2024

SERCOMM CORPORATION

SUSTAINABILITY REPORT

SERCOMM

2024
SERCOMM CORPORATION
SUSTAINABILITY REPORT

CONTENTS

CH 0

PREFACE

0 Preface

About This Report

Thank you for reading the 2024 Sustainability Report of Sercomm Corporation (Stock Code: 5388, hereinafter referred to as "Sercomm" or "the Company"). This is Sercomm's 9th Sustainability Report. The Company has long maintained sound communication with its Stakeholders in accordance with the principles of transparency and integrity.

Since 2023, Sercomm has officially established the Sustainability Development Committee, which not only promotes various Sustainable Development actions but also designates one of its members to coordinate the disclosures in this report. This report is published after review by the Sustainability Development Committee and approval by the Board of Directors, with the aim of helping Stakeholders better understand Sercomm's efforts and achievements in Sustainable Development.

Reporting Boundary

The reporting boundary of this report is aligned with the Company's consolidated financial statements in terms of financial and social data, covering Sercomm's operations in Taiwan and other global locations. Environmental data focuses on operational sites with manufacturing activities, including the facilities in Chunan, Suzhou, and the Philippines. Unless otherwise stated, monetary values are expressed in New Taiwan Dollars (NT$), and exchange rates are based on the Company's financial statements.

2024 Annual Report

https://www.sercomm.com/en/tool-download/investor_financial_3/file/19/2024_Annual%20Report?note=Annual%20Report

Reporting Standards and Guidelines Followed

Issuing Department	Standards and Guidelines Followed
Global Reporting Initiative, GRI	GRI Universal Standards 2021
Sustainability Accounting Standards Board, SASB	SASB Standards - Hardware
Financial Stability Board, FSB	Task Force on Climate-related Financial Disclosures, TCFD
United Nations, UN	Sustainable Development Goals, SDGs
Taiwan Stock Exchange, TWSE	Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies Appendix – Sustainability Disclosure Indicators for the Communications Network Industry, as specified in the aforementioned "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Appendix – Climate-Related Information for Listed Companies, as specified in the aforementioned rules

0 Preface

Compilation and Management Procedures

The content disclosed in this Sustainability Report is drafted and compiled by the Sustainability Report Editing Task Force, which reports to the Sustainable Development Committee. After internal review, the report is submitted to an external third-party assurance provider for verification. Final approval is granted by the Board of Directors before publication.

Kick-off Meeting	Content Drafting and Compilation	Internal Verification	Report Review	External Assurance	Discussion, Approval, and Publication
Sustainable Development Committee (designates responsible members)	Sustainability Report Editing Task Force	Sustainability Report Editing Task Force	Sustainable Development Committee (designates responsible members)	Third-party Assurance Provider	Board of Directors

External Assurance

The financial information disclosed in this report has been audited and certified by certified public accountants from PwC Taiwan. Greenhouse gas (GHG) emissions data, as well as all environmental protection and safety management practices, have obtained international certification. For details, please refer to Chapter 3.

This report has undergone external verification in accordance with the AA1000 Assurance Standard v3, achieving Type 1 – Moderate Level of Assurance. The content is confirmed to comply with the GRI Standards, align with the SASB Hardware Industry and Activity Metrics, the TCFD framework, and the eight industry-specific indicators for the communications network sector as outlined in the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

Assurance and verification statements issued by third parties are included in the appendix of this report.

Reporting Period and Frequency

This report covers the disclosure period from January 1, 2024, to December 31, 2024, and was published in August 2025. It is issued annually in both Chinese and English versions. To reflect the mid- and long-term performance and trends of certain action plans, some topics include content or data spanning from 2022 to 2024. In terms of waste management data, the 2023 statistics on non-hazardous waste were revised, resulting in restatements of information.

Contact Information

If you have any feedback or suggestions, we sincerely welcome your valuable input. Please feel free to contact us:

| Contact Unit: Sustainable Development Task Force, Sustainable Development Committee, Sercomm Corporation

| Address: 8F, No. 3-1, YuanQu St. (Nankang Software Park) Taipei 115, Taiwan

| Tel: +886-2-2655-3988 #2462

| E-mail：esg@sercomm.com

Sercomm Official Website
https://www.sercomm.com/en

Sustainable Development
https://www.sercomm.com/en/sustainability

Investors
https://www.sercomm.com/en/investor

Contact Us
https://www.sercomm.com/en/contact

LinkedIn
https://www.linkedin.com/company/sercomm/

Preface

Message from Management

GRI: 2-22

Looking back at 2024, it was a year filled with both opportunities and challenges for the networking and communications industry. As we embraced the booming business opportunities brought by the next-generation 5G broadband applications, we also encountered multiple challenges, including geopolitical uncertainties, post-pandemic supply chain restructuring, and customer inventory adjustments. Leveraging its strong R&D capabilities, Sercomm actively developed new products, advanced its global expansion strategy, and broadened its market presence. Despite external uncertainties, the Company remained dedicated to technological innovation, successfully increased its market share in the telecommunications sector, and maintained its position as an industry leader.

In terms of operational performance, Sercomm achieved a consolidated revenue of NT$ 56.79 billion in 2024. Benefiting from an optimized product mix, the gross margin reached 17.7%. Operating profit totaled NT$ 2.93 billion, while net income attributable to the parent company after tax amounted to NT$ 2.27 billion. Based on a weighted average of approximately 294 million outstanding shares, earnings per share (EPS) reached NT$ 7.74.

Sercomm continued to implement its global operations strategy to adapt to geopolitical and market dynamics. By enhancing its operational resilience through global supply chain management, the Company flexibly integrated resources from its five major manufacturing sites in Taiwan, the Philippines, India, Mexico, and China, ensuring production flexibility and stable component supply to meet customer needs. With the global upgrade of networking infrastructure driving demand for broadband equipment, Sercomm leveraged its technological strengths to promote product innovation and strengthen market positioning. In addition to its core markets in North America, Europe, and the Asia-Pacific region, the Company actively expanded into emerging markets such as Southeast Asia, Latin America, and the Middle East. Simultaneously, Sercomm grew its direct sales business in the telecommunications sector and deepened customer partnerships to further reinforce its market leadership.

Beyond focusing on its core business, Sercomm actively promoted sustainable operations in response to growing global attention to ESG issues. The Company concentrated on four key dimensions—Environmental Sustainability, Social Inclusion, Corporate Governance, and Product & Service Responsibility—striving toward a low-carbon transition while fulfilling corporate responsibilities. Sercomm has made continuous improvements in areas such as environmental protection, workplace conditions, business ethics, and sustainable procurement. These efforts earned the Company a Gold Medal from EcoVadis, and its U.S. subsidiary received Great Place To Work certification for its exceptional workplace environment. In terms of governance, Sercomm was recognized among the top 6% to 20% in the 2024 (11th) Corporate Governance Evaluation conducted by the Taiwan Stock Exchange. Since 2017, the Company has published an annual Sustainability Report and has received third-party assurance for eight consecutive years—demonstrating a clear and ongoing commitment to Sustainable Development.

Looking ahead, the global networking and communications industry is poised to enter a new era of vigorous development. Sercomm will continue to leverage its innovative R&D capabilities, strengthen collaboration with global telecommunications customers, and provide comprehensive communications technology solutions. New products such as 10G PON high-speed optical access equipment, DOCSIS Cable 4.0 products, Wi-Fi 7 devices, 5G FWA fixed wireless access devices, video streaming equipment, enterprise networking equipment, and smart IoT products are expected to contribute to revenue growth. With strong market insight and a firm commitment to sustainable management, Sercomm will continue to enhance long-term value for stakeholders—including shareholders, customers, and employees—and create enduring corporate sustainability value.

SERCOMM CORPORATION
Chairman

SERCOMM CORPORATION
President

0 Preface

Sustainability Highlights

Environmental

The Calamba Manufacturing Center progressed toward **100%** renewable electricity usage.

Participated in CDP assessments for Climate Change and Water Security, receiving scores of **B** and **B-**, respectively.

Suzhou subsidiary was recognized in the **2024–2025 Forbes China** Sustainability & Innovation Development Enterprise selection.

Scope 1 and 2 GHG emissions decreased by **20.37%** compared to 2023.

Scope 3 GHG emissions decreased by **41.94%** compared to 2023.

Social

Total global employee training hours reached **52,171.36**, with an average of **6.62** hours per employee.

The proportion of women in management positions increased by **30.8%**.

U.S. subsidiary received **Great Place To Work** certification.

Honored with the **Best Employer Brand** award from global professional network platform LinkedIn.

Governance

EPS reached NT$ **7.74**

Ranked in the top **6%–20%** in the 2024 (11th) Corporate Governance Evaluation.

Awarded the **EcoVadis Gold Medal** for sustainability performance.

Chunan Manufacturing Center obtained **RBA VAP Platinum** Certification.

100% Board Meeting Attendance Rate.

100% Code of Ethical Conduct signing rate for new employees.

Zero material violations reported.

Products and Services

15 products adopted Post-Consumer Recycled (PCR) plastics.

All products achieved power conversion efficiency above **80%** 以上

Average **Reuse and Recycled Rate** of product WEEE-3R disassembly tests exceeded **83.4%**, and **Recovery Rate** reached **90.2%**.

Total number of patents granted exceeded **246**.

CH 1
VALUE CREATION

SERCOMM

1 Value Creation

Management Approach

SDGs — 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES

Target Readers

Investors / Financial Institutions, Government Agencies, Employees, Customers, Suppliers, Media

Policy Commitments

The Company's financial performance serves as the foundation for sustainable development and remains one of the most closely watched indicators by stakeholders. In pursuit of its sustainability goals—while also promoting social inclusion and environmental responsibility—Sercomm is committed to establishing a high-performance corporate governance mechanism to steadily generate economic value.

Material Topic

Economic Performance

Management Approach and Evaluation Mechanism

| The management team regularly convenes operational meetings to review performance. Additionally, internal budget control, capital expenditure reviews, operational risk assessments, and a robust financial reporting system to the Board of Directors are all in place to ensure that economic outcomes align with long-term strategic goals.

| The Company closely monitors changes in international accounting standards and tax regulations to ensure proper financial reporting and transparent disclosure of material financial information.

2024 Key Performance Management

| Approval of the 2023 financial statements, business report, and the 2024 business plan.

| Approval of the 2023 earnings distribution and cash dividend proposal.

Short-Term Goals 2024-2025

Stable revenue and gross margin performance; maintained market share in telecom and broadband product segments.

Optimized global production capacity allocation to improve operational efficiency.

Strengthened cost control and flexible manufacturing capabilities to mitigate market uncertainties.

Medium and Long-Term Goals 2025-2050

| Continued expansion into emerging markets, increasing revenue share from non-traditional regions.

| Deepened collaboration with key customers, increasing the proportion of high value-added products.

| Ongoing investment in green design and R&D innovation to enhance operational resilience and maintain technological leadership.

Note: 2024 Performance Status — ✓ Achieved | ⚠ Ongoing Progress

1 Value Creation

1.1 Company Overview

1.1.1 About Sercomm

GRI: 2-1, 2-2　　SASB: TC-HW-000.B

Sercomm was originally established with a core focus on broadband network software development, complemented by hardware manufacturing services. As opportunities in digital convergence emerged, Sercomm boldly shifted its operational strategy, successfully transforming from a brand-oriented OEM provider into a world-class leader in comprehensive telecommunications and broadband solutions. Through continuous innovation and proactive market expansion, the Company has integrated new broadband technologies into diverse real-life applications, created differentiated value, and enhanced its competitive strength in blue ocean markets—fostering a renewed sense of corporate value.

Sercomm has been deeply engaged in the telecommunications market for many years and has established market leadership in a diverse range of core products, including Integrated Access Devices (IADs), carrier-grade networking equipment, FTTx optical fiber solutions, Cable DOCSIS equipment, Small Cell base stations, and smart IoT solutions. Its customer base includes leading telecom operators across Europe, North America, and emerging markets, securing Sercomm's status as a recognized global supplier.

In 2023, Sercomm unveiled a renewed corporate Vision, Mission, and Core Values, aiming to deliver responsive solutions with strong execution, drive communication technology through fearless innovation, and cultivate partner relationships through exceptional service. These principles lay the foundation for enabling future lifestyles and industries that are smarter, more modern, convenient, and secure.
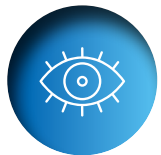
VISION
Embedding connectivity for the future

MISSION
Committed partnership

Timely solutions

Leading communication technology

INNOVATIVE
Pursue new and better ways of doing things

SERCOMM CORE VALUES

EXECUTION
Deliver strong execution with a clear objective

SERVICE
Commit to service excellence
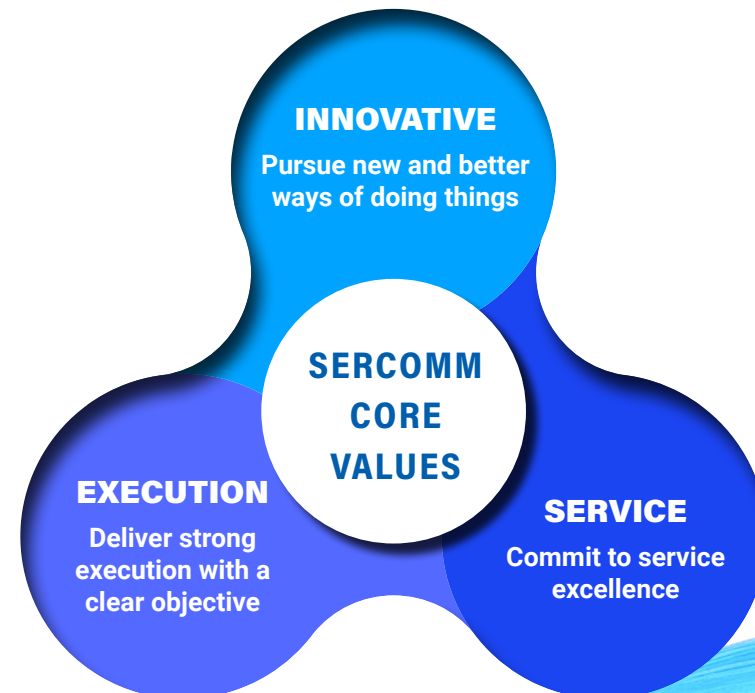
1 Value Creation

⟍⟍ Company profile

Company Name	Sercomm Corporation (Stock code:5388)
Number of Employees	5,428
Paid-in Capital	NT$ 3,000,495,420
Date of Incorporation/ Date of Listing	July 29, 1992 / December 3, 2007
Address of Headquarters	8F, No. 3-1, YuanQu St. (Nankang Software Park) Taipei 115, Taiwan

Industry	Communications and Internet Industry	**Main Business**	▪ Wired Networking Products ▪ Wireless Networking Products ▪ Other Products

Product Category	Sercomm's three core product categories include: ▪ Broadband Customer Premises Equipment (Broadband CPE) ▪ Enterprise Networking Products ▪ Network Infrastructure and IoT Products To meet the evolving needs of the communications industry, Sercomm also offers a comprehensive suite of solutions: ▪ Mobile Network Solutions ▪ Broadband Solutions ▪ IoT Solutions ▪ Enterprise Solutions

Chairman	James Wang	**President**	Ben Lin

Number of production bases	3
Area of manufacturing facilities	119,833.82 (m²)

Note: The area of manufacturing facilities is calculated based on production-related floor space, including areas used for manufacturing activities, offices, and warehouses. It does not include non-production areas such as cafeterias or dormitories.

1 Value Creation

⟍⟍ Global Operations

Sercomm's global headquarters is located in Taipei, Taiwan. To provide close support to telecommunications operators and major networking brands around the world, the Company has established sales offices in more than ten countries, including the United States, Mexico, China, Japan, India, France, Germany, Italy, and the United Kingdom.

Manufacturing centers are located in Chunan, Taiwan; Suzhou, China; Calamba, the Philippines; and New Delhi, India. These sites work closely with Sercomm's R&D centers in Taipei, Suzhou, and the greater Manila area, enabling the Company to enhance both the depth and breadth of its production capacity.

Global Operations

- ● Sales Center
- ● RD Center
- ● Manufacturing

Dusseldorf, Germany
London, UK
Paris, France
Milan, Italy
California, USA
Atlanta, USA
Ciudad de México, Mexico
New Delhi, India
Tokyo, Japan
Suzhou, China
Taipei,Hsinchu, Taiwan
Calamba, Philippines
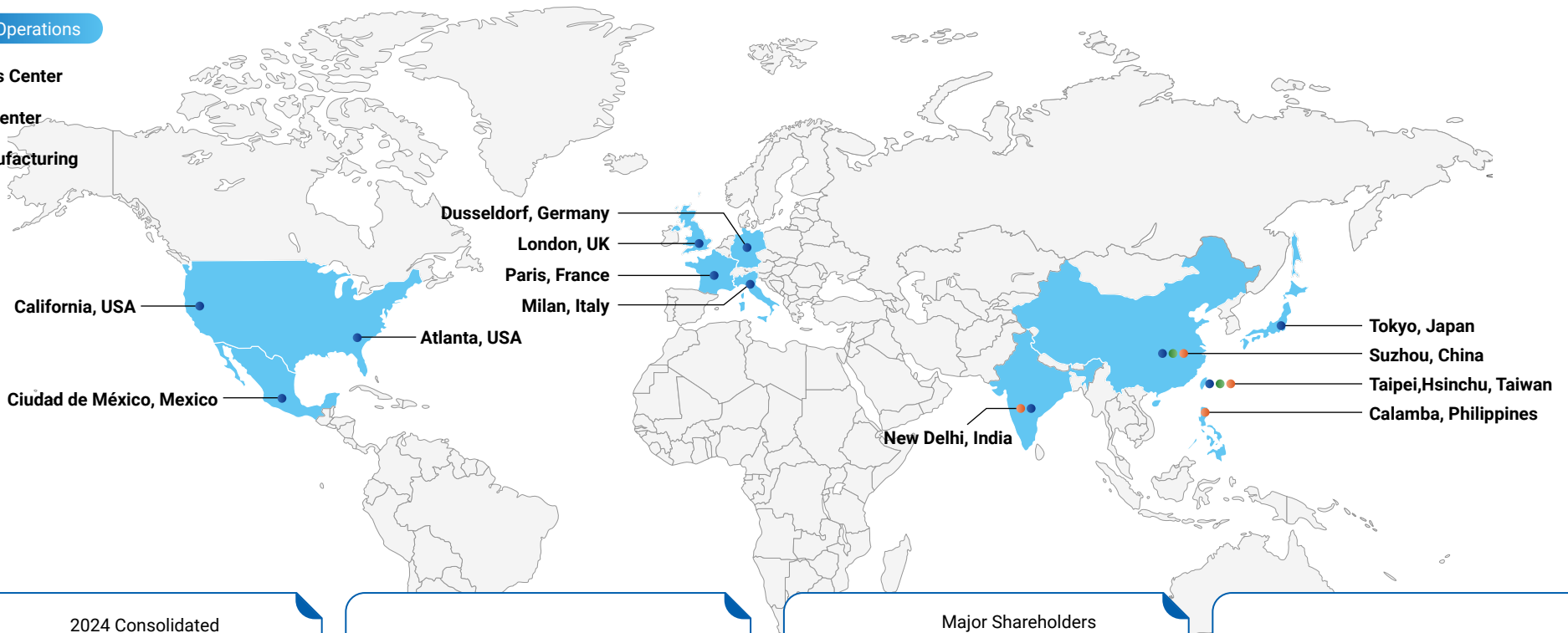
2024 Consolidated Financial Statements
https://www.sercomm.com/en/tool-download/investor_financial_2/quarter_4/25/2024_Fourth%20Quarter%20Quarterly%20Financial?note=Fourth%20Quarter%20Quarterly%20Financial%20Report

2024 Annual Report
https://www.sercomm.com/en/tool-download/investor_financial_3/file/19/2024_Annual%20Report?note=Annual%20Report

Major Shareholders
https://www.sercomm.com/en/tool-download/page/file4/23/Shareholder%E2%80%99s%20Meeting_Major%20Shareholders?note=Major%20Shareholders

About Sercomm
https://www.sercomm.com/en/company

1 Value Creation

1.1.2 Products and Markets

GRI: 2-6   **SASB: TC-HW-000.A, TC-HW-000.C**

Sercomm's product portfolio is primarily composed of three major categories: Broadband Customer Premises Equipment (Broadband CPE), Enterprise Networking Products, and Network Infrastructure and IoT Products. These products are deployed across a wide range of application scenarios, including residential, commercial, industrial, telecommunications, security surveillance, and cloud-based environments.

