximately 401t by the end of 2024. In 2025, we plan to further introduce advanced equipment and evaluate the feasibility of steelmaking recycling, continuously promoting the application of innovation and green technologies.



Annual waste removal volume
↓ 15 %

Annual cost savings
NT$ 6.76 million

Highlight case ② Reduction of hazardous industrial waste

Hazardous industrial waste has a severe impact and pollution effect on the environment. To effectively reduce its negative effects, HIWIN invested in hazardous waste liquid treatment equipment in 2024, successfully reducing 63.8 m³ of hazardous industrial waste by converting it into general industrial waste. This not only helps reduce pollution caused by hazardous substances to the environment but also further improves the efficient use of resources. Looking ahead to 2025, the company will continue to introduce advanced green technologies to further enhance waste reduction and treatment capabilities, actively reducing environmental impacts.

Annual cost savings
NT$ 1.3 million

Reduction of hazardous industrial waste
↓ 63.8 m³

Highlight case ③ Equipment optimization and raw material reduction

With energy conservation and carbon reduction as the core goals, HIWIN actively promotes innovation and research & development to comprehensively optimize the heat treatment process. By adjusting equipment parameters and operating methods, product quality is improved while the use of inspection copper plugs and chemical agents is reduced, effectively lowering raw material consumption. This not only meets customers' quality requirements but also achieves green processes, advancing opportunities for sustainable industrial development.

Annual copper plug usage
↓ 358 kg

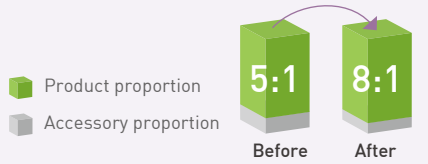
Annual waste reduction
↓ 790 kg

Highlight case ④ Plastic reduction in products and packaging material reduction

By redesigning product accessory modules and reducing the number of product accessories, production can be automated and product quality improved, while simultaneously reducing raw material usage to achieve plastic reduction and packaging material reduction. In 2025, HIWIN will continue to invest in and promote technological innovation, striving to create an environmentally friendly and efficient production model.

Shipping full pallet volume ratio

Same volume, fewer accessories, increased shipment volume



Annual plastic reduction
↓ 315 kg

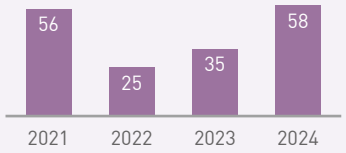
Annual cardboard box reduction
↓ 91 kg

✨ Highlight case ⑤ Reduction of wastewater sludge

HIWIN has invested in relevant equipment since 2019 to reduce sludge produced by wastewater treatment equipment, achieving benefits of more than 50% each year. In 2019, sludge was reduced by 43t, with a total reduction of 266t by 2024. In 2025, we will continue to implement related equipment to further reduce sludge.

Reduction benefits

Units : t



Annual waste removal volume

↓ 15 %

Annual cost savings

NT$449 thousand

Circular Economy Promoting

✨ Highlight case-Leasing Robotic Gait Training System to reduce carbon emissions

Extending the lifespan of medical equipment reduces both carbon emissions and waste, and leasing services contribute to resource sustainability. HIWIN has launched a subscription-based leasing service for robotic gait training system, replacing sales. It not only lowers hospitals' setup costs but also ensures HIWIN takes responsibility for maintenance and repair during the lease period, ensuring stable product quality and extended product life.

When new software is released, the leased equipment will be updated accordingly, allowing users to enjoy the latest functions while avoiding equipment scrapping and the carbon emissions generated from manufacturing new units. As of 2024, six hospitals in Taiwan have subscribed to this service. Each hospital can save 143 kg CO_2e per year, with a total of 1,131 kg CO_2e saved to date. HIWIN is partnering with hospitals to build a healthier and more sustainable future.

Waste Vendor Audits and Guidance

HIWIN's operational waste has all been outsourced for disposal to government-approved vendors selected by the company's Environmental Protection Department and Purchasing Department, based on six key screening criteria. After contract signing, these vendors handle outsourced waste collection, processing, and flow management. Only vendors scoring 60 points or above in the evaluation are included on the qualified vendor list. In 2024, HIWIN had a total of 21 qualified waste vendors, all rated as excellent in on-site evaluations.

In 2024, all waste collection personnel from HIWIN's qualified vendors received in-house contractor training for entry into HIWIN facilities. Waste disposal is reported in accordance with the Ministry of Environment regulations. An internal audit system is in place: each department collects and sorts waste by category and transports it to designated storage areas, where dedicated personnel notify qualified waste removal vendors to enter the facility for waste clearance.

Waste removal audit

New vendor selection mechanism

Screening criteria

- Environment
- Occupational Safety and Health Management System
- Size/Reputation
- Licensing Documents

→ Contracting
→ Include in Contract Management
→ Regular Audit
→ Annual Audit

Vendors scoring below 60 points will not be renewed upon expiration of contract.

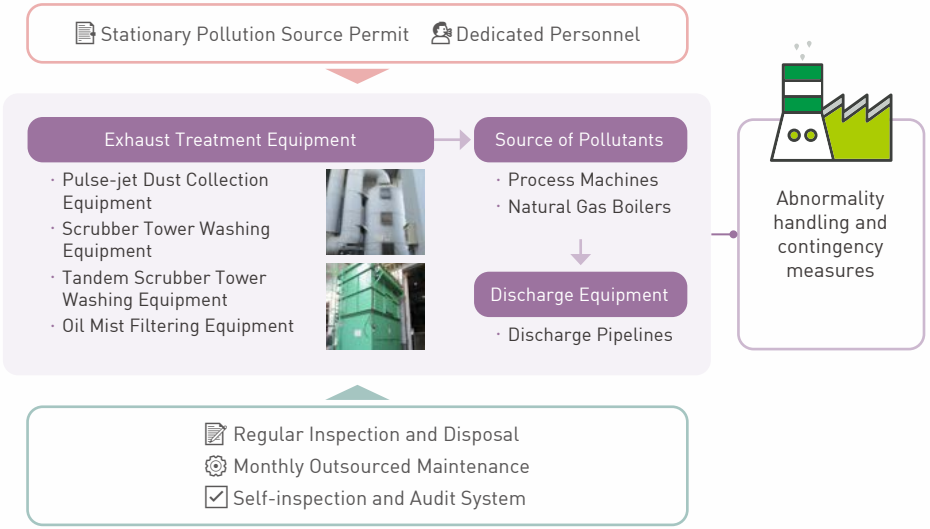
2021-2024 Waste treatment vendor management

Items	Units	2021	2022	2023	2024
Qualified Vendors	Companies	20	20	20	21
Qualified Vendor Personnel	People	18	36	42	35
Violations	Cases	5	1	2	1

5.4 Air Pollution Prevention and Control

HIWIN's air pollutant emissions mainly include VOCs, SOx, NOx, and particulate matter. To address environmental challenges, HIWIN actively promotes air pollution control measures, appoints dedicated personnel to manage process gases, conducts monthly outsourced maintenance and testing, and carries out self-inspections and regular audits to effectively control emission concentrations. In 2024, through process improvement and optimization, VOC emissions decreased by 6.94t compared to the previous year, a reduction of 35%. All air pollution emissions remained below the Ministry of Environment's regulated standards. In 2025, HIWIN will continue to control VOC emissions, maintaining an intensity of 0.0007t / NT$ million (or below).

Air pollution prevention and handling procedures



Types and sources of major air pollutants in HIWIN's factories

Major Air Pollutants	HIWIN HQ	Jingke Factory	Yunlin Factory				Dapumei Factory	
			Factory 1	Factory 2	Factory 3	Factory 6	Factory 1	Factory 3
Particulate Matter	✓	✓	✓	✓	✓	✓	✓	✓
Sulfur Oxides	✓	✓						✓
Nitrogen Oxides	✓	✓		✓	✓			✓
VOCs	✓	✓	✓	✓	✓	✓	✓	

Note: Factories not shown in the table recorded no sources of emissions.

2021-2024 Total emissions of air pollutants from factories

Major Air Pollutant	Unit	2021	2022	2023	2024
VOCs	t	17.37	14.51	19.94	13.00
Sulfur Oxides		4.15	2.94	0.02	0.01
Nitrogen Oxides		5.15	2.71	0.86	0.75
Particulate Matter		1.44	1.52	0.57	0.62
Total		28.10	21.68	21.39	14.38
Emission Intensity	t/ NT$ million	0.0008	0.0007	0.0011	0.0007

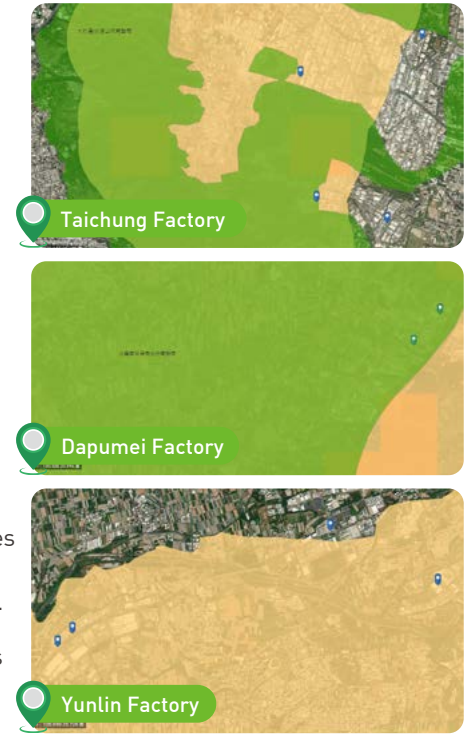
Note: 1. Emission intensity = Volatile Organic Compounds (VOC) emissions (t) ÷ Revenue (NT$ million).
2. Due to errors in the reported particulate matter emissions for 2021 and 2022, as well as VOC emissions for 2023, the data were corrected in 2024.

5.5 Biodiversity

Biodiversity Assessments

HIWIN fully recognizes the importance of biodiversity conservation for ecological and climate stability. Accordingly, the Company has established a Biodiversity and No-Deforestation Commitment, which was reviewed and approved by the Board of Directors and signed by the Chairman as a demonstration of its support for global sustainable development goals. In 2023, the TNFD's LEAP framework was applied to assess nature-related risks and adopted the Taiwan Ecological Network established by the MOA Forestry and Nature Conservation Agency to evaluate whether HIWIN's factories and their locations have an impact on biodiversity in the area. In 2025, we plan to initiate the assessment and disclosure process in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD), with the aim of jointly addressing biodiversity and sustainability issues with society.

HIWIN factories overlapping with the Taiwan ecological network



Note: Source of images and legends: Taiwan Ecological Network

The results show that, of our 10 factory locations in Taiwan, three are situated in general administrative districts; four are located in areas identified as biodiversity priority areas by the Taiwan Ecological Network, which may be biodiversity hotspots for wildlife, critical habitats for endangered and threatened plants, or locations of significant biodiversity concerns; and the remaining three factories are located within conservation corridors that prioritize habitat restoration. The three factories in conservation corridors are Dapumei Factory 1 & 3 in a conservation corridor on the Chianan Plain and Jingke Factory in the low-altitude mountain conservation corridor of the Dadu Plateau. Therefore, we have included ecological items relating to factory development and surrounding areas in our assessment, developed various measures to mitigate negative natural impacts on nature and to seize opportunities for generating positive effects.

Ecology Education Promotion

❶ Ecological education film -"We Love Living Here"

Global Chairman Eric Y. T. Chuo (Ph.D.), the founder of HIWIN, not only prioritizes the production and operation of our factories, but also places great emphasis on the landscape and green design of our facilities to create a welcoming environment. During the construction of Yunlin Factory 1, HIWIN took the initiative to adopt 12 native species of camphor trees from Laoshu Mama in 2010. This not only provided a new home for these old trees, but also created green spaces for our employees to relax and rejuvenate. With the dedicated care of our employees, these camphor trees have flourished, attracting birds to make HIWIN their home and reproduce.

Driven by curiosity and a love for nature, Enid H.C. Tsai, the President of HIWIN, invited Director Yu Shu Liu to lead the Hytree Studio team in exploring and documenting the diverse bird species in this small forest. In January 2021, the HIWIN Education Foundation commissioned the expert bird photography team from Swarovski Optik Taiwan to begin an ecological record of the birds in the old tree area of Yunlin Factory. This film tells the story of how 12 old camphor trees attracted a large number of birds, leading to an abundance of birdlife that caused significant inconveniences to the company's employees due to bird droppings. The technology factory, by "thinking outside the box," turned this situation into a documentary, helping us understand the story of the birds and how to develop empathy for coexisting with nature while protecting the "biodiversity" environment.

The film is promoted through various media and platforms, as well as in elementary schools and kindergartens, aiming to instill awareness from an early age and extend the message to the general public. The initiative communicates the importance of ecological conservation and biodiversity protection. It aspires to inspire individuals to take action, fostering a shared vision for a more sustainable and prosperous future for Taiwan.

Awarded the PwC Sustainability Impact Award "Special Award – Ecological Conservation Award"

External Influence

① In 2023, HIWIN held three premiere screenings of We Love Living Here, with a total of 548 attendees.
② The film was authorized for broadcast by Taiwan Television Enterprise Ltd., reaching an average viewership of 26,000.
③ It was also streamed on the TaiwanPLUS platform, with 1,336 views.
④ On YouTube, the view counts were as follows: Full Chinese version – 6,744 views; Part 1 – 2,454 views; Part 2 – 1,405 views; full English version – 323 views.
⑤ In January 2024, the film was publicly screened at the Changhua Bird Society's monthly meeting, where its production story and biodiversity issues were shared and discussed with the public to enhance interaction.
⑥ In 2024, HIWIN sent official letters to 12,135 kindergartens and elementary schools across Taiwan to promote the film. Several educational institutions subsequently shared the film on their websites and with parents.
⑦ In 2024, the film received the 8th PwC Sustainability Impact Award – Special Award for Ecological Conservation.

Internal Influence

① The film was incorporated into internal training programs to raise awareness of ecological conservation. It was screened 80 times across HIWIN's facilities, reaching 96.8% of employees, or 3,656 people in total.
② In May 2024, HIWIN held a Family Day event with 3,394 participants. The event included a screening of We Love Living Here and an interactive game called "Bird or Not?," enhancing employees' and their families' understanding of avian ecology through engaging observation activities.
③ In addition to Chinese and English versions, an English-voiced edition with subtitles in Japanese, Korean, German, and Italian was produced in 2024. This enabled employees at HIWIN's overseas subsidiaries and distribution sites to better understand the film's ecological conservation message in their native languages.

❷ Traces of northern lapwings

Yunlin County, one of Taiwan's largest agricultural counties, boasts fertile soil that yields high-quality agricultural products. In the neighboring farmland of HIWIN's Yunlin Factory, a group of northern lapwings migrates here to spend the winter. These birds, often referred to as "peanut birds," have a tendency to rest in peanut fields. However, due to the expansion of modern intensive agriculture, many of the areas where the northern lapwings used to land are now facing pollution and fragmentation. Furthermore, the lack of knowledge about the species' habits among farmers has led to their eviction, further impacting their survival. A survey conducted by BirdLife International reveals a declining trend in the population of northern lapwings. In 2016, the International Union for Conservation of Nature and Natural Resources (IUCN) upgraded the status of the northern lapwings from a least-concern species (LC) to a near threatened species (NT).

Starting from December 2022, the HIWIN Education Foundation has partnered with the Wild Bird Society of Changhua, the Wild Bird Society of Yun-Lin, and Swarovski Optik Taiwan to develop the "Traces of Northern Lapwings" program. Under the initiative, we successfully tagged nine northern lapwings with satellite transmitters in 2023, allowing us to track their migration routes and learn about their ecological habits and habitat distribution. In doing so, we aim to promote eco-tourism in Yunlin, designate indicator species, develop eco-friendly agriculture, and conduct ecological education activities at nearby Yuan Chang Elementary School, Hong Lun Elementary School, Rao Ping Elementary School, Shan Nei Elementary School, and Yuan Chang Junior High School. These efforts are designed to spread awareness of conservation and emphasize the importance of preserving our natural environment and biodiversity.

Tagging northern lapwings with leg bands and satellite transmitters (Photo: Chung Han Wu)

❸ Ecological education volunteer activities

The HIWIN Volunteer Group is committed to upholding corporate social sponsibility and has continued to take action to give back to society. In recent years, there has been an increasing focus on ecological issues. As such, we have organized "ecological education" tours, inviting underprivileged children (and their parents) to step outdoors and connect with nature. These educational activities are our way to give back to the community with love and action.

In 2024, HIWIN continued its collaboration with the Golden Bat Eco-Education House in Shuilin Township, Yunlin County. In partnership with local social welfare organizations, the Company provided schoolchildren with opportunities to deepen their understanding of their local culture, ecological environment, and nationally classified vulnerable species. Together, five bat houses were built and donated to the Eco-Education House for installation and monitoring in national forest recreation areas.

In July 2024, HIWIN explored a new site—the Chukou Nature Education Center in Chiayi County—where children learned about the endemic species Candidiopotamon

2024 Events held	Volunteers		Benefit
4 sessions	29 persons	87 hours	108 persons

rathbuni (Taiwan freshwater land crab). Through interactive games, they simulated the challenges faced by female land crabs when carrying and releasing their offspring.

In October 2024, HIWIN initiated its first collaboration with the Fazi River Water and Environmental Education Center in Taichung City. The program focused on the endangered Prionailurus bengalensis, with activities emphasizing hands-on conservation practices to help participants understand the rescue and protection efforts for the species. Through these ecological education volunteer activities and interpretive sessions, HIWIN aims to instill in children the ethics, knowledge, attitudes, and values necessary for protecting and improving biodiversity.

Hands-on experience in Prionailurus Bengalensis rescue and conservation

Collaborative construction of bat houses donated to the eco-education house

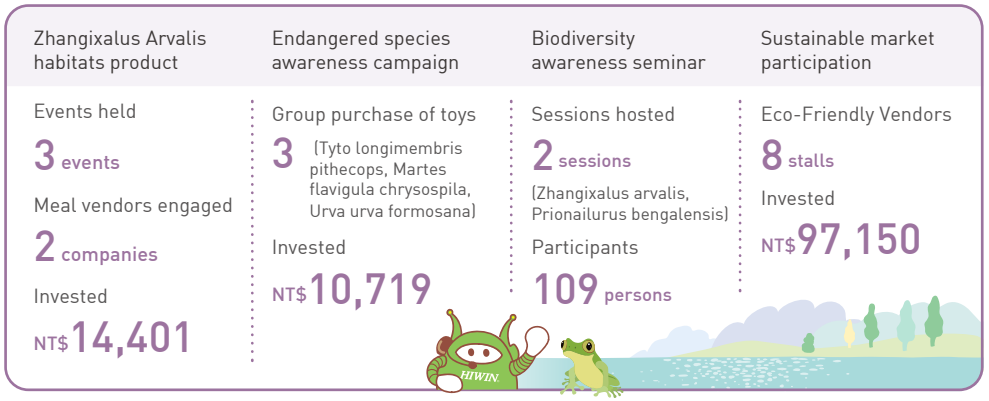
❹ Dadu mountain natural forest restoration initiative

Taiwan's forests have suffered severe damage due to socioeconomic development, making forest restoration an urgent priority. Beginning in 2024, HIWIN collaborated with the Taiwan Afforestation Association to adopt 200 native saplings in the Dadu Mountain Natural Forest. Utilizing company-owned land, resources, and manpower, HIWIN supports the cultivation of these native tree species to restore the ecological landscape surrounding the plant site.

Two corporate nursery volunteer events were held, with 29 employees and their family members participating as ecological restoration volunteers. Volunteers assisted with nursery maintenance and transplanting work while learning the principle of "planting the right tree in the right place," which ensures the survival of native forest species and prevents replacement by invasive species. This initiative aims to highlight the importance of Taiwan's native tree species, foster employees' environmental awareness, and reinforce HIWIN's responsibility in promoting forest restoration in Taiwan's low-elevation mountain areas and biodiversity conservation in urban regions.

Volunteers assist with transplanting native tree species

Adopted native saplings are growing steadily



❺ Promoting sustainable consumption

Environmentally friendly agriculture often comes with higher production costs, which are reflected in product prices. To support eco-conscious farming, HIWIN organized sustainable markets and bulk purchase activities, helping to offset the cost borne by farmers for environmental and biodiversity conservation. The company also partnered with the Forestry and Nature Conservation Agency's "Forest Made" initiative—a forest-friendly consumer brand. Through the use of endearing endangered species plush toys, the initiative captures public attention, showcases the species' unique features, and provides opportunities for families to learn about Taiwan's native species while contributing to forest conservation through their purchases.

Additionally, HIWIN conducted biodiversity seminars to raise awareness among employees and their families, encouraging support for certified habitat-friendly agricultural products. Through these efforts, HIWIN seeks to contribute to the protection of satoyama habitats and promote sustainable consumption models that benefit Taiwan's lowland wildlife.

Employees and families participate in habitat restoration workshops focused on Zhangixalus arvalis

Purchases of forest animal-themed products help fund forest conservation efforts

5.6 Environmental Expenditures and Investments

HIWIN actively fulfills its corporate environmental responsibilities, making environmental protection a core strategy for sustainable development. In 2024, the company will continue investing in environmental measures such as energy saving, water conservation, waste reduction, and air pollution treatment. Through facility optimization, resource use efficiency is improved, while environmental expenditures are quantified to enhance management effectiveness. HIWIN not only effectively reduces the environmental impact of its production processes but also delivers tangible returns, achieving both economic and environmental benefits.

2024 Environmental expenditures

Unit: NT$ million

Category	Description		Capital Investments	Operating Expenses
Operating Cost	① Pollution prevention cost	Air, water, other pollution prevention, etc	13.8	14.2
	② Resource circulation cost	Efficient utilization of resources, waste recycling, disposal and removal, etc	1.5	121.9
Administration Cost	Environmental management and energy audit expenses, etc		0.7	5.1
Other Environmental-related Costs	1. Expenses for soil remediation and natural environment restoration 2. Environmental pollution damage insurance premiums and government-imposed environmental taxes and fees 3. Environmental issue settlements, compensation, fines, and litigation costs		0	0
Total			16.0	141.2

2024 Environmental cost cavings benefits

Category	Description	Environmental Benefits	Economic Benefits
Cost Savings	Energy saving and carbon reduction plan	7,881 MWh	NT$31.4 million
	Water conservation plan	98,066 t	NT$3.4 million
	Waste reduction plan	413 t	NT$7.2 million
Total			NT$42.0 million

Note: 1. The 2024 environmental expenditures and the cost savings from environmental measures in 2024 cover all operational sites of HIWIN Taiwan.

2. Explanation of economic benefit calculations:

(1) Energy saving and carbon reduction plan: electricity saved × average annual electricity rate (NT$3.99/kWh).

(2) Water conservation plan: recycled water volume × average water rate.

(3) Waste reduction plan: waste reduction savings in waste removal costs.

06

A Builder of Diversity Workplace

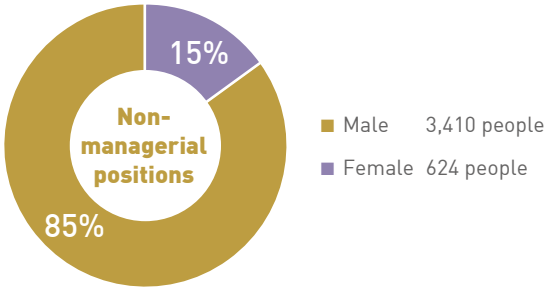
HIWIN adheres to the principle of equal pay for equal work, ensuring that there is no discrimination based on gender or ethnicity. The Company is dedicated to safeguarding the well-being and safety of its employees, offering comprehensive benefits and long-term development training opportunities.

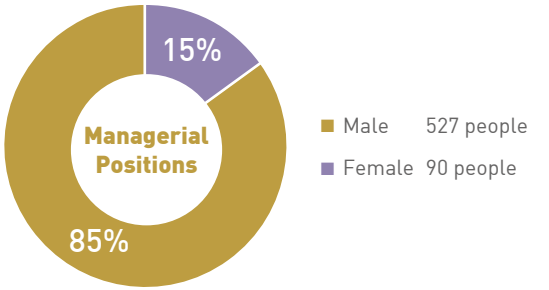
6.1 Employee Diversity and Inclusion

Employee Composition and Diversity

As of December 31 2024, HIWIN Taiwan had a total of 4,651 employees. The workforce is predominantly composed of individuals aged 30-50, with the majority of managerial roles also filled by those within this age range. All employment types are regular employees, including 487 industry-academia collaboration students. Additionally, for non-employee workers at HIWIN locations, we have 9 outsourced security guards and 34 outsourced cleaning personnel. HIWIN does not employ any dispatch workers.

2024 Employee demographics by gender

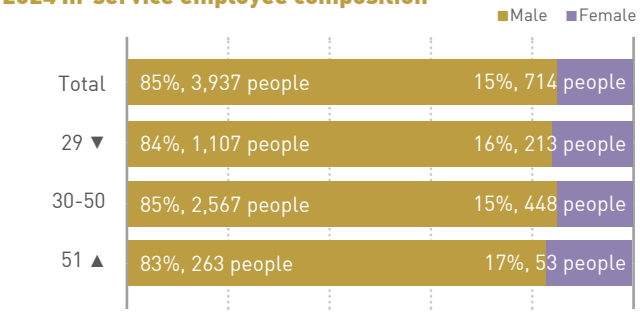




Note:

1. Non-managerial Positions: This includes professional and technical personnel, production line workers, and support staff who are not in managerial roles.
2. Managerial Positions: This includes both junior and mid-to-senior level managers in professional, technical, and administrative units.

2024 In-service employee composition



Note:

1. Gender Ratio in Employment Status = Number of Male and Female In-Service Employees ÷ Total Number of Employees.
2. Gender Ratio in Employment Status for Each Age Group = Number of Individuals of Different Genders in Employment Status for That Age Group ÷ Total Number of Individuals in Employment Status for That Age Group.

2024 Job title structure of in-service staff

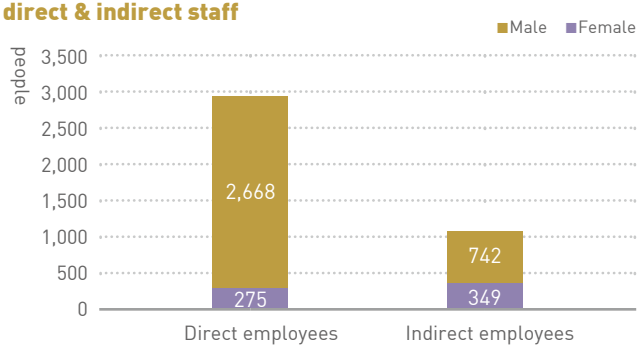
Male Female

Position	People	Gender	Age	Gender Ratio
Management	617 (13%)	527 people 90 people	29 ▼	82%, 18 ppl 18%, 4 ppl
			30-50	86%, 420 ppl 14%, 70 ppl
			51 ▲	85%, 89 ppl 15%, 16 ppl
R&D	378 (8%)	307 people 71 people	29 ▼	81%, 153 ppl 19%, 37 ppl
			30-50	82%, 148 ppl 18%, 33 ppl
			51 ▲	86%, 6 ppl 14%, 1 ppl
Manufacturing	3,333 (72%)	2,965 people 368 people	29 ▼	92%, 910 ppl 8%, 83 ppl
			30-50	88%, 1,911 ppl 12%, 258 ppl
			51 ▲	84%, 144 ppl 16%, 27 ppl
Administrative	323 (7%)	138 people 185 people	29 ▼	23%, 26 ppl 77%, 89 ppl
			30-50	50%, 88 ppl 50%, 87 ppl
			51 ▲	73%, 24 ppl 27%, 9 ppl

Note:

1. Proportion of Each Position = Number of Individuals in That Position ÷ Total Company Headcount.
2. Gender Ratio for Each Age Group in Each Position = Number of Individuals of Different Genders in That Age Group and Position ÷ Total Number of Individuals in That Age Group and Position.