Looking ahead, as high-speed mobile broadband continues to enable diverse applications, Sercomm remains committed to its core strength in key technology development. The Company will continue to deepen its capabilities in IoT, artificial intelligence (AI), small cell solutions, and intelligent cloud applications. Through these efforts, Sercomm aims to accelerate network accessibility, enhance business efficiency, and contribute to the advancement of smart living and smart cities in the digital economy.

Broadband CPE

Enabling Connected Homes

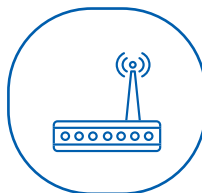Extends network infrastructure into residential environments to enhance connectivity coverage throughout the home and support the development of smart living.

Enterprise Products

Supporting Large-Scale Data Transmission

Provides stable and secure transmission capabilities for applications with high-volume data needs, such as in industrial, commercial, or educational settings.

Infrastructure & IoT Products

Empowering Smart Cities and Smart Homes

Establishes surveillance and monitoring capabilities across factories, office buildings, and residential areas to enhance the safety and convenience of both operations and daily life.

The structure of product production and sales in 2024 is illustrated in the charts below. In terms of revenue composition, Broadband Customer Premises Equipment (Broadband CPE) represented the primary source of contribution. Regarding sales markets, the Americas, Asia, and Europe remained the main shipping destinations, with continued efforts to expand into emerging markets. The total weight of products sold during the year reached 10,555.658 metric tons.

Product Production and Sales Distribution in 2024

Unit: Units (pcs)

Item	Broadband CPE	Enterprise Products	Infrastructure & IoT Products
Production Volume	17,998,161	5,882,094	3,354,642
Share (%)	66.08%	21.60%	12.32%
Sales Volume	18,957,084	4,758,433	4,466,026
Share (%)	67.27%	16.88%	15.85%

Note: The data in this section is aligned with the consolidated financial statements and therefore includes the output from the India Manufacturing Center.

Product Revenue Distribution in 2024

Unit: NT$ thousands

Item	Broadband CPE	Enterprise Products	Infrastructure & IoT Products	Others
Sales Amount	38,959,503	10,164,532	6,164,302	1,500,425
Share (%)	68.60%	17.90%	10.85%	2.64%

Note: The "Others" category primarily includes testing and processing services, semi-finished products, materials, reimbursed freight charges, and material price differences. Therefore, no production or sales volume is applicable for reference.

Sales Network Industry Value Chain

Unit: NT$ thousands

Item	Americas	Asia	Europe	Others
Net Operating Revenue	34,302,323	13,185,291	9,300,515	633
Share (%)	60.40%	23.22%	16.38%	0.00%

1 Value Creation

✑ 1.1.3 Value Chain of the Communications and Internet Industry

GRI: 2-6

The Communications and Internet Industry consists of companies that develop and utilize wired or wireless transmission technologies to receive symbols, signals, text, images, audio, and other forms of information. In this industry value chain, upstream players are suppliers of components used in the assembly of various types of communication terminals, while downstream players offer end-user products and services.

There were no significant changes in the industry value chain during the reporting year. Sercomm is positioned in the midstream segment of the value chain, sourcing raw materials and components from upstream suppliers for in-house production and manufacturing. The finished physical products are delivered to professional service providers such as telecom operators, network equipment vendors, and multimedia system service providers, with final applications extending to industrial, commercial, residential, and individual consumer use.

Upstream	Midstream	Downstream
	Sercomm's Position	Telecommunication Services
Module Manufacturing	Telecommunication Equipment Manufacturing	Multimedia System Services
		Network Equipment Supply
Component Manufacturing		Enterprise Network System Integration & Planning
		Network Platform Services
		Other Network Communication Services
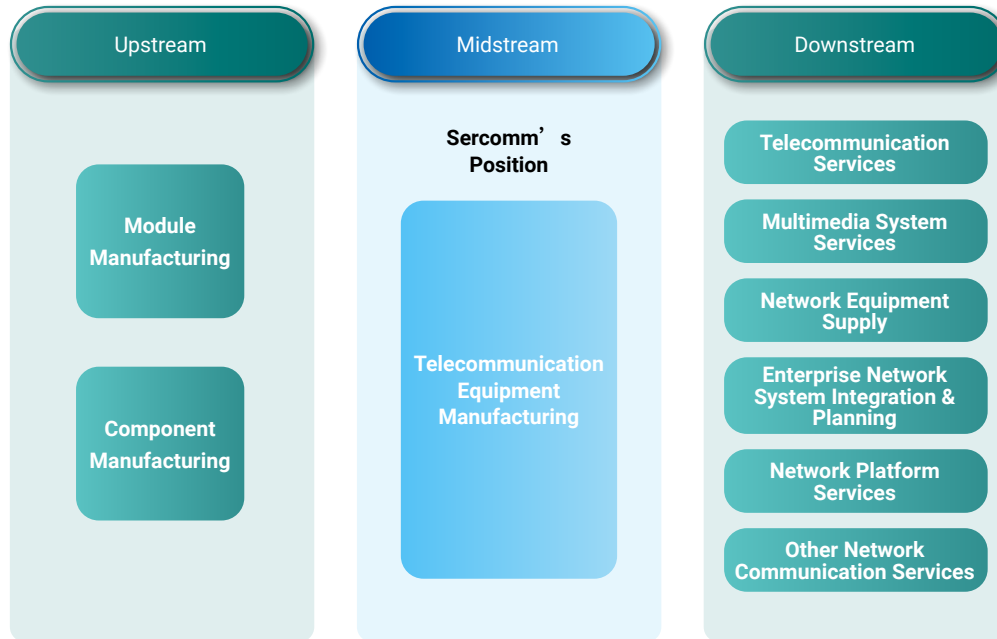
Product & Service Application Areas

Industrial Production

Commercial Offices

Household Use

Personal Use
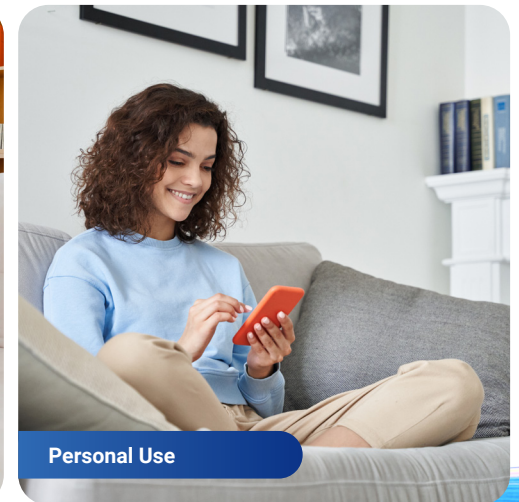
1 Value Creation

1.2 Business Performance

1.2.1 Financial Performance

In 2024, Sercomm achieved consolidated revenue of NT$ 56.78 billion, with an operating profit of NT$ 2.93 billion. Net income attributable to the parent company amounted to NT$ 2.27 billion, representing a 4.8% decrease compared to the previous year. Earnings per share (EPS) stood at NT$ 7.74.

The Company's consolidated financial performance for the years 2022 to 2024 is presented in the table below:

Unit: NT$ thousands

Item				2022	2023	2024
Operating Performance and Profitability	Direct Economic Value Generated	Operating Revenue		64,573,720	62,584,493	56,788,762
		Total non-Operating Income and Expenses		(27,035)	(125,481)	(110,657)
	N/A	Gross Profit		8,618,811	10,262,300	10,076,229
		Operating Profit		2,417,616	3,113,514	2,933,838
		Profit Before Income Tax		2,309,344	2,988,033	2,823,181
		Profit for the Year		1,908,521	2,388,791	2,273,639
		EPS		7.57	9.17	7.74
		Total Assets		44,275,617	47,764,529	41,991,816
		Total Liabilities		34,474,175	34,548,375	25,672,429
		Total Equity		9,801,442	13,216,154	16,319,387
Value Distribution	Economic Value Distributed	Operating Costs		55,954,909	52,322,193	46,712,533
		Employee Benefit Expense		5,377,137	5,762,623	5,511,362
		Payments to Providers of Capital	Cash Dividends of Ordinary Share	605,735	1,158,191	1,472,126
			Interest Paid to Lenders (Finance Costs)	173,590	262,002	248,528
		Payments to Government	Payments of Income Tax	361,161	522,764	1,151,132
			Fines	--	--	41
		Community Investments		--	--	6,425
		Political Contributions		--	--	0
Economic Value Retained				2,074,153	2,431,239	1,575,958

Notes:

1. Payments to Providers of Capital refer to dividends paid to all shareholders, plus interest paid to lenders (including interest on all forms of debt and borrowings, and unpaid dividends to preferred shareholders).
2. Payments to Government include all types of taxes (such as business tax, income tax, and property tax), as well as fines.
3. Community Investments refer to donations and charitable contributions.
4. Economic Value Retained = Direct Economic Value Generated − Economic Value Distributed
5. Direct economic value generated = Operating Revenue + Total non-Operating Income and Expenses
6. Economic Value Distributed = Operating Costs + Employee Benefit Expense + Payments to Providers of Capital + Payments to Government + Community Investments + Political Contributions
7. Fines, community investments, and political contributions were not recorded for 2022−2023.

1 Value Creation

Dividend Policy

The Company's dividend distribution policy is based on the principle of maintaining stable dividends in line with the earnings performance of each fiscal year. To support steady operational growth, dividend amounts are determined by considering the current and future investment environment, funding needs, competitive landscape, and capital budget—while balancing shareholder interests and the Company's long-term financial planning. Dividends may be distributed in the form of cash dividends or stock dividends, with cash dividends accounting for no less than 10% of the total dividends distributed in the year.

Government Financial Subsidies in Support of Policy

We support the tax incentive policies introduced by various governments to promote R&D in the communications and internet industry, and we continue to allocate resources toward innovation and development to help build a smart, innovative, and resilient digital environment. In 2024, the Company did not apply for any government project-based subsidies; however, we remain attentive to relevant policies and funding opportunities. Based on business and technological development needs, we will assess the feasibility of future participation to strengthen our R&D capabilities and enhance market competitiveness.

Financial Information
https://www.sercomm.com/en/investor/financial/2

Investor Conference
https://www.sercomm.com/en/investor/calendar

1.2.2 Tax Policy

GRI: 207-1

Sercomm's tax governance is guided by four core principles: regulatory compliance, prudent assessment, honest taxation, and transparent disclosure.

In terms of regulatory compliance, Sercomm adheres to the tax laws and regulations of all countries and regions where it operates, and strictly refrains from engaging in any improper or aggressive tax planning. Dedicated finance personnel are stationed at key operational sites to stay abreast of local tax regulations. When necessary, Sercomm invests in training to ensure staff are equipped to respond to changes in tax legislation.

Regarding prudent assessment, the Company carefully evaluates tax-related risks and implications when planning operational activities or engaging in major transactions, ensuring that all tax considerations are factored into the decision-making process.

With respect to honest taxation, Sercomm does not pursue tax avoidance strategies and does not accept tax arrangements lacking legitimate commercial substance. We are committed to ensuring that tax payments contribute to the economic and social development of the local communities where we operate.

For transparent disclosure, Sercomm complies with relevant regulations in disclosing tax-related information and maintains open, trust-based communication with tax authorities.

Tax Governance Principles

Regulatory Compliance
Comply with the tax laws of all countries where business operations are conducted.

Prudent Assessment
Integrate tax considerations into business decision-making.

Honest Taxation
Integrity and honesty are the core principles in fulfilling tax obligations.

Transparent Disclosure
Maintain open and trust-based communication with tax authorities.

Tax Information Over the Past Four Years

Unit: NT$ thousands

Item	2021	2022	2023	2024
Profit Before Income Tax	1,026,132	2,309,344	2,988,033	2,823,181
Income Tax Expense	164,343	400,823	599,242	549,542
Payments of Income Tax	170,058	361,161	522,764	1,151,132
Effective Tax Rate	16.02%	17.36%	20.05%	19.47%
Cash Tax Rate	16.57%	15.64%	17.50%	40.77%

CH 2
SUSTAINABLE OPERATIONS

2 Sustainable Operations

Performance Highlights

Achieved a Top **6%–20%** ranking in the 11th Corporate Governance Evaluation in 2024

Performance Highlights

Awarded the EcoVadis **Gold Medal**

GRI: 2-25

Management Approach

SDGs

1 NO POVERTY | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS | 17 PARTNERSHIPS FOR THE GOALS

Target Readers

This section is recommended as a priority read for all stakeholders.

Policy Commitments

Sercomm upholds the management philosophy of "Innovation and R&D Focus," and implements corporate social responsibility across four key pillars: enhancing operational performance, promoting environmental sustainability, engaging in social participation, and creating a happy workplace.

Environmental Sustainability

While pursuing business growth, Sercomm actively participates in global environmental protection programs, strictly complies with environmental regulations, and conducts GHG inventories and carbon reduction initiatives.

Happy Workplace

Sercomm safeguards employee rights, ensures a healthy, safe, fair, and non-discriminatory working environment, and fosters a positive workplace culture.

Corporate Social Responsibility

Sercomm supports charitable initiatives, promotes social inclusion, and encourages employee involvement in community care.

Sustainable Governance and Management

Sercomm has established a robust corporate governance system, values stakeholder engagement, and ensures operational transparency.

Material Topic

Sustainable Supply Chain Management

Management Approach and Evaluation Mechanism

- In accordance with the Supplier Management Procedures, Sercomm has clearly defined mechanisms for managing both new and existing suppliers.
- In line with the Supplier's Code of Conduct Agreement, ESG risk assessments are conducted before onboarding suppliers.
- Based on the Responsible Business Alliance (RBA) Code of Conduct, all suppliers are required to uphold social responsibility, ethical standards, and full compliance with applicable local laws and regulations.

2024 Key Performance Management

- Revised the Supplier's Code of Conduct Agreement in accordance with RBA Version 8.0.
- Held 2 online training sessions for suppliers.
- Integrated social and environmental clauses into supplier contracts.
- Assisted 89 suppliers in adopting the SGET carbon management platform.

Short-Term Goals　2024-2026

- ⚠ Obtain RBA VAP Platinum Certification for each manufacturing center.
- ⚠ Promote full GHG inventory coverage across suppliers and assist with ISO 14064-1 implementation.
- ⚠ Establish a Group-wide Sustainable Procurement Policy.
- ⚠ Update the CSR Risk Assessment Form.

Medium and Long-Term Goals　2025~2050

- Assist suppliers in implementing comprehensive ESG policies.
- Support suppliers in advancing GHG emissions reduction initiatives.

Note1: 2024 Performance Status — ✓ Achieved　| ⚠ Ongoing Progress
Note2: The names of management procedures may vary across operating sites, but the management mechanisms remain consistent.

2 Sustainable Operations

2.1 Sustainability Management Framework

GRI: 2-12, 2-13, 2-14, 2-24

Sustainability Guidelines

Sercomm has established the Sustainable Development Best Practice Principles as a guideline for the Company's sustainability vision and strategy. To further integrate sustainability considerations into business operations, we have also adopted the Corporate Social Responsibility Guidelines, which define sustainability principles across five key dimensions: business ethics, labor and human rights, occupational health and safety, environmental sustainability, and sustainable procurement. These principles apply to all global operating sites, managerial levels, formal employees and non-employees, as well as supply chain partners.

Governance Structure

The Board of Directors serves as the highest supervisory body for sustainability governance at Sercomm. A Sustainable Development Committee has been established as a functional committee under the Board, operating in accordance with the Organizational Regulations for the Sustainable Development Committee. The committee is composed of directors and senior executives, who leverage governance-level oversight to identify sustainability-related risks and opportunities, ensuring alignment between sustainability goals and corporate strategy.

To strengthen policy implementation and clarify responsibilities, a Sustainability Executive Team has been established under the committee to coordinate overall planning. The team is further organized into five task forces:

1.Sustainable Development
2.Responsible Products
3.Responsible Operations
4.Employee Relations and Sustainability Engagement
5.Corporate Governance

Each task force is responsible for executing sustainability initiatives according to the Company's commitments, integrating goals and practices into operational and management systems. This includes environmental management, GHG inventory, quality control, information security, and social responsibility management systems such as ISO 14001, ISO 14064-1, ISO 9001, ISO 27001, and RBA Code of Conduct, among others. These systems institutionalize our commitments and drive continuous improvement.

Through this structured and integrated framework, Sercomm ensures consistency and accountability from strategic planning and policy development to operational execution. The Sustainable Development Committee regularly reports to the Board of Directors to ensure the Company's overall sustainability direction remains aligned with stakeholder expectations.

In 2024, the Sustainable Development Committee convened four meetings, with updates formally reported to the Board of Directors in Q4 2024.

2 Sustainable Operations

Sustainable Development Committee Structure

Task Group

- Board of Directors
- Corporate Sustainability Committee
- Sustainability Task Force

Sustainable Development

Responsible Products

Responsible Operations

Employee Relations and Sustainability Engagement

Corporate Governance

Issue Management

Sustainable Development
- Regulatory Compliance
- Sustainability Strategy
- Sustainable Supply Chain Management

Responsible Products
- Green Products
- Product Innovation and R&D
- Customer Relationship Management (CRM)

Responsible Operations
- GHG and Energy Management
- Climate Change Adaptation
- Waste Management
- Water Resource Management
- Occupational Health and Safety (OHS)

Employee Relations and Sustainability Engagement
- Human Resource Management (HRM)
- Human Rights Management
- Employee Relations and Communication
- Diversity, Equity and Inclusion (DEI)
- Employee Training and Development
- Community Engagement

Corporate Governance
- Economic Performance
- Integrity Management
- Risk Management
- Information Security
- Privacy Management

2 Sustainable Operations

⟍⟍ Duties and Responsibilities

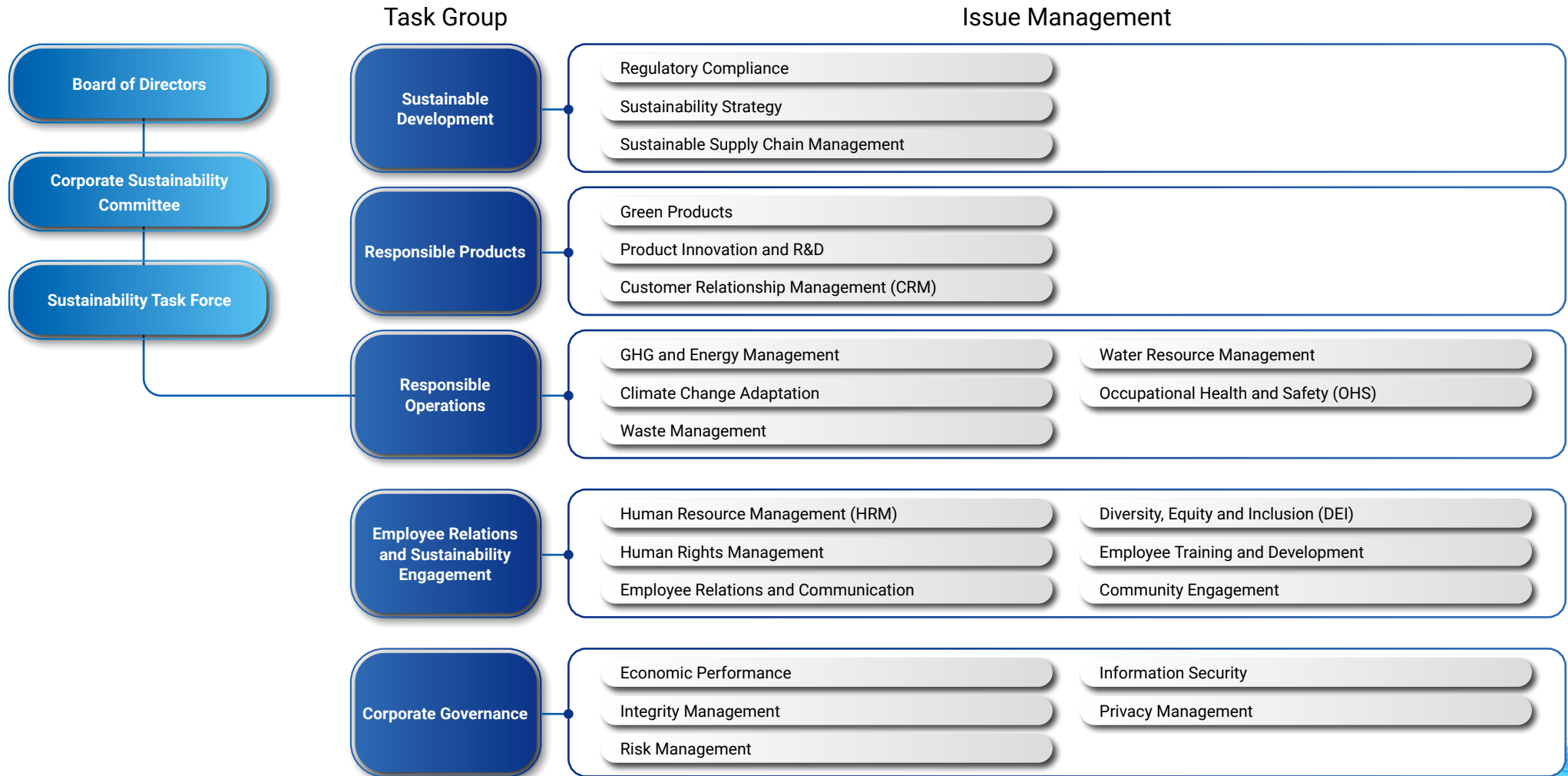| Unit		Roles and Responsibilities	Communication Frequency
Board of Directors		▪ Highest-level decision-making and supervisory body. ▪ Responsible for the decision-making, approval, and oversight of the Company's sustainability vision, strategies, and direction.	At least once per year
Sustainable Development Committee		▪ Chairperson: Member of the Board of Directors ▪ Members: Chairperson & senior executives from various departments ▪ Formulate the sustainability vision and policies. ▪ Approve sustainability strategies, targets, action plans, and performance results.	Quarterly
Sustainability Executive Team		▪ Coordinating unit for all sustainability affairs. ▪ Develop sustainability strategies, targets, and action plans. ▪ Track and consolidate the short-, medium-, and long-term goals, annual action plans, and implementation results of each task force, and report to the Committee. ▪ Propose implementation plans and assign responsibilities for various sustainability-related initiatives.	Monthly
Task Forces	Sustainable Development　Responsible Products　Responsible Operations　Employee Relations and Sustainability Engagement　Corporate Governance	▪ Executing units responsible for implementing initiatives and ensuring policy execution. ▪ Set short-, medium-, and long-term goals and formulate corresponding annual action plans.	On an ad hoc basis, depending on task requirements

2 Sustainable Operations

2.2 Sustainability Strategy and SDGs

GRI: 2-23

To effectively address stakeholder expectations and ensure consistent progress on sustainability issues across environmental, social, and governance (ESG) dimensions, Sercomm's sustainability strategy is continuously refined. It aligns with the core principles of the United Nations Sustainable Development Goals (SDGs), Sercomm's identified sustainability risks and opportunities, and annual materiality assessment results. These elements are integrated into a unified sustainability framework that guides action plans and the formulation of short-, medium-, and long-term goals.

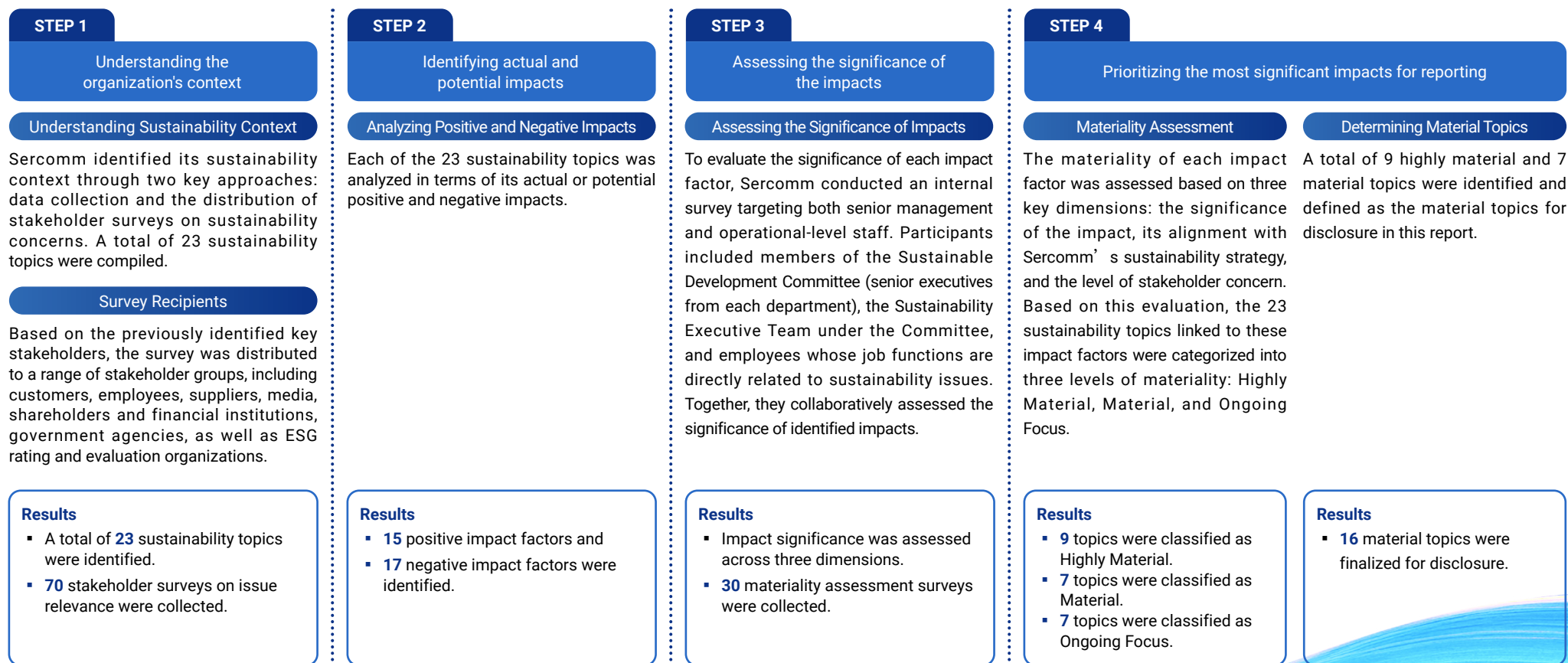|				
Sustainability Vision	To uphold integrity, legal compliance, and responsible product and operational practices while working hand in hand with key stakeholders and the value chain to build a greener, safer, more equitable, diverse, and inclusive sustainable enterprise.			
Pillar	Environmental	Social	Governance	Products and Services
Commitment	Rooted in clean and responsible production, Sercomm is committed to addressing global climate change and driving a net-zero future through value chain collaboration.	Delivering high-quality, responsible products and services that promote and protect human rights, health and safety, diversity, and inclusion.	Upholding business ethics and fostering a culture of mutual trust to generate positive environmental and social impacts across the value chain.	Take care of the environment, save energy and reduce emissions, and promote green products and manufacturing processes.
Corresponding SDGs	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND	3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS	8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 17 PARTNERSHIPS FOR THE GOALS

SERCOMM

2 Sustainable Operations

2.3 Material Topic Analysis

GRI: 3-1, 3-2, 3-3

In accordance with the GRI Universal Standards 2021, Sercomm follows the four-step materiality determination process to assess the actual or potential impacts of its economic activities on the economy, environment, and people (including human rights), as well as the extent to which these impacts may affect the Company's sustainable operations.

In alignment with the European Union's Double Materiality principle, stakeholder feedback is incorporated into the materiality assessment process. Furthermore, Sercomm has deepened the analysis of both positive and negative impacts, enabling stakeholders and information users to better understand the Company's significant internal and external impacts throughout its economic activities.

2.3.1 Implementation Steps

STEP 1

Understanding the organization's context

Understanding Sustainability Context

Sercomm identified its sustainability context through two key approaches: data collection and the distribution of stakeholder surveys on sustainability concerns. A total of 23 sustainability topics were compiled.

Survey Recipients

Based on the previously identified key stakeholders, the survey was distributed to a range of stakeholder groups, including customers, employees, suppliers, media, shareholders and financial institutions, government agencies, as well as ESG rating and evaluation organizations.

Results
- A total of **23** sustainability topics were identified.
- **70** stakeholder surveys on issue relevance were collected.

STEP 2

Identifying actual and potential impacts

Analyzing Positive and Negative Impacts

Each of the 23 sustainability topics was analyzed in terms of its actual or potential positive and negative impacts.

Results
- **15** positive impact factors and
- **17** negative impact factors were identified.

STEP 3

Assessing the significance of the impacts

Assessing the Significance of Impacts

To evaluate the significance of each impact factor, Sercomm conducted an internal survey targeting both senior management and operational-level staff. Participants included members of the Sustainable Development Committee (senior executives from each department), the Sustainability Executive Team under the Committee, and employees whose job functions are directly related to sustainability issues. Together, they collaboratively assessed the significance of identified impacts.

Results
- Impact significance was assessed across three dimensions.
- **30** materiality assessment surveys were collected.

STEP 4

Prioritizing the most significant impacts for reporting

Materiality Assessment

The materiality of each impact factor was assessed based on three key dimensions: the significance of the impact, its alignment with Sercomm's sustainability strategy, and the level of stakeholder concern. Based on this evaluation, the 23 sustainability topics linked to these impact factors were categorized into three levels of materiality: Highly Material, Material, and Ongoing Focus.

Determining Material Topics

A total of 9 highly material and 7 material topics were identified and defined as the material topics for disclosure in this report.

Results
- **9** topics were classified as Highly Material.
- **7** topics were classified as Material.
- **7** topics were classified as Ongoing Focus.

Results
- **16** material topics were finalized for disclosure.

2 Sustainable Operations

✎ **Analysis results of the positive and negative impact factors for the 23 identified sustainability topics**

| Pillar	Sustainability Topic	Impact Aspect	Impact Factor	Economic	Environmental	People (Human Rights)
Environmental	Climate Change Mitigation and Adaptation	+	Improve energy efficiency and use of renewable energy to reduce GHG emissions.	●	●	
		-	Failure to effectively respond to climate change may lead to supply chain disruptions or shortages of raw materials.			
	Greenhouse Gas and Energy Management	+	Promote energy conservation and carbon reduction to lower operational costs and regulatory risks.	●	●	
		-	Energy consumption from business operations leads to GHG emissions.			
	Waste Management	-	Waste incineration and landfill processes cause air pollution and GHG emissions.		●	
	Water Resource Management	+	Enhance water recycling in manufacturing processes to reduce operational costs.		●	
		+	Promote water-saving measures in domestic use to prevent water scarcity.			
	Biodiversity	n/a	n/a		●	
Social	Occupational Health and Safety	+	Create a safe workplace environment to enhance employee health and well-being.	●		●
		-	Occupational injuries or diseases affect employee health.			
	Human Resource Management	+	Compensation and benefits improve employees' well-being.	●		●
			Improper allocation of human resources may increase turnover rates.			
	Human Rights Management	+	Protect employee rights to enhance corporate reputation and talent attraction.	●		●
		-	Business activities violating fundamental human rights.			
	Employee Relations and Communication	-	Ineffective communication channels impact labor relations.	●		●
	Diversity, Equity, and Inclusion	+	A diverse and inclusive workplace culture fosters employee identification.	●		●
		-	Lack of inclusive culture may lead to employee disengagement and attrition.			
	Employee Training and Development	+	Training enhances employees' professional skills and capabilities.	●		●
		-	Insufficient training resources may affect workforce performance and retention.			
	Community Engagement	+	Social engagement enhances community well-being.			●

2 Sustainable Operations

Pillar	Sustainability Topic	Impact Aspect	Impact Factor	Economic	Environmental	People (Human Rights)
Governance	Business Ethics	+	Foster a culture of integrity to strengthen customer and investor trust.	●		
		-	Violations of ethics and integrity undermine stakeholder trust.			
	Information Security	+	Protect business and customer data to reduce cybersecurity risks.	●		
		-	Poor information security may result in data leaks or ransomware attacks.			
	Sustainable Supply Chain Management	+	Procurement activities contribute to value creation in upstream industries.			
		+	Procurement activities generate employment opportunities in the supply chain.			●
		-	Procurement activities result in negative environmental impacts across the supply chain.	●	●	
		-	Procurement activities cause occupational accidents in the supply chain.			●
			Procurement activities lead to human rights violations in the supply chain.			●
	Risk Management	+	Strengthen resilience to reduce the risk of operational disruptions.	●		
		-	Inadequate risk management affects stakeholder trust.			
	Economic Performance	+	Adherence to core technology development to deliver optimal solutions, improving operational efficiency and competitiveness.	●		●
		-	Geopolitical conflicts or supply chain disruptions affect business profitability.			
	Privacy Management	+	Establish robust data protection mechanisms to enhance customer privacy.	●		●
		-	Data breaches or misuse of customer information cause trust crises.			
	Tax Policy	n/a	n/a	●		
Products and Services	Green Products	+	Actively promote low-carbon product design and manufacturing.	●	●	
		-	Environmental harm caused by products or services.			
	Product Innovation and R&D	+	Innovative R&D drives development of critical technologies.	●		
		-	Inadequate patent management affects protection of innovative technologies.			
	Customer Relationship Management	+	Service quality builds stable customer relationships.	●		
		-	Poor complaint handling may damage customer trust and brand image.			
	Product and Service Responsibility	+	Delivering high-quality and safe products and services enhances customer satisfaction and brand value.	●		
			Product quality issues or misleading marketing may harm consumers.	●		●

2 Sustainable Operations

✍ Assessment of Impact Significance – 30 Impact Significance Evaluation Surveys

In accordance with the GRI 3 methodology for identifying material topics, the assessment incorporated both the severity of impact and the likelihood of occurrence. The principle of Double Materiality was applied, evaluating impact significance from two perspectives: one focusing on the effects on the company itself, and the other on the external economy, environment, or people. For the internal dimension, the assessment further considered four operational indicators—namely, business revenue, corporate reputation, customer satisfaction, and employee engagement—to evaluate the severity of impact.