2024 Gender distribution of non-managerial direct & indirect staff



Note:

1. Direct employees: production line workers directly involved in manufacturing.
2. Indirect employees: personnel indirectly involved in production, including research and development, sales, and support staff.

2024 HIWIN Taiwan's distribution of job positions by nationality

Nationality	Job Title			Total	% of Total Workforce	% of Total Management Workforce
	Administrative	R&D	Manufacturing			
Taiwan	481	506	2,885	3,872	83.25%	99.52%
Philippines	0	0	690	690	14.84%	-
Vietnam	0	1	73	74	1.59%	-
Indonesia	1	4	0	5	0.11%	-
Malaysia	0	3	2	5	0.11%	-
India	2	0	0	2	0.04%	0.32%
Belarus	1	0	0	1	0.02%	0.16%
Belize	0	1	0	1	0.02%	-
Korea	1	0	0	1	0.02%	-

Note:

1. Administrative staff: refers to management professionals or engineers who are indirectly related to production activities, such as sales personnel, IT personnel, and others.
2. Manufacturing personnel: refers to individuals directly involved in production activities, such as production technicians, quality inspectors, and others.
3. Research and development (R&D) personnel: refers to individuals engaged in substantial improvements to technology, products, and services, such as research and development engineers.

2024 Distribution of contract types by gender & region

Contract Types	Gender			Region of Taiwan			Total
	Female	Male	Other	North	Central	South	
Number of employees	714	3,937	0	11	2,551	2,089	4,651
Number of permanent employees	714	3,937	0	11	2,551	2,089	4,651
Number of temporary Employees	0	0	0	0	0	0	0
Number of employees without guaranteed working hours	0	0	0	0	0	0	0
Number of full-time employees	714	3,937	0	11	2,551	2,089	4,651
Number of part-time employees	0	0	0	0	0	0	0

Note:

1. Other: categories defined by the employee.
2. Permanent employees: full-time or part-time employees who have signed an indefinite (i.e., permanent) contract without a fixed term.
3. Temporary employees: employees who have signed fixed-term contracts with specific end dates. The contracts expire at the designated time or end upon the completion of specific tasks or events with evaluation timelines (such as the conclusion of a work project or the return of an employee to their original position).
4. Employees without guaranteed working hours: employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month.
5. Full-time employees: Employees whose weekly, monthly, or yearly working hours comply with the legal and practical definitions of full-time employment set by the country's relevant labor laws and practices.
6. Part-time employees: Employees whose weekly, monthly, or yearly working hours are fewer than those of full-time employees.

Deep-rooted Culture, Commitment to Local Talent

HIWIN originated in Taiwan, and has since expanded its global presence. The Company has successfully established subsidiaries in multiple countries, including Japan, the United States, Germany, Switzerland, Italy, South Korea, Singapore, China, and other locations. This strategic expansion allows HIWIN to actively contribute to local economies and gain valuable insights into local requirements. Moreover, HIWIN demonstrates its dedication to global integration by engaging local talent as collaborative partners in its subsidiaries, thereby effectively harnessing global resources.

Area/Subsidiaries		% of Local Managers
Taiwan	HIWIN	99.5%
	Matrix	100%
China		76%
Germany		79%
U.S.		100%
Japan		80%
Italy		88%
South Korea		69%
Singapore		71%
Switzerland		33%
U.K.		50%

Note:

1. Management level refers to supervisors at the team level or above.
2. Local Management Ratio=Local Managers (hired from the host country)÷Total Managers in Subsidiaries.

Respect and Equality

HIWIN is committed to merit-based employment and respects professionals of all backgrounds. The Company upholds the principles of equal treatment regardless of gender, age, disability, religion, ethnicity, nationality, or political affiliation, and ensures fair and consistent salary structures and employee benefits.

❶ Hiring people with disability & disadvantages

HIWIN adopts diverse recruitment as part of its sustainability policy and complies with legal requirements regarding the employment quota for persons with disabilities. The Company has established dedicated recruitment sections for Indigenous peoples and persons with disabilities on its recruitment platform to provide inclusive and friendly job-matching opportunities. HIWIN also respects the unique cultures of minority groups by granting Indigenous employees an annual "festive holiday" to celebrate traditional festivals. In 2024, HIWIN employed 31 persons with mild to moderate disabilities and 10 persons with severe disabilities, meeting the statutory employment quota. In addition, 32 Indigenous employees were part of the workforce. No cases of discrimination were reported within the organization.

❷ Cultural integration, friendly and caring

To support foreign employees in adapting to work and life in Taiwan, HIWIN has developed a dedicated Life Guide Handbook and conducts individual care visits to better understand their needs and to promote awareness of local laws and regulations. Foreign employees are provided with company-built dormitories on par with those offered to local employees, featuring amenities comparable to five-star accommodations. Dormitory managers are also assigned to ensure a comfortable and secure living environment. This friendly living arrangement has been well received by foreign employees, who have shared their positive experiences on social media and encouraged fellow countrymen to join HIWIN.

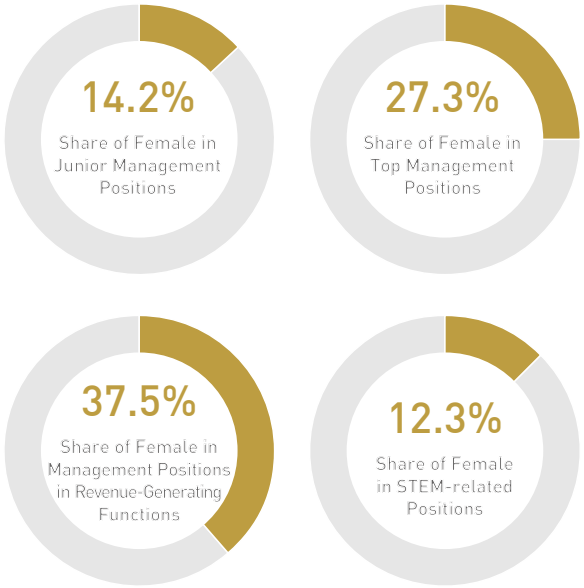
❸ Empowering women in technology

Since its establishment, HIWIN has valued cultural diversity and innovative thinking. Eric Y. T. Chuo (Ph.D.), Global Chairman firmly believes that women's resilience and attentiveness can inspire greater innovation and soft management within the field of smart machinery. In addition to actively recruiting female talent in R&D and technical roles, HIWIN encourages employees to pursue interdisciplinary learning by offering professional training programs related to mechanical engineering. The Company also provides internal transfer mechanisms to support female employees in transitioning into STEM roles. From 2022 to 2024, women accounted for 11% of all internal transfers into STEM-related positions. As of 2024, women made up 15.4% of the total workforce, with 12.3% representation in STEM

roles. Considering industry characteristics, HIWIN has set a public target of increasing the share of female in STEM-related positions to over 15% by 2030.

To foster a respectful and harmonious workplace, HIWIN implements various family-friendly and inclusive workplace initiatives. These include designated parking spaces for pregnant employees, safe and comfortable breastfeeding rooms, and sexual harassment prevention courses. Legal experts are invited to explain key regulations and share practical case studies.

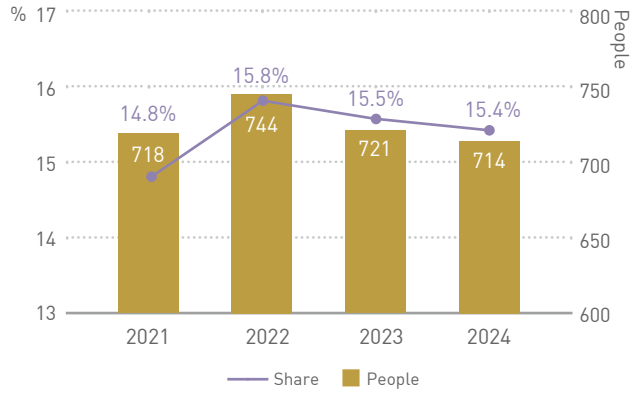
2024 Distribution of female employees



Note:
1. Junior management positions include team leaders and section heads; middle management positions include department heads; top management positions are vice president positions and above.
2. STEM (Science, Technology, Engineering, Math) positions include roles in R&D, manufacturing, finance, accounting, IT, safety and health, and environmental protection.

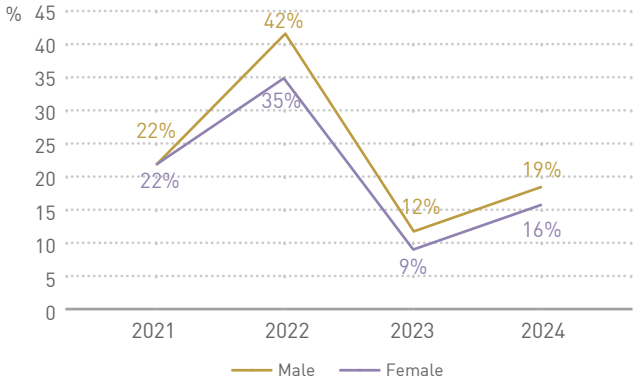
HIWIN is committed to fairness, objectivity, and equal treatment for all employees, ensuring that women are provided with equal access to resources and career development opportunities. In 2024, 90 women held managerial positions, representing 14.6% of all managers—an increase of 7.4% compared to the previous year. HIWIN aims to promote opportunities for women in the technology industry and encourages them to realize their full potential.

2021-2024 Share of female in total workforce



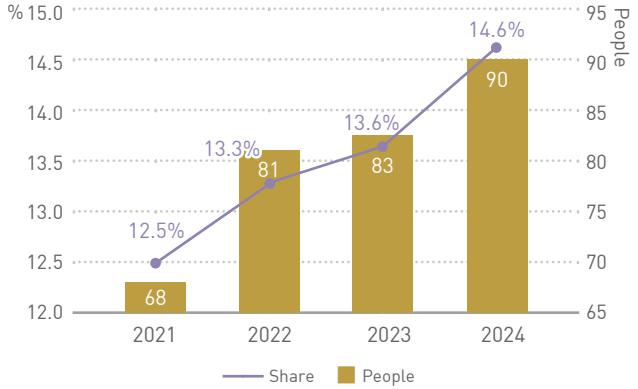
Note: Share of female in total workforce = number of female employees ÷ total number of employees.

2021-2024 Male to female promotion ratio



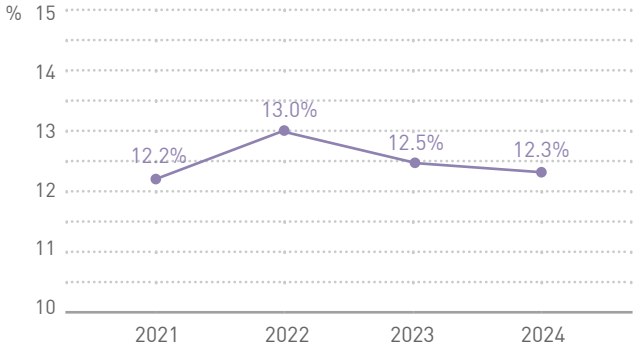
Note: Promotion rate = the number of promotions for this gender ÷ the total number of people of this gender.

2021-2024 Share of female in all management positions



Note: Share of female in all management positions = number of female supervisors ÷ total number of supervisors.

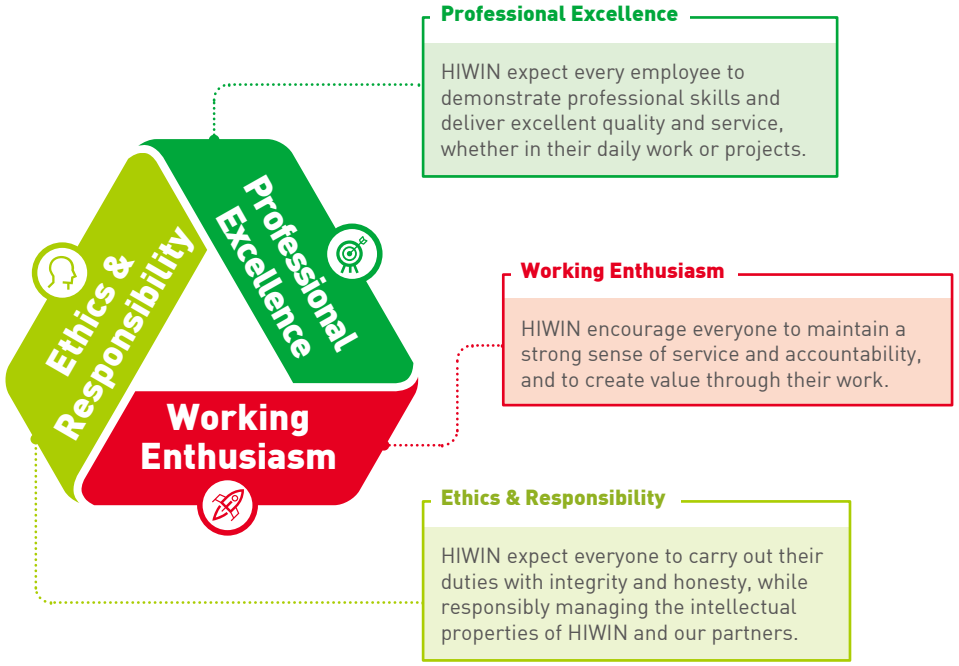
2021-2024 Share of female in STEM-related positions



Note: Share of female in STEM-related positions = Female in STEM positions ÷ total number of employees in STEM positions.

6.2 Talent Attraction and Retention

Talent is crucial for the sustainable development of an enterprise. HIWIN adheres to the principles of "Professional Excellence, Working Enthusiasm, Ethics & Responsibility" in its management philosophy. The Company fosters a diverse, inclusive, respectful, and growth-oriented workplace environment. This approach attracts interdisciplinary talent who resonate with HIWIN's organizational culture and values.



HIWIN's recruitment and retention policy is centered around "cultivating talent in the precision machinery field." All human resources systems and work environment plans are executed in line with this principle. From the very first day of onboarding, new employees are clearly informed of HIWIN's core philosophy. This philosophy is continuously reinforced through employee badges, monthly meetings, training newsletters, and on-the-job training. We aim for employees to internalize and align with HIWIN's values, ensuring they feel secure in their roles while continuously learning and growing at HIWIN.

Talent Acquisition Strategy

As HIWIN continues to grow its operations, workforce planning is aligned with organizational development needs. All employees are directly hired by the Company; no temporary workers are employed through dispatch arrangements. In accordance with the Company's Human Rights Policy, HIWIN strictly prohibits child labor. To safeguard the well-being of young employees aged 16 to 18, the Company provides either free shuttle service for commuting or dormitory accommodation. All employees undergo a rigorous interview process and must submit complete onboarding documentation for verification to ensure no omissions. The Company also assigns full-time onsite nurses and schedules regular visits from occupational physicians. In addition, routine workplace inspections and audits are conducted to maintain a safe and healthy work environment, allowing employees to work with peace of mind.

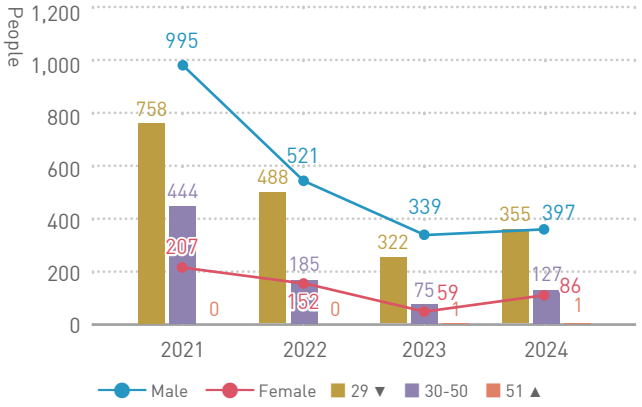
HIWIN actively recruits top talent through various channels, including online job platforms, campus recruitment events, industry-academia collaboration programs, internal referrals, and social media outreach. Through R&D-focused academic partnerships, the Company cultivates early-stage talent and builds research capacity. To support global business expansion, HIWIN also recruits international professionals in business development, R&D, IT, and manufacturing through online recruitment and job-matching events for overseas and overseas Chinese students in Taiwan. These efforts foster an innovative corporate culture, ensure a stable talent pipeline for global market development, and build a diverse and inclusive workplace.

HIWIN regularly participates in campus career fairs and seminars across Taiwan, offering résumé consultations and career guidance to help students define their career paths and pursue their aspirations. The Company also collaborates with the Ministry of Labor's Employment Flagship Program and Workforce Development Agency training programs to create job opportunities for young people.

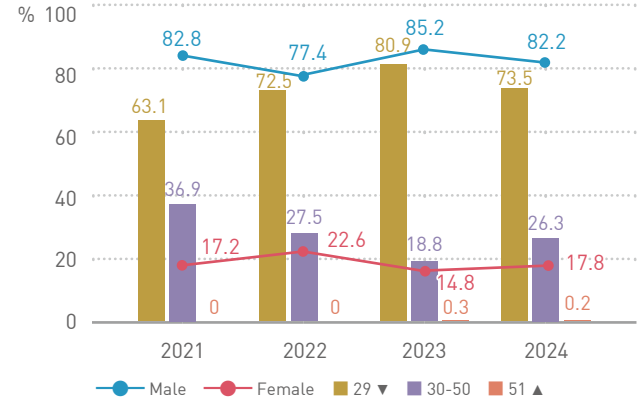
Recruitment at HIWIN adheres to a fair, impartial, and transparent selection process, providing equal and diverse employment opportunities. To attract more women in STEM fields, the Company invites female managers to participate in campus recruitment events and interviews to share their experiences and promote a women-friendly workplace culture. Equal pay, benefits, and promotion pathways are emphasized to deliver a positive and supportive message. In 2024, the number of newly hired female employees increased by 20.3% compared to the previous year.

Due to the nature of the industry, 82% of new hires in 2024 were male and 18% were female, with the majority of male hires being under the age of 30. As the Company continues to advance smart automation technologies, it is also committed to supporting the career development of female employees at all stages by providing the necessary resources and platforms for growth.

2021-2024 Total number of new employee hires (by age group & gender)



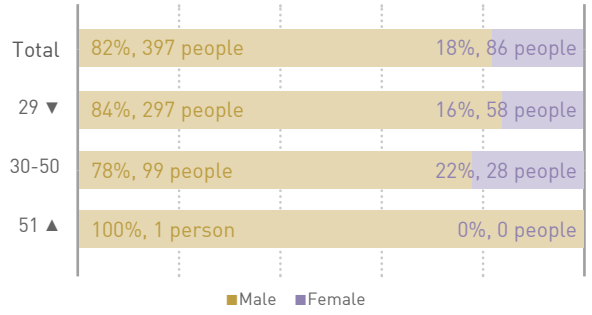
2021-2024 Percentage of new hires (by age group & gender)



Note:

1. The gender ratio of new hires = number of individuals of different genders ÷ total number of new recruits.
2. Percentage of new hires in each age group = number of individuals in each age group ÷ total number of new recruits.

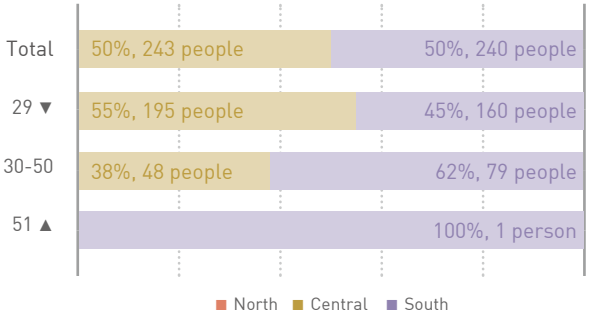
2024 Gender composition of new employees



Note:

1. The gender ratio for each employment status = number of individuals of different genders in that employment status ÷ total number of individuals in that employment status.
2. The gender ratio for each age group in each employment status = number of individuals of different genders in that age group and employment status ÷ total number of individuals in that age group and employment status.

2024 Geographic distribution of new hires



Note:

1. Regional distribution of new hires = Number of new hires in each region ÷ Total number of new hires.
2. Regional distribution of new hires by age group = Number of new hires within the age group in each region ÷ Total number of new hires within the same age group.
3. In 2024, there were no new hires in the northern region. For the age group above 51, new hires were recorded only in the southern region.

2024 New entrants of both genders by age group

Age	New Hires		On-the-Job Employees		New entry rate (%)	
	Male	Female	Male	Female	Male	Female
29 ▼	297	58	1,107	213	26.8	27.2
30-50	99	28	2,567	448	3.9	6.3
51 ▲	1	0	263	53	0.4	0.0

Note: New entry rate = number of new recruits in different gender and age groups ÷ total number of employees in different age groups.

2021-2024 Percentage of open positions filled by internal hires & average hiring cost

Items	Unit	2021	2022	2023	2024
New Employees	ppl	1,202	673	398	483
% of Open Positions Filled by Internal Hires	%	58.3	78.6	62.8	59.0
Average Hiring Cost	NT$	7,153	13,516	28,493	24,173

Note:

1. Starting from April 2022, the employee compensation structure was adjusted with an average salary increase of approximately 6%–16%. In July 2024, another salary adjustment was implemented with an average increase of around 3%. These adjustments contributed to an increase in key talent retention and a decline in turnover rate, resulting in a more stable recruitment pace.
2. Percentage of Open Positions Filled by Internal Hires = (Number of internal candidates transferred to fill internal vacancies + promotions) ÷ (Internal vacancies + promotions throughout the year).
3. Hiring Cost include personnel expenses, advertising, and recruitment events. Due to intense competition in the labor market, we have upped our efforts to enhance our reputation as an employer, which has resulted in higher recruitment costs.

Competitive Salary & Benefits

HIWIN determines salary and benefits based on employees' education, experience, and the position they are applying for, without any gender or ethnic disparities. Both female and male employees receive equal starting salaries and equal pay for equal work, which surpass the minimum wage mandated by law. Additionally, HIWIN offers quarterly bonuses, employee compensation, and year-end bonuses that are contingent upon HIWIN's performance and employees' individual accomplishments. The annual income for HIWIN employees is consistently ranked above the industry average (according to information disclosed on the Market Observation Post System), and starting salaries for new employees in Taiwan and globally exceed local minimum wages.

HIWIN employs a diversified performance evaluation approach, incorporating Management by Objectives (MBO), team-based assessments, multi-dimensional evaluations, and agile processes to review employee performance. Employees are encouraged to set challenging goals, while supervisors provide timely feedback and recognition to enhance organizational performance. Department heads regularly align key performance indicators (KPIs) with the Company's strategic objectives. Performance reviews are conducted by senior executives, who calibrate, rank, and grade employees to serve as the basis for bonuses, promotions, and salary adjustments. HIWIN's incentive design ties bonuses and dividends to performance. For instance, under the royalty incentive program, employees whose research and development efforts yield new technologies that generate profit for the company receive regular bonus payments, akin to royalties, allowing them to share in the long-term success of their innovations.

Type	System	Audience	Schedule	Implementation	Performance Coaching Measures
Management by Objective	Performance Review	All staff	quarterly annually	1. Department heads set annual and quarterly goals (including goal-related outcomes, ESG contribution, competency and organizational engagement.) for both the department and individual roles based on the company's strategic objectives. 2. Employees collaborate with their immediate supervisors to align on work goals and measurable KPIs to produce performance outcomes. 3. Supervisors monitor performance through daily management, identifying gaps between targets and progress, and providing timely guidance and feedback.	The unit supervisor conducts care interviews and formulates performance coaching improvement measures to consistently monitor the progress of improvement.
	New Assessment	New hires	1st month 3rd month	Supervisors establish performance targets, execution plans, and competency expectations for new employees, and offer assignment recommendations based on their performance.	
Team	Performance Review	All staff	quarterly annually	1. Department heads set annual goals for the department and individual team members based on the company's strategic objectives. 2. Department heads communicate these goals to ensure clarity among team members, producing performance outcomes through teamwork and cross-departmental collaboration. 3. Senior executives assess department and individual performances based on KPIs.	
Multi-Dimensional	Competency Evaluation	Key supervisory roles	annually	Evaluates key supervisors through feedback from direct supervisors, colleagues from other departments, and subordinates to objectively assess performances in cross-team cooperation, innovative management, and strategic planning.	
Agility	Monthly Review	Manufac-turing staff	monthly	Through daily departmental stand-up meetings, weekly plant meetings, and monthly capacity planning meetings, HIWIN aligns operational priorities and coordinates workforce allocation. The Company leverages smart dashboards to dynamically monitor organizational productivity and assess employee performance, enabling real-time tracking of KPIs achievement rates and production trends. This allows for timely feedback and performance insights, ensuring that organizational production targets are effectively met.	

2024 Gender Pay Ratio at HIWIN Taiwan

Employee Level	Base Salary Only (Female : Male)	Total Compensation (Female : Male)
Executive Level	1.02: 1	1.03: 1
Management Level	0.97 : 1	0.98 : 1
Non-management Level	1.02 : 1	0.98 : 1

Note:
1. Base Salary: Average of monthly fixed salary over the year. Total Compensation: Includes monthly base salary and other cash incentives.
2. Data covers full-year employees only; those employed for less than one year or assigned overseas are excluded.

Salary and Headcount of Full-Time Non-Managerial Employees

Unit: NT$ thousand

Item	2023	2024	Difference
Average Salary	798	841	5.4%
Median Salary	760	792	4.2%
Headcount	4,477	4,456	-0.5%

2024 Ratio of HIWIN's average income to local minimum wages

Area/Subsidiaries		Male Ratio	Female Ratio
Taiwan	HIWIN	1.2	1.2
	Matrix	1.2	1.2
China		1.57	1.53
Germany		1.6	1.6
U.S.		1.29	1.36
Japan		1.84	1.44
Italy		1.09	1.01
South Korea		1.09	1.16
Singapore		N/A (In Singapore, there is no legislated minimum wage.)	
Switzerland		1.02	1.15
U.K.		1.08	1.04

Note:
1. The salary definition is based on HIWIN's average fixed monthly salary for entry-level employees in that region.
2. Ratio=the ratio of the salary of entry-level employees ÷ the local minimum wage.

HIWIN has a robust financial system and follows the Employee Retirement Regulations based on the Labor Standards Act and Labor Pension Act. We have established a stable retirement fund allocation system and payment plan to ensure secure retirement benefits for our employees. Certified actuaries are appointed to conduct regular actuarial calculations and provide retirement pension reports, ensuring adequate provisions and safeguarding employees' rights to receive retirement benefits in the future.