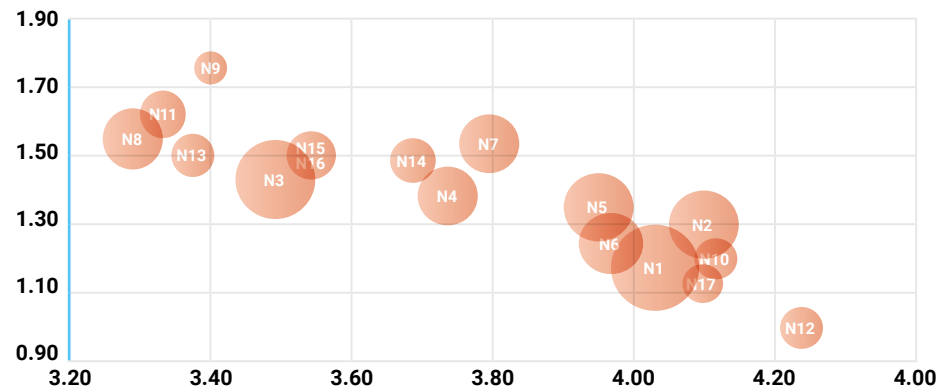**Impact Significance Mapping of Impact Factors (Bubble Chart)**

X-axis: Impact on the company   Y-axis: Impact on the external economy, environment, or people   Bubble size: Likelihood of occurrence
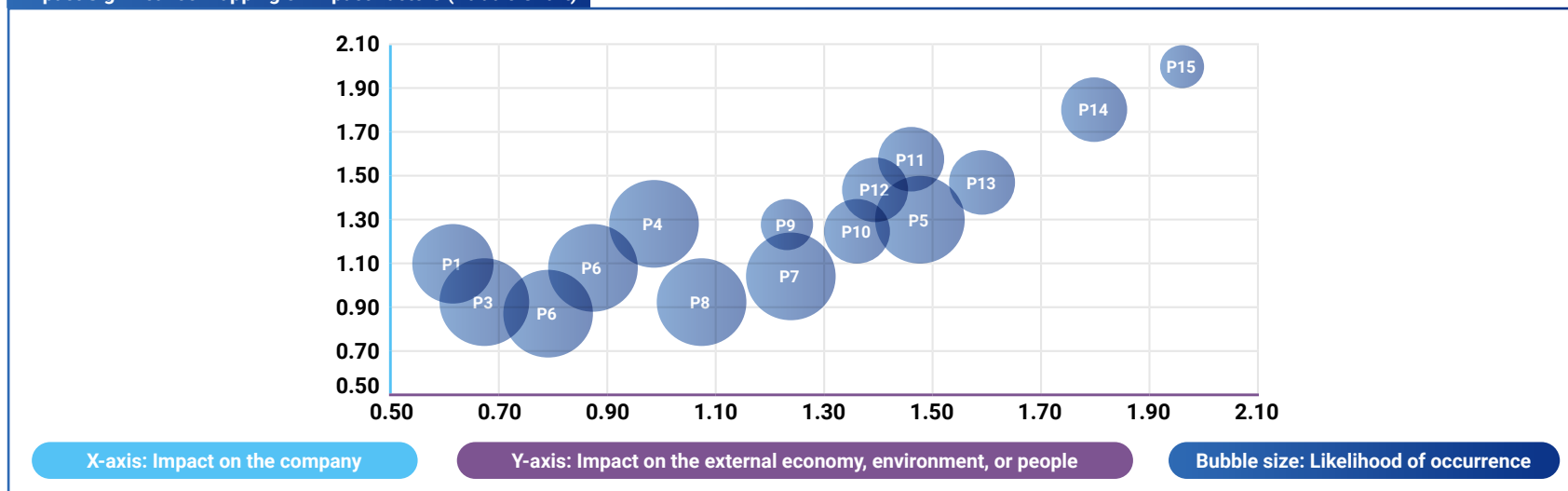
Code	Positive Impact Factors
P1	Innovative R&D drives development of critical technologies
P2	Delivering high-quality and safe products and services enhances customer satisfaction and brand value
P3	Adherence to core technology development to deliver optimal solutions, improving operational efficiency and competitiveness
P4	Establish robust data protection mechanisms to enhance customer privacy
P5	Improve energy efficiency and use of renewable energy to reduce GHG emissions
P6	Service quality builds stable customer relationships
P7	Actively promote low-carbon product design and manufacturing

Code	Positive Impact Factors
P8	Compensation and benefits improve employees' well-being
P9	Training enhances employees' professional skills and capabilities
P10	Social engagement enhances community well-being
P11	A diverse and inclusive workplace culture fosters employee identification
P12	Procurement activities contribute to value creation in upstream industries
P13	Procurement activities generate employment opportunities in the supply chain
P14	Promote water-saving measures in domestic use to prevent water scarcity
P15	Enhance water recycling in manufacturing processes to reduce operational costs

2 Sustainable Operations

Impact Significance Mapping of Impact Factors (Bubble Chart)

X-axis: Impact on the company

Y-axis: Impact on the external economy, environment, or people

Bubble size: Likelihood of occurrence

Code	Negative Impact Factors
N1	Poor information security may result in data leaks or ransomware attacks
N2	Geopolitical conflicts or supply chain disruptions affect business profitability
N3	Energy consumption from business operations leads to GHG emissions
N4	Ineffective communication channels impact labor relations
N5	Data breaches or misuse of customer information cause trust crises
N6	Occupational injuries or diseases affect employee health
N7	Environmental harm caused by products or services
N8	Procurement activities cause occupational accidents in the supply chain
N9	Procurement activities result in negative environmental impacts across the supply chain

Code	Negative Impact Factors
N10	Violations of ethics and integrity undermine stakeholder trust
N11	Procurement activities lead to human rights violations in the supply chain
N12	Business activities violating fundamental human rights
N13	Waste incineration and landfill processes cause air pollution and GHG emissions
N14	Inadequate patent management affects protection of innovative technologies
N15	Inadequate risk management affects stakeholder trust
N16	Failure to effectively respond to climate change may lead to supply chain disruptions or shortages of raw materials
N17	Product quality issues or misleading marketing may harm consumers

2 Sustainable Operations

Three Considerations for Determining Material Topics

1. Significance of Impact Factors

Ranking of impact factors based on objective statistical results from the impact significance assessment survey.

2. Stakeholder Concern Level

Degree of stakeholder concern ranked based on results from the stakeholder engagement survey.

3. Alignment with Sustainability Strategy

Whether the issues related to each impact factor are already integrated into the company's business strategy, accompanied by specific actions, measures, and performance tracking mechanisms.

List of Material Topics – Ranked by Materiality Score

Materiality Level	NO	Sustainability Topic	Core Strategy	Corresponding GRI Standards	Corresponding SDGs	Reference Section
High Priority	1	Business Ethics	Implement an integrity system and culture to comprehensively prevent misconduct.	GRI 205 Anti-corruption 2016 (205-1, 205-2, 205-3)		CH5
	2	Product Innovation and R&D	Promote green design and technological innovation to create sustainable value.	Custom Topics of Sercomm		CH6
	3	Human Resource Management	Foster sustainable talent development and create a friendly workplace environment.	GRI 201 Economic Performance 2016 (201-3) GRI 202 Market Presence 2016 (202-1, 202-2) GRI 401 Employment 2016 (401-1, 401-2)		CH4
	4	Occupational Health and Safety	Strengthen the occupational safety and health system to ensure a safe and healthy work environment.	GRI 403 Occupational Safety and Health 2018 (403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10)		CH4
	5	Human Rights Management	Implement human rights policies to foster a respectful and equitable environment.	GRI 406 Non-discrimination 2016 (406-1) GRI 407 Freedom of Association and Collective Bargaining 2016 (407-1) GRI 408 Child Labor 2016 (408-1) GRI 409 Forced or Compulsory Labor 2016 (409-1)		CH4
	6	Employee Training and Development	Enhance training systems to support employees' long-term growth.	GRI 404 Training and Education 2016 (404-1, 404-2, 404,3)		CH4
	7	Green Products	Follow Green Design Principles to reduce the environmental impact of products.	Custom Topics of Sercomm		CH6

2 Sustainable Operations

Materiality Level	NO	Sustainability Topic	Core Strategy	Corresponding GRI Standards	Corresponding SDGs	Reference Section
High Priority	8	Sustainable Supply Chain Management	Strengthen supplier sustainability management to promote a responsible supply chain.	GRI 204 Procurement Practices 2016 (204-1) GRI 308 Supplier Environmental Assessment 2016 (308-1, 308-2) GRI 414 Supplier Social Assessment 2016 (414-1, 414-2)		CH2
	9	Greenhouse Gas and Energy Management	Expand renewable energy deployment and promote low-carbon operational transformation.	GRI 302 Energy 2016 (302-1, 302-3) GRI 305 Emissions 2016 (305-1, 305-2, 305-3, 305-4)		CH3
Moderate Priority	10	Diversity, Equity, and Inclusion	Promote workplace diversity and inclusion to ensure equal employment opportunities.	GRI 401 Employment 2016 (401-3) GRI 405 Diversity and Equal Opportunity 2016 (405-1, 405-2)		CH4
	11	Climate Change Mitigation and Adaptation	Strengthen climate adaptation and resilience to drive net-zero transformation.	GRI 201 Economic Performance 2016 (201-2)		CH3
	12	Economic Performance	Achieve stable business growth and enhance the capacity for sustainable value creation.	GRI 201 Economic Performance 2016 (201-1, 201-4)		CH1
	13	Customer Relationship Management	Build customer trust and cooperation to co-create a sustainable supply ecosystem.	Custom Topics of Sercomm		CH6
	14	Information Security	Implement cybersecurity systems and certifications to ensure information and operational security.	Custom Topics of Sercomm		CH5
	15	Privacy Management	Strengthen personal data management systems to safeguard data privacy rights.	GRI 418 Customer Privacy 2016 (418-1)		CH5
	16	Risk Management	Integrate risk and opportunity strategies to enhance resilience in sustainable operations.	Custom Topics of Sercomm		CH5

Newly Added Material Topics This Year – Description:

New Material Topic	Description
Economic Performance	Based on the materiality assessment, this topic has been identified and included as a material topic.
Privacy Management	

2 Sustainable Operations

2.4 Stakeholder Engagement

GRI: 2-29

2.4.1 Identification of Stakeholders

Sercomm has compiled a stakeholder list based on the industry context and characteristics, and identified key stakeholders in reference to the five core principles outlined in the AA1000 Stakeholder Engagement Standard 2015 (AA1000 SES) published by AccountAbility. The identified key stakeholders include seven categories: customers, ESG rating and evaluation organizations, employees, suppliers, government agencies, investors/financial institutions, and media. In addition, Sercomm engages with stakeholders through a variety of communication channels to understand their level of concern regarding sustainability issues. The outcomes of these communications are reported regularly to the Board of Directors. The stakeholder communication results for 2023 were presented to the Board on November 1, 2024, while the results for 2024 were reported on July 31, 2025.

2.4.2 Stakeholder Communication Performance

To proactively understand the needs and concerns of stakeholders, Sercomm has assigned dedicated responsible units for timely communication, response, review, and improvement. Following the publication of each year's sustainability report, the Company reports its stakeholder communication status to the Board of Directors at least once annually.

Stakeholder	Significance to Sercomm	Focus Topics	Communication Channels and Frequency		Key Communication Achievements in 2024
Employees	Employees are key partners in Sercomm's continued growth, value creation, and innovation. The company fosters internal alignment through a fair and competitive compensation and benefits system.	• Information Security • Business Ethics • Economic Performance • Occupational Health and Safety • Human Resource Management	**Regular** • Annually: Annual Performance Review Meetings • Quarterly: Occupational Health and Safety Committee • Quarterly: Labor-Management Meetings • Quarterly: New employee Sharing Sessions • Quarterly: Employee Welfare Committee	**Ad hoc** • Internal company Bulletin Board • Employee Training Programs • Employee Health Promotion Seminars • Dedicated Employee Grievance Mailbox • Sustainability Topic Concern Survey	• 28 Occupational Health and Safety Committee meetings • 4 Labor-Management meetings • 4 New Employee Sharing Sessions, with a total of 109 participants • 4 Employee Welfare Committee Meetings • Average of 6.62 training hours per employee
Customer	Customer trust is a key driving force behind Sercomm's continued progress. The company responds to customer needs with comprehensive, high-quality products and services, steadily strengthening collaborative relationships.	• Customer Relationship Management • Waste Management • Greenhouse Gas and Energy Management • Water Resource Management • Human Rights Management • Climate Change Mitigation and Adaptation • Information Security	**Regular** • Annually: Customer Satisfaction Survey	**Ad hoc** • Sustainability Topic Concern Survey • Global localized technical support services • Customer service and dedicated feedback handling channels • Communication and management of green policies, green manufacturing, and green procurement	• Customer satisfaction score: 84.51 • Responded to over 133 sustainability-related inquiries and requests • Participated in 9 industry exhibitions

2 Sustainable Operations

Stakeholder	Significance to Sercomm	Focus Topics	Communication Channels and Frequency		Key Communication Achievements in 2024
Investors / Financial institutions	Positive evaluations from investors and financial institutions contribute to Sercomm's stable growth. The company communicates its sustainability performance with integrity and transparency, strengthening mutual trust.	• Business Ethics • Product Innovation and R&D • Economic Performance • Product and Service Responsibility • Waste Management • Water Resource Management	**Regular** • Annual: Annual General Shareholders' Meeting • Annual: Annual Report • Annual: Sustainability Report • Monthly/Quarterly: Operational Performance Announcement • Quarterly: Investor Conference and Quarterly Financial Report	**Ad hoc** • Material Information and Press Releases • Official Company Website • External Communication Mailbox • Sustainability Topics Concern Survey	• 8 investor conferences • 1 annual shareholders' meeting • 16 financial news releases
Suppliers	Suppliers are essential partners in delivering high-quality products and services. Sercomm enhances supply stability through strategic procurement initiatives.	• Business Ethics • Risk Management • Sustainable Supply Chain Management • Product Innovation and R&D • Product and Service Responsibility • Information Security	**Ad hoc** • Supplier Training, Evaluation, Assessment, or Guidance • Project Meetings	• EHS Management Briefings • Supplier Visits and On-Site Audits • Sustainability Topics Concern Survey	• 1,045 supplier participants in labor and human rights training sessions
Government Agencies	Regulations set by government authorities influence Sercomm's decision-making and development direction. The company complies with relevant laws and maintains open, trustworthy communication with the authorities.	• Business Ethics • Risk Management • Sustainable Supply Chain Management • Information Security • Green Products • Occupational Health and Safety	**Ad hoc** • Official Correspondence from Competent Authorities • Regulatory Briefings and Consultation Forums • Sustainability Topics Concern Survey		• No major violations or complaints • Responded to 23 questionnaires from the Taiwan Stock Exchange
Media	The media serves as a key channel for Sercomm to maintain effective communication with a wide range of stakeholders. The company shares accurate and responsible information to demonstrate its corporate values.	• Business Ethics • Economic Performance • Risk Management • Sustainable Supply Chain Management • Information Security • Product Innovation and R&D	**Regular** • Monthly/Quarterly: Operational Performance Announcement	**Ad hoc** • Corporate Press Releases • Press Conferences • Public Relations Contact Point • External Communication Mailbox • LinkedIn • Sustainability Topics Concern Survey	• 15 financial news releases (official website) • 4 corporate announcements (official website)
ESG Rating and Evaluation Organizations	The perspectives of ESG rating and evaluation organizations reflect Sercomm's progress in corporate sustainability. The company continues to enhance and plan sustainability actions to strengthen its overall ESG performance.	• Human Rights Management • Privacy Management • Business Ethics • Economic Performance • Information Security • Occupational Health and Safety • Greenhouse Gas and Energy Management	**Regular** • Annual: ESG-Related Audits or Verifications	**Ad hoc** • ESG Assessment or Inquiry Platforms • Other Communication Channels, such as Third-Party Professional Consultations • Sustainability Topics Concern Survey	• Received a Gold Medal in the EcoVadis Sustainability Assessment • Major manufacturing sites participated in the Responsible Business Alliance (RBA) Validated Assessment Program (VAP)

2 Sustainable Operations

2.5 Participation in Public Associations

GRI: 2-28

Sercomm actively participates in domestic and international industry associations, technical alliances, and their related activities. Through such engagement, the company establishes close communication channels with other industry members and jointly contributes to the development of standards within the communications industry.

Organization Name	Position Held
K. T. Li Foundation for the Development of Science and Technology	Chairman
Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Supervisor, Member
Cross Strait CEO Summit	Supervisor, Member
Monte Jade Science and Technology Association	Honorary Chairman, Member
Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)	Member
Taiwan Association of Information and Communication Standards (TAICS)	
Communications Information Alliance (CIA)	
Bluetooth Special Interest Group (Bluetooth SIG)	
OnGO Alliance	
Global TD-LTE Initiative	
Wi-Fi Alliance, WFA	
Connectivity Standards Alliance (CSA)	

Notes:
1. The K. T. Li Foundation for the Development of Science and Technology is chaired by Mr. Paul Wang, Honorary Chairman of the Company, in his personal capacity.
2. The Chinese National Association of Industry and Commerce, Taiwan (CNAIC), and the Cross-Strait CEO Summit are organizations where Mr. Paul Wang, Honorary Chairman of the Company, serves as Supervisor and Executive Supervisor, respectively.

2.6 Sustainable Supply Chain Management

GRI: 2-6, 407-1, 408-1, 409-1

2.6.1 Sustainable Supply Chain Strategy

GRI: 204-1

Sercomm upholds a procurement policy grounded in "Respect for Human Rights," "Environmental Friendliness," "Integrity," and "Mutual Benefit." In addition to demanding excellence in quality, cost, delivery, environmental health and safety, and human rights from its suppliers, Sercomm explicitly emphasizes its commitment to a responsible supply chain. The Company has gradually established a pragmatic sustainable supply chain management process, requiring suppliers to comply with the Responsible Business Alliance (RBA) standards on human rights, environmental protection, and business ethics, as well as green product regulations such as RoHS and REACH.

Furthermore, Sercomm communicates key policies to its supply chain partners, including carbon reduction and energy conservation, responsible minerals sourcing, local procurement, and green purchasing. Through mutual sharing, audits, and support programs, the Company works hand-in-hand with its suppliers to achieve sustainable development and foster win-win cooperation.

Supply Chain Management Performance

Sercomm Supply Chain Performance Table

2024 Sustainable Supply Chain Initiatives	Target Number of Suppliers	Actual Number of Suppliers	Completion Rate
Annual Supplier CSR Risk Assessment	30	30	100%
New Supplier CSR Risk Assessment	53	53	100%
Signing of the New Supplier's Code of Conduct Agreement	53	53	100%
Signing of the New Supplier Code of Conduct	53	53	100%
Documentary Audit of New Suppliers	53	53	100%
On-site Supplier Audit	89	89	100%
On-site Audit of Key Suppliers	40	40	100%
Supplier CSR Training	N/A	260	N/A
Implementation of SGET Carbon Management Platform	89	89	100%

Notes:
1. Key Suppliers: Also referred to as high-risk suppliers, these are suppliers of critical materials that are subject to RBA or JAC requirements, or have other specific CSR requirements. Among the suppliers audited, 2 were already certified under RBA audits and thus counted as compliant.
2. Supplier Training: The target was to conduct 2 training sessions, delivered online. No target number of participating suppliers was set. A total of 146 suppliers participated in the RBA training sessions.

2 Sustainable Operations

╲╲ Annual RBA Audit – 2024 RBA VAP Audit Results for Sercomm's Manufacturing Centers

As a part of the communications and internet industry supply chain, all Sercomm manufacturing centers underwent RBA Validated Assessment Program (VAP) audits in 2024, achieving a 100% audit coverage rate.

To facilitate the RBA VAP audits, Sercomm implemented the following management actions in 2024:

Management Systems	We strengthened relevant CSR management systems. Apart from social insurance and direct hiring rate, most labor-related issues have been improved through the Group's labor policies.
Training and Education	We provided RBA standards training to personnel in Quality Systems (QS), Supplier Quality Engineers (SQEs), and procurement staff. Through multiple internal and external audits, we enhanced understanding of system requirements and relevant regulations, thereby improving overall CSR competencies.
Audit Readiness	We conducted training sessions and several pre-audit drills to ensure the team was well-prepared for audit procedures and response techniques.
Supply Chain Management	We promoted RBA-related training for suppliers and SQEs, and shared practical RBA experiences to strengthen CSR management capabilities across the supply chain.

╲╲ Manufacturing Center

Suzhou
RBA Audit Score
175.2
Audit Rating
Silver
RBA Audit Date
2024.4.22

Chunan
RBA Audit Score
200
Audit Rating
Platinum
RBA Audit Date
2024.4.2

Philippines
RBA Audit Score
187.7
Audit Rating
Silver
RBA Audit Date
2024.5.14

╲╲ Sustainable Procurement

To build a sustainable supply chain that safeguards the environment, human rights, and safety, Sercomm has referenced the ISO 20400 Sustainable Procurement Standard to develop its own Sustainable Procurement Policy. This policy integrates key environmental, social, and economic considerations and is scheduled for formal release in 2025. Moving forward, Sercomm will actively promote the policy and conduct related training programs to ensure both internal teams and external suppliers understand the company's direction in sustainable procurement.