HIWIN Long-term Incentive Program

① Plan advocates for employees owning shares:

1. In accordance with HIWIN's Employee Stock Subscription Plan for Capital Increase, 10% of new shares issued during a capital increase are reserved for employee subscription. his plan advocates for Employees Owning Shares, rewarding employees with outstanding performance, seniority, certain levels, and contributions with the right to subscribe to HIWIN shares, allowing them to share in our operational success.
2. HIWIN evaluates capital increase plans each year and implemented these plans in both 2020 and 2022. In 2022, 609 out of 4,714 employees were eligible to participate, with 492 actually subscribing to shares. As of December 31, 2024, 475 employees were still in service.

② Outstanding employee recognition

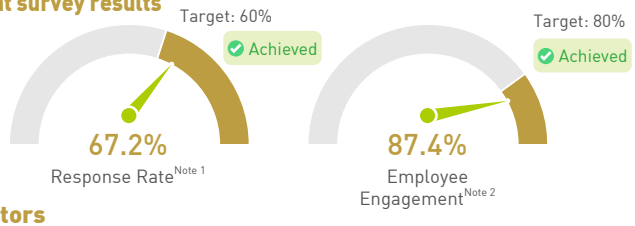
1. To acknowledge employees' long-term dedication to the company, a cash reward of NT$30,000 is granted to each selected outstanding employee.
2. Outstanding employees are occasionally invited to serve as guest speakers at internal seminars or contribute to internal publications, sharing their experience and guiding the younger generation. A token of appreciation is also provided for their contributions.

Employee Engagement Survey

2023 Employee engagement survey results

Total Responses

3,918



2023 Engagement indicators

Job Satisfaction	Purpose	Happiness	Stress
85.5%	86.6%	86.5%	87.9%
E.g. My work creates value for the company	E.g. I am willing to invest in my work and do it better	E.g. My job allows me to capitalize on my abilities and talents	E.g. HIWIN has established internal and external risk management mechanisms, and consistently reminds employees to implement them effectively

Note: 1. The response rate statistics include overseas subsidiaries of HIWIN.
2. 87.4% of the people chose positive feedback with a score of 4 or above on the five-point scale.

Starting from 2023, HIWIN aims to conduct an employee feedback survey every two years to understand the importance employees place on management and work-related issues. This initiative allows us to listen to employees' voices and opinions, using their suggestions to improve management practices and foster a harmonious work environment.

The 2023 survey was structured around our core business philosophies, covering areas such as the HIWIN brand, Professional Excellence, Working Enthusiasm, Ethics & Responsibility, continuous innovation, and sustainable development.

2024 Outstanding employees

- **Optimization actions**

HIWIN values employee feedback and conducts caring interviews regularly to better understand employees' thoughts and gather suggestions, fostering open and effective communication between labor and management. Interviewees include key talent and employees approaching retirement eligibility. Department supervisors also collaborate to follow up with new employees to help them adapt quickly and integrate into the work environment.

To enhance employee experience, in 2024 HIWIN launched a "Leave Process Optimization Project" in response to frequently raised suggestions from employees. The initiative aims to address pain points in the leave application process, provide a more user-friendly experience, and improve internal operational efficiency—demonstrating the company's commitment to addressing employee needs.

Project Objective	1. Understand employees' needs and expectations in the leave application process to enhance user experience. 2. Strengthen the professionalism and consistency of HR's leave approval process.
Project Implementation and Results	1. Analysis of Common Issues: Collected and consolidated frequently encountered leave-related issues among employees, focusing on the most reported items. 2. Establishment of Review Standards: Developed the "HR Leave Review Guidelines" to improve approval efficiency. 3. Survey Analysis: Conducted a survey of 1,268 employees who applied for leave types other than annual or compensatory leave within the past year, achieving a response rate of 95.5% and an overall satisfaction score of 4.3 out of 5. Key employee needs identified include: -Access to relevant leave policy resources (26%) -Search function for leave types with validity periods or usage limits (20%)
2025 Planned Improvement Measures	1. Launch of One-Stop Service Interface: Introduced new features to integrate leave policies with related application services in a centralized platform. 2. User Interface Optimization: Enhanced the leave application interface by improving visibility of leave balances and adding alerts for upcoming expirations.

Benefits Policy

We have put great care in designing our benefits policy to ensure that employees can focus on their work without other concerns.

Benefits	Items
1 Employee Assistance Programs (EAPs)	1.Psychological counseling: in cooperation with 7 counseling offices, employees can receive free counseling services. 2.Healthcare and medical services: regular in-house medical clinics, health education consultations, and medical treatment services provided by occupational physicians. 3.Legal assistance (including debt disputes): assisting in providing lawyer resources and legal aid channels. 4.Tax consultation: assisting in providing government agency consultation channels for tax-related matters. 5.Organize activities centered on employees' needs in work, health, and life to promote balanced physical and mental development.
2 Advance Annual Leave System	Employees are granted 10 days of annual leave in advance starting from their first year of employment.
3 Flexible Working Hours	1.To support business and after-sales employees during business trips, if work hours are extended due to travel, employees may stay overnight locally. If they return on the same day, they are permitted to start work up to one hour later the following day with flexible scheduling. 2.Considering the shift-based nature of frontline staff, in addition to the standard three-shift schedule, HIWIN offers alternative flexible shifts such as 13:30–22:00 and 7:30–16:00. These comply with cooperative education schedules and labor hour regulations. 3.To attract talent and support continuing education, employees in industry-academia cooperative programs work part-time at 32 hours per week, balancing academics and work. Their seniority, leave entitlements, and benefits align with full-time employees. Salaries are paid monthly and exceed the Labor Standards Act's minimum wage, ensuring livelihood and employment stability.
4 Insurance Coverage	In addition to legally mandated labor and health insurance and labor pension contributions, HIWIN fully subsidizes group insurance premiums, providing enhanced protection for employees and their dependents.
5 Childcare Support	1.HIWIN encourages employees to have children and provides a childcare subsidy of NT$180 thousand for each child over three years 2.A childbirth allowance of EUR$200 is provided for the birth of the first child (in some overseas subsidiaries).
6 Family Support	1.Employees can take Parental Leave for Education to attend their children's school activities, strengthening parent-child relationships. 2. Designated parking spaces are provided for pregnant employees, and breastfeeding rooms are available at all plant locations. 3.In accordance with legal provisions, both female (typically primary caregivers) and male employees (typically non-primary caregivers) are eligible to apply for parental leave without pay. During the first six months (approximately 24 weeks), employees may receive a subsidy equivalent to 80% of their average monthly insured salary. 4.Employees who are only children can take up to five days of paid leave annually to care for hospitalized parents over 60 years old. 5.Male employees are granted 15 days of paid leave following the birth of their child to support and care for their family. 6.Employees with family members requiring long-term care can apply for reduced work hours to better care for their loved ones. 7.HIWIN offers one to five days of leave to support grieving employees through their loss. ※ Items 4-7 are applicable to some overseas subsidiaries.

Benefits		Items
7 Benefit Subsidies	1.Holiday Gift Vouchers	HIWIN distributes electronic gift vouchers to employees during Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival to express appreciation and festive greetings.
	2.Team Gathering Subsidy	HIWIN provides a quarterly meal subsidy for departmental gatherings to foster team cohesion and interpersonal interaction.
	3.Birthday Gift Allowance	HIWIN grants a birthday gift allowance of NT$500 and sends an electronic birthday card during the employee's birth month ※ The allowance will increase to NT$600 starting in 2025.
	4.Wedding Gift Allowance	To celebrate employees' weddings, HIWIN offers a wedding gift allowance ranging from NT$3,600 to NT$60,000 based on the employee's job grade and years of service.
	5.Travel Subsidy	HIWIN provided a travel subsidy of NT$2,000 per employee in 2024 to encourage participation in recreational activities and promote team bonding.
	6.Culture and Recreation Subsidy	HIWIN will offer an annual subsidy of NT$600 to support employees' participation in cultural and recreational activities, enriching their work-life balance. ※ Starting in 2025.
	7.Hiking Subsidy	HIWIN will provide an annual hiking subsidy of NT$1,000 to encourage hiking with family and colleagues, promoting wellness and connections. ※ Starting in 2025.
	8.Hospital Visit Subsidy	In the event of hospitalization due to illness or injury, HIWIN provides a NT$1,000 subsidy for purchasing care packages as a gesture of support.
	9.Emergency Relief Fund	HIWIN provides a condolence allowance ranging from NT$6,000 to NT$10,000 for employees diagnosed with major illnesses or involved in accidents.
	10.Condolence Payment	In the unfortunate event of the passing of an employee or their family member, HIWIN offers a condolence payment ranging from NT$3,100 to NT$110,000 based on job grade and service years,as an expression of sympathy.
8 Meal Subsidy		HIWIN provides employee cafeterias at all plant locations, offering meal subsidies as well as complimentary overtime meals and snacks.
9 Safety Protection		HIWIN provides subsidies for purchasing assistive devices and safety shoes to ensure employees can work with greater safety and peace of mind.
10 Employee Dormitories		HIWIN offers affordable dormitories with 24-hour security shifts for employees from other regions. Facilities include disaster drills, AED devices, and dormitory supervisors who provide care and support.
11 Health Protection		HIWIN provides annual health check subsidies. Each plant is equipped with a medical clinic staffed by occupational nurses, and occupational physicians regularly visit to offer consultations.
12 Club Activities		HIWIN encourages employees to establish and participate in clubs to promote health, social interaction, and closer workplace relationships.
13 Public Welfare Activities		HIWIN volunteer groups engage in long-term community service, education volunteering, and charity sales, actively encouraging employee participation.
14 Others		Stress-relief massages, occasional book and arts event ticket giveaways, participation in the Taipei 101 Run Up, various sports competitions, photography contests, year-end banquets, and annual family days.

Unit: NT$

❶ Employee assistance programs (EAPs)

Since 2022, HIWIN has implemented Employee Assistance Programs (EAPs) to provide systematic professional services, plan initiatives, and offer resources aimed at preventing and resolving issues that could hinder employee productivity, ensuring that employees can maintain their mental and physical health and enabling them to fully engage in their work. To provide timely support to employees in need, HIWIN offers a direct communication channel through the 8085 hotline (which translates to "help you, help me" in Mandarin) or by emailing eap@hiwin.tw. Dedicated personnel are available through these channels and will provide immediate response to any concerns raised by employees, removing factors that may interfere with their work and allowing them to commit to their work.

2022-2024 EAPs usage count

Year	Psychological Counseling	Legal Consultation	Health and Medical Services (OP Clinic Visits)	Tax Consultation
2022	27	5	1,145	0
2023	22	8	1,464	0
2024	35	7	1,322	0

EAP services continue to demonstrate genuine care for employees through concrete actions. In addition to issuing annual EAP care cards at the beginning of each year to actively promote the program, the year 2024 also reflected a swift and proactive response.

On April 3, 2024, a powerful earthquake struck Hualien, severely impacting the epicenter region. The EAP team promptly compiled a list of employees registered in Hualien and requested that supervisors actively check in with affected individuals, assess any damage to their homes, and confirm whether EAP support or leave was needed—ensuring timely care and assistance.

In addition, there have been cases in which employees suffered financial losses due to scams or improper investments, resulting in court-ordered wage garnishments. In response to the rising incidence of fraud, the EAP team released a trilingual announcement (Chinese, English, and Vietnamese) in August 2024 titled "Stay Away from Fraud, Gambling, Loans, and Risky Investments." The announcement included real-life case examples to raise employees' risk awareness and help them steer clear of such scams.

❷ One stop contact and optimizing employee care

HIWIN is committed to creating a secure and supportive work environment, actively assisting employees facing attendance issues, medical leaves, and major illnesses. Starting in 2022, HIWIN introduced the Employee Care Reporting initiative, which assembles a care team of unit supervisors, occupational health nurses, and HR personnel to thoroughly analyze employees' work conditions, workplace environments, and past health records. Upon identifying the need of employees, the team then arranges resources such as hospital visits, occupational health consultations, return-to-work plans, and psychological counseling. They also assist employees and their families in applying for relevant welfare benefits and insurance claims to support them through difficult times. In 2024, a total of 63 employees, including 5 foreign employees, received assistance from the care team, demonstrating HIWIN's commitment to employee well-being.

2022-2024 Care Instances

Year	No. of Care Instances
2022	22
2023	76
2024	63

Supporting employees and families through difficult times

In March 2024, an employee was unfortunately involved in a traffic accident. Despite extensive medical efforts, the employee passed away due to severe injuries.

As the sole breadwinner of the family with two young children, HIWIN stepped in to help alleviate the family's financial burden by assisting with insurance claims and providing a special condolence fund from the global chairman. Additionally, an internal fundraising campaign was launched to ensure the family received continued support during this difficult time.

❸ Childcare support

Since 2013, HIWIN has been promoting the "Childcare Support" policy to enhance Taiwan's birth rate. This policy encourages employees to have children and share the burden of childcare expenses. HIWIN provides a subsidy of NT$180,000 per child for a duration of three years. In the case of twins, the subsidy is doubled. If an employee needs to apply for parental leave without pay during the subsidy period, they are not required to return the received subsidy and can continue to receive it after resuming work. HIWIN respects labor rights and recognizes the challenges employees face in caring for young children. Regardless of gender, all employees may apply for childcare subsidies in accordance with relevant regulations. In 2024, an additional 112 "HIWIN Babies" benefited from the subsidy. By the end of 2024, a total of 1,569 instances of childcare subsidy claims had been recorded, reflecting the company's strong support for employees' families and its commitment to social responsibility.

In 2024, a total of 50 employees applied for parental leave, with male applicants accounting for 58%, highlighting shared family responsibilities and a commitment to gender equality. Among the 41 employees scheduled to return from parental leave during the year, 32 actually resumed work, resulting in a return-to-work rate of 78%. As for employee retention, 23 out of the 29 employees who returned from parental leave in 2023 remained employed for at least one year, reflecting a one-year retention rate of 79%. HIWIN's supportive welfare measures provide a solid foundation that enables employees to return to the workplace with confidence and realize their full potential.

2024 Applications for parental leave

Application rate 15%	Reinstatement rate 78%	Retention rate 79%
50÷336 people	32÷41 people	23÷29 people
2024 Number of people applying for parental leave	2024 Actual number of people who applied for parental leave to return to work	2023 Number of people who have completed one year of employment after reinstatement
Male 29 / Female 21	Male 20 / Female 12	Male 9 / Female 14
2024 The number of eligible people applying for parental leave	2024 Estimated number of people returning to work after parental leave	2023 Number of people returning from parental leave
Male 285 / Female 51	Male 27 / Female 14	Male 13 / Female 16
Parental Leave Request Rate	Return-to-work rate after parental leave	Retention rate after parental leave
Male 10% (29÷285) / Female 41% (21÷51)	Male 74% (20÷27) / Female 86% (12÷14)	Male 69% (9÷13) / Female 88% (14÷16)

Note: Employees who are eligible for parental leave but did not apply for it can still receive the Childcare Support provided by the Company, which amounts to a total of NT$180,000 per child for a period of three years.

Retention Rate

HIWIN is committed to providing comprehensive training resources and ensuring that employees are placed in roles that match their talents and strengths. This approach enables employees to thrive in suitable positions and grow together with the Company. HIWIN upholds principles of fairness and objectivity in all aspects of talent acquisition, employment, development, and retention. HIWIN offers equal opportunities and resources to all employees. Through retention policies such as competitive compensation and benefits, professional development programs, employee health management, effective communication, and family-oriented activities, HIWIN ensures that every employee can work with peace of mind, realize their potential, and experience continuous career growth.

In line with the PDCA management approach, the Human Resources Dept. sets annual goals at the beginning of the year, conducts quarterly reviews and adjustments during the year, and performs year-end evaluations and feedback to ensure a continuous cycle of improvement. To retain key talents, since 2023, department heads have been nominating key talents based on employee performance, education and experience, and future potential. An annual review of the key talent pool is conducted, including tracking job performance and conducting care interviews.

Through the use of scientific assessment tools, HIWIN evaluates employees' strengths and weaknesses in various competencies to provide targeted coaching, unlock potential, and identify cross-functional talents. This enables employees to embrace new challenges and explore growth opportunities across diverse domains. In 2024, the retention rate of key talent reached 96.5%, demonstrating the effectiveness of these initiatives.

Note:

1. Key talent refers to employees within job grades 5 to 9, with over 2 years of service, and a performance rating of B+ or above in the past year. Candidates are nominated by department-level managers based on multiple criteria such as job performance, educational background, and work experience.
2. Retention Rate = (Number of employees at the beginning of the year - Total number of departures) ÷ (Number of employees at the beginning of the year).

- **Organic personnel mobility**

When an employee applies to resign, their supervisor and the HR department will conduct separate exit interviews to understand the true reasons behind the departure, triggering a mechanism to reassign or retain the employee when possible. HIWIN also regularly analyzes reasons for resignation to develop response measures. The Human Resource Dept. continues to conduct employee care meetings and employee engagement surveys, integrating various measures to monitor employee trends, gain insight into their perspectives, and provide timely support when needed. In 2024, the turnover rate remained at 10%, consistent with the level in 2023. HIWIN firmly believes in maintaining a continuous influx of new talent and promoting organizational renewal. Therefore, we encourage appropriate personnel mobility to continually welcome like-minded partners. HIWIN strictly adheres to the regulations of the Labor Standards Act when handling cases involving employees deemed unfit for their roles, violations of Article 12 of the Labor Standards Act, or termination of employment contracts due to organizational operational changes.

2021-2024 Turnover rate statistics

Turnover Statistics and Distribution		2021	2022	2023	2024
1 Gender	Female	17%	15%	12%	13%
	Male	17%	14%	10%	9%
2 Age Group	29 ▼	28%	23%	18%	18%
	30-50	12%	11%	7%	7%
	51 ▲	8%	6%	2%	4%
3 Position	Senior Management	9%	0%	0%	0%
	Mid-level Management	7%	5%	5%	4%
	Junior Management	4%	5%	4%	3%
	Non-management	18%	16%	11%	11%
4 Nationality	Taiwan	16%	13%	9%	9%
	Philippines	18%	21%	15%	12%
	Vietnam	31%	23%	27%	26%
	Brazil	-	-	100%	100%
	Indonesia	0%	50%	25%	22%
	Malaysia	0%	17%	17%	18%
	India	0%	17%	0%	100%
	Italy	100%	0%	100%	-
5 Cause for Turnover	Voluntary Turnover	16%	13%	10%	10%
	Involuntary Turnover	1%	1%	0%	0%
6 Overall Turnover Rate		17%	14%	10%	10%

Note: 1. Excludes employees who left within three months of joining.
2. Turnover Rate = (Total Number of Departures) ÷ (Average Number of Employees at the Beginning and End of the Period).

6.3 Talent Capital Development

Talent Cultivation

To maintain a long-term competitive advantage and improve the capabilities of our employees, HIWIN has implemented a comprehensive education and training system, fostering an environment conducive to learning. This system encompasses various types of training, including orientation for new employees, core functional training, professional skill development, managerial skill enhancement, and external training opportunities. Our employees have access to a wide range of training options, such as classroom sessions, e-learning, on-the-job training, external courses, study groups, lectures, exhibition visits, academic pursuits, job rotations, and project assignments. The training content and delivery methods are rich and varied, offering employees ample opportunities for growth and development. In 2024, in-person training courses were continued and complemented with digital learning materials, attracting more employees to participate in training and ensuring that all employees had opportunities to receive training.

2021-2024 Average employee training hours (gender, age, employee type)

Unit: NT$

Year	Gender		Age			Employee Type	
	Male	Female	29 ▼	30-50	51 ▲	Direct Employees	Indirect Employees
2021	18.83	17.71	15.79	16.75	24.53	13.22	26.12
2022	16.89	18.98	21.43	15.62	16.70	10.68	30.92
2023	23.16	21.26	27.30	21.01	22.86	17.72	33.23
2024	19.18	20.68	23.90	17.50	19.04	14.26	29.62

Note: Training hours include classroom training and external training hours, but do not include others such as job coaching and job rotations.

2021-2024 Training expenses and hours

Year	Total Training Expenses (NT$ million)	Total Number of Trainees (ppl)	Total Training Hours (hrs)	Average Training Hours per Employee (hrs)
2021	10.4	16,237	81,356.5	16.79
2022	10.5	15,814	81,178.8	17.22
2023	13.3	21,889	103,971.6	22.37
2024	14.5	19,514	90,288.5	19.41

Note: 1. Training hours include classroom training and external training hours, but do not include others such as job coaching and job rotations.
2. Due to the COVID-19 pandemic in 2021, interactive and experiential in-person courses were temporarily suspended.
3. According to the definitions provided by the DJSI, activities are categorized as one-time investments or business-related activities, and all investments are converted into monetary values (in NT$) to calculate the ratio. As such, the outcomes are presented in terms of the total number of unique trainees, non-unique trainees, and training hours.

Annual Investment in Employee Education and Training

NT$ 10 million+

2024 Employee education and training

Average training expenses per employee

NT$ 3,000 +

Total training hours

90,000 hours

Total number of trainees

19,000 individuals

Average training hours per employee

19.41 hours

Participation rate

84.82%

Satisfaction score

4.52

Completion rate of key courses

85.45%

HIWIN is a learning-oriented organization that not only invests in the professional development of its employees but also promotes their overall well-being through a variety of activities. These activities include health seminars, volunteer training, service events, cultural enrichment, parenting workshops, legal seminars, and more. Our goal is to foster a culture of lifelong learning and ensure a balanced development of our employees' work capabilities.

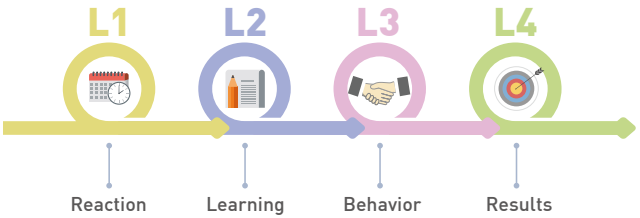
Growth Rate of New Generation Talent
37.2%

Subsidies to Outstanding Employees for Degree Programs or Continuing Education
NT$ 810 thousand for 30+ employees

2024 Incentives Awarded
NT$ 1.76 million

※ Starting from 2021, HIWIN has been providing learning incentives or project bonuses for application of training into their work to encourage employees who complete training and meet relevant criteria.

Training efficiency tracking



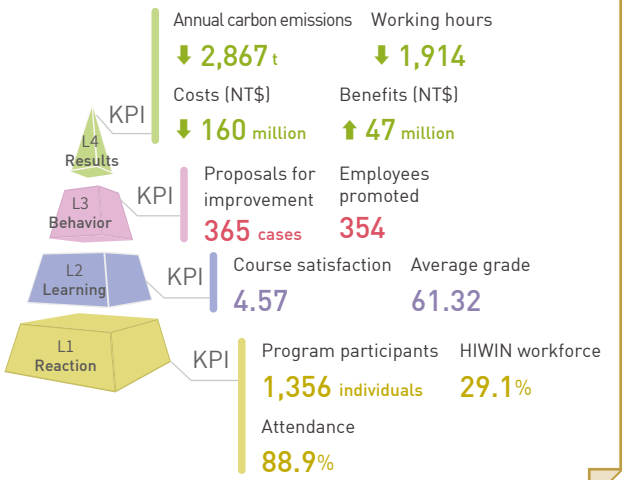
In 2024, we continue to plan our training initiatives with a focus on Smart Manufacturing, Quality Improvement, and Enhanced Management. To assess the effectiveness of our training programs, we utilize the Kirkpatrick Model's four-level training evaluation framework, which includes Reaction, Learning, Behavior, and Results. This approach allows us to validate the outcomes of our annual key training and development initiatives. In 2024, we produced a total of 317 post-training projects/work reports, resulting in a combined financial benefit of NT$214 million.

Smart manufacturing talent development program

Course focus

① The primary focus of the program is on mechanical structures, with secondary focuses on automation and AI courses. The program is designed to systematically enhance the knowledge of employees in the field of smart manufacturing by combining their practical experiences.
② Their outcomes in the program are reflected in their annual performance evaluations and promotion results.

Target audience: Production, Quality Assurance colleagues.

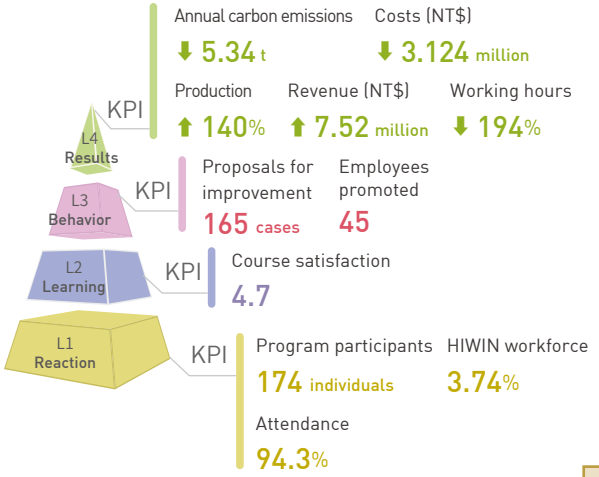


Quality control circle & 8D training program

Course focus

① Continuous improvement and quality control are at the core, enhancing production efficiency and quality through strengthened process management, integrated information, and transparency.
② Cultivating problem-solving skills to enhance team performance.
③ Applying a scientific approach for validation to enhance product performance and generate company revenue.

Target audience: Production, Quality Assurance, R&D, and Indirect dept. colleagues.



Return on investment in human capital

Item	Unit	2021	2022	2023	2024
a Total Revenue	NT$ thousand	23,005,899	22,314,862	17,657,613	18,236,021
b Total Operating Expenses		2,106,437	2,394,271	1,265,047	2,115,529
c Total Employee-Related Expenditures (incl. payroll and benefits)		4,951,831	4,956,282	3,835,221	4,141,537
HC Human Capital ROI (a - (b-c)) ÷c	%	5.22	5.02	5.27	4.89
Total Number of Employees	people	4,846	4,714	4,648	4,651

6.4 Workplace Safety and Health

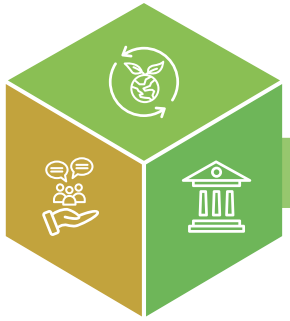
HIWIN is committed to ensuring the physical and mental well-being of both employees and contractors through comprehensive safety and health management. In addition to adhering to legal regulations, the Company also promotes safety awareness among employees and implements various healthcare measures. Its goal is to create a secure and healthy work environment, prevent occupational accidents and illnesses, and establish a comprehensive Safety and Health Mutual Protection Circle. In terms of comprehensive corporate sustainability performance, HIWIN has incorporated occupational safety topics into its goal-setting process. Short-, medium-, and long-term targets for occupational injury prevention have been established and integrated into the development objectives of the management manual.

Policy Aspect

Occupational safety and health policy declaration

Individual Aspect

Instilling a safety-conscious mindset in employees through education and training, employee engagement, safety awareness, and two-way communication to enhance individual awareness of safety culture.



Management Aspect

Establishing a corporate management framework through accountability, risk management control, certification qualifications and training, rewards and penalties, audits, corrective and preventive actions, and safety care.