╲╲ Global Procurement Distribution

Region	Taiwan	Mainland China	Singapore	United States	Europe	Philippines	India	Other Regions
Proportion (%)	48.22%	22.39%	8.25%	9.54%	5.09%	2.14%	3.31%	1.06%

Note: The distribution of global procurement activities is based on the location of the actual transaction bank, serving to illustrate the economic contribution of Sercomm's procurement activities to each region.

Sercomm supports local economic development and continues to implement strategic sourcing initiatives. The following chart shows the proportion of local procurement at the company's major manufacturing sites in Taiwan, Mainland China, and the Philippines:Local Procurement Ratio at Major Operating Sites

Region	Taiwan	Mainland China	Philippines
Proportion (%)	69%	33%	5%

╲╲ Local Procurement

Sercomm's products span three major categories: Broadband CPE, Enterprise Products, and Infrastructure & IoT Products. In 2024, the company's procurement value reached nearly NT$ 35.9 billion. The majority of purchases were made for chip modules and various electromechanical and structural components such as printed circuit boards, power supplies, and memory. Our suppliers include raw material manufacturers, agents, and distributors. Tier 1 suppliers are mainly located in Taiwan, Mainland China, Singapore, the United States, Europe, and the Philippines.

╲╲ Green Procurement

Through its supplier management system, Sercomm requires components to comply with environmental regulations such as RoHS and REACH. The company also gives procurement priority to raw materials with recycled content or environmental certifications, thereby promoting sustainable supply chain collaboration.

2 Sustainable Operations

⟍ 2.6.2 Supply Chain Management System and Framework

GRI: 308-1, 308-2, 414-1, 414-2   SASB: TC-HW-430a.1, TC-HW-430a.2

To effectively manage business and sustainability-related risks within the supply chain, Sercomm has established the Supplier Management Procedure, which defines the internal mechanisms for managing both new and existing suppliers and provides supporting resources. In line with the Responsible Business Alliance (RBA) standards, we require all affiliated suppliers to adhere to principles of corporate social responsibility and business integrity, as well as to fully comply with all applicable local laws and regulations.

To reinforce these expectations, we have instituted the Supplier's Code of Conduct Agreement, which must be signed by suppliers to be considered qualified vendors. Furthermore, we have strengthened our existing management systems by tailoring supplier selection and evaluation mechanisms based on supplier characteristics.

Policy Guidelines
Supply Chain Sustainability Risk Control

- Supplier Management Procedure
- Supplier's Code of Conduct Agreement
- Supplier Code of Conduct
- Incorporate social or environmental clauses into supplier contracts

Supplier Selection Mechanism
Identification of Supply Chain Sustainability Risks

- Prospective suppliers complete a CSR Risk Assessment form
- Documentary Audit
- On-site Audit

Supplier Evaluation Mechanism
Audits of Supply Chain Sustainability Risks

- Suppliers complete CSR Risk Assessment form
- Zero-tolerance criteria for sustainability issues
- Monthly performance scoring
- Annual On-site Audit

Support Mechanism
Capacity Building for Supply Chain Sustainability

- Sustainability risk management training for external supply chain partners
- Internal supply chain management personnel participate in labor and human rights training

⟍ Sustainable Supply Chain Management Process

STEP 1
New Supplier Evaluation

Ensure that new suppliers comply with behavioral standards and regulatory requirements.

STEP 2
Follow Standards

Sign related commitment documents to ensure suppliers understand Sercomm's supplier management policies and regularly promote sustainability standards.

STEP 3
Risk Assessment

Gradually establish a comprehensive CSR risk control system to maintain supply chain stability.

STEP 4
Audit and Verification

Conduct audits, implement corrective actions, and incorporate third-party audits and ISO requirements to ensure data quality and reliability.

STEP 5
Continuous Improvement

Offer suppliers relevant training programs and practical exchanges.

2 Sustainable Operations

STEP 1

New Supplier Evaluation

In Sercomm's supplier selection mechanism, besides evaluating quality, cost, delivery, and service, we also focus on suppliers' sustainability performance. We use both documentary and on-site audits to verify the sustainability management performance of potential suppliers. Based on the evaluation results, we determine whether they qualify to become an official Sercomm supplier. The evaluation process is outlined in the diagram below.
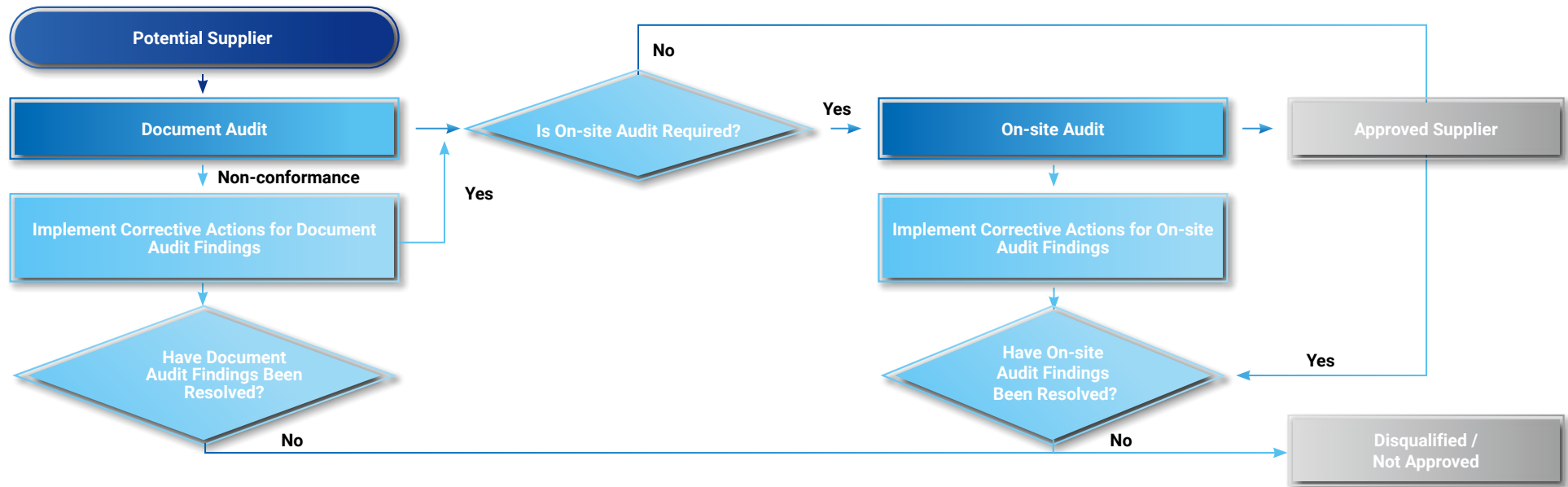
The evaluation of new suppliers is led by the Supplier Quality Management Department, in coordination with global strategic procurement, R&D design, manufacturing process, and production control departments, forming a new supplier evaluation team. All potential supplier partners must undergo a documentary audit in six areas: quality, cost, delivery, service, technology, and sustainability.

For sustainability-related risk assessments, potential suppliers are required to complete a CSR Risk Assessment form, which Sercomm then reviews. This assessment form is updated according to the latest version of the RBA Code of Conduct. If the supplier provides key components under internal control, has a history of quality issues, or operates in industries or supplies products/services related to specific labor, environmental, or safety risks, they must also undergo an on-site audit in addition to the self-assessment. Only those who pass the evaluation may be recognized as qualified suppliers.

2 Sustainable Operations

STEP 2

Follow Standards

Sercomm has established a Supplier's Code of Conduct Agreement, which requires suppliers to ensure that employees are treated with respect, the environment is protected, and ethical conduct is maintained. Suppliers must comply with all applicable laws, rules, and regulations. This code is continuously updated in accordance with the latest version of the RBA Code of Conduct.

Regarding business ethics, Sercomm places great importance on the integrity of its supply chain partners. As part of our supplier management mechanism, we require new suppliers to sign the Supplier's Code of Conduct Agreement and the Supplier Code of Conduct, affirming that they will not engage in bribery, gifts, hospitality, or the offering of any improper benefits. Suppliers also agree that if such misconduct occurs, Sercomm may immediately terminate all transactions. Suppliers must complete the signing of these documents before they are deemed qualified. In 2024, all new suppliers successfully completed this signing process.

Supplier Commitment Signing

Supplier's Code of Conduct Agreement

These agreements ensure suppliers' commitment to labor rights, health and safety, environmental standards, ethical conduct, management systems, and social impact.

Supplier Code of Conduct

They also define standards for business ethics and anti-corruption requirements.

In 2024

the signing rate for all newly engaged suppliers reached **100%**

STEP 3

Risk Assessment

In 2024, Sercomm evaluated the sustainability risks of 912 suppliers, covering both environmental and social aspects. The assessment methods included the CSR Risk Assessment Form, documentary review, and on-site audits. The results indicated that no suppliers were identified as having significant actual or potential negative environmental or social impacts, and no partnerships were terminated or required major corrective agreements as a result.

However, 11 suppliers were found to have social-related deficiencies during the audit process. While these were assessed as having potential negative impacts, they did not reach a material level of concern. All issues were resolved by the end of 2024.

Aspect	Assessment Items
Regional	Prohibition on sourcing conflict minerals and materials listed under U.S. restricted entities
Business	Classification based on procurement amount
Environmental	▪ Implementation of relevant management and certification systems ▪ History of violations of environmental protection regulations, including government penalties or work suspension ▪ Status of fire safety, pollution control, and EHS system implementation
Social	▪ Implementation of relevant management and certification systems ▪ History of labor, human rights, or occupational health and safety violations penalized by the authorities ▪ Incidents of forced labor or child labor ▪ Compliance with labor and human rights, personal data protection, and ethical conduct standards
Governance	▪ Compliance with RBA Code of Conduct, EcoVadis evaluations ▪ Signing status of the Supplier Code of Conduct

2 Sustainable Operations

STEP 4

Audit and Verification

Sercomm continues to optimize its existing sustainable supply chain management mechanism by classifying suppliers into component suppliers and non-component suppliers. For both component suppliers and non-component suppliers involved in production-related outsourcing, it is mandatory to obtain the following certifications:

• ISO 9001 Quality Management System
• ISO 14001 Environmental Management System
• ISO 45001 Occupational Health and Safety Management System

Furthermore, if a component supplier operates in industries or provides products/services that involve specific labor, environmental, or safety concerns, it will be categorized as a high-risk supplier. In addition to the above ISO certifications, these suppliers must also obtain a score of at least 160 points in the RBA Validated Assessment Program (VAP) to qualify as an approved supplier.

This requirement also applies retroactively. All key suppliers are required to obtain the necessary certifications and qualifications by 2026. In addition, Sercomm has established weighting criteria for sustainability items in evaluating potential suppliers to strengthen sustainability performance and enhance risk control across the supply chain.

Sercomm Supplier Classification and Evaluation Items

Supplier Classification \ Evaluation Items	Management System Certification						External Audit/Assessment		Others			
	ISO 9001	ISO 14001	ISO 45001	ISO 50001	SA 8000	ISO 14064-1	RBA	Ecovadis	Prohibition of Conflict Minerals	Code of Conduct Signing	QSA / QPA	CSR Risk Assessment
Key Suppliers	✓	✓	✓	△	△	△	✓	△	✓	✓	✓	✓
Important Supplier	✓	✓	✓	△	△	△	△	△	✓	✓	✓	✓
General Suppliers	✓	✓	✓	△	△	△	△	△	✓	✓	Documentary Audit	Documentary Audit
Service Providers	△	△	△	△	△	△	△	△	✗	✓	✗	✓

Notes:

1. Key suppliers (i.e., High-risk suppliers) are those providing critical materials and subject to client requirements such as RBA or JAC, or other CSR-related standards (e.g., plastics, metals, color boxes, power supplies).

2. Component suppliers include key suppliers, important suppliers, and general suppliers.

3. Service providers refer to non-component suppliers.

4. ✓ : Required   △ : Recommended   ✗ : Not Required

5. QSA: Quality System Audit   QPA: Quality Process Audit
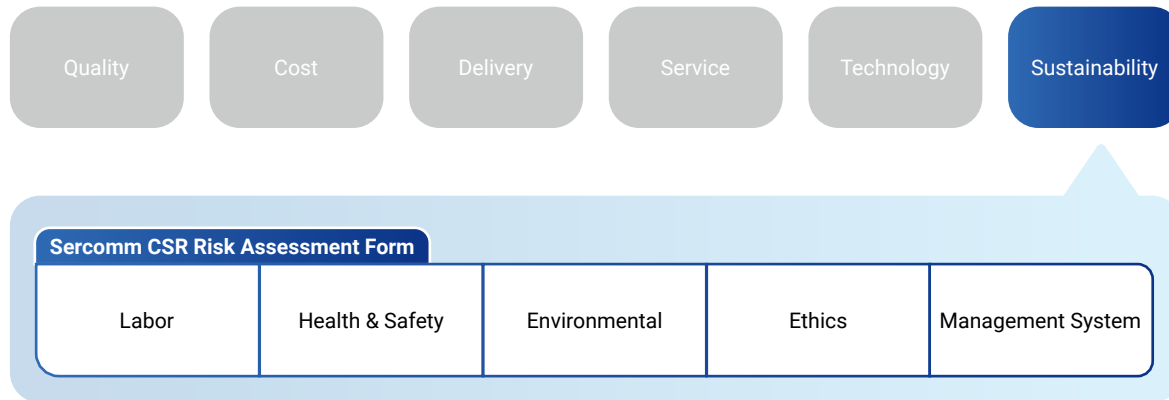
2 Sustainable Operations

The existing supply chain management mechanism consists of monthly evaluations and annual audits. Monthly evaluations assess suppliers on four criteria: delivery quality, quality improvement, on-time delivery, and price and service. Based on the evaluation results, suppliers are classified into different management levels. Suppliers with unsatisfactory scores are provided with improvement assistance and their progress is closely monitored.

For annual audits, Sercomm prioritizes suppliers based on the closeness of their business relationship, the criticality of the supplied components, or any major issues that occurred during the year. An annual audit plan is then developed, focusing on six evaluation aspects: quality, cost, delivery, service, technical capability, and sustainability.

For sustainability audit items, Sercomm's audit mechanism incorporates the five core areas of the latest RBA Code of Conduct into the CSR Risk Assessment Form. Audits are conducted based on the supplier's self-assessment results. Each area includes "zero-tolerance" items—any violation leads to immediate disqualification of the supplier. If a supplier is found non-compliant in the audit, we assess whether guidance is needed. If yes, a follow-up review is conducted after improvement. If the supplier still fails the review, or if no support is needed, the supplier will lose its qualified status. In cases where the supplier is customer-designated, the audit results are communicated with the customer for a joint decision.

In 2024, Sercomm conducted on-site audits for 89 Tier 1 suppliers, including 40 key suppliers. Among these key suppliers, 11 failed the audit, with a total of 690 audit findings primarily related to labor and health & safety. As of the end of 2024, 639 findings had been resolved, resulting in an overall improvement rate of 92.61%. The remaining issues are under ongoing monitoring, with full resolution expected in 2025.

Audit and Evaluation Areas Aligned with RBA

| Quality | Cost | Delivery | Service | Technology | Sustainability |

Sercomm CSR Risk Assessment Form

| Labor | Health & Safety | Environmental | Ethics | Management System |

2024 On-site Sustainability Audits of Existing Suppliers

Item		Total
Number of Tier 1 Suppliers Audited		89
Audit Coverage Rate of Tier 1 Suppliers		9.76%
RBA Audit Coverage Rate of Tier 1 Suppliers		4.39%
Audit Coverage Rate of High-risk (Key) Suppliers		100%
Number of Suppliers Failed Audit		11
Audit Failure Rate		27.50%
Deficiency Improvement Rate 92.61%	Total Number of Deficiencies	690
	Number of Deficiencies Resolved	639

To enhance the effectiveness of annual audits, Sercomm has differentiated its audit approach based on the characteristics of component and non-component suppliers. For suppliers whose operations are directly involved in manufacturing activities or whose industries, products, or services involve specific labor, environmental, or safety concerns, on-site audits are conducted. For suppliers with lower associated risks in these areas, documentary audits or continuous monitoring measures are adopted to manage supply chain sustainability risks.

Note:
1. Key Suppliers refer to high-risk suppliers that provide critical materials, are subject to RBA or JAC requirements, or have other specific corporate social responsibility requirements.
2. In 2024, Sercomm had a total of 912 Tier 1 suppliers. Of these, 89 underwent on-site audits, including 40 key suppliers audited under the RBA VAP or equivalent audit standards.

2 Sustainable Operations

STEP 5

Continuous Improvement

We recognize that maximizing sustainable value stems not only from our internal efforts but also from shared progress across the value chain. In 2024, to better understand the current status of greenhouse gas (GHG) inventories among our supply chain partners, Sercomm distributed a total of 969 carbon management surveys to all Tier 1 suppliers, receiving 763 responses, with a response rate of 78.4%. Among the responding suppliers, 317 had begun collecting GHG emissions data, 230 had completed GHG inventory reports, 116 had obtained ISO 14064-1 verification statements, and 131 had disclosed Scope 3 emissions data. Moving forward, we will continue supporting our supply chain partners in enhancing their GHG accounting practices and establishing a foundation for carbon reduction across the value chain.

In addition to regular business or quality review meetings, we conducted ESG-related training in 2024. Topics included environmental policies, occupational health and safety, conflict minerals, and GHG inventories. These sessions were designed to raise ESG risk awareness, help suppliers understand Sercomm's supply chain management requirements, and improve their sustainability risk management capabilities. In total, we held two training sessions, with 260 suppliers enrolled. A total of 866 participants attended, accumulating 3,441.5 training hours.

To strengthen not only supplier capabilities but also internal awareness of supply chain risks, Sercomm continued to invest in training resources. In 2024, 982 employees involved in procurement-related roles participated in training programs on labor and human rights, totaling 1,028.62 hours of instruction, with a training coverage rate of 18.09%. Some trainings related to social (occupational health and safety) and environmental sustainability also included procurement personnel. For more detailed information on internal training statistics, please refer to Section 4.1.4 on Talent Development.

Sustainable Supply Chain Training

Item	External	Internal
Target Participants	External supply chain partners	Internal personnel involved in supply chain management
Number of Participants	866	1,045
Total Training Hours (man-hour)	3,441.5	1,028.62

2.6.3 Supplier Diversity

Sercomm adheres to a policy of gender equality, support for disadvantaged groups, and promotion of diversity in the supplier selection process, with the aim of advancing Diversity, Equity, and Inclusion (DEI) in the supply chain. We encourage suppliers to establish non-discriminatory hiring policies and provide equal employment opportunities. Preference is given to suppliers that demonstrate gender balance, hire underrepresented populations, or have culturally diverse backgrounds.