Promotion of Safety Culture

In 2017, under the leadership of President Enid H.C. Tsai, HIWIN initiated a company-wide safety culture campaign, with department heads jointly endorsing the initiative. The campaign encouraged all employees to actively participate in hazard identification, incident reporting, and continuous improvement through innovative solutions. Furthermore, the Company implemented a rewards system to foster a safety and health mindset as an integral part of every employee's DNA. HIWIN's safety culture encompasses three key dimensions: policy, management, and individual aspects.

In 2024, every department conducted self-assessments and discovered a total of 549 hazards factors through independent inspections and regional activities, and 1,381 potential risks were discovered during regional joint prevention activities were identified and addressed. Beginning in 2022, a quarterly analysis of weaknesses in safety culture promotion across different processes has been implemented. This includes the planning of relevant educational training, which has effectively improved the effectiveness and results of safety culture promotion.

2022

- Conducted NG behavior drill activities.
- Identified a total of 585 hazard factors.
- Received 349 occupational safety and health proposals.
- Conducted 438 assessments for occupational hazards identification, risk, and opportunity.

2024

- Conducted 565 self-managed safety activities, with a total participation of 17,985 person-times.
- Identified 549 potential hazards through self-inspections and 1,381 potential hazards through joint regional defense activities.
- 620 safety operation standards were revised.
- Implemented 200 occupational safety and health improvement proposals..

Promoting Safety Culture

2021

- Analyzed the primary causes of workplace accidents throughout the entire factory area, integrated them into the theme of promoting a safety culture, and coordinated NG behavior drill activities.
- Facilitated the selection of outstanding safety and health personnel.

2023

- 523 hazards identified.
- 1,274 potential hazards uncovered through zone defense activities.
- 464 Safety Moment activities conducted, with a total participation of 14,563 persons.
- 334 safety operation standards were revised.

❶ 2024 Achievements in promoting safety culture

Safety Operating Standards

620 cases

Reviewed and revised safety operating standards through risk assessments, safety observations, and hazard factor discoveries.

Safety Moment

15,314 individuals

Through the sharing of occupational injury cases, workplace hazards were identified and improvements were implemented.

Unit and Regional Joint Prevention

1,381 cases

Improvement through engineering control and administrative management.

Contractor Management

22 cases

We have implemented effective contractor evaluation and autonomous management guidelines, which have encouraged our colleagues to collectively prioritize contractor safety and proactively identify areas for improvement.

Hazard Identification

549 cases

Self-identified potential hazards related to personnel, machinery, materials, methods, and the environment, and implemented improvements through engineering controls and administrative management.

Occupational Health and Safety Proposal

200 cases

Occupational Health and Safety proposal / Near miss incident reporting.

Risk Assessment

620 cases

Risk identification and assessment activities were conducted for operational sites, routine and non-routine operational activities, and the identification of hazards in subcontractor work environments.

Self-Management Activities

565 sessions **17,985** individuals

The production department was encouraged to implement safety and health-themed activities in order to comply with safety and health regulations and emergency response requirements. Colleagues were also encouraged to provide feedback on potential risks they may encounter during operations through these activities, resulting in preventive improvements.

❷ 2024 Occupational health and safety performance indicators

HIWIN employs a four-level indicator system (Safe, Caution, Careful, Dangerous) to assess Occupational Health and Safety performance. This system incorporates both proactive[Note1] and reactive[Note2] indicators within the framework of our safety culture. To create a safe and friendly working environment where employees can work with peace of mind, we focused on analyzing weaker departments with lower performance scores in 2024. Through targeted training and on-site audit guidance, we effectively reduced the proportion of departments falling under the "Dangerous" and "Careful" categories. These two categories accounted for only 4.8%.

Indicators	Performance Scores
Safe	≧ 91
Caution	≧ 86
Careful	≧ 81
Dangerous	< 81

Note: 1. Proactive Indicators: Encourage employees to actively participate in safety and health activities and offer suggestions to improve safety.
2. Reactive Indicators: Include the number of occupational injuries, incidents, and participation rates in environmental.

To enable employees to learn from the safety performance and practices of units with outstanding safety culture, HIWIN promoted safety culture activities in 2023 through the execution of four evaluation criteria:

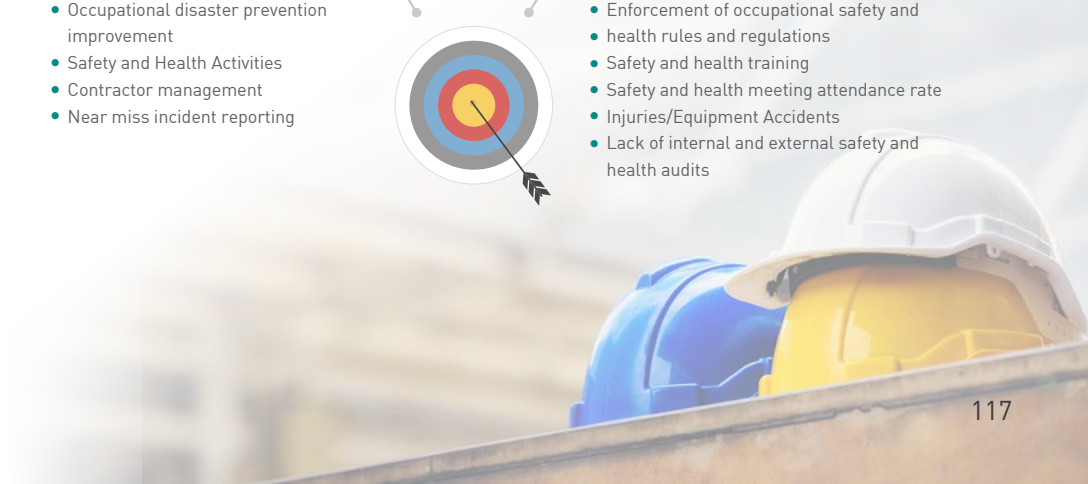
① Safety Moment Micro-Learning Activities: Sharing incidents to reverse-engineer improvement measures.
② Occupational Safety and Health Guidance: Providing guidance based on management goal achievement, recurrence rate of deficiencies, and management performance.
③ Development of a digital occupational injury map for hazard awareness training
④ Establishment of inspection topics to cross-audit, identify hazards, and conduct supervisor-level safety observation across factories.

Proactive Management Performance Indicators

- Occupational disaster prevention improvement
- Safety and Health Activities
- Contractor management
- Near miss incident reporting

Reactive Management Performance Indicators

- Enforcement of occupational safety and
- health rules and regulations
- Safety and health training
- Safety and health meeting attendance rate
- Injuries/Equipment Accidents
- Lack of internal and external safety and health audits



Occupational Health and Safety

HIWIN adheres to the ISO 45001:2018 Occupational Health and Safety Management System standards, which were issued in March 2018. By utilizing the PDCA framework, HIWIN has made modifications to the existing OHSAS 18001 regulations. These modifications include expanding the standard to involve support and participation from leadership levels, as well as the collection and planning of internal and external issues. Additionally, HIWIN addresses stakeholder needs and expectations, identifies and assesses risks, consults and communicates with non-management personnel, applies performance indicators, and evaluates the effectiveness of corrective and preventive measures. Safety concerns and improvement opportunities are identified through mechanisms such as management reviews, internal audits, automatic inspections, and safety and health inspections. This ensures that the principles of the system are effectively implemented at the management level.

Furthermore, HIWIN recognizes its employees as a crucial core competency and is dedicated to enhancing their knowledge, attitudes, and qualities regarding safety and health. In 2019, HIWIN became the first domestic precision machinery manufacturer to receive ISO 45001:2018 certification. HIWIN consistently maintains this certification on an annual basis, covering all employees and contractors. In 2024, HIWIN Headquarters, Jingke Factory, Factory 2, Yunlin Factory 1, Yunlin Factory 3, and Dapumei Factory 1 also obtained CNS 45001:2018 certification, earning the "Taiwan Occupational Safety and Health Management System" (TOSHMS) certificate.

Note:

1. ISO 45001:2018 certification has been successfully obtained for the Headquarters, Jingke Factory, Factory 2, Yunlin Factory 1, Yunlin Factory 2, Yunlin Factory 3, Dapumei Factory 1, Dapumei Factory 3.
2. In response to the scheduled launch of Factory 1 in 2025, HIWIN plans to undergo external ISO 45001 certification in 2026.

Occupational health and safety scope

❶ Workers covered by the Occupational Health and Safety Management System

As of the end of 2024, the workforce at HIWIN can be categorized as follows: employees (4,651 individuals, 82.3%), contractors (960 individuals, 16.9%), outsourced cleaning staff (34 individuals, 0.6%), outsourced security personnel (9 individuals, 0.2%).

❷ Efficacy & outcomes of internal audits

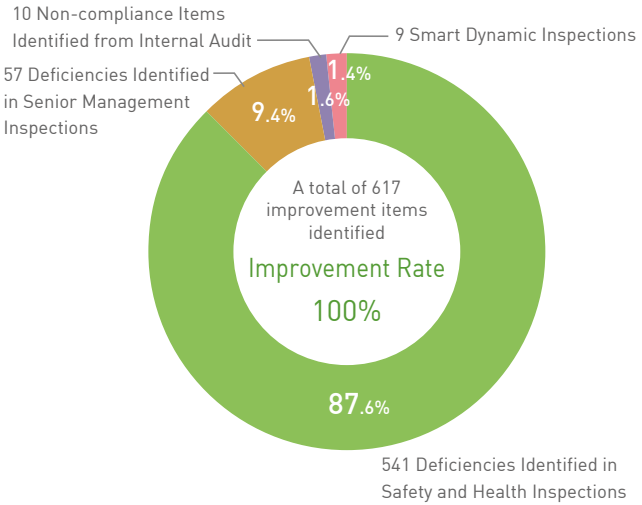
To ensure that all operational procedures are implemented in accordance with relevant regulations and aligned with the ISO 45001:2018 management system, HIWIN conducts more than two internal audits each year. In 2024, a total of 1,721 items were audited, including 1,654 compliant items, 10 non-conformities, and 57 system improvement suggestions. Upon further analysis, the non-compliance items and recommendations were primarily related to document management, chemical safety, and fire emergency management. In compliance with audit regulations, these issues were resolved within one month with a 100% improvement rate.

To maintain safety and health in operational sites, routine Safety and Health Inspections and Dynamic Inspections are consistently held across all HIWIN factories to identify unsafe behaviors, environments, and equipment; ensure ongoing safety and health improvements in each factory; prevent occupational accidents; and protect the safety and health of our workplaces and workers.

Additionally, all HIWIN factories are required to undergo quarterly Senior Management Inspections, where senior management from each site conduct safety and health inspections with personnel of all levels, demonstrating a commitment to safety culture and ensuring operational safety and health at all levels.

In 2024, a total of 541 deficiencies were identified through safety and health inspections and dynamic inspections. The top three categories of non-conformities were: operational management (28.3%), chemical management (22.9%), and electrical safety (13.3%). All factories are required to confirm and rectify any similar deficiencies uncovered in internal inspections and implement on-site management, personnel safety and health training, improvement suggestions, and safety culture activities to embed safety and health awareness across all organizational levels and thereby reduce the likelihood of recurring deficiencies. By the end of 2024, all 617 deficiencies identified in internal audits had been successfully resolved and tracked.

2024 Summary of internal audit results



❸ Participation, consultation, and communication on occupational health and safety issues

HIWIN has established Occupational Health and Safety Committees at each operational location to create a comfortable and safe environment and facilitate communication between labor and management. The committees consist of supervisors from various levels, safety personnel, and labor representatives, with a total of 300 members. Of these members, 114 are labor representatives, accounting for 38% of the total. Regular quarterly meetings are held to collectively provide input on the Company's safety and health policies, as well as to review, coordinate, and advise on safety and health-related matters. Simultaneously, quarterly meetings are held to make collective decisions on the planning and operation of the safety and health system. To further enhance communication, HIWIN has also set up a Safety and Health Consultation Mailbox and conducts occasional electronic surveys to collect employee feedback.

Factory	No. of Committee Members	Labor Representative	Rate
Head Office	45	18	40.0%
HIWIN HQ	55	20	36.4%
Jingke Factory	32	11	34.4%
Factory 2	20	7	35.0%
Factory 3	11	4	36.4%
Factory 7	6	2	33.3%
Yunlin Factory 1	38	14	36.8%
Yunlin Factory 2	12	4	33.3%
Yunlin Factory 3	42	17	40.5%
Yunlin Factory 4	8	3	37.5%
Yunlin Factory 5	9	5	55.6%
Dapumei Factory 1	17	6	35.3%
Dapumei Factory 3	5	3	60.0%
Total	300	114	38.0%

Hazard Identification, Risk Assessment, and Accident Investigation

HIWIN has implemented protocols for identifying hazards, assessing risks, and evaluating opportunities. A thorough hazard identification is conducted for both routine and non-routine activities, with regular reviews and revisions conducted annually. Prior to making any changes to processes, equipment, raw materials, or work environments, hazard identification is performed, taking into account chemical, physical, human factors engineering, biological, and other hazards. Personnel responsible for conducting hazard identification, risk assessment, and opportunity evaluation are required to undergo a minimum of two hours of training in risk assessment. Enhancing hazard identification capabilities to reduce operational risks.

All HIWIN units classify operational activities, environmental equipment, or manufacturing processes and conduct job and task audits based on potential hazards. In alignment with each unit's operational procedures, every

Hazard identification and risk & opportunity assessment process

operational step is documented in the Hazard Identification, Risk Assessment, and Opportunity Evaluation Form. Hazards are then ranked according to severity and likelihood, with risk levels determined using the Safety Risk Assessment Matrix. Targeted improvement plans are implemented for high-risk hazards identified in the year as a way to continually reduce operational risks, ensure a safe working environment for workers, and minimize the likelihood of occupational disasters.

In 2024, each factory has completed various operational risk and opportunity assessments. The 20 operations with moderate risks listed as "unacceptable risks," and risk control measures have been implemented. 20 of them have also been listed in the 2025 target management plan. For the highest proportion of "human hazards" operational risks, the main improvement measures are to replace improper actions and force with labor-saving tools and changes in related mechanisms.

The Safety and Health Work Guidelines, as well as the Contractor Safety and Health Management Manual, clearly state that "Employees (contractors) who encounter an immediate danger have the right to retreat. They may stop work and retreat to a safe place without endangering the safety of other workers. They must promptly report to their immediate supervisor (or the supervising unit) and are not subject to dismissal, reassignment, withholding of wages during the stoppage period, or any other disadvantageous actions." to protect the rights and interests of workers.

- **Hazardous chemical management and operation environment monitoring**

Hazardous chemicals used in various stages of each plant's processes are stored in designated areas and managed accordingly. The storage locations and containers are labeled in accordance with the Hazardous Chemical Labeling and Communication Rules and the GHS (Globally Harmonized System of Classification and Labelling of Chemicals) Regulations. Safety Data Sheets (SDS) are also placed in visible areas for easy access by operating personnel, enabling them to review them at any time and implement relevant emergency response measures. We also developed Hazard Identification Cards (H-Cards) for chemicals used throughout factories to help identify the storage locations of chemicals, providing crucial information during disaster response and preventing further risks as emergency procedures are activated. HIWIN also adheres to the Implementation Measures for Occupational Work Environment Monitoring and contracts qualified agencies to conduct regular operational environment monitoring every six months. In 2024, the monitoring covered 65 items, including noise, CO_2, dust, comprehensive temperature heat index, oil mist, xylene, and ethanol. A total of 1,970 monitoring points were inspected (covering both areas and personnel). Of these, 14 noise points, and 9 comprehensive temperature heat index points exceeded permissible standards, and improvements were made through engineering adjustments, administrative management, or the use of protective equipment.

Newly hired personnel (handling hazardous chemicals)

- Upon joining HIWIN - receive general education and training on the hazardous chemicals.

Current employees

- Every three years - undergo on-the-job education and training to ensure their awareness and understanding of chemicals.

Employees performing tasks with specific health hazards

- Accordance with the Regulations on Labor Health Protection - specialized physical examinations and health assessments are conducted.
- If a health abnormality is identified - an immediate assessment of job suitability will be conducted. If necessary, the worker's exposure time may be reduced or they may be reassigned to another position to prevent further adverse effects on their health.

Contractor Occupational Health and Safety

HIWIN holds an annual meeting for contractor coordination meetings to promote, consult, and communicate occupational health and safety regulations. In 2024, a total of 195 contractors participated. Before contractors enter HIWIN factories, they undergo contractor safety training and testing. In addition to occupational safety and health personnel auditing the safety of contractor operations, HIWIN has implemented measures to enhance safety management, encouraging all employees to actively participate in safety oversight and immediately uncover and eliminate any safety risks. Employees that identify a safety hazard in contractor operations can report it to the Occupational Safety and Health Department and the contractor management unit. In 2024, audits of contractor operational safety identified 37 potential hazards, which were mainly in the categories of Operational Management (54%) and Working at height (22%). Contractors were required to address and correct these hazards within a specified timeframe.

To enhance the effectiveness of contractor occupational safety and health (OSH) management, HIWIN implemented several optimization initiatives in 2024. These efforts focused on strengthening each stage of contractor site access management and communication quality through the development of digital systems, reinforcement of training resources, and integration of information. Key measures include:

2024 HIWIN's Initiatives

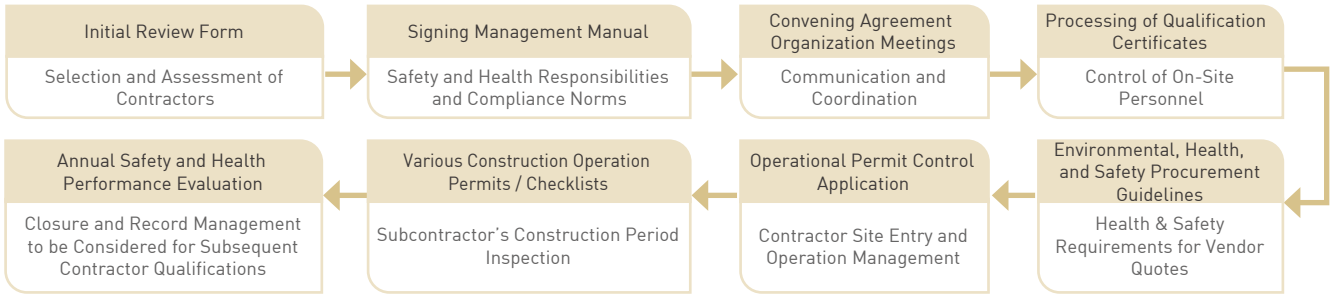
① Launched a dedicated contractor section on the HIWIN official website: A digital platform was developed to provide a centralized location for contractor safety and health information in both Chinese and English, including the Contractor OSH Manual and frequently asked questions. This initiative facilitates access to qualification certification information and enhances communication with contractors.

② Developed a contractor EHS and energy guidebook: The guidebook was designed and published in a visually engaging, easy-to-understand format to strengthen contractors' comprehension of safety, health, and environmental standards, and to promote alignment in safety awareness.

③ Compiled and published a Q&A section based on recurring contractor inquiries: Frequently asked questions regarding HIWIN's contractor management system over recent years were compiled and made available online to improve the accessibility and efficiency of information retrieval.

④ Planned and initiated the implementation of a contractor access control system: The access control system has been fully planned and is currently under construction. Once completed, it will enhance both the safety and efficiency of contractor entry and exit management processes.

Contractor management process



Occupational Accident Improvement

To effectively eliminate workplace accidents, in addition to promoting a strong safety culture, HIWIN developed 41 safety objective management plans in 2024 and continued to advance safety-related projects to enhance operational safety. A structured training roadmap for occupational safety and health courses was also implemented to cultivate safety leadership among newly promoted supervisors.

In terms of accident improvement and prevention, HIWIN introduced the "Safety Moment" initiative to share insights and preventive strategies related to occupational safety and health, often inspired by industry trends or news events. These sessions aim to encourage self-reflection among employees and foster peer-to-peer advocacy, thereby deepening safety and health awareness across the organization.

In 2024, HIWIN's facilities rolled out micro-learning modules under the "Safety Moment" initiative. Each session, lasting 3-5 minutes, focused on key aspects such as on-site hazard control, prevention of various hazard types, case studies of incidents, and comparisons between safe and unsafe operational practices. These concise sessions helped employees better understand root causes of hazards and contributed to minimizing occupational incident rates.

2024 Safety Moment	2024 Total Participants
444 sessions	15,314 individuals

In the event of an occupational accident, it will be evaluated using the PDCA (Plan-Do-Check-Act) management system approach. Source control measures will be implemented, and immediate actions for improvement will be taken to prevent similar issues from recurring. No significant penalties related to occupational safety were incurred in 2024.

To ensure the safety and health of workers, HIWIN conducts safety audits on all procurement items before raw materials are stocked. In accordance with relevant occupational safety and health regulations and risk assessment methods, HIWIN has established 116,552 procurement material codes, categorized into five major groups: engineering, general goods, production machinery, non-production machinery, and others. Additionally, HIWIN has formulated the Environmental, Safety, Health, and Energy Equipment Procurement Specification, which is incorporated into procurement contract reviews as an acceptance standard. This specification is regularly reviewed and updated based on occupational accident case studies in order to strengthen the prevention of occupational risks and ensure the safety and health of workers.

Safety Moment in Action

2024 Program results

① Establishment of High-Risk Operation Map

- Clearly defined risk zones: Based on historical occupational accidents and incident data, 109 high-risk areas were identified to enhance risk awareness among management and employees, facilitating quick identification and response.
- Hazard identification and target management: Reassessed 249 risk factors across departments, achieving 100% completion of improvements.
- Chemical management: Conducted a comprehensive inspection of 130 chemical storage areas, ensuring hazardous substance control remained below one-time threshold per building, and guided remediation of 31 abnormal storage locations.

② Promotion of Safety Knowledge and Skill Development

Delivered three core training programs: "Hazard Identification and Risk & Opportunity Assessment," "Occupational Accident Analysis and Practical Discussion," and "Chemical Management Practices," including hands-on exercises and certification. A total of 429 participants were trained.

The training enhanced participants' capabilities in hazard identification, accident analysis, and chemical management, resulting in a 59.8% increase in subjective safety and health awareness pre- and post-training, a 57.7% increase in risk assessment revisions during the same period, and an 87.8% reduction in chemical inspection deficiencies.

③ Mechanical Equipment Hazard Risk Control

Occupational safety personnel collaborated with manufacturing units to identify 323 hazard factors, leading to the establishment of a safety acceptance system and revisions to operating procedures and risk assessments to improve operational safety.

The top three hazard factors included pinch points, entanglement, and falling objects, with cuts, lacerations, and abrasions also noted. All three major risk categories achieved 100% improvement completion.

④ Autonomous and Cross-Verification of Key Regulations

Conducted 56 audits across 14 factories covering 27 amended regulations and 85 specific audit items. Through autonomous regulatory audits and cross-checks, compliance was effectively ensured, with no penalties recorded from 2023 through 2024.

Procedure for incident investigation and handling

1 Occurrence of Occupational Accident

Occupational safety personnel, together with the manufacturing unit supervisor and employee representative, jointly investigate the causes of the accident.

2 Review of Hazard Identification and Risk and Opportunity Assessment

1. Review hazard identification scenarios and confirm risk levels.
2. Discuss the feasibility and appropriateness of improvement measures.
3. Assess the impact of improvement measures on operational risks and opportunities.

3 Providing Feedback and Correcting the Management System

In line with our approach to modifying the management system through improvement measures, we will make adjustments to the improvement measures and practices.

4 Parallel Improvement Implementation

Share the same process for parallel improvement implementation.

In 2024, a total of 31 occupational accidents occurred (excluding commuting traffic accidents). Statistical analysis showed that the most frequent types of incidents involved punctures, cuts, abrasions, falling objects, and being caught or entangled. Through the continued promotion of safety culture, on-site hazard mitigation, dynamic (CCTV) inspections, customized safety operation standards, and occupational safety and health performance enhancement projects within the manufacturing departments, the Disabling Injury Frequency Rate (F.R.) in 2024 decreased by 52% compared to 2023. As part of the Company's comprehensive injury prevention efforts, we continued to promote a safety awareness and strengthen proactive safety protection measures to achieve the goal of reducing occupational incidents year by year.

Regarding contractor operations, due to the ongoing implementation of strict construction safety controls and supervision systems, there were no cases of minor or disabling injuries reported in 2024.

Occupational Injury Statistics – Employee and Contractor

Year	Type	Total Work Hours	Minor Injuries (cases)	Incapacities (cases)	Deaths (cases)	F.R.	S.R.	Rate per Thousand (‰)	Major Injury Rate	Recordable Injury Rate	Fatality Rate of Occupational Accidents
2021	Employee	9,432,304	34	9	1	1.06	685	1.9	0	4.6	0.1
	Contractor	413,898	0	0	0	0	0	0	0	0	0
2022	Employee	9,448,624	35	6	0	0.63	17	1.3	0	4.3	0
	Contractor	195,175	0	0	0	0	0	0	0	0	0
2023	Employee	9,233,752	26	2	0	0.21	4	0.4	0	3.0	0
	Contractor	198,869	0	0	0	0	0	0	0	0	0
2024	Employee	9,313,184	30	1	0	0.10	11	0.2	0	3.3	0
	Contractor	72,830	0	0	0	0	0	0	0	0	0

Note:

1. As of 2024, there have been no reported cases of occupational disease, occupational accidents, or fatalities among HIWIN's contractors. Additionally, no cases of occupational disease were reported among employees.
2. Number of Disabling Injuries: Refers to incidents where the injured individual is unable to continue normal work duties and must leave the workplace, with lost work time exceeding one day, including weekends, holidays, or plant shutdowns. These are temporary work incapacity cases.
3. Disabling Injury Frequency Rate (F.R.) =Number of Disabling Injuries × 1,000,000 ÷ Total Hours Worked (This is equivalent to the Lost Time Injury Frequency Rate, LTIFR.)
4. Disabling Injury Severity Rate (S.R.) =Total Lost Workdays due to Disabling Injuries × 1,000,000 ÷ Total Hours Worked.
5. Total Recordable Incident Rate (T.R.I.R.) = (Number of Recordable Injuries ÷ Total Hours Worked) × 200,000. For 2024, HIWIN's T.R.I.R.: 0.02 for employees, 0 for contractors.
6. Rate of Serious Occupational Injuries =Number of Serious Occupational Injuries (excluding fatalities) ÷ Total Hours Worked × 1,000,000.
7. Rate of Recordable Occupational Injuries =Number of Recordable Occupational Injuries ÷ Total Hours Worked × 1,000,000.
8. Occupational Fatality Rate =Number of Occupational Fatalities ÷ Total Hours Worked × 1,000,000.

In order to consistently improve employee operational safety, HIWIN has been collecting historical data on occupational hazards. As a result, we are developing initiatives to enhance workplace safety, which include:

① Reducing disabling injury frequency rate (F.R.) and disabling injury severity rate (S.R.): Implement safety culture projects, conduct safety knowledge and skills certification programs, and compile a risk map to reduce risks of relevant occupational disasters.
② Supporting underperforming units through cross and dynamic inspections, providing guidance on addressing deficiencies, and offering quarterly educational training.
③ Conducting internal and cross-audits spotlighting key regulations, increasing the completion rate and depth of regulation identification, reducing the risk of violations, and improving regulatory compliance.

❶ Voluntary reporting of near miss incidents

HIWIN has implemented a standard operating procedure to address near miss incidents. This procedure allows all employees to proactively report such incidents and provide specific improvement suggestions through an online system. When a near miss occurs, the responsible units are promptly notified to confirm and conduct an investigation. Immediate measures are taken to prevent the incident from escalating. We continuously strive to enhance workplace safety through initiatives such as environmental optimization, safety promotion, and regular inspection of protective equipment. Near miss incidents are considered as indicators of our occupational health and safety performance and are integrated into our assessment and rewards mechanism. In 2024, a total of 7 near miss incidents were reported, resulting in a near miss incident rate of 0.01[Note].

Note: Near miss incident rate = (Number of near miss incidents × 200,000) ÷ Total work hours.

The primary types of near miss incidents were collapses/falls and cut/laceration/abrasion hazards, each accounting for 29% of the total. To mitigate the risks associated with collapses and falls, reinforcement and securing of structures were prioritized. As for cut, laceration, and abrasion-related near misses, isolating points of contact with hazardous components was implemented to prevent potential occupational injuries.

❷ Safety and health education and training

Each year, HIWIN develops a safety and health education and training plan to enhance employees' knowledge and skills in these areas.

To ensure that contractors are well-versed in occupational safety and health before entering factories and that related workers' health and safety are protected, HIWIN has strengthened hazard notification training for contractors since 2021. HIWIN has developed training materials and provided access to the Ministry of Labor's Online Occupational Safety and Health Digital Learning Platform,

empowering contractors to conduct internal training. After completing the course and passing the contractor's exam, participants receive an entry certification. By the end of Dec. 2024, a total of 960 individuals had completed this training.

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2024 Internal Training	2024 External Training – Certification Programs
Courses	Courses
15 categories	17 categories
201 sessions	81 sessions
participants	participants
8,356 individuals	434 individuals
Satisfaction score	Total training hours
> 4.5/ 5	1,575 hours

2024 Emergency Response Training	
Courses	participants
43 sessions	1,701 people

❸ Emergency response drills

In addition to regular safety and health education training, HIWIN conducts annual emergency response drills. These drills are based on current events, occupational hazard scenarios, and the results of hazard identification, risk assessment, and opportunities evaluation for issues categorized as moderate risk and above. The purpose of these drills is to educate personnel on activating emergency response mechanisms, reporting to relevant individuals, evacuating to safe zones in potentially harmful or hazardous situations, and reviewing process details and protocols with colleagues after the drill. Contractors are also invited to participate in these drills and are provided with information about potential hazards upon entry. If there is an immediate danger, contractors are allowed to cease their operations and move to a safe location without endangering other workers.


Oil Tank Leak Emergency Drill


Fire Emergency Response Drill


Chemical Spill Response Drill

Health-Friendly Workplace

HIWIN prioritizes the overall growth of its employees, focusing on their physical and mental well-being. To accomplish this, HIWIN follows a thorough five-step health management approach. This approach encourages employees to adopt proactive health habits, improves their performance at work, and collaborates with them to create a workplace environment that promotes good health.

❶ Workplace health management

HIWIN employs a comprehensive management approach to employee care, focusing from three key perspectives:

"Occupational Injury and Illness Prevention, Healthcare, and Health Promotion." and five major steps: "Diagnosis, Plan, Implementation, Evaluation," systematically manage employees of all categories and protect employee health.

Five-step health management model

Three key perspectives protect employee health

❷ Occupational injury and illness prevention

To prevent occupational injuries and diseases, HIWIN is targeting five hazards, related actions are as follows in 2024:

Physical Aspect

To improve employee comfort and operational safety, HIWIN implemented enhancements to personal protective equipment (PPE) in 2024:

① Additional head protection was introduced for employees working in confined spaces, effectively reducing the risk of minor head injuries by providing protection against low-impact collisions.

② Anti-vibration gloves were provided to landscaping personnel operating circular saws, following risk assessments that identified vibration hazards. This initiative aims to prevent long-term health issues such as impaired blood circulation caused by continuous exposure.

③ Hearing protection education was conducted for work environments exceeding 80 decibels, surpassing regulatory requirements. These sessions covered the

potential impact of noise on hearing and reinforced the proper use and inspection of hearing protection gear. In 2024, a total of 82 sessions were held, with 3,221 participants engaged in the hearing conservation program.

✨ Highlighted Cases
A small kit, big protection – HIWIN's heat stress emergency kit

In the scorching summer months, heat poses a serious threat to frontline factory employees. Heat-related illnesses can strike swiftly, leading to dizziness, nausea, or even unconsciousness.

Recognizing this risk, HIWIN launched the "Heat Stress Emergency Kit," which includes cooling supplies and a first-aid instruction card. This kit serves as the first line of defense for employees working in high-temperature environments.

2024 Performance

Heat Stress Prevention Training
154 employees

Heat Stress Emergency Drill
12 sessions


Heat Stress Emergency Drill


Heat stress emergency kits: deployed at 18 locations

With immediate access to the kit, employees can perform self-rescue or assist others, reducing body temperature quickly and minimizing the risk of heat-related incidents. This initiative not only enhances employee safety but also demonstrates the company's commitment to employee well-being.

In combination with education and training, the kit helps employees identify early symptoms of heat stress and apply the correct response measures, reinforcing the company's strong safety culture. Though small in size, the emergency kit plays a vital role in protecting employee health, family well-being, and the company's long-term sustainability.

Chemical Aspect

To enhance employees' preparedness for chemical-related emergencies, HIWIN regularly inspects the suitability of gas masks and respirators. Specific actions include conducting chemical spill and splash response drills for high-risk units and providing guidance on the correct use of protective gear, such as Resiguard (diethylcarbamazine), to strengthen emergency response capabilities.


Resiguard (diethylcarbamazine) use training

① Training employees on the selection and proper use of Personal Protective Equipment (PPE).

② Assessing employees' physical conditions to ensure appropriate use of cup-shaped masks and gas masks.

③ Conducting fit tests to verify respirator suitability.


Respiratory protective equipment fit testing

2024 Highlights

PPE Management
2,573 individuals

Respiratory Protective Equipment (RPE) Evaluation
568 people

Chemical Spill / Splash Emergency Response Drills
3 sessions **128** people

Human Factors Aspect

A three-layer mechanism to assist employees mitigate occupational injuries:

① Employees who report a score of 3 or higher on the MNQ (Musculoskeletal Questionnaire) for work-related musculoskeletal discomfort will undergo an evaluation of their work hours, workstation, work processes, and posture. After identifying individuals at moderate to high risk, unit management implements administrative measures (such as adjusting work hours, workstations, or workflows) or engineering improvements (such as adding fixtures or adjusting workstation components).

② Teaching simple stretching exercises to alleviate muscle fatigue and providing protective aids like wrist supports, back belts, and knee pads.

③ Assist employees with competency evaluation and offer advice on job redesign or adjustments for any hazards that they may potentially face and are required to evaluate.

2024 Highlights

Musculoskeletal Disorder Prevention Program
223 people

Ergonomic Engineering Improvements
72 cases

Administrative Control Measures
96 individuals

The employee had to step onto a ladder and manually lift and pour wastewater into a collection barrel. This task posed ergonomic hazards, including musculoskeletal strain, risk of chemical splashing, and fall hazards due to unstable footing. The risk was assessed using the KIM ergonomic hazard assessment form.

An automated pump system was installed on the mold cleaning machine to eliminate the need for manual lifting. A follow-up assessment using the KIM form confirmed a significant reduction in ergonomic risk.

Biological Aspect

HIWIN provides education and health guidance related to infectious diseases. In 2024, comprehensive monitoring and control measures were implemented targeting infectious diseases such as tuberculosis and intestinal parasites, ensuring the protection of employee health.

2024 Highlights

Emerging Infectious Disease Prevention Management

41 individuals

Social/Psychological Aspect

HIWIN shows care for employees with specific physical conditions by providing health education and support to maintain a safe and healthy lifestyle:

① One-on-one health education and consultation are provided for pregnant and postpartum employees, including guidance on breastfeeding and nutritional health.

② Employees presenting with metabolic syndrome risk factors-such as abdominal obesity, elevated blood pressure, fasting blood glucose, triglycerides, or low HDL cholesterol-are managed when meeting three or more of these criteria.

③ Management controls are also applied for employees with hypertension, diabetes, and overwork conditions.

2024 Highlights

Maternal health protection
36 people

Breastfeeding room usage
338 individuals

Metabolic syndrome health management
231 people

Employees improved
100 people

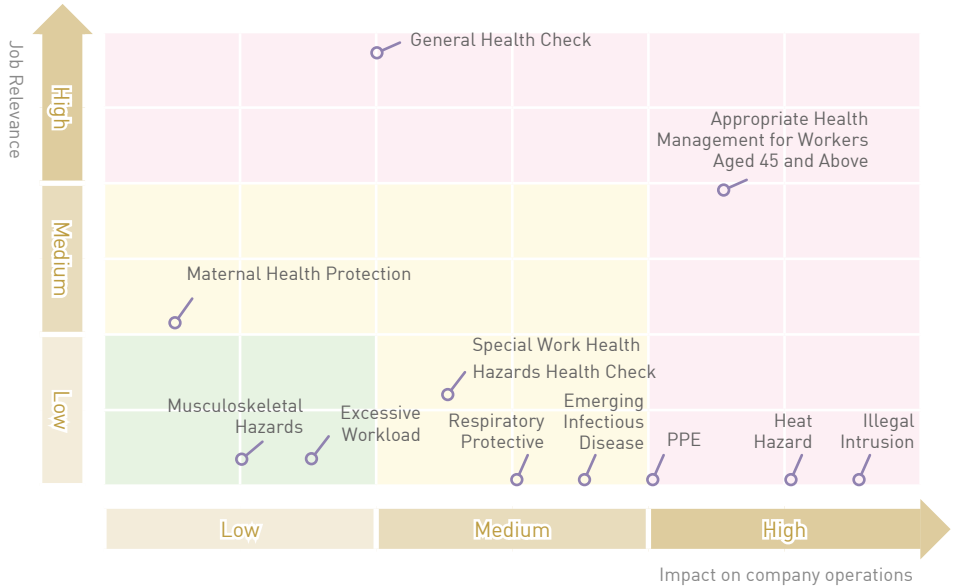
Improvement rate
43.3 %

Cardiovascular disease prevention management
633 individuals

③ Health risk assessment map

To effectively implement workplace health management, we prioritize specific groups. We accomplish this through the use of questionnaires or assessment analyses, considering the relevance to job responsibilities and the impact on company operations. Health Risk Assessment Map is as follows.

Employee health risk map analysis



Note: Work-Relatedness (%) = (Abnormal Cases ÷ Total Cases) × 100%; Impact on Company Operations (Severity) (%) = (Total Cases ÷ Number of Employees) × 100%

According to the 2024 Health Risk Map, work-related health risks are primarily concentrated in general health examinations, particularly among employees aged 45 and above. Health management challenges in this demographic are moderately associated with job functions and pose a relatively significant impact on business operations.

Comprehensive analysis indicates that most employees work on a rotating shift basis and have dietary habits leaning toward eating out. As a result, chronic diseases are often detected during routine health checkups. With advancing age, the physiological functions of workers over 45 years old gradually decline. If chronic diseases are also present, their work performance may be affected, further elevating operational risks for the company.

✨ Highlighted Cases-Health management

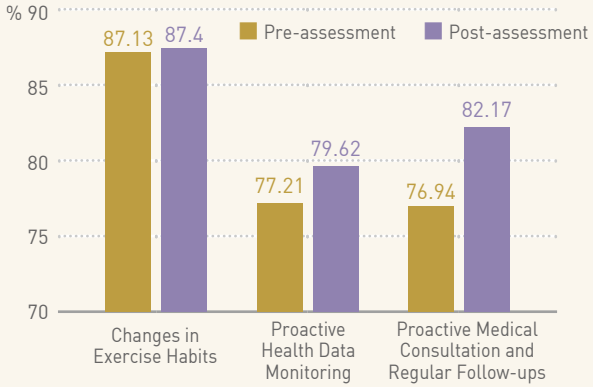
Employees aged 45 and above are a critical pillar of the Company's core workforce. With their rich experience and professional skills, they serve as key contributors to knowledge transfer and team stability. As the population continues to age, ensuring the health of this group of senior employees has become a crucial aspect of the Company's sustainable operations. Recognizing that employee health is fundamental to its competitiveness, the Company actively promotes health management programs targeting employees aged 45 and above to ensure they can perform at their best in a safe and healthy working environment.

In 2024, a total of 448 employees identified with health risks underwent comprehensive health assessments, covering medical history, cardiovascular conditions, ocular issues, and musculoskeletal disorders. Individual improvement plans were developed and followed up with appropriate medical interventions. The workplace was also optimized in terms of lighting, protective equipment, and shift schedules to reduce risks and alleviate work-related stress.

Additionally, health awareness was promoted through health seminars, occupational medicine consultations, and psychological support services. Employees were regularly engaged in emergency response training to enhance their self-protection capabilities.

Achievement ▸ Health management was 100% completed, with all at-risk employees receiving assessments and subsequent improvement measures. Cardiovascular risk indicators were reduced by 15%, eye-related symptoms improved by 20%, and musculoskeletal discomfort decreased by 30%. Among 746 employees aged 45 and above, over 80% proactively improved their dietary and exercise habits, demonstrating a significant increase in health awareness.

Health management questionnaire for employees aged 45 and above



❹ Healthcare

HIWIN implements a variety of health examination programs, including regular employee health checks and specialized assessments for tasks involving specific hazards, on an annual basis. In compliance with regulations, HIWIN organizes occupational health consultations and offers health education guidance through occupational health physicians and nurses.

① Conducting employee health checkups based on age and years of service, going beyond legally required frequency. Completion rate: 100%
② Special health examinations are conducted for employees working in environments with health hazard factors (e.g., dust, specific chemical substances) Completion rate: 100%
③ To facilitate employees' understanding of their health status, optional self-paid cancer marker tests (e.g., CA-153, CA-125, CA-199, CEA) are offered for blood screening based on individual needs.
④ Offering monthly consultations for employees on illnesses, return-to-work assessments, and health check results.
⑤ Medical information services are made available to assist employees in resolving health-related concerns.
⑥ Recovery status of occupational injury cases is regularly followed up. Psychological and physical impact assessments are conducted, and Employee Assistance Program (EAP) support is arranged if necessary.
⑦ Basic medical services such as simple wound care and vital sign monitoring are offered to support employees' immediate health needs.

2024 Health promotion achievements

General health examination	Special health examination for specific operations	Cancer marker blood testing	Occupational Physician Consultation
1,692 people	3,758 individuals	293 people	1,464 individuals
Nurse Consultation & Follow-up	**Occupational injury follow-up and care**	**On-site medical services**	
1,289 individuals	23 individuals	2,011 individuals	


2024 Health check


Occupational physician consultation


Nurse consultation & follow-up

5 Health promotion

2024 Health promotion achievements

Health Passport Points-Based Activity 2,314 people

Health courses and activity implementation

CPR+AED Training
219 people

Hiking activities
10 sessions 154 individuals

Taipei 101 Run Up
19 people

Metabolic syndrome prevention
680 individuals

Blood Donation Campaign
785 individuals 1,203 bags

Volunteer services – Community children's health education campaigns

Session 1
Stay Away from Viruses, Hand in Health
35 people

Session 2
I Want Eye Health
25 people

AED devices have been installed in all factory sites and employee dormitories. From 2023 to 2024, a total of 3,443 participants completed CPR+AED training, and 32 certified AED administrators were trained to strengthen emergency response and equipment management capabilities on site. As of the end of 2024, all factory sites have been certified as "Safe Places."

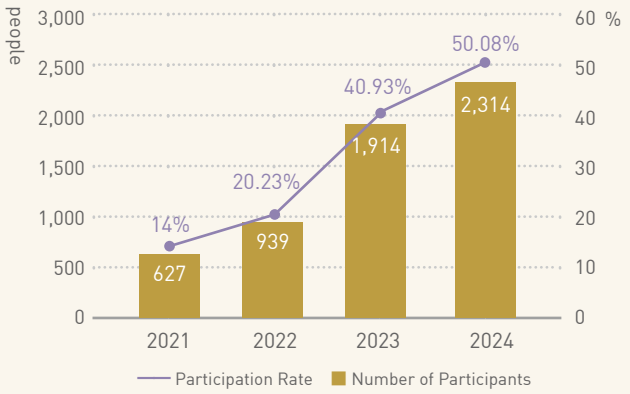
✨ Highlighted Cases-Health Passport Points-Based Activity

Since 2021, HIWIN has actively promoted the "Health Passport Points Collection Activity" to encourage employees to engage in self-directed exercise and participate in various health-related activities. In 2022, online health learning courses were introduced, the points reward mechanism was enhanced, and sports clubs were established to further increase employee participation.

In 2023, HIWIN collaborated with Wakabayashi Creative - Walkii APP, offering diverse exercise options, allowing employees to conveniently share verification photos and upload data via wearable devices. Through gamified individual challenges and team competitions, the initiative promotes regular exercise and fosters a healthier workplace environment.

In 2024, to attract more employee involvement, a two-month APP group exercise challenge was launched, with the first three teams to achieve their goals receiving certified points rewards. Additionally, to promote holistic employee health, dietary certification was introduced, encouraging employees and their families to participate together in healthy eating and exercise, extending the culture of health into families and communities.

2021–2024 Employee Participation



Blood donation campaign

Successfully climbed the Hehuan north peak

Taipei 101 Run Up

Successfully climbed the Yushan main peak

Children's health campaign

CPR+AED training

07

An Achiever of Common Good in Society

HIWIN integrates its core competencies with social welfare to embody the principle of social engagement.

7.1 Social Impacts

Since its inception, HIWIN has made corporate social responsibility one of the cornerstones of its business operations. We actively engage with the communities surrounding our factories, fostering a sense of mutual goodwill and extending our care and support to the wider world. Our efforts are focused on five key areas: talent development, industry-academia cooperation, community care, industry advancement, and creative partnerships with the community and relevant stakeholders. Through these initiatives, we aim to drive behavioral and knowledge changes, as well as enhance skill efficiency.

As the saying goes, "It takes ten years to nurture a tree, but a hundred years to cultivate a man." Education is a long-term commitment, and the establishment of the HIWIN Education Foundation plays a crucial role in cultivating precision mechanical talents and injecting fresh impetus into industry development. Our dedicated HIWIN Volunteer Group takes proactive steps to support the underprivileged, ensuring they receive the appropriate assistance and resources they need. Through creative collaborations, we foster a dialogue between technology and art, igniting sparks of creativity and promoting cultural and creative industries.

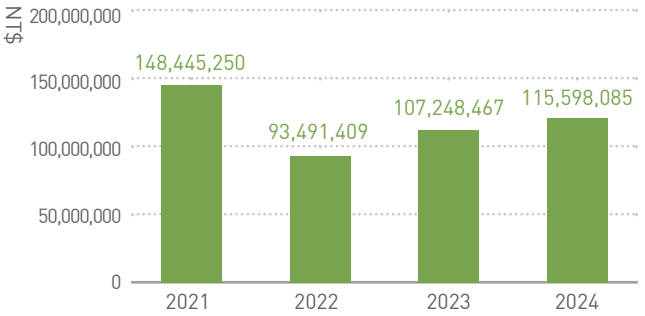
Aspect	Vision	SDGs	Driving Force	Target	Social Impact
Talent Development	Long-term development of talent in the precision machinery industry.	4 QUALITY EDUCATION	Engages in various educational programs and sponsorship activities aimed at enhancing the quality of precision machinery talents and fostering international talents.	Elementary school, junior high school, high school, university, and graduate students; doctoral candidates	Attract talents to invest in the field of precision machinery.
Industry-academia Cooperation	Fostering key competitiveness for sustainable business.	8 DECENT WORK AND ECONOMIC GROWTH	Engages in industry-academia cooperation projects and partners with universities on scientific and technological initiatives. This collaboration allows for the exchange of resources and expertise between academia and the enterprise, fostering R&D.	Schools, college students, professors	Industry and academia work closely together to shorten the last mile of employment.
Community Care	Creating a better society through caring volunteer services.	15 LIFE ON LAND	HIWIN extends its efforts beyond the Company's operational locations to the surrounding communities. We invest corporate resources and dedicate volunteer efforts to support community development and assist vulnerable groups.	Charity organizations, community organizations	Invest in love and care to create a better society.
Promotion of Industry Development	Integrating resources to drive industrial transformation and upgrading.	17 PARTNERSHIPS FOR THE GOALS	HIWIN is actively involved in public association operations, with a focus on resource integration and enhancing overall effectiveness. Through strategic partnerships with like-minded organizations, HIWIN aims to foster a robust industrial ecosystem.	33 public associations	Promote industrial transformation and upgrading, and enhance overall competitiveness.
Creative Collaboration	Fostering technological innovation and encouraging the cultural and creative industries.	17 PARTNERSHIPS FOR THE GOALS	HIWIN's ongoing participation in innovative and inspiring cross-sector collaborations fuels Taiwan's soft power and fosters the development of cultural and creative industries.	Artists, arts and cultural organizations, schools, museums	Encourage the cultural and creative industries.

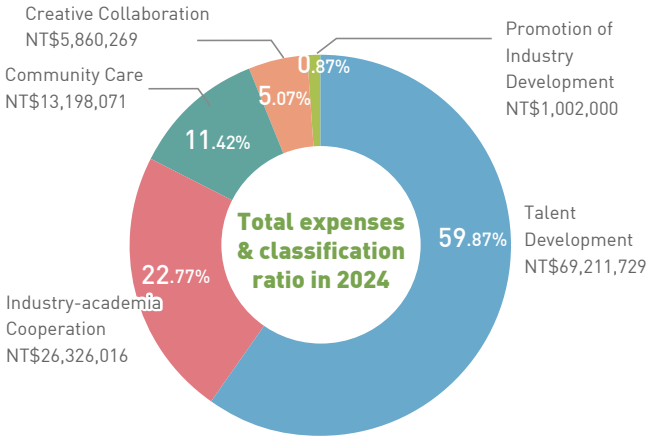
Amount of investment
NT$115.59 million
Approx. 6.2% of surplus
Performance in 2024
349,805 people
No. of beneficiaries

Amount of investment
Withdrawal of more than
2% of surplus
Goal of 2025
55,000+ people
No. of beneficiaries

Note: The increase in beneficiaries in 2024 is attributed to sponsorship of the National Day fireworks event, which boosted participation numbers.

2021-2024 Total expenses





7.2 Talent Development

In addition to developing the brand and advancing core technologies, HIWIN has increased its involvement in talent development initiatives within the precision machinery industry as operating profits have grown. Through recognizing mechanical pioneers, identifying industrial talents, and nurturing international talents, we strive to achieve a synergistic effect that drives innovation, integrates resources, and enhances our capabilities, thereby contributing to the creation of a society focused on learning and growth. In various public welfare projects, we employ multiple investment methods, including leading participation, project-based participation, and resource sponsorship, to enhance the quality of education.

Engage way	No.	Projects	Sustained Benefits
Lead and Participate	1	Elementary school libraries, children's books	Cultivate good reading habits in children from an early age.
	2	Elementary School English Course	Develop confidence in speaking English.
	3	STEAM Education Demonstration	Fostering problem-solving skills through hands-on activities from childhood.
	4	HIWIN Robotics Competition	Utilize robots to enable young students to unleash their potential and creativity to embrace a smart future.
	5	HIWIN Thesis Award	Inject endless research and development energy into Taiwan's industry.
	6	HIWIN Doctoral Dissertation Award	Elevate the global standing of Chinese professionals in the mechanical industry.
Project Participation	1	Promote Automation Engineer and Robotics Engineer license exams	Reduce the gap between education and practical skills, and establish a clear standard for talent evaluation.
	2	Promotion of Robotics Education	Supported the Taiwan Robotics Industry-Academia Alliance by providing sponsorship and resources.
			Provided support for the "Industrial Robots Technology" category in the Ministry of Education's Technical Competition.
	3	Mechanical Camp for High School Students	Encourage high school students to study precision machinery.
	4	HIWIN Scholarship	Encourage college students with solid professional foundations and innovative spirits.
	5	Taiwan Science Train	Guided elementary school children in learning scientific concepts through hands-on experiments.
Resource Sponsorship	1	Junyi School of Innovation	Connecting the local advantages of Taitung, "Art and Humanities" and "Natural Ecology," as the main axes of learning, shaping a multicultural and globally-minded learning campus.
	2	Taichung Huei-Ming School for Blind Children	Help children with visual impairments and multiple visual disabilities from all over the country by providing them with a suitable environment for education and living.
	3	Tsing Hua University's Rising Sun Program	Assists outstanding students with relatively disadvantaged socio-economic backgrounds and limited resources, providing them with the opportunity to receive education at NTHU.

Cultivate Future Talents, Starting from Young Age

Global Chairman Eric Y.T. Chuo (Ph.D.), the founder of HIWIN, firmly believes that those who are less fortunate have limited resources, but knowledge is a valuable asset. As a result, HIWIN is dedicated to multiple facets of talent development, including community outreach and support for grassroots education. This is a significant and enduring social responsibility that is worth our investment.

❶ Elementary school libraries, children's books

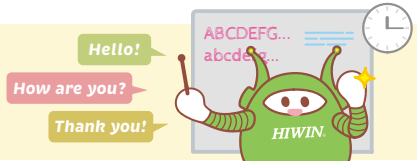
HIWIN, situated in various counties and towns across Taiwan, conducts visits to local school libraries, where they assess the facilities, book collections, and reading environments. The Company aids the schools in developing improvement plans and offers financial assistance to upgrade both hardware and software. Furthermore, HIWIN consistently donates books to enhance the libraries. In 2024, HIWIN sponsored Liu-Jia Elementary School in Hsinchu, Cih-Tong Elementary School in Yunlin, and Sun-Hope Elementary School in Chiayi, fostering good reading habits and critical thinking skills among children from an early age.

2024 Sponsorship NT$3.717 million | No. of Books 964 books | Beneficiary students 2,283 people

❷ Elementary school English course

Recognizing the importance of language as a vital tool for active engagement on the global stage, HIWIN endeavors to establish a strong English foundation for children, nurturing their speaking skills and bolstering their confidence. Since September 2010, we have provided sponsorship for the implementation of the "English Curriculum" program and related activities in Liu-Jia Elementary School in Hsinchu. Starting from January 2014, HIWIN has expanded its sponsorship to include Cih-Tong Elementary School in Yunlin.

2024 Sponsorship NT$6.551 million | Beneficiary students 1,502 people



❸ STEAM education demonstration

In response to the implementation of the 2019 Curriculum Guidelines, Liu-Jia Elementary School aimed to promote STEAM education. With strong support from the HIWIN Education Foundation, the STEAM Education Demonstration was launched in 2019. A STEAM classroom was set up in the Chuo Yung-Tung Memorial Library at Liu-Jia Elementary School in Hsinchu. A professional organization was also commissioned to assist the school in conducting STEAM teacher training courses. These initiatives were carried out in phases, allowing students to experience and unleash their imagination and creativity in STEAM, integrating and applying their knowledge of mathematics and science to solve real-life problems. In 2020, Political Deputy Minister of Education Mon Chi Liu led a delegation to visit the Liu-Jia Elementary School for on-site inspections. The foundation's implementation team also presented the project's highlights to Minister of Education Wen Chung Pan, receiving high recognition from the Ministry of Education. Starting in 2022, STEAM education was extended to Cih-Tong Elementary School in Yunlin.