In 2024, the legal representatives of Sercomm's suppliers included individuals from various diverse backgrounds, such as women, veterans, minorities, and persons with disabilities. The statistics are as follows:

Supplier Diversity – Legal Representative Backgrounds

Women	Minorities	Persons with Disabilities
13	**47**	**24**

2 Sustainable Operations

2.6.4 Responsible Minerals Management

SASB: TC-HW-440a.1

To actively respond to the global movement against conflict minerals, Sercomm is committed to avoiding the use of such materials. We do not accept any raw minerals originating from the Democratic Republic of the Congo (DRC) or its neighboring countries, and we require our suppliers to prohibit the use of conflict minerals through responsible sourcing practices. To ensure alignment with our expectations, we audit suppliers' mineral sourcing policies, procedures, and due diligence processes to confirm that materials used in Sercomm's products do not originate from conflict sources.

Sercomm has established the Responsible Minerals Management Policy, which affirms our commitment to not using conflict minerals. Although Sercomm does not directly purchase metals, we ensure that our supply chain is free of conflict minerals through supplier due diligence processes. We follow the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and adopt tools from the Responsible Minerals Initiative (RMI), including the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT), to conduct supplier due diligence. We require supply chain partners to disclose the origin of their minerals and verify smelter eligibility to confirm that metals such as gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica used in products are not sourced from high-risk or non-compliant regions.

If a supplier is found to be associated with non-compliant smelters, they are first asked to determine whether those materials are related to Sercomm products. If relevant, the supplier must develop a phase-out plan. Suppliers unable to comply may be disqualified to prevent further business dealings.

In 2024, Sercomm investigated a total of 516 suppliers, achieving a 100% response rate. The responses covered 280 smelters, all of which were confirmed to be compliant.

For information on whistleblowing, grievance, and communication channels for relevant parties, please refer to Section 4.1.5: Multi-channel Communication.

Distribution of Compliant Smelters – by Mineral Type

Mineral	Gold (Au)	Tantalum (Ta)	Tin (Sn)	Tungsten (W)	Cobalt (Co)	Mica
Number of Smelters	87	36	68	34	55	0
Percentage	31%	13%	24%	12%	20%	0%

Distribution of Compliant Smelters – by Region

Region	Asia	Europe	Americas	Africa	Oceania
Number of Smelters	136	32	40	4	1
Percentage	64%	15%	19%	2%	0%

CH 3
ENVIRONMENTAL SUSTAINABILITY

3 Environmental Sustainability

GRI: 2-25

Management Approach

SDGs

- 3 GOOD HEALTH AND WELL-BEING
- 6 CLEAN WATER AND SANITATION
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND
- 17 PARTNERSHIPS FOR THE GOALS

Performance Highlights
Participated in CDP evaluations and received scores of **B** for Climate Change and **B-** for Water Security

Performance Highlights
Suzhou subsidiary was recognized in the 2024–2025 **Forbes China** Sustainable Innovation Enterprise Selection

Performance Highlights
Scope 1 and Scope 2 GHG emissions decreased by **20.37%** compared to 2023

Performance Highlights
Scope 3 GHG emissions decreased by **41.94%** compared to 2023

Target Readers

Employees, Shareholders / Financial Institutions, Government Agencies, Suppliers, Customers, ESG Rating and Evaluation Organizations

Policy Commitments

Conducted GHG inventory, energy management, and environmental management to reduce environmental footprint.

Material Topic	Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals 2024-2029	Medium-Term Goals 2030	Long-Term Goals 2050
Climate Change Mitigation and Adaptation	Implemented risk and opportunity identification, with corresponding mitigation measures based on risk factors and impact pathways.	Supervised by the Board of Directors and the Board-level Sustainable Development Committee.	⚠ Aligned with SBTi, established carbon reduction targets, and progressively implemented reduction action plans.	Complete the Group's (parent company and all subsidiaries) carbon reduction roadmap and implement climate risk mitigation actions.	
Greenhouse Gas and Energy Management	In line with the Environmental, Health, and Safety Policy, Sercomm adopted the following standards: • ISO 14064-1:2018 for Greenhouse Gas Inventory • ISO 14001:2015 for Environmental Management Systems • ISO 50001:2018 for Energy Management Systems	Obtained third-party verification and received the Greenhouse Gas Assurance Statement.	✓ The parent company and subsidiaries obtained third-party assurance statements for GHG emissions. ⚠ Continue to optimize and implement the SGET Carbon Management Platform to enhance GHG management. ⚠ Continue to promote Scope 3 GHG inventory efforts.	Implement and promote Scope 3 GHG management, assisting the supply chain in carbon reduction.	Achieve net-zero emissions.

Note: 2024 Performance Status — ✓ Achieved | ⚠ Ongoing Progress

3 Environmental Sustainability

3.1 Low-Carbon Strategy

The global Information and Communication Technology (ICT) industry accounts for approximately 1.8% to 3.9% of global GHG emissions, including electricity-intensive infrastructures such as data centers, cloud computing equipment, and end-user devices. With the rapid development of 5G, the Internet of Things (IoT), and cloud applications, the carbon footprint is projected to grow more than tenfold in the future. International initiatives and brand clients, such as the EU and RE100, are demanding that companies across the supply chain set and implement carbon reduction targets, making industrial decarbonization an imperative.

Based on the characteristics of the communications and internet industry, Sercomm has established energy-saving and carbon reduction strategies as well as supply chain management systems. The Company continues to improve product energy efficiency design, while introducing renewable energy and carbon emissions accounting systems to meet global clients' demands for low-carbon products. In parallel, Sercomm actively supports international initiatives and promotes carbon reduction at both the manufacturing and product levels, working hand-in-hand with upstream and downstream partners to create a green value chain.

By integrating global manufacturing sites and leveraging a distributed layout, Sercomm reduces the carbon intensity of individual facilities, promotes electronic waste recycling, and is committed to zero heavy metal pollution. Through low-carbon manufacturing centers and standardized ESG practices across the supply chain, the Company implements a comprehensive low-carbon strategy. These efforts earned Sercomm's Suzhou subsidiary recognition in the 2024–2025 Forbes China Sustainable Innovation Development Awards.

3.1.1 Environmental, Safety and Health (ESH) Policy

Rooted in the vision of sustainable development and corporate social responsibility, Sercomm is committed to using its environmental protection, safety, and health policies as the highest standard to follow. The Company continuously develops green products, actively engages in waste reduction and pollution prevention, and strives to optimize the use of energy, water, and other resources. Through supply chain management, Sercomm collaborates with industry partners to control environmental risks, reduce environmental impact, and jointly protect the planet.

Establish and Maintain ESH Management Systems

- Implement the environmental management system and integrate it into the overall organizational management framework to ensure continuous improvement of environmental performance.
- Practice preventive management to ensure safe working environments and operations, reassuring both employees and customers.

Comply with International and National Regulations and Requirements

- Adhere to environmental laws and international conventions to become a sustainable green enterprise.
- Uphold voluntary commitments related to environmental, safety, health, and energy.

Promote Green and ESH Activities with Full Participation

- Promote environmental ethics and raise awareness through employee training and ISO 14001 implementation, ensuring all staff understand and fulfill their environmental responsibilities.
- Provide education and training for operators and contractors in accordance with the Occupational Safety and Health Management Plan to ensure understanding of ESH policies and systems.

Regularly Review Objectives for Continuous Improvement

- Periodically review, audit, evaluate, and improve internal systems.
- Prevent hazards and ensure workplace safety.

Communicate with Workers and Related Parties to Reach Consensus

- Strengthen waste reduction and pollution prevention at the source to achieve green design, production, and operations.
- Reduce air and water pollution, as well as waste generation.

3 Environmental Sustainability

3.1.2 Environmental Management Indicators

Topic	Management Indicator	2024 Results	Target	
			Short-term Target 2025~2029	Mid-to-Long-Term Target 2030
Greenhouse Gas Management	Scope 1 and Scope 2 emissions	20.37% reduction compared to 2023	8% annual reduction	42% reduction from the base year
	Scope 3 emissions	41.94% reduction compared to 2023	4% annual reduction	25% reduction from the base year
Energy Management	Percentage of renewable energy in total electricity consumption (%)	11.35	80	90
Waste Management	Waste intensity (tons / NT$ million)	0.0433	≤ 0.04	≤ 0.035
Water Resource Management	Water intensity (ML / NT$ million)	0.0033	≤ 0.0030	≤ 0.0028

3.1.3 Environmental-Related Certifications

Sercomm has obtained the following internationally recognized environmental certifications:

ISO 14001	ISO 50001	ISO 14064-1	LEED	Forest Stewardship Council (FSC) certification

3 Environmental Sustainability

3.2 Climate Change Adaptation and Climate Risk Management

GRI: 2-23

✎ 3.2.1 Climate Risk Management Framework

The intensifying impacts of global warming pose growing threats not only to natural ecosystems and human living environments, but also to business operations, becoming a significant source of corporate risk. In 2024, the 29th Conference of the Parties (COP29) to the United Nations Framework Convention on Climate Change (UNFCCC) was held in Baku, Azerbaijan. Building on the decarbonization commitments of COP28, COP29 focused on critical topics such as climate financing, just transition, and phasing out fossil fuels. It also required countries to submit updated Nationally Determined Contributions (NDCs) in 2025, reflecting the global urgency and consensus to accelerate climate action.

Sercomm's operations and sales markets span multiple climate zones across Asia-Pacific, Europe, and the Americas. Many of its products are designed for outdoor applications—such as small cell base stations, surveillance cameras, and smart streetlights—making them directly exposed to extreme climate challenges. These characteristics underscore the importance of enhancing climate resilience as a foundation for business sustainability.

To proactively address escalating climate risks and seize opportunities in the low-carbon transition, Sercomm officially endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in 2023. The company has since begun identifying climate-related risks and opportunities and analyzing their potential financial impacts based on the TCFD framework. In parallel, Sercomm is mapping its existing management practices and gradually establishing an internal climate management mechanism to align with emerging global disclosure requirements and to strengthen its resilience and competitiveness in international supply chains.

Governance

Board of Directors

The Board of Directors serves as the highest decision-making body for climate governance at Sercomm. It is responsible for overseeing the company's overall climate-related governance performance, including the promotion of action plans, implementation results, and progress toward established targets. The Sustainable Development Committee reports to the Board annually and submits quarterly updates on GHG management progress. To enhance climate-related expertise, board members have also participated in sustainability and climate-related training programs in recent years.

Sustainable Development Committee

The Sustainable Development Committee is responsible for managing climate risks and opportunities at Sercomm and functions as one of the Board's functional committees. The committee is currently chaired by a board member and composed of senior executives. It convenes quarterly to review and approve climate-related strategies, targets, and performance outcomes. In addition to receiving sustainability or climate-related training, committee members actively monitor climate issues across the communications and networking industry value chain to help the company identify and respond to both potential and material climate risks and opportunities.

Key topics discussed in 2024 included the review of Sercomm's SBTi targets and renewable energy scenario modeling, the upgrade of the SGETS carbon accounting system, progress on product life cycle assessments, and performance improvements in sustainable supply chain management. Through regular updates and tracking by the Sustainable Development Committee, the Board is kept informed on the implementation of climate strategies, ensuring alignment with the company's operational direction and strengthening organizational resilience and transition readiness.

3 Environmental Sustainability

Strategy

Building on the results of the 2023 climate risk assessment, Sercomm developed and proposed corresponding response strategies and plans to strengthen the company's climate resilience. Key actions include:

- Setting a 2050 Net-Zero Emissions Target : In 2023, Sercomm signed the Science Based Targets initiative (SBTi) Commitment Letter, pledging to follow a decarbonization pathway aligned with the 1.5 °C warming scenario. The company aims to complete target validation by 2025.

- Promoting Innovation in Green Products : Sercomm is committed to green design, green manufacturing, and green procurement. During the product design phase, efforts are focused on reducing energy consumption and material usage to minimize ecological impact and deliver high-performance, eco-friendly solutions.

- Sustainable Supply Chain Management :Sercomm invites supply chain partners to participate in carbon reduction initiatives by organizing supplier conferences and training sessions to enhance their GHG accounting capabilities. These actions lay the foundation for Scope 3 emissions reduction across the value chain.

Risk Management

Sercomm has established risk management policies and procedures applicable to all organizational levels to effectively identify and manage various types of risk. The risk management scope covers four key areas: strategic, operational, financial, and event-related risks, with the latter including climate change and environmental regulatory risks.

At the core of Sercomm's enterprise risk management system is the Executive Management Committee, which delegates primary risk ownership to the responsible units based on the nature of each risk. These responsible units may consist of individual departments, cross-functional teams, or interdepartmental committees. Department heads, team leaders, or committee conveners are tasked with monitoring the assigned risks and formulating response measures when risk events occur.

To strengthen the overall risk management framework, Sercomm established the Sustainable Development Committee in 2023, composed of board members and senior executives. Under this committee, a dedicated Sustainability Task Force was formed, with five specialized working groups: Sustainable Development, Responsible Products, Responsible Operations, Employee Relations and Stakeholder Engagement, and Corporate Governance. These working groups are responsible for identifying, assessing, and responding to climate-related risks, as well as setting corresponding targets. Results are regularly reported to the Board of Directors.

In conducting climate-related risk and opportunity assessments, Sercomm references not only risks and opportunities specific to the communications and network industry but also those relevant to the broader electronics and technology sector. Global sustainability trends are also taken into account. On the risk side, the company identifies eight transition risks—spanning policy and regulation, technology, market, and reputation—and three physical risks, covering both acute and chronic climate impacts. On the opportunity side, seven climate-related opportunities have been identified across areas such as resource efficiency, energy sources, products and services, and organizational resilience.

Each identified climate risk and opportunity is assessed based on severity of impact and likelihood of occurrence. Sercomm conducts interviews and surveys with relevant departments to support this evaluation process. Based on the survey results, the materiality of each risk and opportunity is ranked and presented in a climate risk-opportunity matrix.

3 Environmental Sustainability

Metrics & Targets

To demonstrate Sercomm's commitment to the global 2050 net-zero target, the company submitted an official letter to the Science Based Targets initiative (SBTi) in 2023, pledging to set science-based GHG reduction targets aligned with the 1.5°C warming scenario. The target was officially validated by SBTi in 2025, with 2023 reset as the base year. Under this commitment:

- Scope 1 and Scope 2 absolute GHG emissions are targeted to be reduced by 42% by 2030.
- Scope 3 emissions are targeted to be reduced by 25% by 2030.
- Renewable energy is expected to account for 90% of total energy consumption by 2030.
- Waste recycling and reuse rate is targeted to reach 90% by 2030.

In alignment with the "very low GHG emissions scenario (SSP1-1.9)" outlined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6)—the scenario most consistent with the 1.5°C pathway—Sercomm has adopted SSP1-1.9 as its principal climate scenario for planning purposes.

Preliminary assessments indicate that, in order to meet the SSP1-1.9 scenario, the total carbon budget will become increasingly constrained, leading to rising carbon prices and subsequent implications for the company and its value chain partners, including:

- Increased carbon tax or carbon fee expenditures for the company and its value chain partners.
- Heightened market demand for low-carbon products, requiring the company to allocate additional R&D resources to capture low-carbon product opportunities.
- The need to procure greater volumes of renewable energy to meet scenario-aligned targets, resulting in additional procurement costs.

Sercomm remains committed to minimizing its environmental footprint, with a primary focus on GHG reduction, renewable energy adoption, and waste recycling and reuse. Beyond its own operational footprint, the company also emphasizes green product development, having set internal product-related targets that address energy efficiency, environmentally friendly materials, and product take-back initiatives.

Sercomm's Short-, Medium-, and Long-Term Carbon Reduction Targets

Year
2030

Description
Achievement of short-term targets

Target
Scope 1 and Scope 2 : 42% absolute GHG emissions reduction
Scope 3 : 25% GHG emissions reduction

Year
2040

Description
Achievement of medium-term targets

Target
70% reduction compared to the base year (2023)

Year
2050

Description
Achievement of long-term targets

Target
Net-Zero Emissions

3 Environmental Sustainability

3.2.2 Climate Risk and Opportunity Response

GRI: 201-2

We proactively develop response strategies to mitigate the operational and financial impacts brought by climate change and to enhance our climate resilience. For high-risk climate factors, we have formulated corresponding response measures and evaluated their potential financial impacts to guide climate-related actions and seize emerging opportunities.

In 2023, we launched our group-wide sustainability strategy through 2035. In this strategic framework, we defined short-, medium-, and long-term horizons for climate-related risk impacts as follows:

- Short term: 1–2 years
- Medium term: 2–7 years
- Long term: 7–12 years

These timeframes were determined in consideration of our decarbonization roadmap, the progress of our sustainability strategies, and the required investments, such as the development of low-carbon materials and the replacement of legacy equipment.

We have also extended the identification of climate-related risks and opportunities across our value chain. Each item is analyzed for its potential impacts on business operations and strategies, the affected areas in the value chain, and key financial impact factors. This enables us to better understand the scope of financial exposure and develop effective response strategies accordingly.

At present, we have established a governance mechanism for climate risk and opportunity identification in alignment with the TCFD framework and have begun assessing possible financial impact pathways. However, a comprehensive financial impact assessment model for climate scenarios has not yet been fully developed.

To align with the adoption timeline of the IFRS Sustainability Disclosure Standards (S1 and S2) issued by the Financial Supervisory Commission (FSC) of Taiwan, we plan to implement a phased rollout of our climate-related financial quantification mechanisms between 2025 and 2027. This includes:

- Estimating the cost, investment, and revenue implications of climate-related risks
- Introducing internal carbon pricing tools
- Enhancing financial simulation capabilities

These efforts aim to strengthen the foundation for future disclosures and improve the quality of management decisions.

A summary of climate-related risks, opportunities, and their corresponding operational and financial impacts is provided in the table below.

Climate-Related Risks

Timeframe	Risk	Potential Impacts on Business or Strategy		Potential Financial Impact Pathways	
Medium	Cap-and-Trade Regulation and Carbon Fees	• Company may be subject to emissions cap, requiring aggressive decarbonization efforts to avoid purchasing carbon credits.	• Carbon fees may apply to the company or its supply chain partners, increasing component procurement costs.	• If the company is subject to cap-and-trade or carbon fees, it may need to accelerate its low-carbon transition or face higher operating costs.	• Suppliers subject to carbon fees may pass on additional costs, raising the company's component prices.
Medium	Renewable Energy Regulatory Changes	• Changes in renewable energy policies in domestic and international markets may cause supply uncertainties or price volatility, affecting renewable energy deployment.		• Operational sites must increase renewable energy usage to meet net-zero expectations; regulatory or pricing changes may increase cost uncertainty.	• Inability to meet renewable energy targets may hinder financing access or lead to higher borrowing costs.
Short	Changes in Customer Behavior	• As sustainability awareness among customers and markets matures, clients increasingly seek suppliers aligned with decarbonization goals, requiring the company to actively respond.		• Operational activities may need to reduce carbon emissions through equipment upgrades or renewable installations.	• Product R&D may require low-carbon materials. • Failure to meet client expectations during the transition may lead to customer loss.
Short	Increase in Raw Material Costs	• Due to global climate consensus, fossil fuel-intensive industries may be restricted, leading to rising raw material prices.		• Significant fluctuations in raw material costs may occur; lack of responsive procurement planning or limited negotiation flexibility could increase expenditures.	