2024 Sponsorship NT$395 thousand | Beneficiary students 1,998 persons

Liu-Jia Elementary School has achieved impressive results in various STEAM-related competitions. The school excelled in the 2024 National Elementary School Mathematics Literacy Learning Achievement Exhibition—Fermat's Classroom competition, securing first, second, and third place. It was also recognized as a model school for curriculum leadership and teaching innovation in the 2023 academic year.

Commending Mechanical Pioneers, Driving Innovation

HIWIN aims to leverage the synergy between academia and industry to foster a culture of continuous self-improvement among young students. By nurturing their capabilities and integrating theoretical knowledge with practical skills, HIWIN strives to drive research and development innovations in the engineering sector. This collaborative approach ultimately enhances the industry's core competitiveness.

❶ HIWIN Robotics Competition

Robots play a crucial role in smart manufacturing, making them an essential capability. In order to advance the technology and value of Taiwan's Robot industry, as well as to identify talented individuals for related fields, HIWIN established the "HIWIN Robotics Competition" in 2008.By 2024, a total of 16 competitions have been held, with 793 participating teams, 229 award-winning teams, and 1,421 award-winning teachers and students. The total investment for the 16th HIWIN Robotics Competition was NT$2,162,054. A total of 104 teams from 41 schools participated, with 12 awarded teams (65 individuals) in the "Application and Billiards Group" and 17 awarded teams (89 individuals) in the Technical and Vocational Group. The intense competition drew a large audience and generated significant attention and response.

Items	Units	2021	2022	2023	2024
No. of Participating Teams	Team	Event canceled due to pandemic	157	152	104
No. of Participants	Person		796	762	495
No. of Winning Awards	Individual		139	62	154

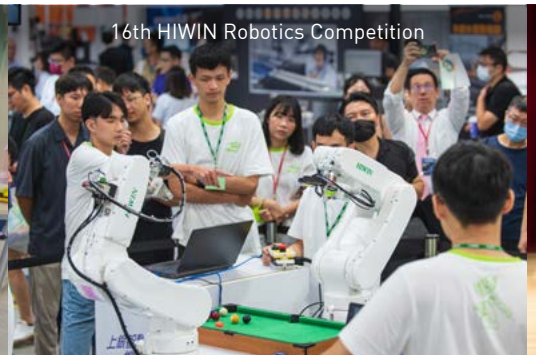
❷ HIWIN Thesis Award

In line with our commitment to cultivating exceptional mechanical engineering talent for the industry, HIWIN introduced the HIWIN Thesis Award in 2004. The objective is to leverage the collective expertise of industry and academia to advance research and development, enhance product value, and bolster the industry's core competitiveness. In 2024, HIWIN organized JIMTOF study trips. These trips offered the winning teachers and students the opportunity to explore these exhibitions, tour world-class industrial companies, experience local culture, and engage in exchanges that sparked innovative ideas. It was a chance for them to broaden their horizons and gain valuable insights. The HIWIN Thesis Award has served as a catalyst for the establishment and organization of similar accolades by other companies. It has garnered significant acclaim and admiration from both the domestic mechanical industry and academic community, earning the distinction of being hailed as the Nobel Prize of the mechanical industry.

Cumulative Total (2008–2024)
Received submissions 2,018 papers | Awarded Papers 314 papers | Awarded Advisors & Students 668 entries

Items	Units	2021	2022	2023	2024
No. of Submissions	Paper	86	96	90	91
No. of Winning Entries	Paper	13	16	13	14
No. of Awarded Advisors & Students	Individual	28	34	26	32


STEAM education demonstration


16th HIWIN Robotics Competition

20th HIWIN Thesis Award

JIMTOF study trips

❸ HIWIN Doctoral Dissertation Award

Since 2011, HIWIN has allocated an annual budget of approximately NT$20 million for the HIWIN Doctoral Dissertation Award, which is organized by the Chinese Mechanical Engineering Society (CMES) in Beijing. HIWIN encourages young scholars from both sides of the Taiwan Strait and around the world to participate in research and innovative applications in the field of mechanical engineering and automation. Our objective is to cultivate talented individuals in mechanical engineering who possess core competencies, foster collaboration between the business and academic sectors, promote technological advancement and innovation, and elevate the global standing of the Chinese mechanical industry.

Cumulative Total (1st–14th)

Received submissions	Awarded Papers	Awarded Advisors & Students
1,847 papers	349 papers	791 individuals

Items	Units	2021	2022	2023	2024
No. of Submissions	Paper	134	152	152	208
No. of Winning Entries	Paper	24	25	26	25
No. of Awarded Advisors & Students	Individual	59	61	67	54

Hand in Hand, Developing Smart Manufacturing Talent

If you want to go fast, go alone. If you want to go far, go together. HIWIN collaborates with schools and businesses from different regions through alliances, working together to integrate resources and cultivate talents for smart manufacturing. This initiative establishes a strong foundation for interdisciplinary talents in the mechanical field and enhances the industry's competitiveness.

❶ Leading the development and promotion of certification exams for Automation Engineers & Robotics Engineers

HIWIN makes significant efforts to align learning with industry demands and ensure that talent is recognized based on their capabilities. We invest both funds and human resources to integrate the strengths of academia and industry, collaborating with the Taiwan Automation Intelligence and Robotics Association (TAIROA) to organize the Automation Engineer certification exam. This initiative involves the participation of approximately 500 faculty members from mechanical-related universities and top colleges nationwide, who contribute to question setting and review. Since the preparation period in 2006, HIWIN has been actively involved in building the question bank, and from 2009 onwards, our Planning Section has provided ongoing support for campus promotion and the production of promotional materials. This effort continues to this day. As of 2024, we have successfully conducted 30 sessions of the Automation Engineer certification exam and 16 sessions of the Robotics Engineer certification exam (2016 to present). A total of 40,242 individuals have registered for these exams, resulting in the awarding of 11,308 certificates.

Year	Unit	2021	2022	2023	2024
No. of Registrants	Person	1,151	1,195	1,163	998
No. of Registrations	Individual	2,095	2,182	2,207	1,837
Campus tours	Session	40	45	33	34
No. of Certified Individuals	Person	682	519	463	431

❷ Full support for the Taiwan Robotics Industry-Academia Alliance

In August 2020, HIWIN took the initiative to support the establishment of the Taiwan Robotics Industry-Academia Alliance by TAIROA, with the aim of promoting the development of Taiwan's robotics industry.

By the end of 2024 members of the alliance

124 units

Certified venues for certification tests and training bases

11 locations Added WFU in 2024

Sponsored industrial robotics

103 units Value ≈ NT$41 million

Note: Starting from 2024, the donated units are counted based on cumulative shipments.

❸ Provided support for the "Industrial Robots Technology" category in the Ministry of Education's Technical Competition

HIWIN, in collaboration with TAIROA, successfully helped establish the "Industrial Robots Technology" category in the national skills competition for high school students in the industrial sector, which was officially added in May 2023. The inaugural "Industrial Robots Technology" competition was held in November 2023.

In 2024, HIWIN continued its support for the competition's second year by providing 13 articulated robots and 20 electric grippers for use in both the competition and training sessions. In addition to offering free training courses for participants, HIWIN also offered prizes for the top teams. The top three schools received an articulated robot, and the fourth-place team received an electric gripper.

In 2024, the "Industrial Robots Technology" category featured 35 school teams and 70 participants. The competition was highly competitive, with participants using industrial robots from four different brands: FANUC and YASKAWA from Japan, and HIWIN and TM (Techman) from Taiwan. This year, Chia-Yi Industrial Vocational High School selected HIWIN's industrial robot and won the first-place Gold Award, demonstrating that Taiwan's self-developed industrial robots are capable of achieving top honors.

4 High school mechanical camps

HIWIN sponsored mechanical camps organized by National Taiwan University, National Chung Hsing University, and National Formosa University in 2024 to promote high school students' participation in the precision machinery field and enhance their understanding of mechanical engineering.

These camp activities provide students with knowledge of mechanical-related subjects and foster a sense of teamwork. Additionally, students gain valuable insights into the wide-ranging practical applications of mechanical engineering in everyday life, as well as its integration with emerging trends in artificial intelligence. Through these camps, HIWIN aims to ignite the interest of young students in the machinery field.

2024 Sponsorship	Beneficiary universities	Beneficiary high school students
NT$450 thousand	3 institutions	415 persons

5 HIWIN scholarships

Since 2012, HIWIN has implemented the HIWIN Scholarship program at Dalian University of Technology, granting selected students a scholarship of RMB$6,000 each. The primary objective is to incentivize students who possess a strong professional foundation and demonstrate innovative thinking. In 2014, the HIWIN Elite Student Scholarship was introduced to recognize exceptionally outstanding students. Recipients of this scholarship are awarded a bonus of RMB$10,000 and RMB$30,000 for training expenses related to international exchange visits. Starting from 2017, the scholarship program was also extended to Xi'an Jiaotong University. In 2024, a total of 60 students were awarded the HIWIN Scholarship, bringing the cumulative number of awardees to 600. Additionally, 20 students received the HIWIN Elite Student Scholarship in 2024, making the total number of awardees to 190.

6 NSTC Taiwan Science Train

In 2024, HIWIN participated for the first time in the Taiwan Science Train event organized by the National Science and Technology Council, (NSTC). A cross-departmental team was formed to provide two science experiments "Rolling Balls!" and "Treasure Grab." in Car No. 8. This involved producing and packaging material kits and decorating the train car, investing 170 hours of labor and NT$135 thousand. Students and teachers from Taipei Municipal Zhongshan Girls High School, The Affiliated Senior High School of National Taiwan Normal University, and National Experimental High School at Central Taiwan Science Park were invited to participate in pre-event training sessions and visit HIWIN headquarters for product introductions.

The first experiment, "Rolling Balls!," uses a spiral slide to guide students to explore the relationship between inclined planes, speed, and distance. The second experiment, "Treasure Grab," introduces the concept of robotic grippers, encouraging students to think about gripper design, gripping force, and the center of gravity of objects being grasped. On the event day, elementary school children attentively listened as the high school "big brothers and sisters" taught them onboard the train. The children's curiosity, amazement, and joy reflected the value of the NSTC's Taiwan Science Train initiative, enabling every child to go home enriched with scientific knowledge and hands-on experience.

Nurtured schools	Benefited students	Participating high school teachers & students
16 institutions	359 persons	41 persons

2024 National High School Skills Competition Ceremony

High school mechanical camps

HIWIN Scholarships Ceremony

Taiwan Science Train

Contributing to Building a Learning Society

HIWIN is actively involved in supporting underprivileged and rural education through the initiation of innovative educational programs and sponsorship of activities that promote a positive learning environment. The Company is dedicated to contributing to the development of a society that prioritizes education.

❶ Junyi School of Innovation

HIWIN provides an annual sponsorship of NT$2 million to support Chairman Stanley C.S. Yen in leading The Alliance Cultural Foundation and the Junyi School of Innovation. The main mission is to create a platform for resource integration, making Junyi the first bilingual school in Hualien and Taitung to adopt an inquiry-based teaching approach. Over six years, through middle and high school, Junyi School of Innovation focuses on enhancing students' English proficiency, concentration, teamwork, and ability to explore their talents and strengths. The aim is to prepare students to face the world and to spread the school's educational philosophy across Taiwan, setting a new standard and value for Taiwanese education.

❷ Long-term sponsorship of Taichung Huei-Ming School for Blind Children

HIWIN provides an annual sponsorship of NT$1 million to support the educational assistance program at the Taichung Huei-Ming School for Blind Children. This sponsorship enables the school to implement a balanced and adaptive learning development for students, while also promoting the concept of safe and barrier-free campus, professional growth for teachers, and inclusive community-school integration.

❸ Tsing Hua University's Rising Sun Program

Since 2013, Tsing Hua University has implemented the Rising Sun Program, which aims to support students from socially and economically disadvantaged backgrounds who have limited access to educational resources but demonstrate potential and a commitment to excellence. The program seeks to offer these exceptional students the opportunity to pursue a university education. From 2015 to 2018, HIWIN sponsored the program with an annual donation of NT$1 million. However, due to the impact of the COVID-19 pandemic in 2021, scholarship contributions was affected. In response, HIWIN has reinstated the sponsorship program in 2022, and provided NT$1 million in 2024 to assist financially challenged and exceptional students in pursuing higher education without financial concerns.

7.3 Industry-academia Cooperation

Since 2011, HIWIN has been actively involved in several industry-academia cooperation programs initiated by the government. Our objective is to nurture and educate students, promoting the seamless integration of theoretical knowledge and practical application. This approach enables us to develop skilled individuals with professional expertise and a strong theoretical foundation, who will serve as the next generation of leaders.

Target	Projects	Sustained Benefits	2024 Performance Highlights
Exploring Smart Manufacturing, Envisioning the Future	Visiting HIWIN	• Allows visitors to explore HIWIN's research, innovative applications, and gain insights into future industry trends.	No. of Visitors **1,122** visitors
Creating Interdisciplinary Learning Environment	Lecture	• Enriches students' knowledge of mechanical subjects and inspires their exploration of career development opportunities.	Students Trained **939** participants
Supporting the Adaptive Development of Industry-academia Students	Industry-academia Student Development	• Provides a platform for industry-academia students to develop their potential and find their self-worth in life.	Industry-academia Trained Students **688** individuals
Developing Professional Talent	Asia University Accounting Elite Cultivation Program	• Enhances students' accounting proficiency, improves their employability, and significantly boosts their motivation to obtain professional certifications.	Students Trained **774** participants
	Tamkang University Professional Certification Guidance Program	• Commit to training digital professionals or interdisciplinary talents to enhance their employability and cultivate a culture of self-disciplined learning among students.	Students Trained **467** participants

Visiting event – Creative engineering workshop

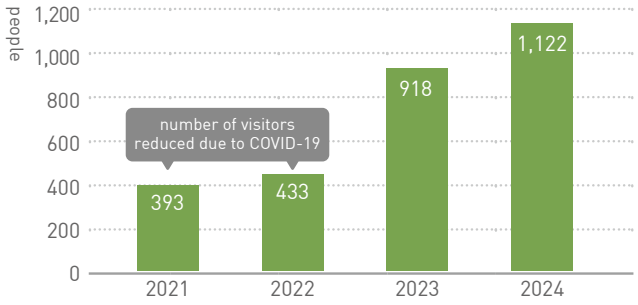
Visiting event – Group art creation

Exploring Smart Manufacturing, Envisioning the Future

Embark on a journey to explore the sustainable future of smart manufacturing with a visit to HIWIN! Since its establishment, HIWIN has been globally marketing its products under its brand, consistently innovating with an ESG (Environmental, Social, and Governance) mindset, and developing components, systems, and providing total solution and services.

Customized product tours and interactive activities annually inspire students and industry groups to visit the factory. These visits not only showcase HIWIN's research capabilities and innovative applications but also challenge preconceived notions of the mechanical industry, enabling visitors to anticipate future advancements in the field.

2021-2024 Number of visitors



Creating Interdisciplinary Learning Environment

❶ Guiding students in exploring industrial knowledge

HIWIN prioritizes knowledge sharing and is committed to guiding students in understanding the smart mechanical industry. We provide customized curriculum materials and classroom activities that cater to various educational levels, including high school, vocational school, and university. Our research and development executives and engineers visit campuses to share product knowledge and industry trends, enriching students with mechanical-related knowledge and inspiring their career development exploration.

☑ Total lecture sessions: 10 sessions, with 513 participants

❷ Pre-employment training seminar for tailored programs

Before students begin their internships during the third year of high school, we offer simple and easy-to-understand courses to help them realize that the key components, which may seem unfamiliar, are actually applied in various aspects of daily life, including food, clothing, housing, transportation, education, and entertainment. Through group activities, students build team cohesion, learn workplace communication skills, and cultivate a spirit of mutual support and cooperation, which also aids in their transition to internships in the future.

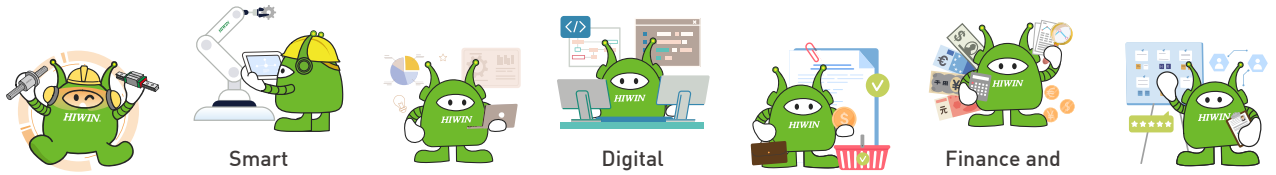
☑ Total lecture hours: 18 hours, with 84 participants
☑ 14 students are currently interning at HIWIN

❸ Engineering leadership in education

HIWIN is dedicated to nurturing talent in the engineering field, with teachers playing a crucial role as mentors in students' career exploration. By sharing industry trends and product knowledge, high school and college educators can break through traditional perceptions of precision machinery, expanding their understanding and inspiring new ways of thinking about industry development. This, in turn, empowers educators to encourage students to engage in cross-disciplinary learning and broaden their horizons. Through diverse educational approaches, teachers can guide students in exploring future career paths, attracting more students to the field of precision machinery.

☑ Total lecture sessions: 7 sessions, with 342 participants

HIWIN provides a wide range of internship opportunities that enable students from different fields to apply their theoretical knowledge in practical settings. These internships allow students to gain valuable insights into the professional world and establish connections with the industry.



Supporting the Adaptive Development of Industry-academia Students

HIWIN has actively promoted industry-academia cooperation for over a decade. Each year, we prioritize selecting underprivileged students for educational opportunities through these collaborative programs. For these students, this becomes a pivotal moment as they acquire academic qualifications and gain access to career prospects. Whether they are enrolled as students or interns, they receive the same salary and benefits as regular employees, which not only improves their family's economic situation but also provides stability for their loved ones.

President Enid H.C. Tsai congratulated the graduating industry-academia students and offered her blessings

Throughout their time as industry-academia students, they are guided by supervisors, mentors, and HR professionals. They receive support in developing job-specific skills, personal growth, and overall well-being. HIWIN's industry-academia students are not restricted by age or qualifications; instead, their advancement opportunities are based on their abilities, performance, and efforts. Over the years, these students have grown from small saplings to become the backbone of our Company, assuming key positions in various departments. Within five years after graduation, they have achieved significant success, establishing their families and finding fulfillment in life. They stand alongside us, dedicating themselves to nurturing the next generation of students, passing on their knowledge and commitment.

- ☑ Cultivated 688 talented students in 2024
- ☑ 67 university graduates have continued their postgraduate studies

Eddie Chuo, Chairman & CEO, shared experiences and provided encouragement with retained industry-academia students

Supervisors mentored the industry-academia students, guiding their growth at HIWIN and empowering them to excel in their careers

Developing Professional Talents

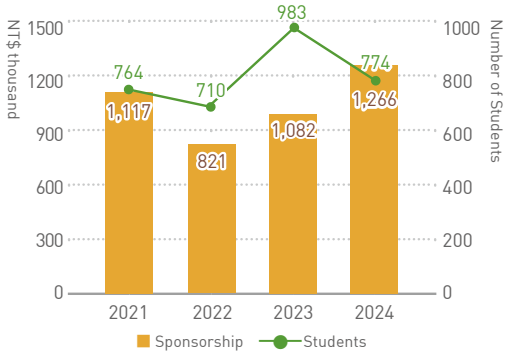
HIWIN is a global enterprise that has positioned Taiwan's intelligent machinery industry at the forefront of the international stage. By implementing a range of innovative educational programs and sponsoring activities, the Company cultivates a favorable learning environment for students, while also enhancing their professional skills and practical abilities.

❶ Accounting elite cultivation program (Asia University)

Since 2013, HIWIN has sponsored the Accounting Elite Tutoring Program offered by the Department of Accounting and Information Systems at Asia University. The program aims to enhance students' accounting expertise and improve their employability. It emphasizes developing students' communication, analytical, and expressive abilities, as well as broadening their international perspectives. The program assists top-performing students in becoming accounting elites. Since the inception of this program, 5,263 students have participated in the program, significantly increasing their desire to obtain professional certifications and fostering a culture of continuous learning. Evening tutoring sessions have become highly popular among students. Moreover, the majority of students are aware of the importance of early careers planning, indicating that the program has achieved its intended results.

- ☑ In 2024, 774 students participated in the program, with sponsorships totaling NT$1,265,900
- ☑ Select 2 outstanding students to participate in HIWIN internship

2021-2024
Accounting elite cultivation program

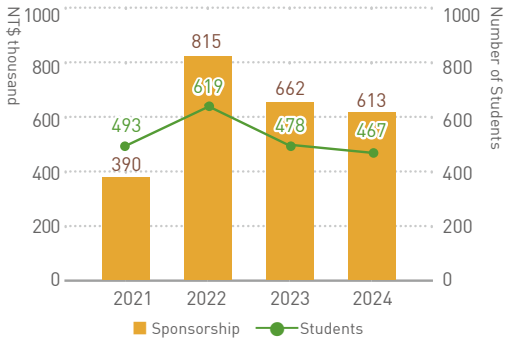


❷ Professional certification guidance program (Tamkang University)

Since 2011, HIWIN has sponsored the Department of Accounting at Tamkang University to establish a strong foundation in professional subjects and offer training for digital professionals and interdisciplinary talents. The Company actively encourages students to obtain accounting and computer auditing certifications, which assists them to be prepared for the digital transformation trends in the accounting profession driven by technological advancements and to enhance their employability in the job market. To date, a total of 5,939 students have participated in this program. Students have developed a self-disciplined learning approach that distinguishes them from other departments, earning commendation from the university.

- ☑ In 2024, 467 students participated in the program, with sponsorships totaling NT$613,164

2021-2024
Professional certification guidance program



7.4 Community Care

HIWIN actively participates in community care initiatives in the areas where the Company operates. By leveraging corporate resources and the dedication of HIWIN volunteers, we strive to make meaningful contributions to society.

Category		Program	Sustained Benefits	2024 Performance Highlights
HIWIN Volunteer Team	1	Long-term Stationed Volunteer Service	Provides continuous support to service organizations in various tasks.	Organized **11** events; Participated volunteers **89** people **267** hrs; Beneficiary units: Taichung and Yunlin-Chiayi areas
	2	Educational Volunteer Service	Offers comprehensive education activities for children from underprivileged families, experiences the joy and sense of achievement.	Organized **10** events; No. of beneficiaries **282** people; Participated volunteers **87** people **261** hrs
	3	Social Inclusion	Supports and provides employment and vocational training opportunities for underprivileged groups.	Mooncakes **443** boxes; Beneficiary social welfare **3** organizations
	4	Charitable Donations, Charity Sales, and Material Fundraising	Allows love to circulate and delivers kindness to those in need, promotes environmental reuse, and extends the life of items.	Organized **16** events; Raised in donations NT$**930** thousand; Collected charity **1,542** receipts; Collected charity **4,682** supplies
International Care	1	International Medical Charity	Joining hands to enhance the quality of human life.	Donation amount NT$ **1** million
	2	HIWIN Korea	Engaged local community care and education activities in Korea.	Awarded "Family-Friendly Workplace Certificate" from the Ministry of Gender Equality and Family in December.
	3	HIWIN GmbH (Germany)	Engaged local community care and education activities in Germany.	Visiting students **38** people

HIWIN Volunteer Team Services

The HIWIN Education Foundation established the HIWIN Volunteer Team in June 2012, with a primary focus on education and community services. The objective is to provide internal care and support services to Company employees, while also engaging in external educational and social public services. This aligns with the Company's vision of enhancing human welfare and addressing the United Nations' Sustainable Development Goals, thereby making a positive contribution to society.

❶ Long-term stationed volunteer service

The HIWIN volunteer team offers ongoing assistance by being stationed at the institution for extended periods of time. They provide support in various tasks and interact with the children. The primary services they provide include organizing invoices, accompanying the children, sorting and shelving second-hand goods, and maintaining cleanliness in the environment.

Chuo Yong-Tong Memorial Library

Hong-En Social Welfare Foundation

Daniel A. Poling Memorial Babies' Home

❷ Educational volunteer service

Since 2016, the HIWIN volunteer team has been engaged in educational volunteer activities, providing assistance to children from social welfare organizations in close proximity to the HIWIN Factories. The team aims to empower children from underprivileged backgrounds within the local community, as well as those from disadvantaged families, by offering them opportunities to broaden their horizons and foster boundless imagination for the future through enjoyable experiences and hands-on accomplishments.

Baking activities

Handicraft workshop

Farming education

Environmental education

- Baking activities

The baking activities are designed to engage children from underprivileged backgrounds or families. Volunteers assist the children in baking cookies or cakes, providing them with a hands-on experience of the joy of baking through group activities. Additionally, the children have the opportunity to share the cookies and cakes with their families or friends. By participating in these activities, underprivileged families come together and interact, fostering stronger parent-child relationships.

- Handicraft workshop

Children bring their vivid imaginations to life through engaging in handicraft activities. This process of exploration, problem-solving, and self-directed learning cultivates a consistent attitude towards learning and a strong sense of responsibility. In addition to creating handcrafted art pieces, children also experience a profound sense of achievement.

- Farming education

The HIWIN volunteer team accompanies children on nature excursions, where they visit organic farms and participate in hands-on activities to learn about the planting, growing, and harvesting of crops. These experiences help them appreciate the effort required to produce food and encourage them to value and avoid wasting it. Additionally, they develop an understanding of food safety and foster stronger parent-child relationships through their involvement.

- Environmental education

Children gain awareness and appreciation of pertinent issues through environmental education. Additionally, education enables children to engage with their surroundings and cultivate proper values, as well as acquire the ethics, knowledge, and attitudes essential for safeguarding and enhancing the environment. Moreover, education fosters children's concern for the environment and contributes to the attainment of sustainable education objectives.

❸ Social inclusion

The volunteer team collaborates with local community welfare organizations in supporting and providing employment and vocational training opportunities for underprivileged groups. This initiative not only increases charitable income for social welfare organizations but also creates value toward building an inclusive society.

- Mooncake collaboration

The Welfare Commission annually collaborates with social welfare organizations to produce mooncakes. In 2024, through the voting of the Welfare Committee members, three social welfare organizations (St. Coletta Catholic Training Center for Special Needs, Taichung City Welfare for The Disabled Association, and Children Are Us Foundation) were selected to produce a total of 443 boxes of Mid-Autumn Festival mooncakes. This initiative not only provides employment and vocational training opportunities for disadvantaged groups, but also contributes to social stability.

❹ Donations with love/sales and material fundraising

- Through a charity sale event, the children at the orphanage received warmth on Children's Day and helped prevent hunger among other children. The event also promoted the sale of handmade crafts to generate additional income. In 2024, the total donation amount reached NT$32,400. The income from the sale of plants made by the in-house gardening staff was donated to Daniel A. Poling Memorial Babies' Home, totaling NT$7,500. Together with HIWIN's Family Day, where social welfare groups, disabled massage therapists were invited to set up stalls, the total income from charity sales amounted to NT$42,031.
- HIWIN employees also donated a total of NT$5,306 to various organizations, including the Yunlin County Little Angel Development Association, Taiwan Biodiversity Research Institute, Yi-Xin Children's Home, Tsu-Hsin Children's Home, Sfang Social Welfare Foundation. Additionally, Emergency relief fundraising, totaling NT$840,750, NT$3,203 from lost and found donations was given to Sfang Social Welfare Foundation, Yi-Xin Children's Home, and Hong-En Social Welfare Foundation.
- Material donation activity: Donated to Sfang Social Welfare Foundation, Mu Xin Service Association, Chinese Christian Relief Association, and Zenan Homeless Social Welfare Foundation, with a total of 3,027 items. Second-hand Material Donation Activity: Donated to Taichung Spinal Cord Injury Association, with a total of 679 items; donated to Chiayi Spinal Cord Injury Association with receipt, 222 items; donated to Parents' Association for Persons with Intellectual Disability, Taichung City, 754 items.
- Charity invoice donations: The HIWIN volunteer team established a charity invoice collection box within the Company, through which they regularly contributed the collected invoices and cash to social welfare organizations and conjunction with in-house gardening staff, conducted a charity plant exchange activity using uniform invoices. In total, they donated 1,542 invoices.

International Care

❶ Supporting international medical charity: Aid for a Cambodian child

HIWIN upholds the philosophy of striving for the betterment of humanity and has actively participated in the medical robotics field for many years. This year, HIWIN collaborated with China Medical University Hospital on the "International Charity Medical" project to support a Cambodian child diagnosed with high-risk neuroblastoma in receiving anti-GD2 immunotherapy, providing a vital lifeline for survival.

> Thank you, guardian angels!
> We will persevere!
> — Mok's mother

Due to this illness, five-year-old Mok received treatment in Singapore for two years. In April, Mok came to Taiwan for further care. After two phases of chemotherapy and radiotherapy, his condition improved. However, as he prepared for the third phase of anti-GD2 immunotherapy, his family could no longer afford the high medical expenses. As part of its corporate social responsibility, HIWIN donated NT$ 1,000,000 to ensure Mok could continue treatment. HIWIN also hopes to inspire other enterprises to join hands in improving the quality of human life.

❷ HIWIN Korea

HIWIN Korea signed a memorandum of understanding with the NGO Good Neighbors to help improve education for disadvantaged children in South Korea, and was awarded the "Family-Friendly Workplace Certificate" from the Ministry of Gender Equality and Family in December.

❸ HIWIN GmbH (Germany)

HIWIN GmbH (Germany) supported the "Hands-on Lab" at Offenburg University of Applied Sciences, where 38 students from the Mechanical Engineering and Energy & Environmental Technology programs visited HIWIN GmbH to explore smart manufacturing R&D capabilities. Additionally, a cycling event was organized in collaboration with the city of Offenburg to promote the reduction of carbon dioxide emissions.

HIWIN Senior EVP Moon Wu visited Mok and presented him with a HIWIN ambassador doll, encouraging Mok together with the medical team

HIWIN Korea Certification Ceremony

HIWIN GmbH (Germany) organized a cycling event

7.5 Industrial Development Facilitator

HIWIN actively engages in the operation of public associations and is dedicated to integrating resources and collaborating with like-minded partners to establish an industrial ecosystem, drive industry transformation and upgrading, and enhance overall competitiveness. Additionally, HIWIN contributes through policy recommendations, supporting exhibition businesses, organizing forums, participating in international exchanges, and serving as Chairmans, Directors, Supervisors of the associations, or members of professional committees.

❶ Taiwan Machine Tool & Accessory Builders' Association (TMBA)

Organization	HIWIN's Roles	Promoted Contents
Taiwan Machine Tool & Accessory Builders' Association (TMBA)	Honorary Chairman: Eric Y. T. Chuo (Ph.D.) Executive Director: Eddie Chuo	• Promote the Taiwan International Machine Tool Show (TMTS) • Advocate for constructing the Taichung (Shuinan) International Convention and Exhibition Center • Promote industry-academia cooperation. • Actively provide recommendations to government leaders regarding the current state of the industry
Elimi Association	Founder: Enid H.C. Tsai	• Regularly organize related activities (at least once per quarter), including keynote speech, discussions, book clubs, visits • Exchanges with organizations in the machinery industry, government, academia, and research sectors, as well as public service, fitness, and leisure activities.

Eric Y. T. Chuo (Ph.D.), the Global Chairman of HIWIN, served as the Chairman of the Taiwan Machine Tool & Accessory Builders' Association (TMBA) during the 2nd and 3rd terms, and is now an Honorary Chairman. He wholeheartedly promoted the transformation and upgrading of Taiwan's machine tool-related industries. In October 2022, Eddie Chuo, Chairman & CEO of HIWIN, was elected as an Executive Director of TMBA, serving as a committee member for industry and academia cooperation and governance. He actively promoted collaboration between the industry and academia, leveraging their resources to accelerate technology research, development, and talent cultivation. In 2024, Eddie Chuo delivered a speech at the Taiwan Technical and Vocational Education Annual Conference as a representative of TMBA to support the sustainable development of Taiwan's machine tool industry.

In 2024 conference speech, Eddie Chuo (second from the left) and Deputy Minister of Education, Dr. Ping Cheng Yeh (fourth from the left)

On May 2, 2012, Enid H.C. Tsai, President, founded the "Elimi" Association, which is derived from the abbreviation of the phrase "Elegant Leader In the Machinery Industry" in English. This naming inspiration comes from the founding President, Enid H.C. Tsai. "Elimi" also sounds like "one grain of rice" in Chinese, symbolizing hope and vitality, just like sowing rice seeds. The purpose of Elimi is to provide a platform for female managers in the precision machinery-related industries to exchange and learn from each other, enhance their professional capabilities, and break the stereotype that the machinery industry is solely a black hand industry. It aims to create a new image and become a driving force in the precision machinery industry.

In March 2024, Elimi Spring Gathering visited Tien Kang Co., Ltd., a renowned shoe machinery brand. Executive Vice President Ms. Pei Tzu Huang shared the company's journey through various adversities, including the oil crisis, shareholder departures, and unsuccessful transformation attempts. Upholding the corporate culture of "Three More, Three Solid" — more encouragement, more tolerance, more learning; being honest, working diligently, and building solid machinery — along with a positive management philosophy, the company has continued to grow steadily and sustainably.

❷ Taiwan Automation Intelligence and Robotics Association (TAIROA)

In 2011, Eric Y. T. Chuo (Ph.D.), Global Chairman of HIWIN, merged the Robotics Association of Taiwan (ROBOAT) and the Taiwan Society of Manufacturing Engineers and Automation (TSMEA) to establish the Taiwan Automation Intelligence and Robotics Association (TAIROA). He served as the founding Chairman of TAIROA and currently holds the position of Honorary Chairman. Since 2009, TAIROA has been collaborating with both sectors to bridge the gap between academia and industry, promoting certification exams for Automation Engineers and Robot Engineers. In 2016, Global Chairman Eric Y. T. Chuo (Ph.D.) called for rapid industrial upgrading in Taiwan and organized the Industrie 4.0 Summit Forum to actively promote Smart Manufacturing and Intelligent Automation. Starting from 2020, TAIROA has been actively promoting the Taiwan Robot Industry-Academia Alliance, encouraging practical training in robotic skills. By the end of 2024, HIWIN had supported the Alliance and donated 103 industrial robots, with a total investment of approximately NT$41 million, to foster talent for Taiwan's smart manufacturing.

Note: Starting from 2024, the number of units donated is calculated based on cumulative shipping volume.

Promote the Taiwan Robot Industry-Academia Alliance

❸ The SINOCON Industrial Standards Foundation

Eric Y. T. Chuo (Ph.D.), Global Chairman of HIWIN, also serves as a Director of the SINOCON Industrial Standards Foundation. He aims to foster cross-strait cooperation in the field of intellectual property, with a particular focus on establishing industry standards. In 2016, the foundation initiated a dialogue on smart manufacturing cross-strait cooperation, marking a significant milestone. HIWIN actively participated in discussions to develop three standards: robot and machine tool interface standards, robot controller standards, and polishing and grinding robot standards. These efforts have successfully established consistent standards for the control interface between industrial robots and processing machine tools, thereby enhancing the efficiency of intelligent automation.

❹ Taiwan Excellent Brand Association (TEBA)

On February 10, 2023, Enid H.C. Tsai, the President of HIWIN, was elected as the new President of the Taiwan Excellent Brand Association (TEBA). As the first female President of TEBA, Enid H.C. Tsai expressed her commitment under the slogan "Branding Taiwan, Net Zero Sustainability," to promote member companies of Taiwan's brands to maintain a high level of competitiveness in light of the global trend towards carbon reduction. In 2024, TEBA jointly advocated with the B Corporation Association to promote ESG transformation among small and medium-sized enterprises. In collaboration with Professor Beatrice Béliotti from the NCCU College of Commerce Sinyi School, a large-scale ESG survey for enterprises was launched. The initiative aims to develop diagnostic tools for assessing corporate sustainability capabilities, thereby supporting the continuation of sustainable development pathways and enhancing the transformation potential of Taiwanese enterprises.

2021-2024 Donations to associations and non-profit organizations

Item	Unit	2021	2022	2023	2024
Lobbying, Interest Representation or Similar Activities	NT$	0	0	0	0
Local, regional, or national political movements/organizations/candidates		0	0	0	0
Industry associations or tax-exempt organizations (e.g., think tanks)		5,964,106	3,713,151	2,470,008	2,727,180
Others (e.g., expenses related to voting measures or referendums)		0	0	0	0
Total Donations and Others		5,964,106	3,713,151	2,470,008	2,727,180
Data coverage (percentage of denominator, indicating the organizational scope of the reported data)	%	100	100	100	100

2024 Main participation in associations and non-profit organizations

Association	HIWIN's Role	Main Activities	Input Resources (NT$)	Social/Environmental Issues
Chinese National Association of Industry and Commerce (CNAIC)	Executive Director	Join as a member and contribute funds to provide the government with innovative ideas for industrial policy, support international expansion activities, and assist in hosting international delegations visiting Taiwan.	650,000	Align with the government's 2050 net-zero plan by integrating resources to implement low-carbon transformation in enterprises, supporting the Paris Agreement.
Taiwan Institute for Sustainable Energy (TAISE)	Director	Join as a member and contribute funds to focus on issues such as climate change, sustainable energy, and corporate sustainability. Develop HIWIN's ESG policies and practices to align with international standards.	280,000	Recognize climate risks, support the Paris Agreement, establish the Taiwan Alliance for Net Zero Emission, and promote net-zero initiatives and related conferences.
The SINOCON Industrial Standards Foundation (SINOCON)	Director	Bring together the strengths of industry, government, academia, and research to promote the establishment of shared standards across the Taiwan Strait and facilitate the exchange and cooperation on industry standards.	200,000	Facilitate cross-strait resources exchange to advance net-zero initiatives and share resources.
Taiwan Semiconductor Industry Association (TSIA)	Member	Annually organize domestic and international seminars, member networking events, technical standard discussion forums, semiconductor awards, and more, to establish interaction mechanisms between domestic industries and relevant international organizations, thereby enhancing the competitiveness of Taiwan's semiconductor industry.	180,000	Encourage association members to support energy-saving and sustainability goals by organizing seminars on net-zero emissions and carbon reduction technologies.
Chinese Business Ethics Education Association (CBEEA)	Director	Promote understanding of the differences in decision-making across various roles through perspective-taking, to appreciate the ethical considerations behind each position. This fosters a more harmonious, stable, and sustainable relationship between society and businesses.	101,000	Promote ethics education to raise awareness of social and corporate ethics, and cultivate sustainable talents beneficial to social development.

7.6 Creative Collaboration

HIWIN has been committed to supporting creative and inspiring cross-disciplinary co-creation projects, driving Taiwan's soft power through the integration of technology and the arts. By leveraging HIWIN's advanced products, the company collaborates closely with educational institutions and artists to bring innovative visions to life. Each project is led by a project manager and supported by a cross-functional team responsible for planning, communication, and technical support. HIWIN also provides complimentary access to robots and related equipment, demonstrating the diversity and innovation of industrial robots in artistic applications. Through sustained industry-academia collaboration, HIWIN has successfully developed a model for integrating technology with creative fields. These efforts have significantly obtained the results of applications in real-world and contributed to building a more influential co-creation ecosystem. In 2024, HIWIN participated in a total of 8 collaborative projects, as outlined below.

❶ National Science and Technology Museum – Industrial Robot

Since 2018, HIWIN has partnered with the National Science and Technology Museum to establish the Industrial Robot exhibition hall, continuing to invest in technologies and resources to promote public understanding and cultivate talent. In March 2024, the exhibition underwent a comprehensive upgrade to align with current industrial trends and ESG values. New themes were introduced, including ESG, semiconductor equipment, and precision motion components. In addition, interactive experiences were optimized to enhance visitor engagement and accessibility of scientific knowledge. This initiative not only emphasizes the transformative role of smart manufacturing in modern industry but also adopts an educational-through-entertainment approach to increase awareness and interest in automation, particularly among younger generations. By supporting this long-term collaboration, HIWIN demonstrates its commitment to corporate social responsibility through promoting green manufacturing, fostering industrial innovation, and supporting educational development. The exhibition also serves as a platform to strengthen industry-academia collaboration, laying a solid foundation for future technological advancement and workforce development. The exhibition is a permanent exhibition.

❷ Robo Bear

Located beside the Taichung City Precision Machinery Technology Innovation Park Service Center, the "Robo Bear" Transparent House features two charming robotic bears—one large and one small—performing a variety of detailed gestures daily, such as waving, nodding, head-patting, and rotating. These expressive movements are made possible by precision components and key motion modules developed by HIWIN and HIWIN MIKROSYSTEM, showcasing the strong technical capabilities of companies within the innovation park. In 2021, HIWIN voluntarily took on the responsibility for maintenance work. To enhance community engagement and seasonal ambiance, the bears are decorated annually during Christmas and New Year, adding a festive spirit to the surroundings. Each day, the Robo Bear greets commuters and park members with cheerful, ever-changing poses at the bustling Jingke Road intersection—symbolizing a warm, energetic welcome to each new day. The exhibition is on display every day.

2024 Interdisciplinary co-creation project total input amount NT$ 5,860,269

❸ DanceAblers 2: Dancing With You

This collaborative project, initiated during the COVID-19 pandemic in 2022, explored inclusive choreography through the interaction between robots and a diverse group of dancers. Break free from traditional stage settings, the work emphasized "in-place perception" and "site-specific experience" as the core of its choreographic motivation. The documentary highlights the co-creative process between humans and technologies, as dancers and machines together crafted unique expressions that reflect everyday life. Through seemingly dissonant movements set to music, the performance fostered emotional connections between the human body, nature, and physical space. The documentary premiered in February 2024.

❹ Diffusion Couple of Art and Technology: Future Puppet Show

As time changes, the traditional glove puppetry faces the challenges of cultural transmission and declining popularity. This innovative project seeks to revitalize the art form by integrating emerging technologies. Diffusion Couple of Art and Technology reimagines the conventional puppet stage into a technology-driven performance theater, preserving the aesthetic essence of glove puppetry while introducing new experiences in both puppet manipulation and audience interaction. The production breaks away from traditional formats by incorporating virtual reality, human-machine interaction, motion capture, and eye-tracking technologies to reinterpret the craft and beauty of puppetry. This interdisciplinary approach not only enhances the expressive potential of the performance but also invites broader and younger audiences to engage with this unique cultural heritage. The exhibition was held from December 2023 to March 2024.

❺ Tainan Design Exhibition – 321 Alley Art Village: 5G Mechanical Puppet Performance Featuring 5G and IoTtalk IoT Technology

Carefully preserved in a room partition, the puppets carry deep cultural significance and collective memories. Through robots empowered by 5G technology and IoT talk's Internet of Things (IoT) platform, these figures become vividly in life , transforming them from static exhibits into an interactive performance that transcends time and technology. This cross-disciplinary exhibition showcased the dynamic interaction between traditional cultural artifacts and cutting-edge connectivity technologies, offering audiences a unique experience of cultural heritage in a modern context. The exhibition was held from October to November 2024.

⑥ Diffusion Couple of Art and Technology : Traces

In collaboration with the College of Planning and Design and the Department of Architecture at National Cheng Kung University (NCKU). This project drew inspiration from the Matsu Islands, exploring island narratives through the interplay of dance, robotics, and interactive projection. In the performance, dancers, robots, and visual projections engaged in a choreographed dialogue, telling stories rooted in local culture. A research team from NCKU's Department of Architecture developed an innovative choreographic interface capable of translating dancers' bodily movements into industrial robot actions in real time. This vision-based system allowed dancers to "teach" the robots without requiring programming or understanding of robotic logic, lowering the barrier between human expression and machine performance. The robotic movements, often exceeding human physical limitations, brought forth a new dimension of artistic expression, producing an unprecedented visual and emotional experience. This fusion of advanced technology and contemporary performance opened new creative possibilities while redefining the boundaries of motion and storytelling. The exhibition was held from December 2023 to March 2024.

⑦ NTU Thea. 25th Anniversary Production – Hamlet Machineman

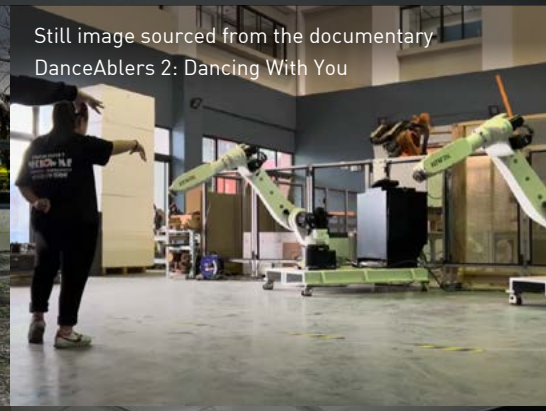
As part of the department's 25th anniversary celebration, this production was the result of a successful, industry-academia collaboration, bringing together interdisciplinary talents to explore the fusion of technology and performing arts. Utilizing industrial robot technology, the project redefined the boundaries of traditional theater. In the final production, Hamlet Machineman, robots performed alongside live actors, assuming the role of dancers. Their precise movements and seamless interaction with the performers captivated audiences, showcasing a delicate emotional exchange between humans and machines. Each synchronized gesture challenged conventional stage practices and reimagined how robotics can contribute to narrative and performance. The project not only demonstrated the flexibility and expressive potential of robots in artistic contexts but also opened new possibilities for future stage productions. Rising the value of industrial technology in the creative area. The production was staged from December 3 to 7, 2024.

⑧ Infinite Voyage: Ongoing Faith

This exhibition explored the evolving possibilities of painting through the lens of technological art. The featured work, Ongoing Faith, employed a industrial robot to simulate the painting gestures of artist Yung Tien Shao, emphasizing the mechanical nature of repetition in artistic creation and offering a renewed interpretation of the relationship between creativity and technology. Through the precise movement of the industrial robot, viewers were given a unique opportunity to witness how technology can transform traditional artistic processes into new forms of expression. The project opened a meaningful dialogue between art and automation, prompting reflection on authorship, process, and the role of machines in human creativity. The exhibition ran from September 2024 to August 2025.

Permanent Exhibition of Industrial Robot
Image provided by National Science and Technology Museum

Robo Bear



Still image sourced from the documentary DanceAblers 2: Dancing With You

Future Puppet Show

Diffusion Couple of Art and Technology: Traces

Hamlet Machineman
Image provided jointly by NCKU Department of Architecture & NTU Department of Drama and Theatre

Infinite Voyage-Ongoing Faith

Appendix

Appendix I. About the Report

HIWIN Technologies Corp. (HIWIN) has been publishing its Corporate Social Responsibility (CSR) report on an annual basis since 2012. In 2022, the report was renamed the Sustainability Report. The purpose of this report is to provide a systematic disclosure of HIWIN's sustainable management strategies and performance in the economic, environmental, and social domains to its stakeholders. Additionally, it highlights the focus areas and communication outcomes identified by stakeholders, showcasing the Company's dedication to sustainable business practices. HIWIN encourages its valued partners to actively participate in interactive exchanges and knowledge sharing, fostering a culture of sustainable thinking. Moving forward, HIWIN remains committed to meeting stakeholders' expectations and making meaningful contributions to society.

Report Scope and Coverage

The data presented in this 2024 Sustainability Report - ESG Report (the report) pertains to the period from January 1, 2024, to December 31, 2024. Accounting for 75% of consolidated total revenue, subsidiaries—both domestic and overseas—are not yet disclosed in this report. However, the plan is to align the sustainability report data scope with the consolidated financial statements within 1 to 2 years. The boundary and content of this report remain consistent with the 2023 report, with no significant changes to Company information. If performance data and information include global figures, relevant notes will be provided for clarification. For financial-related data, please refer to the financial reports and annual report information.

In the event of any significant data restatement, explanatory notes will be included within the content of each chapter.

Report Issuance

Previous Version

Issued in August 2024

Current Version

Issued in August 2025

Next Version

Expected to be issued in August 2026

Principles and Guidelines for Report Writing

Standards Followed	Verification Institutions
• GRI 2021 Sustainability Reporting Standards • AA1000 v3 Accountability Principles Standard • SASB Indicators • TCFD Framework • CDP Climate Change • United Nations Sustainable Development Goals (SDGs)	• TÜV Rheinland Taiwan Ltd. • Verified according to GRI guidelines, SASB indicators, and TCFD framework

Contact Information

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Overview of Management System Certifications by Factory

Factory \ Management System	ISO 9001 Quality Management System	ISO 14001 Environmental Management System	ISO 45001 OHS Management System	ISO 46001 Water Efficiency Management System	ISO 14064 Greenhouse Gas Emissions Verification	ISO 14046 Water Footprint Verification	ISO 50001 Energy Management System	ISO 27001 Information Security Management System
HIWIN Headquarters	✓	✓	✓	✓	✓	✓	✓	✓
Jingke Factory	✓	✓	✓	-	✓	-	✓	-
Factory 2	✓	✓	✓	-	✓	-	✓	-
Factory 3	✓	-	-	-	✓	-	-	-
Factory 7	✓	-	-	-	✓	-	-	-
Yunlin Factory 1	✓	✓	✓	-	✓	-	✓	-
Yunlin Factory 2	✓	✓	✓	-	✓	-	✓	-
Yunlin Factory 3	✓	✓	✓	-	✓	-	✓	-
Yunlin Factory 4	✓	✓	✓	-	✓	-	-	-
Yunlin Factory 5	✓	-	-	-	✓	-	-	-
Yunlin Factory 6	✓	✓	-	-	✓	-	-	-
Dapumei Factory 1	✓	✓	✓	-	✓	-	✓	-
Dapumei Factory 3	✓	✓	✓	-	✓	-	✓	-
Certification Coverage Rate [Note 1]	100%	77%	69%	8%	100%	8%	57%	100% [Note2]

Notes:

1. For sites that have not yet obtained ISO management system certification, dedicated personnel have been assigned to carry out operations in accordance with the company's existing management system standards. Regular internal audits are conducted to ensure that operational processes comply with relevant regulations and company requirements.
2. The scope of certification includes core information systems such as ERP, BPM, and MES, as well as the data center's server room located at corporate headquarters. As the company adopts a centralized information system model, all sites operate via internal network connections to the headquarters' data center. Therefore, the overall information security policies and ISO 27001 management standards are uniformly applied across all sites.