3 Environmental Sustainability

Climate-Related Opportunities

Timeframe	Opportunity	Potential Impacts on Business or Strategy	Potential Financial Impact Pathways
Medium	Adoption of Low-Carbon Energy	Increase the proportion of renewable energy to mitigate the impact of fossil fuel price volatility due to future restrictions.	Continuously enhance renewable energy use to reduce operational and product carbon footprints, strengthening carbon competitiveness and expanding business opportunities.
Medium	Innovation in Low-Carbon Products and Services	Leverage innovation to improve efficiency and reduce the carbon footprint of products and services, addressing net-zero demands from customers.	Invest in R&D and strengthen environmental footprint assessment capabilities to develop low-carbon offerings and seize new business collaborations.

Based on the results of risk identification, four key climate risks were identified, all classified as transition risks. The financial impact pathways have been detailed in the Climate-Related Risks and Opportunities table. In response, Sercomm will continue to follow the SBTi methodology to develop and implement a decarbonization pathway, integrating it into key performance indicators and progressive action plans.

We further analyzed the financial impact factors and dimensions of each climate-related risk and adopted corresponding response measures, as summarized in the table below:

Timeframe	Risk	Potential Financial Impact Factors	Response Measures
Medium	Cap-and-Trade Regulation and Carbon Fees	▪ Increase in operating costs: accelerated adoption of low-carbon technologies, carbon fees, raw material price hikes. ▪ Asset impairment: early replacement of existing equipment due to decarbonization requirements.	▪ Continuously monitor regulatory changes at operating sites. ▪ Participate in SBTi to set targets and plan reduction actions accordingly.
Medium	Renewable Energy Regulatory Changes	▪ Increase in operating costs: uncertainty in regulations or pricing affecting renewable energy deployment. ▪ Limited access to financing: regulatory uncertainty may hinder progress toward renewable energy targets.	▪ Monitor local regulatory developments. ▪ Conduct cost simulations under different financial scenarios as needed.
Short	Changes in Customer Behavior	▪ Customer Behavior Increase in operating expenses: accelerated investment in low-carbon technologies, R&D, renewable energy. ▪ Decrease in revenue: inability to meet customer expectations may reduce competitiveness. ▪ Asset impairment: early equipment replacement required.	▪ Continue adopting low-carbon energy and high-efficiency equipment and technologies. ▪ Implement digital carbon management platforms and product life cycle assessment to identify environmental impacts and carbon reduction opportunities.
Short	Increase in Raw Material Costs	▪ Increase in operating costs: global phase-out of fossil fuels may result in sharp raw material price increases; inadequate procurement response.	▪ Use core R&D capabilities to optimize product structure and reduce metal and plastic use. ▪ Execute strategic procurement plans. ▪ Enhance supplier cost structure analysis to improve efficiency and bargaining power.

Note : Continuation of the 2023 TCFD risk and opportunity assessment. For complete identification results, please refer to Section 3.1 of the 2023 Sercomm Sustainability Report.

In response to its SBTi commitment, Sercomm has launched a more comprehensive internal GHG inventory process. To enhance the effectiveness of carbon accounting across the value chain and product lifecycle, Sercomm implemented the Sercomm Greenhouse Gas Emission Tool (SGET) in 2024. Through digitalized carbon emission data management, the company is able to swiftly identify potential carbon risks and proactively formulate response measures within supply chain management, product innovation, manufacturing, and logistics operations.

Furthermore, the company is actively expanding the scope of its GHG inventory and plans to prudently evaluate the adoption of an internal carbon pricing mechanism in 2025, as part of its commitment to achieving net-zero emissions.

Sercomm also strives to minimize the environmental impact of its manufacturing facilities. In early 2024, the Chunan Plant obtained the Gold-level certification under the Leadership in Energy and Environmental Design (LEED) framework, developed by the U.S. Green Building Council (USGBC), demonstrating the company's efforts to reduce its buildings' environmental footprint. The Calamba Manufacturing Center has also introduced a building energy management system and is actively promoting green building initiatives, with LEED Gold certification targeted for 2025.

3 Environmental Sustainability

3.3 Climate Change Mitigation

3.3.1 Greenhouse Gas Management

GRI: 305-1, 305-2, 305-4

To effectively control GHG emissions and align with government initiatives on GHG inventory and verification disclosure, Sercomm has been gradually building its carbon accounting and management capabilities. Since 2014, the Company has adopted ISO 14064-1 and the Greenhouse Gas Protocol standards to calculate GHG emissions, defining organizational boundaries based on operational control.

To enhance the comprehensiveness of GHG inventories, Sercomm expanded its coverage to include Scope 3 emissions starting in 2021. In 2022, all manufacturing centers implemented ISO 14064-1:2018 to inventory both Scope 1 and Scope 2 emissions, and gradually extended coverage to all relevant Scope 3 categories. Since 2023, the Taipei Headquarters and all major manufacturing centers have obtained third-party verification of their GHG inventories.

In 2024, the Company launched a digital carbon management platform to enhance cross-site communication and streamline GHG accounting processes through a systematic approach. In response to signing the SBTi commitment in 2023 and receiving target approval in 2025, Sercomm has reset its base year to 2023.

2024 Greenhouse Gas Emissions

Unit: Metric Tons of CO_2e

Category	Parent Company		Subsidiaries	
	Taipei HQ	Chunan Manufacturing Center	Suzhou Manufacturing Center	Philippines Manufacturing Center
Scope 1 (Direct emissions)	41.66	74.55	298.34	217.69
Scope 2 (Indirect emissions) – Location-based	1656.62	3581.49	9,525.89	8,190.26
Scope 2 (Indirect emissions) – Market-based	1656.62	3581.49	9,325.97	6,320.53
Total – Location-based	1698.28	3656.04	9,824.23	8,407.95
Total – Market-based	1698.28	3656.04	9,624.32	6,538.21

Note:

1. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).

2. Starting from 2024, Suzhou and Philippines manufacturing centers have incorporated purchased renewable electricity (green power) into Scope 2 emissions, and thus both location-based and market-based accounting methods are presented.

3 Environmental Sustainability

Scope 3 Greenhouse Gas Emissions in the Past Two Years

Unit: Metric Tons of CO_2e

GHG Protocol	14064-1	Description of Inventory	Emissions	
Scope 3	Category		2023	2024
1: Purchased Goods and Services	4	Emissions from purchased goods – goods	818,347.66	330,625.19
		Emissions from other purchased services	680.45	628.84
2: Capital Goods	4	Capital goods	642.46	1,467.85
3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	4	Upstream emissions from purchased energy	3,265.27	3,953.30
4: Upstream Transportation and Distribution	3	Upstream transportation and distribution	13,851.10	4,823.94
5: Waste Generated in Operations	4	Treatment of solid and liquid waste	308.89	377.21
	4	Transportation of waste	--	1,424.33
6: Business Travel	3	Business travel	835.96	489.54
7: Employee Commuting	3	Employee commuting	2,284.86	2,216.92
8: Upstream Leased Assets	4	Use of assets	--	0.00
9: Downstream Transportation and Distribution	3	Downstream transportation and distribution	122,233.40	36,380.58
10: Processing of Sold Products	5	Processing of sold products and services	--	0.00
11: Use of Sold Products	5	Use of sold products	5,871,858.05	3,585,449.17
12: End-of-Life Treatment of Sold Products	5	End-of-life treatment of sold products	274.98	150.23
13: Downstream Leased Assets	5	Downstream leased assets	--	0.00
14: Franchises	5	Franchises	--	0.00
15: Investments	5	Investments	--	0.00
Scope 3 Emissions			6,834,583.09	3,967,987.09

Note: Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).

SERCOMM

CONTENTS   Preface   Value Creation   Sustainable Operations   Environmental Sustainability   Social Inclusion   Corporate Governance   Green Innovation   Appendices

3 Environmental Sustainability

Greenhouse Gas Emissions Statistics over the Past Four Years

CO_2eUnit: Metric Tons of CO_2e

Category	2021	2022	2023	2024
Scope 1 (Direct emissions)	531.38	619.28	660.88	632.24
Scope 2 (Indirect emissions) – Location-based	28,793.51	26,029.09	26,359.59	22,954.26
Scope 2 (Indirect emissions) – Market-based	28,793.51	26,029.09	26,359.59	20,884.61
Scope 1 + 2 – Location-based	29,324.89	26,648.37	27,020.47	23,586.50
Scope 1 + 2 – Market-based	29,324.89	26,648.37	27,020.47	21,516.85
Revenue (NT$ million)	43,900	64,574	62,584	56,789
Emission Intensity – Market-based	0.67	0.41	0.43	0.38

Note:
1. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).
2. Emission Intensity = Scope 1 + 2 Emissions (tCO_2e) / Total Revenue (NT$ million)

3.3.2 Energy Management

GRI: 302-1, 302-3

Since 2022, Sercomm has gradually implemented the ISO 50001 Energy Management System at its production sites and has obtained third-party certification. To promote effective energy management, Sercomm incorporates environmental protection and energy-saving concepts into new employee training and internal announcement systems. The Company also actively promotes energy conservation initiatives in offices and factories, aiming to embed green values at both the corporate and individual employee levels, thereby fully embodying the spirit of corporate sustainability.

Energy Consumption

In 2024, Sercomm's total energy consumption reached 179,554.71 GJ. The primary energy source was conventional electricity, accounting for 86.16% of all energy used. Compared to 2023, purchased electricity decreased by 12.04%, mainly due to the gradual introduction of renewable energy, including green electricity purchases and solar panel installations. The share of renewable energy in total energy use rose from 0% in 2023 to 11.30% in 2024. Purchased electricity accounted for 93.23% of total energy consumption in 2024. Details are as follows:

Proportion of Each Type of Energy in 2024

Purchased Power 93.23% — Self-Generated 4.23% — Fuel 2.53%
Conventional Electricity 86.16% — Green Electricity 7.07% — Solar Power 4.23% — Gasoline 1.36% — Diesel 0.68% — Natural Gas 0.49%
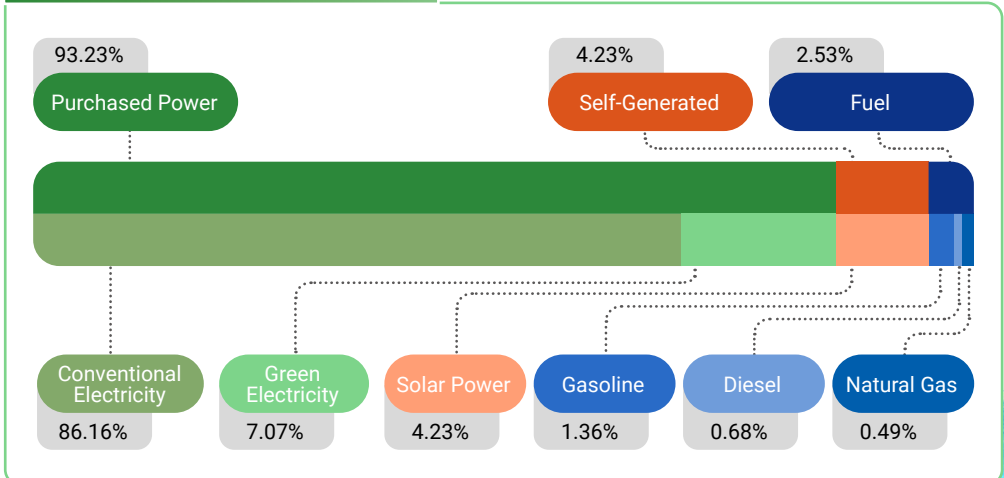
3 Environmental Sustainability

Total Energy Consumption in 2024

Unit: Gigajoules (GJ)

Energy Category	Taipei HQ	Chunan Manufacturing Center	Suzhou Manufacturing Center	Philippines Manufacturing Center	Total
Conventional Electricity	12,581.93	27,201.18	62,991.17	32,809.71	135,584.00
Green Electricity	0.00	0.00	1,418.97	9,705.76	11,124.73
Gasoline	517.71	3.69	376.57	1,235.39	2,133.36
Diesel	52.88	69.69	654.62	299.33	1,076.52
Natural Gas	0.00	0.00	772.48	0.00	772.48
Solar Power	0.00	0.00	6,663.3854	0.00	6,663.39
Total Energy Consumption	13,152.52	27,274.57	72,877.20	44,050.19	157,354.47
Renewable Energy Consumption	0.00	0.00	8,082.35	9,705.76	17,788.11
Percentage of Renewable Energy Consumption	0.00%	0.00%	11.09%	22.03%	11.30%

Energy Consumption Statistics over the Past Four Years

Unit: Gigajoules (GJ)

Energy Category	2021	2022	2023	2024
Conventional Electricity	168,917.19	169,301.75	164,618.66	135,584.00
Green Electricity	0	0	0	11,124.73
Solar Power	0	0	0	6,663.39
Gasoline	1,422.67	867.5	1,075.92	2,133.36
Diesel	33.24	1,419.01	1,925.61	1,076.52
Natural Gas	0	0	12.24	772.48
Renewable Energy Consumption	0.00	0.00	0.00	17,788.11
Total Energy Consumption	170,373.10	171,588.26	167,632.43	157,354.47
Percentage of Renewable Energy Consumption	0.00%	0.00%	0.00%	11.30%
Revenue (NT$ million)	43,900	64,574	62,584	56,789
Energy Intensity (GJ / NT$ million)	3.88	2.66	2.68	2.77

Energy Consumption Statistics by Site over the Past Two Years

Year / Site	2023		2024	
	Energy Consumption (GJ)	Percentage	Energy Consumption (GJ)	Percentage
Taipei HQ	14,206.70	8.47%	13,152.52	8.36%
Chunan Manufacturing Center	29,436.68	17.56%	27,274.57	17.33%
Suzhou Manufacturing Center	81,844.19	48.82%	72,877.20	46.31%
Philippines Manufacturing Center	42,144.85	25.14%	44,050.19	27.99%
Total Energy Consumption	167,632.42	100.00%	157,354.47	100.00%

Notes :

1. Calorific values are based on the Energy Statistics Annual Report by the Bureau of Energy, Ministry of Economic Affairs. Conversion factors for various energy types are:
   • Electricity: 1 kWh = 3,600 kJ = 3.6×10^6 J • Gasoline: 1 L = 32,635.2 kJ (7,800 kcal) • Diesel: 1 L = 35,145.6 kJ (8,400 kcal)
   • Natural Gas: 8,000 kcal/m³ • 1 Gcal = 4.185 GJ • 1 gallon = 3.785 liters
2. For the Suzhou Manufacturing Center, gasoline consumption is estimated using the typical fuel efficiency of Chinese passenger cars: 7.4 L/100 km.
3. Diesel used at the Suzhou Manufacturing Center is for boiler heating; the calorific value is based on the 2022 China Energy Statistical Yearbook: 42,652 kJ/kg.

3 Environmental Sustainability

⟍⟍ Renewable Energy Adoption

To reduce our operational carbon footprint, Sercomm began implementing renewable energy initiatives at key manufacturing sites starting in 2023. We primarily increase the share of renewable energy through Power Purchase Agreements (PPAs) and rooftop solar power systems. These initiatives commenced operations or were connected to the grid progressively beginning in December 2023.

Currently, our Suzhou and Philippines facilities have begun procuring green electricity as a key step in promoting low-carbon manufacturing. Moving forward, Sercomm plans to establish a centralized Renewable Energy Certificate (REC) management system to collect and track certificates across all sites. These records will be integrated into our carbon management system to accurately calculate Scope 2 emissions and offset benefits. In alignment with our SBTi targets and internal carbon pricing strategies, we will continue to optimize green electricity allocation, enhance transparency, and maximize the strategic value of renewable energy use—steadily advancing toward our net-zero goals.

⟍⟍ Toward 100% Green Electricity – Calamba Manufacturing Site

In 2023, Sercomm's Calamba manufacturing center in the Philippines signed a 10-year power purchase agreement with a renewable energy retailer. Official supply began on December 26, 2023. This initiative was conducted under the Department of Energy's Green Energy Option Program (GEOP), which enables qualified consumers to purchase electricity from licensed renewable energy providers. The contract ensures that 100% of the site's electricity demand will be met by green energy for the next decade.

⟍⟍ Rooftop Solar Power Installations – Suzhou and Chunan Manufacturing Sites

The Suzhou manufacturing center completed the installation of a 1.57 MW rooftop solar power system in 2023, which is now fully grid-connected. Total electricity generated in 2024 reached 1,850,940.40 kWh. The Chunan manufacturing site is scheduled to install a 314.6 kW rooftop solar power system by 2025, which is estimated to cover approximately 4.64% of the site's total electricity consumption. We will continue to expand our renewable energy initiatives and gradually increase our renewable energy usage in line with our carbon reduction commitments.

⟍⟍ Energy-Saving Measures

Through the implementation of an energy management system, Sercomm focuses on major energy-consuming equipment with the goal of improving energy efficiency and reducing overall energy consumption. For air conditioning systems, we perform regular cleaning and maintenance of cooling towers to lower cooling water temperatures, thereby reducing energy consumption by chillers. We also closely monitor climate changes to adjust the operation of chillers, chilled water pumps, and cooling water pumps to achieve the lowest power usage while meeting cooling demands. In terms of compressed air systems, variable frequency air compressors are adopted to reduce electricity consumption, and regular inspections are conducted to identify and fix air leaks to avoid energy waste.

Key energy-saving measures implemented at major manufacturing sites in 2024 are summarized as follows:

Manufacturing Center	Measures	Investment in Energy-Efficient Equipment (NT$)
Chunan	As air conditioning is a major electricity consumer during operations, energy-saving measures include installing variable frequency drives (VFDs), adjusting AHU motor outputs, and optimizing air outlet configurations. These improvements are expected to reduce annual electricity consumption by approximately 153,516 kWh, equivalent to 72,766.58 $kgCO_2e$ in emissions reduction1.	400,000
Suzhou	▪ Replaced low-efficiency circulating water pumps and rooftop fans, expected to reduce annual electricity consumption by around 3,600 kWh, equivalent to 2,022.12 $kgCO_2e$ in emissions reduction[2]. ▪ Upgraded exhaust gas treatment from "Level 1 Activated Carbon and UV Photolysis" to "Level 2 Activated Carbon" system to improve pollution control performance.	11,488,740
Philippines	At the Calamba manufacturing site, which is progressing toward a more mature stage of operations, energy optimization planning is being carried out across the entire facility. This includes production areas, offices, and warehouses, with measures to control the operating schedule of all equipment. In particular, equipment is turned off during non-production hours to minimize energy usage.	NA
Total Investment		11,888,740

Notes:
1. Emission reduction calculated based on the 2024 electricity emission factor of 0.474 $kgCO_2e$/kWh as announced by the Bureau of Energy, Ministry of Economic Affairs, Taiwan.
2. Emission reduction calculated based on the 2022 regional electricity CO_2 emission factor of 0.5617 $kgCO_2$/kWh published by the Ministry of Ecology and Environment of the People's Republic of China.