Report Writing and Quality Management Process

Stakeholder Engagement

Inclusiveness

Examine stakeholders' expectations

Materiality

Analyze material topics concerning HIWIN and stakeholders' material concerns and impacts

Completeness

Define boundaries of material topics

Report Writing Plan

- Define the main focus and structure of the report
- Establish editing and writing principles
- Chapter division and responsibilities in the report
- Schedule third-party verification

Report Writing Principles

Assess sustainability performance based on SMART principles

- **S** Specific
- **M** Measurable
- **A** Achievable
- **R** Realistic
- **T** Time-bound

Report Review

Responsibilities of Each Authority Departmental Heads

- Verify departmental sustainability initiatives and performance outcomes
- Review the accuracy of data and information

ESG Committee

- Confirm alignment of various sustainability indicators in the report content

Legal Department

- Ensure compliance with sustainability benchmarks

ESG Report's Drafting Supervisor

- Review language accuracy
- Ensure report's communicability with stakeholders

Third-Party Verification

- Conduct written and on-site review by third-party verification entity
- Provide improvement suggestions for the report

Chairperson of ESG Committee

- Review and finalize the report

Report Communication Channels

External Communication Channels

- HIWIN official website and ESG official website
- HIWIN Education Foundation
- Correspondence through official documents
- Customer Relationship Management software
- Official Line and WeChat apps
- Regular exhibitions and seminars
- Supplier/Contractor education and training
- Government reporting platforms

Internal Communication Channels

- ESG Committee
- ESG functional team meetings
- ESG study sessions
- ESG training courses
- ESG survey questionnaires
- ESG digital news
- Company internal suggestion mailbox

Appendix II. Management Approach

✓ Achieved NEW Newly Added Item

Material Topic	Goal	Unit	2030 Long-Term Goal	2025 Goal	2024 Goal	2024 Achievement	Mechanism for Effectiveness Assessment
R&D Innovation Management	R&D expenditure as a percentage of revenue	%	6	4.75	4.5	3.95 Note 1	① Financial statements ② New product revenue ③ New product proposals and production ④ Patent portfolio and management system ⑤ ESG Committee
	Enhanced investments in industry-academia cooperation	NT$ 10 thousand	3,500	3,080	3,000	3,306 ✓	
	Accumulated global patent applications	patent	4,000	3,600	3,550	3,534 Note 2	
	Output value per capita	NT$ 10 thousand	1,000	740	770	623 Note 3	
Sustainable Products	Overall product manufacturing energy intensity	%	⬇ 54	⬇ 25	⬇ 25	⬇ 0 Note 4	ESG Committee (base year: 2021)
	Energy efficiency of mechatronic products	%	⬆ 20	⬆ 10	⬆ 7.5	⬆ 8.1 ✓	
	Recycling rate for domestic wooden packaging materials	%	⬆ 20	⬆ 7.5	⬆ 5	⬆ 10.69 ✓	
Customer Relationship & Brand Management	Customer satisfaction	score	89	87	87	87 ✓	① Customer satisfaction survey results & value assessment ② DJSI, ESG Report ③ ISO 9001 Audit ④ Dun & Bradstreet Credit Rating ⑤ CRM Customer relationship management system ⑥ Production and Sales Management Platform
	Product quality satisfaction	score	90	88	88	87 Note 5	
Sustainable Supply Chain Management	Key focus on supplier evaluation rate	%	100	100	100	100 ✓	① Sustainable supply chain management policy ② Supplier audit & assessment ③ Green procurement/recycled green procurement ④ ESG Committee ⑤ SCM platform
	Key focus on supplier on-site audit	no. of supplier	20	20	20	26 ✓	
	Achievement in conflict minerals investigation	%	100	100	100	100 ✓	
	Completion of diversified raw material sources solutions	no. of solution	26	12	6	36 ✓	
	Green procurement accounts for total annual procurement amount	%	10	7.5	6	9.7 ✓	
	Local procurement ratio	%	70	70	70	69.4 Note 6	
	Implementation ratio of low carbon raw materials	%	20	18.5	18.5	15.6 Note 7	
Climate Strategy	Scope 1 and 2 in total (base year: 2021)	%	⬇ 42	⬇ 18.6	⬇ 14.1	⬇ 26.2 ✓	① TCFD Climate-related financial disclosure ② CDP Climate change assessment ③ ESG Committee ④ ISO 14064-1 Greenhouse gas verification
	Scope 3 in total (base year: 2022)	%	⬇ 25	⬇ 9.4	⬇ 6.3	⬇ 3.6	
	Disruptions due to climate disasters	day	0	0	0	0 ✓	

Material Topic	Goal	Unit	2030 Long-Term Goal	2025 Goal	2024 Goal	2024 Achievement	Mechanism for Effectiveness Assessment
Energy Management	Total cumulative installed renewable energy capacity	kW	10,000	2,935	7,543	2,935 Note 8	① ISO 50001 Energy management system ② ESG Committee
	Electricity savings rate from implementing energy-saving measures	%	2	2	2	3.6 ✓	
Water Stewardship	Water recycling rate (base year: 2021)	%	21	18	15	16.7 ✓	① ISO 14046 Water footprint verification ② ESG Committee ③ ISO 46001 Water resource efficiency management system ④ Smart water meter monitoring system
	Water consumption intensity	t/NT$ million	14.76	15.89	17.82	16.27 ✓	
Waste Management & Recycling	Percentage of waste resource recycling	%	≥ 90	88	81	85 ✓	① ISO 14001 Environmental management system ② ESG Committee ③ Compliance with environmental regulations reporting ④ Waste management project meetings
	Total output of hazardous industrial waste (Base year: 2022)	%	⬇ 91	⬇ 34	⬇ 23	⬇ 26 ✓	
	Total waste (Base year: 2022)	%	⬇ 33	⬇ 7	Not Established NEW	⬇ 2 ✓	
Talent Attraction & Retention	Promotion rate for managerial positions from internal employees	%	85	88	88	96 ✓	① Labor market salary survey ② Employee engagement survey ③ TCSA Talent development leadership award ④ ESG Report ⑤ Enterprise human resources enhancement program ⑥ Workforce inventory and knowledge enrichment meetings
	Retention rate of key talent	%	90	90	90	96.5 ✓	
	Share of female in STEM-related positions	%	15	13.5	13.5	12.3 Note 9	
	Employee training participation rate	%	90.5	85	87.5	84.8 Note 10	
	Employee learning satisfaction	score	4.6	4.5	4.5	4.52 ✓	
	Increase total diversity learning subsidy amount	NT$ million	> 2.3	> 2.3	> 2.3	2.57 ✓	
	Projects / Work reports	case	> 180	> 180	> 180	317 ✓	
	Financial benefit from post-training project work	NT$ million	> 200	> 200	> 200	214 ✓	
	Growth rate of new generation talent	%	37	35	33.5	37.2 ✓	
Occupational Safety & Health	Disabling injury frequency rate	F.R.	≤ 0.41	≤ 0.53	≤ 0.56	0.1 ✓	① ISO 45001 Occupational health and safety management system ② ESG Committee ③ Production enhancement meetings ④ Occupational health and safety committee meetin
	Disabling injury severity rate	S.R.	≤ 12	≤ 15	≤ 15	11 ✓	
	Reduce the proportion of colleagues with metabolic syndrome	%	50	40	55	43.3 註 11	

Note:

1. Several projects are still under evaluation, and additional R&D investments will be made in the future.
2. Emphasis is placed on patent quality and practicality; only technologies applicable to products are patented to optimize resource utilization.
3. Due to macroeconomic factors, per capita productivity had declined in recent years; however, improvement measures led to a slight increase in 2024 compared to 2023.
4. Revenue in 2024 did not meet expectations, but energy-saving measures have started to show results. The Company will continue to follow its decarbonization roadmap to reduce emissions and enhance energy efficiency across plants.
5. 2024 survey results were consistent with 2023. New products maintained original quality. Market and customer feedback will continue to guide quality standards.
6. Due to increasing automation needs and limited domestic equipment availability, the Company mainly relies on imported equipment.
7. Alternative material sourcing is under validation; the proportion of low-carbon materials has not yet been incorporated.
8. Originally scheduled for centralized solar PV installation in 2024, the plan was adjusted to a phased deployment from 2025 to 2029 due to considerations regarding green electricity procurement and installation efficiency.
9. Due to the nature of the industry, the proportion of female employees is relatively low. Statistics show that 53% of women in STEM temporarily leave the workforce due to childrearing or family caregiving responsibilities.
10. On-the-job or site-based training is arranged by departments, with supervisors providing timely development based on employee performance and technical needs to ensure training continuity and stable growth.
11. The remaining 56.7% of abnormal health results were mild, requiring only regular follow-up without medication; some employees have achieved control through prescribed medication.

Appendix III. Guilds & Associations

No.	Participating Association (or Cooperative Association)	The Role of HIWIN
1	Chinese Society of Mechanical Engineers (CSME)	Member
2	Cross-Strait CEO Summit	Member
3	Chinese National Association of Industry and Commerce	Executive Director
4	Taiwan Institute for Sustainable Energy	Directors
5	Taiwan Machine Tool & Accessory Builders' Association (TMBA)	Honorary Chairman, Honorary Consultant, Executive Director
6	TMBA-elimi Social Club	Founding President
7	Taiwan Association of Machinery Industry (TAMI)	Executive Director
8	Taiwan Electronic Equipment Industry Association (TEEIA)	Member
9	Taiwan Automation Intelligence and Robotics Association (TAIROA)	Executive Director
10	Taiwan Automation Intelligence and Robotics Association (TAIROA) -Smart Manufacturing Committee	Deputy Director
11	Taiwan Electrical and Electronic Manufacturers' Association	Member
12	The Entrepreneur Club	Member
13	Taichung Industrial Park Associatio	Convener / Member
14	Taichung Precision Machinery Technology Park Association	Directors
15	Yunlin Technology Industrial Park Association	Member
16	Chiayi Dapumei Precision Machinery Park Manufactures' Association	Member
17	Greater Taichung Friends of the Police Association	Directors
18	Importers and Exporters Association of Taipei	Member
19	Taiwan Excellent Brand Association (TEBA)	Chairman
20	Taiwan Society of Tribology Technology	Directors

No.	Participating Association (or Cooperative Association)	The Role of HIWIN
21	Chinese Professional Management Association	Member
22	Taiwan Stock Affairs Association	Member
23	Chinese Management Association	Member
24	Business Accounting Association/Taiwan	Member
25	Precision Machinery Development Association of R.O.C. (CMD)	Advisors, Directors
26	Taiwan Medical and Biotech Industry Association (TMBIA)	Member
27	Taiwan Semiconductor Industry Association (TSIA)	Member
28	Chinese Association for Industrial Technology Advancement (CAITA)	Member
29	Association of Industrial Relations, R.O.C.	Directors
30	Taiwan Russia Association	Directors
31	Taiwan India Business Association	Member
32	Chinese International Economic Cooperation Association, Taiwan	Member
33	Taiwan Institute of Directors	Member

Appendix IV. GRI Standards Index: Comparison Table

★ : Material Topics

GRI Guidelines	Disclosure Items		Relevant Chapters	Page No.
GRI 2: General Disclosures 2021	2-1	Organizational Details	3.1 About HIWIN	29-31
	2-2	Entities Included in the Organization's Sustainability Reporting	Appendix- About the Report	146
	2-3	Reporting Period, Frequency, and Contact Point	Appendix- About the Report	146
	2-4	Restatements of Information	4.3 Sustainable Products 5.1 Climate Strategy & Energy Management 5.3 Waste Management and Recycling 5.4 Air Pollution Prevention and Control	63 88 95 98
	2-5	External Assurance	Appendix VI. Assurance Statement	156
	2-6	Activities, Value Chain, and Other Business Relationships	4.5 Sustainable Supply Chain Management	75-79
	2-7	Employees	6.1 Employee Diversity and Inclusion 6.2 Talent Attraction and Retention	104-106 107-114
	2-8	Workers Who Are Not Employees	6.1 Employee Diversity and Inclusion 6.4 Workplace Safety and Health	104 118
	2-9	Governance Structure and Composition	2.2 ESG Committee 3.3 Corporate Governance	13 35
	2-10	Nomination and Selection of the Highest Governance Body	3.3 Corporate Governance	36
	2-11	Chair of the Highest Governance Body	3.3 Corporate Governance	36
	2-12	Role of the Highest Governance Body in Overseeing the Management of Impacts	2.1 Vision in Sustainability & Strategies 2.2 ESG Committee 2.5 Materiality & Stakeholders 3.3 Corporate Governance	12 13 19-27 34
	2-13	Delegation of Responsibility for Managing Impacts	2.2 ESG Committee 3.6 Risk Management	13 45-48
	2-14	Role of the Highest Governance Body in Sustainability Reporting	2.2 ESG Committee 2.5 Materiality & Stakeholders Appendix I About the Report	13 19 148
	2-15	Conflicts of Interest	3.3 Corporate Governance	39
	2-16	Communication of Critical Concerns	2.5 Materiality & Stakeholders	19-27
	2-17	Collective Knowledge of the Highest Governance Body	3.3 Corporate Governance	36
	2-18	Evaluation of the Performance of the Highest Governance Body	3.3 Corporate Governance	34, 37-39
	2-19	Remuneration Policies	2.5 Materiality & Stakeholders 3.3 Corporate Governance	19 36-38
	2-20	Process to Determine Remuneration	3.3 Corporate Governance	38
	2-21	Annual Total Compensation Ratio	3.3 Corporate Governance	37
	2-22	Statement on Sustainable Development Strategy	1.1 Chairman's Statement 2.1 Vision in Sustainability & Strategies	6 12
	2-23	Policy Commitments	2.1 Vision in Sustainability & Strategies For relevant policies and guidelines, please refer to the ESG website.	12-13
	2-24	Embedding Policy Commitments	2.1 Vision in Sustainability & Strategies 3.3 Corporate Governance 4.5 Sustainable Supply Chain Management Policies and Commitments: Employee Code of Ethics, Anti-Corruption, Anti-Bribery and Anti-Money Laundering Policy, Supplier Code of Conduct	12-13 38-39 78
	2-25	Processes to Remediate Negative Impacts	3.3 Corporate Governance 3.5 Information Security 3.7 Human Rights 4.4 Customer Relations and Brand Management 5.1 Climate Strategy & Energy Management 5.2 Water Stewardship 5.3 Waste Management & Recycling 6.4 Workplace Safety and Health	38 44 48-54 74 81-90 91-93 93-97 116-128
	2-26	Mechanisms for Seeking Advice and Raising Concerns	2.5 Materiality & Stakeholders 3.7 Human Rights 6.2 Talent Attraction and Retention	24-25 53-54 112
	2-27	Compliance with Laws and Regulations	3.3 Corporate Governance	39
	2-28	Membership Associations	Appendix-Guilds & Associations	151
	2-29	Approach to Stakeholder Engagement	2.5 Materiality & Stakeholders	19-25
	2-30	Collective Bargaining Agreements	3.7 Human Rights	53
GRI 3: Material Topics 2021	3-1	Process to Determine Material Topics	2.5 Materiality & Stakeholders	19-23
	3-2	List of Material Topics	2.5 Materiality & Stakeholders	23-24
	3-3	Management of Material Topics	2.5 Materiality & Stakeholders	23-27

GRI 200: Economic Series				
Series	Disclosure Items		Corresponding Sections	Page No.
★ GRI 201: Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed	3.4 Business Performance	40-41
	201-2	Financial Implications and Other Risks and Opportunities Due to Climate Change	5.1 Climate Strategy and Energy Management	81-84
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	6.2 Talent Attraction and Retention	109-113
	201-4	Financial Assistance Received From Government	3.4 Business Performance	41
GRI 202: Market Presence 2016	202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	6.2 Talent Attraction and Retention	109
	202-2	Proportion of Senior Management Hired from the Local Community	6.1 Employee Diversity and Inclusion	105
GRI 204: Procurement Practices 2016	204-1	Proportion of Spending on Local Suppliers	4.5 Sustainable Supply Chain Management	79
GRI 205: Anti-Corruption 2016	205-1	Operations Assessed for Risks Related to Corruption	3.3 Corporate Governance	38
	205-2	Communication and Training about Anti-Corruption Policies and Procedures	3.3 Corporate Governance	38-39
	205-3	Confirmed Incidents of Corruption and Actions Taken	3.3 Corporate Governance	38
GRI 206: Anti-Competitive Behavior 2016	206-1	Legal Actions for Anti-Competitive Behavior, Anti-Trust, and Monopoly Practices	3.3 Corporate Governance	39

GRI 300: Environmental Series				
Series	Disclosure Items		Corresponding Sections	Page No.
★ GRI 302: Energy 2016	302-1	Energy Consumption Within the Organization	5.1 Climate Strategy and Energy Management	89
	302-2	Energy Consumption Outside of the Organization	5.1 Climate Strategy and Energy Management	88
	302-3	Energy Intensity	5.1 Climate Strategy and Energy Management	88
	302-4	Reduction Of Energy Consumption	5.1 Climate Strategy and Energy Management	89
	302-5	Reduction in Energy Requirements of Products and Services	4.3 Sustainable Products	63-68

GRI 300: Environmental Series				
Series	Disclosure Items		Corresponding Sections	Page No.
★ GRI 303: Water and Effluents 2018	303-1 (Management Approach)	Interactions with Water as a Shared Resource	5.2 Water Stewardship	91-92
	303-2 (Management Approach)	Management of Water Discharge-related Impacts	5.2 Water Stewardship	92
	303-3	Water Withdrawal	5.2 Water Stewardship	92
	303-4	Water Discharge	5.2 Water Stewardship	92
	303-5	Water Consumption	5.2 Water Stewardship	92
★ GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG Emissions	5.1 Climate Strategy and Energy Management	86
	305-2	Energy Indirect (Scope 2) GHG Emissions	5.1 Climate Strategy and Energy Management	86
	305-3	Other Indirect (Scope 3) GHG Emissions	5.1 Climate Strategy and Energy Management	87
	305-4	GHG Emissions Intensity	5.1 Climate Strategy and Energy Management	86-87
	305-5	Reduction of GHG Emissions	5.1 Climate Strategy and Energy Management	85
	305-6	Emissions of Ozone-Depleting Substances (ODS)	No Relevant Incidents	-
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx) and other Significant Air Emissions	5.4 Air Pollution Prevention and Control	98
★ GRI 306: Waste 2020	306-1 (Management Approach)	Waste Generation and Significant Waste-Related Impacts	5.3 Waste Management and Recycling	94-95
	306-2 (Management Approach)	Management of Significant Waste-Related Impacts	5.3 Waste Management and Recycling	96-97
	306-3	Waste Generated	5.3 Waste Management and Recycling	95
	306-4	Waste Diverted from Disposal	5.3 Waste Management and Recycling	95
	306-5	Waste Directed to Disposal	5.3 Waste Management and Recycling	95
★ GRI 308: Supplier Environmental Assessment 2016	308-1	New Suppliers that were Screened Using Environmental Criteria	4.5 Sustainable Supply Chain Management	75-78
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	4.5 Sustainable Supply Chain Management	75-79

GRI 400: Social Series				
Series	Disclosure Items		Corresponding Sections	Page No.
GRI 401: Employment 2016	401-1	New Employee Hires and Employee Turnover	6.2 Talent Attraction and Retention	108, 113-114
	401-2	Benefits Provided to Full-Time Employees That Are Not Provided to Temporary or Part-Time Employees	6.2 Talent Attraction and Retention	109-113
	401-3	Parental Leave	6.2 Talent Attraction and Retention	112-113
GRI 402: Labor/Management Relations 2016	402-1	Minimum Notice Periods Regarding Operational Changes	6.2 Talent Attraction and Retention	113
★ GRI 403: Occupational Health and Safety 2018	403-1 (Management Approach)	Occupational Health and Safety Management System	6.4 Workplace Safety and Health	118
	403-2 (Management Approach)	Hazard Identification, Risk Assessment, and Incident Investigation	6.4 Workplace Safety and Health	119-120
	403-3 (Management Approach)	Occupational Health Services	6.4 Workplace Safety and Health	124-128
	403-4 (Management Approach)	Worker Participation, Consultation, and Communication on Occupational Health and Safety	6.4 Workplace Safety and Health	119
	403-5 (Management Approach)	Worker Training on Occupational Health and Safety	6.4 Workplace Safety and Health	123-124
	403-6 (Management Approach)	Promotion of Worker Health	6.4 Workplace Safety and Health	128
	403-7 (Management Approach)	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	6.4 Workplace Safety and Health	116-117
	403-8	Workers Covered by an Occupational Health and Safety Management System	6.4 Workplace Safety and Health	118
	403-9	Work-Related Injuries	6.4 Workplace Safety and Health	121-123
	403-10	Work-Related Ill Health	6.4 Workplace Safety and Health	124-126
GRI 404: Training and Education 2016	404-1	Average Hours of Training Per Year Per Employee	6.3 Talent Capital Development	114-115
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	6.2 Talent Attraction and Retention 6.3 Talent Capital Development	112 114-115
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	6.2 Talent Attraction and Retention	115

GRI 400: Social Series				
Series	Disclosure Items		Corresponding Sections	Page No.
GRI 405: Diversity and Equal Opportunities 2016	405-1	Diversity of Governance Bodies and Employees	3.3 Corporate Governance 6.1 Employee Diversity and Inclusion	36 104-106
	405-2	Ratio of Basic Salaries and Remuneration of Women to Men	6.2 Talent Attraction and Retention	109
GRI 406: Non-Discrimination 2016	406-1	Incidents of Discrimination and Corrective Actions Taken	No Relevant Incidents	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and Suppliers in Which the Right to Freedom of Association and Collective Bargaining May Be at Risk	No Relevant Incidents	-
GRI 408: Child Labor 2016	408-1	Operations and Suppliers at Significant Risk for Incidents of Child Labor	Prohibition of Child Labor	-
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and Suppliers at Significant Risk for Incidents of Forced and Compulsory Labor	No Relevant Incidents	-
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of Violations Involving Rights of Indigenous Peoples	No Relevant Incidents	-
GRI 413: Local Communities 2016	413-1	Operations with Local Community Engagement, Impact Assessments, and Development Programs	7.1 Social Impacts	130
	413-2	Operations with Significant Actual and Potential Negative Impacts on Local Communities	7.1 Social Impacts	130
★ GRI 414: Supplier Social Assessment 2016	414-1	New Suppliers That Were Screened Using Social Criteria	4.5 Sustainable Supply Chain Management	75-79
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	4.5 Sustainable Supply Chain Management	75-79
★ GRI 416: Customer Health and Safety 2016	416-1	Assessment of the Health and Safety Impacts of Product and Service Categories	4.4 Customer Relations and Brand Management	73
	416-2	Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	4.3 Sustainable Products 4.4 Customer Relations and Brand Management	63 73
★ GRI 418: Customer Privacy 2016	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	4.4 Customer Relations and Brand Management	74

Appendix V. SASB Standards Index: Comparison Table

Topic	Code	Units of measurement	Accounting indicators	Report content or explanation	Page No.
Energy Management	RT-IG-130a.1	GJ	Total Energy Consumed	961,430	88
		%	Percentage Grid Electricity	89	88
		%	Percent Renewable	2	88
Employee Health and Safety	RT-IG-320a.1	Ratio	Total Recordable Incident Rate (TRIR)	0.02	123
		Ratio	Fatality Rate	0	123
		Ratio	Near Miss Frequency Rate (NMFR)	0.01	123
Fuel efficiency and Emissions during the usage phase	RT-IG-410a.1	Gallons - Kilo tons miles	Fleet Fuel Efficiency for Medium and Heavy-Duty Vehicles	Not applicable. All products of HIWIN are non-fuel-driven fixed/mobile/ power generator equipment.	-
	RT-IG-410a.2	Gallons - Hours	Fuel Efficiency for Non-Road Equipment		
	RT-IG-410a.3	Watts - Gallons	Fuel Efficiency for Stationary Generators		
	RT-IG-410a.4	Gram - kWh	Emissions of: (1) Nitrogen Oxides (NOx) and (2) Particulate Matter (PM) for: (a) Marine Diesel Engines, (b) Locomotive Diesel Engines, (c) On-Road Medium- and Heavy-Duty Vehicle Engines, and (d) Other Non-Road Diesel Engines		
Materials Procurement	RT-IG-440a.1	-	Description Of The Management Of Risks Associated With The Use Of Critical Materials	HIWIN supports procurements of conflict-free raw materials and also ask suppliers to source conflict-free materials. In 2024, HIWIN has requested suppliers of products containing Tantalum, Tin, Gold, and Tungs-ten to adhere to responsible minerals policies and sign a Responsible Minerals Conflict-free Statement. 100% of the first-tier key suppliers, totaling 157, have been fully evaluated.	79
Remanufactured Products and Remanufacturing Services	RT-IG-440b.1	NT$	Revenue from Remanufactured Products and Remanufacturing Services	Currently, HIWIN does not participate in the recycling and remanufacturing of its sold products.	-

	Code	Units of measurement	Indicator content	Report content or explanation	Page No.
Activity indicators	RT-IG-000.A	Output unit	Production quantity by product category	Unit: NT$ thousand;Thousands	-

Quantity / Year / Commodity	2023			2024		
	Production capacity	Production quantity	Production value	Production capacity	Production quantity	Production value
Ballscrew	2,750	1,885	4,458,897	2,750	2,096	4,589,074
Linear Guideway	33,700	33,700	14,881,916	33,700	30,317	14,273,771

	RT-IG-000.B	People	Total number of employees	3.1 About HIWIN	29

Appendix VI. Assurance Statement

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Independent Assurance Statement

HIWIN Technologies Corp. ESG Report 2024

Introduction:

TÜV Rheinland Taiwan Ltd., member of TÜV Rheinland Group, Germany (hereinafter "TÜV Rheinland Taiwan", "We") has been entrusted by the management of HIWIN Technologies Corp. (hereinafter "HIWIN", "the Company") to conduct independent assurance of HIWIN Technologies Corp. ESG Report 2024 (hereinafter "the Report"). All contractual contents for this assurance engagement rest entirely within the responsibility of HIWIN. Our task was to give a fair and adequate judgment on the HIWIN Technologies Corp. ESG Report 2024.

The intended users of this assurance statement are stakeholders having relevance to the HIWIN overall Sustainability Performance and impacts of its business activities during 2024 (January 2024 ~ December 2024).

TÜV Rheinland Group is a global service provider of CSR & Sustainability Services in over 65 countries, having qualified professionals in the field of Corporate Sustainability Assurance, Environment, Social and Stakeholder Engagement. We have maintained complete impartiality and independence during the assurance engagement and were not involved in the preparation of report contents.

Assurance Standard:

TÜV Rheinland Taiwan undertook the assurance work in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) Moderate level of assurance.

Scope & Type of Assurance:

Our assurance engagement was carried out in accordance with the AA1000AS v3, Type 2, Moderate level on HIWIN's sustainability performance disclosed in the Report and evaluated the information and data. The following assurance criteria were used in performing the assurance work:

- In accordance with GRI Universal Standards 2021 and performance indicators and according to disclosure on management approach (DMAs) from Economic, Environment & Social category, also defined in Reporting boundaries.
- SASB Standards, Industrial Machinery & Goods Sustainability Accounting Standard.
- Adherence to the AA1000 SES Stakeholder Engagement Standard (2015).
- Adherence to the AA1000 AccountAbility Principles (2018) of Inclusivity, Materiality, Responsiveness, and Impact.

Limitation: TÜV Rheinland Taiwan performed the assurance based on the scope of defined engagement agreement, and on a moderate level assurance under the AA1000 Assurance Standard v3 for engagement. The assurance engagement was carried out at HIWIN headquarters at Taichung City, Taiwan. The consultations with external stakeholder were not carried out. Information and performance data subject to assurance is limited to the contents of the Report. Our assurance work did not cover financial report and its financial data, and other information not related to sustainability.

Assurance Methodology:

TÜV Rheinland Taiwan's assurance activities included:

- Assuring HIWIN's ESG-related quantitative data, disclosure processes, system evidence, performance, and related information quality and reliability, to evaluate relevant management systems, including sustainability strategy, management policy, corporate governance, compliance management, risk management, stakeholder engagement, material issue analysis and impact, and key performance.
- Conducting interviews with over 15 HIWIN's senior management and managers responsible for gathering and analyzing information on ESG-related performance.

- Reviewing and examining sustainability strategy, management practices, and performance information and data to test the accuracy of such information and data through random sampling principles and applied analytical procedures.
- Collecting documentary evidence and assessing management representations to support the extent to which HIWIN adherence to the Accountability Principles.
- The Verification Executive Team was comprised by our multidisciplinary, experienced professionals in the field of Corporate Sustainability, Environment, Social and Stakeholder Engagement.

Adherence to AA 1000 principles:

Inclusivity:
HIWIN has identified key stakeholders and continues to seek their participation. The process considers the issues of concern to stakeholders and establishes significant sustainability issues based on this, developing management strategies to respond to sustainability in a responsible and appropriate manner. Evidence shows that this report reflects HIWIN's inclusive approach to stakeholder issues and has had an accountable impact on both internal and external stakeholders.

Materiality:
HIWIN has implemented materiality assessment. The identification of issues is based on the needs and concerns of stakeholders, internal policy considerations, and understanding and communication of sustainable development content, thereby disclosing the materiality and impact of issues. Evidence shows that HIWIN has appropriately responded to the identified material issues in accordance with their priority and materiality, demonstrating the organization's accountability.

Responsiveness:
HIWIN has responded to the material issues of concern to stakeholders and engaged with them through diverse channels and measures. It has set clear quantitative targets to track performance and completing systematic information responses, thereby appropriately demonstrating its proactive responsiveness and commitment to accountability.

Impact:
HIWIN has effectively identified and disclosed its impacts through transparent, diverse, fair, and effective means, and has established measurement, monitoring, tracking, and management processes to appropriately demonstrate its performance and impact in terms of the environment, society, and governance. It has also fully disclosed and reported this information in its report.

Conclusion:

In conclusion, we can mention that no instances or information came to our attention that would be to the contrary of the statement made below:

- HIWIN Technologies Corp. ESG Report 2024 meets the requirement of Type-2, Moderate Level Assurance according to AA1000AS v3, Global Reporting Initiative (GRI) Universal Standards 2021 and SASB Standards.
- The Report includes statements and claims that reflects HIWIN achievements and challenges supported by documentary evidence and internal records.
- The performance data we found in the report are collected, stored and analyzed in a systematic and professional manner and were plausible.

TÜV Rheinland Taiwan shall not bear any liability or responsibility to a third party for perception and decision about HIWIN based on this Assurance Statement.

AA1000
Licensed Report
000-734/V3-BUQ78

Vito C. C. Lin

Vito C. C. Lin

Technical Manager

TÜV Rheinland Taiwan Ltd.

Taipei, Taiwan
2025-07-11

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