3 Environmental Sustainability

3.4 Water Resource Management

GRI: 303-1, 303-2, 303-3, 303-4, 303-5

Due to the nature of its industry, Sercomm's manufacturing processes do not involve significant water usage. The primary water consumption is for employee domestic use. Other usage includes basic facility operations such as water circulation in air conditioning systems. The Taipei Headquarters uses tap water, sourced 100% from the Taiwan Water Corporation, which supplies freshwater. There is no use of surface water, groundwater, or other water sources. The water is solely provided for use by employees and visitors, and does not have a significant impact on local water sources. Main uses include drinking water, air conditioning systems, and cleaning.

For the Chunan and Suzhou manufacturing centers, the water supply comes from municipal sources (third-party providers), while the facility in the Philippines uses groundwater. Each operational site is primarily supplied by local municipal authorities, water utility companies, or industrial park management units. Sercomm does not independently extract water from rivers, lakes, or underground sources. The company's water management efforts focus on reducing water consumption and exploring potential water recycling solutions.

⟍⟍ Water Consumption Statistics Over the Past Four Years

Unit: Megaliters (ML)

Category	2021	2022	2023	2024
Water Withdrawal	235.71	240.85	214.21	184.63
Water Discharge	202.77	207.15	184.75	166.16
Water Consumption	32.94	33.70	29.46	18.46
Water Intensity (Total Water Withdrawal / NT$ million)	0.0054	0.0037	0.0034	0.0033

Notes:
1. 1 Megaliter = 1,000 kiloliters (kL)
2. 1 metric ton = 1,000 liters
3. 1 cubic meter (m³) = 1,000 liters; thus, 1 Megaliter = 1,000 m³
4. In 2024, the water discharge volume for all plants was uniformly calculated based on the method used by the Kuan-Yuan Science and Technology Park, i.e., 90% of the total water withdrawal. Water consumption = Water withdrawal − Water discharge

⟍⟍ Water Resource Impact Assessment

We utilize the Aqueduct Tools developed by the World Resources Institute (WRI) to assess water-related risks across our operating sites. Based on the results, our operations in mainland China are located in areas with relatively high water stress. In response, we have already implemented water-saving measures and will continue to monitor water availability in the region to minimize our impact on local communities.

As Sercomm does not use water in its production processes, the generated wastewater primarily consists of domestic sewage, which is discharged after treatment by municipal systems or industrial park wastewater treatment plants.

WRI Aqueduct Tools

https://www.wri.org/aqueduct

Region	Low <10%	Low-Medium 10%-20%	Medium-High 20%-40%	High 40%-80%	Extremely High >80%
Taiwan		▨			▨
Suzhou					▨
Philippines			▨		

Sites	Water Supply Entity	Water Source of the Supply Entity	Wastewater Treatment Entity	Receiving Water Body
Taipei HQ	Taipei Feitsui Reservoir Administration	Feitsui Reservoir	Neihu Sewage Treatment Plant	Keelung River
Chunan Manufacturing Center	Taiwan Water Corporation	Yongheshan Reservoir	Kuan-Yuan Science and Technology Park WWTP	Yan-Gang River
Suzhou Manufacturing Center (including R&D Center)	Suzhou Industrial Park	Xinggang Street Water Plant & Yangcheng Lake Water Plant	Suzhou Industrial Zone Phase I & II Wastewater Treatment Plants	Soochow Creek
Philippines Manufacturing Center (Calamba)	Calamba Industrial Park Phase I & Filinve Land, Inc.	Calamba Industrial Park Phase I & Filinvest Water Supply System	Calamba Industrial Park Phase I & Filinvest WWTP	Laguna Lake

⟍⟍ Water Conservation Measures

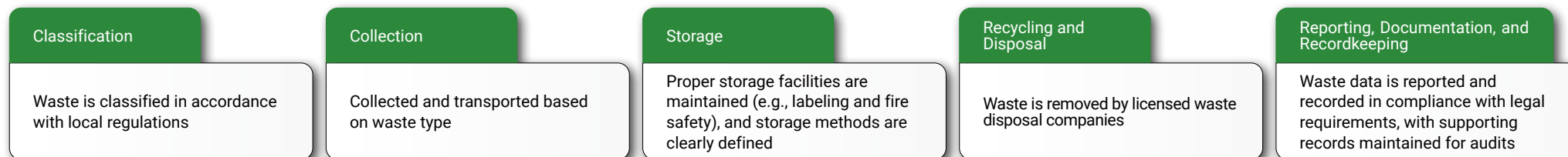| Manufacturing Center	Measures
Chunan	Continued implementation of the process water recycling program saved a total of 3,104 metric tons of water in 2024.
Suzhou	Replaced the cooling towers of the chiller system to reduce drift loss rate. Additionally, optimized blowdown frequency based on system water conductivity indicators, thereby improving water use efficiency. Total water consumption across the plant in 2024 was reduced by 19,581 metric tons compared to 2023.

3 Environmental Sustainability

3.5 Waste Management

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

Sercomm has established a Waste Management Procedure that clearly defines the regulations for handling each type of waste. The majority of our waste originates from packaging materials used in manufacturing, including recyclable waste such as plastic, paper, and wood. Currently, these wastes are handled by licensed waste disposal contractors. To ensure proper handling, we conduct at least one on-site audit per year, reviewing aspects such as the assignment and qualification of responsible personnel and checking for any irregular discharges. In 2024, we conducted a total of six site visits, with no legal violations found.

To reduce the environmental impact of waste, we focus on minimizing waste generation and actively promoting resource recycling and reuse. We implement proper waste segregation across all stages—from procurement at the source to post-process disposal. Waste that cannot be recycled is disposed of through incineration or landfill. Moving forward, our waste management policy will aim to increase the resource recycling rate and promote closed-loop recycling systems to maximize resource utilization.

For example, at our Chunan Manufacturing Center, we launched a Flash Component Reuse Program, in which 54 components were re-balled and reused in 2024.

Classification	Collection	Storage	Recycling and Disposal	Reporting, Documentation, and Recordkeeping
Waste is classified in accordance with local regulations	Collected and transported based on waste type	Proper storage facilities are maintained (e.g., labeling and fire safety), and storage methods are clearly defined	Waste is removed by licensed waste disposal companies	Waste data is reported and recorded in compliance with legal requirements, with supporting records maintained for audits

Hazardous Waste Disposal Data over the Past 4 Years
Unit: metric tons

Category	Treatment Method	2021	2022	2023	2024
Diverted from Disposal	Reuse	19.55	165.60	148.13	112.98
	Recovery	0	0	0	8.33
	Subtotal	19.55	165.60	148.13	121.31
Disposal	Incineration	121.33	41.89	12.76	23.48
	Landfilling	0	0	11.59	0.00
	Subtotal	121.33	41.89	24.35	23.48
Total Hazardous Waste		140.88	207.49	172.48	144.79
Recycle Rate		13.88%	79.81%	85.88%	83.78%

Notes :
1. The statistical scope includes the Chunan, Suzhou, and Calamba Manufacturing Centers.
2. All waste disposal operations reported are conducted offsite.

Non-Hazardous Waste Disposal Data over the Past Four Years
Unit: metric tons

Category	Treatment Method	2021	2022	2023	2024
Diverted from Disposal	Reuse	0	0	602.81	452.11
	Recovery	3,423.98	3,408.91	1,930.95	1,651.46
	Subtotal	3,423.98	3,408.91	2,533.76	2,103.57
Disposal	Incineration	73.85	228.70	43.59	139.14
	Landfilling	796.10	817.90	252.81	70.07
	Subtotal	869.95	1,046.60	296.40	209.21
Total Non-Hazardous Waste		4,293.93	4,455.51	4,309.57	2,312.79
Recycle Rate		79.74%	76.51%	85.96%	90.95%

Notes :
1. The statistical scope includes the Chunan, Suzhou, and Calamba Manufacturing Centers.
2. All waste disposal operations reported are conducted offsite.
3. This table involves restatements of information, primarily to correct the non-hazardous waste data for the Calamba Manufacturing Center.

3 Environmental Sustainability

✏️ Total Waste Weight and Intensity over the Past Four Years

Unit: metric tons

Category	2021	2022	2023	2024
Total Hazardous Waste Weight	140.88	207.49	172.48	144.79
Total Non-Hazardous Waste Weight	4,293.93	4,455.51	2,830.16	2,312.79
Total Waste Weight	4,434.81	4,663.00	3,002.64	2,457.58
Intensity (Hazardous Waste)	0.0032	0.0032	0.0028	0.0025
Intensity (Non-Hazardous Waste)	0.0978	0.0690	0.0452	0.0407
Intensity (Total Waste)	0.1010	0.0722	0.0480	0.0433

Notes:
1. The scope of statistics covers the Chunan, Suzhou, and Philippines manufacturing centers.
2. Intensity = Total weight of the respective category / Revenue (NT$ million).
3. This statistical table includes restatements of information, primarily to correct the non-hazardous waste data from the Philippines manufacturing center, which affects the calculation of total waste weight and intensity.

3.6 Air Pollutant Management

Sercomm's manufacturing processes do not involve significant emissions of air pollutants and are managed in accordance with the relevant regulations of each operating location.

At the Chunan Manufacturing Center, operations are not classified as emission sources regulated under air pollution laws. Nevertheless, we have proactively implemented solvent reduction measures to further minimize air pollutant emissions. For example, in the Dual In-Line Package (DIP) process, we optimized the ultrasonic cleaning procedure by switching from a fixed-concentration cleaning solution to a diluted solution made from concentrate and extended the replacement interval from two weeks to one month. This adjustment is estimated to reduce cleaning agent consumption by 2 metric tons annually. Additionally, DIP processes have been phased out for certain products, which reduces the use of organic solvents at the source and lowers air pollutant emissions. Further efforts will continue in this direction to expand the reduction benefits.

At the Suzhou Manufacturing Center, the activated carbon air pollution control equipment was upgraded in 2023 to reduce pollutant emissions. Since certain processes involve the use of organic solvents (such as flux and cleaning agents), and equipment such as reflow ovens, wave soldering machines, sprayers, and printers emit small amounts of Volatile Organic Compounds (VOCs), the factory conducts regular testing in compliance with relevant Comprehensive Emission Standards for Air Pollutants to ensure proper VOC control.

3.7 Chemical Management

Sercomm's manufacturing processes involve only minimal use of chemicals. During procurement, suppliers are required to provide chemical labeling and Safety Data Sheets (SDS) that comply with the Globally Harmonized System for Classification and Labelling of Chemicals (GHS) and relevant regulatory requirements. A chemical inventory list is established to manage usage, and SDSs are maintained and updated promptly upon any changes to avoid safety risks. Emission control measures are installed at operation sites to reduce potential hazards in the work environment.

In addition, designated storage areas are set up for chemicals, with all storage facilities and containers in compliance with local regulatory standards at each manufacturing site. For employees who handle chemicals, chemical safety training is provided to strengthen safety awareness. The training covers topics such as the hazardous properties of chemicals, safe storage, handling and usage practices, and procedures for spill response and emergency reporting. These measures ensure chemical safety for both operating sites and personnel.

Chemical Storage Facility at Suzhou Manufacturing Center

CH 4
SOCIAL
INCLUSION

4 Social Inclusion

GRI: 2-25

Performance Highlights

SDGs

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

Performance Highlights

Total cumulative training hours for global employees reached **52,171.36** hours, with an average of **6.62** training hours per employee

Performance Highlights

The percentage of women in managerial positions increased to **30.83%**

Performance Highlights

The U.S. subsidiary was certified as a **Great Place To Work**

Performance Highlights

In 2024, the Company was honored with the **Best Employer Brand** award by the global professional platform LinkedIn

Target Readers

Employees, Government Agencies, ESG Rating and Evaluation Organizations

Policy Commitments

Sercomm continues to uphold the principles of diversity, equity, and inclusion, striving to create a friendly and inclusive workplace environment. The Company complies with all applicable labor regulations to ensure that employee working conditions meet legal requirements. At the same time, we actively uphold labor rights in line with international human rights initiatives and continue to implement robust occupational health and safety practices to ensure a safe and healthy working environment. To enhance employee competitiveness, Sercomm integrates internal and external learning resources, aligning talent development with business goals to promote continuous growth in knowledge and professional capabilities.

Material Topic

Human Resource Management

Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals 2024-2025	Medium-Term Goals 2026-2028	Long-Term Goals 2029-2030
The Human Resources Management Unit reviews and discusses changes in various HR indicators.	Formulate compensation and benefits policies through diverse recruitment channels and by referencing industry salary benchmarks.	⚠ Introduce or optimize a human capital analytics system to strengthen data-driven HR decision-making. ⚠ Enhance the employee onboarding and exit feedback mechanisms, and implement improvement plans targeting reasons for turnover. ⚠ Implement a flexible benefits platform offering personalized options (e.g., health, learning, family support, etc.).	❙ Establish a competency-based talent development framework, including capability assessments and tailored training roadmaps for each role. ❙ Design and implement a performance-driven rewards and compensation system that aligns organizational goals with individual contributions. ❙ Increase the internal promotion rate and career mobility to strengthen talent retention and development.	❙ Become a highly attractive employer brand within the industry. ❙ Fully establish a digital, agile HR management system integrating all stages from recruitment and training to performance management and development. ❙ Develop a global talent deployment and management mechanism to support the company's long-term international expansion strategy.

Note: 2024 Performance Status — ✓✓ Achieved | ⚠ Ongoing Progress

SERCOMM

4 Social Inclusion

Material Topic	Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals 2024-2025	Medium-Term Goals 2026-2028	Long-Term Goals 2029-2030
Diversity, Equity, and Inclusion	The Human Resources Management Unit reviews and discusses changes in various HR indicators.	The proportion of women in managerial positions increased to 30.83%, representing a growth of 8.15 percentage points from the previous year, indicating significant progress in promoting gender diversity and equality in leadership roles.	⚠ Establish an internal DEI (Diversity, Equity, and Inclusion) section and policy announcement page to enhance employee awareness and participation.	Strengthen workplace protection and equal opportunities for disadvantaged groups, and increase the proportion of employees from diverse backgrounds (including gender, age, ethnicity, culture, and disabilities). For example, increase the number of foreign professionals or local minority employees.	Embed the concept of diversity, equity, and inclusion into the company's core values and daily culture, ensuring it is reflected in the actions of every employee.
Employee Training and Development	Conduct course satisfaction surveys and review development or improvement plans for the following year.	▎Conduct talent inventory in alignment with the company's growth needs, introduce managerial competency programs, and integrate learning resources. ▎In accordance with the performance management cycle, review, adjust, and promote employee competency development.	⚠ Provide targeted management and professional skills training aligned with the company's annual goals: (1) Continuously enhance supervisors' ability in goal setting and performance communication. (2) Offer diverse and innovative thematic lectures to help employees acquire new knowledge. ⚠ Continue providing customized development programs for key internal talent, leveraging international coaching resources to broaden their global perspectives.	▎Regularly assess employee skills to understand the impact of the external business environment and link findings to the identification and development of required professional capabilities. ▎Expand key talent development programs beyond senior management, fostering mid- to long-term development plans for the next generation of managerial talent to achieve sustainable talent growth.	▎Build a continuously innovative learning organization. ▎Align talent development with the company's long-term strategic objectives. ▎Strengthen corporate competitiveness through training and high-potential talent development programs.

Note: 2024 Performance Status — ✔ Achieved | ⚠ Ongoing Progress

SERCOMM

4 Social Inclusion

Material Topic	Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals 2024-2025	Medium-Term Goals 2026-2028	Long-Term Goals 2029-2030
Human Rights Management	Conduct the RBA Self-Assessment Questionnaire (SAQ) and the RBA Validated Assessment Program (VAP) third-party verification.	In 2024, Sercomm officially became a member of the Responsible Business Alliance (RBA), actively supporting the vision and objectives of the RBA. To strengthen human rights protection, Sercomm completed the revision of the Group Human Rights Policy in 2024 and extended the relevant regulations and management measures to Tier 1 suppliers.	⚠ Introduce the basic process for Human Rights Due Diligence (HRDD) to identify potential internal human rights risks (e.g., overwork, workplace harassment, discrimination). ⚠ Gradually revise the labor and human rights policies to align with international trends and regulatory requirements, and increase the coverage rate of related training programs.	Establish a Human Rights Impact Assessment (HRIA) mechanism to regularly assess high-risk job categories.	Fully implement a Human Rights Management System (HRMS) with Human Rights Module, enabling regular and transparent reporting.
Occupational Health and Safety	Verification by a Third-Party Assurance Provider	Obtain ISO 45001, ISO 14001, and ISO 50001 certifications. Revise the incident reporting hierarchy and reporting deadlines.	✓✓ Establish an occupational injury reporting and emergency response procedure and conduct regular drills.	Promote mental health awareness and implement Employee Assistance Programs (EAP) to enhance psychological safety.	Achieve the Zero Accident Vision, with zero work-related injuries and zero major occupational accidents.

Note: 2024 Performance Status — ✓✓ Achieved | ⚠ Ongoing Progress

4 Social Inclusion

4.1 Happy Workplace

4.1.1 Workforce Structure

GRI: 2-7, 2-8, 202-2, 401-1, 405-1   SASB: TC-HW-330a.1

As of the end of 2024, Sercomm employed a total of 5,428 people worldwide, including 2,521 direct employees and 2,907 indirect employees. This represents a decrease of 790 employees compared with 2023. The number of non-employees totaled 2,040, a decrease of 359 from 2,399 in 2023. These changes primarily reflect operational strategy adjustments made in response to geopolitical conditions, involving a reallocation of production and workforce deployment across regions to enhance overall supply chain resilience and operational efficiency.

Sercomm embraces diversity and values workplace equality and inclusion, with employees representing 20 nationalities across Taiwan, the Philippines, China, the United States, India, and other locations. Globally, men and women account for 52.69% and 47.31% of the workforce, respectively, achieving near gender parity. The average age of male employees is 34.88 years, compared to 35.63 years for female employees, showing no significant difference. Average years of service are 5.44 for men and 4.68 for women. Women hold 30.83% of management positions globally, with the proportion increasing steadily over the past three years.

In terms of protecting and providing equal employment opportunities for disadvantaged groups, Sercomm complies with legal requirements for employing persons with disabilities, with no shortfalls as of the end of 2024. In the event of significant operational changes that may affect employee labor rights, the Company adheres to the Labor Standards Act and other relevant regulations by providing advance notice based on employees' years of service, ensuring adequate time for adjustment and preparation.

Global Workforce Structure

Item	2021	2022	2023	2024
Total Number of Employees	4,471	5,049	6,218	5,428
Male	56.39%	54.70%	50.64%	52.69%
Female	43.61%	45.30%	49.36%	47.31%

Item	2021	2022	2023	2024
Proportion of Women in Management Positions	20.73%	21.85%	22.68%	30.83%

Note: The statistics are based on employees in service as of the end of 2024, including full-time and contract employees. They exclude dispatched workers, outsourced personnel, or any other individuals who do not have a direct employment contract with Sercomm (non-employees).

4 Social Inclusion

Management, Technical, and Other Employees — by Gender

Category		Total Number of People	Female		Male	
			Number of People	Percentage	Number of People	Percentage
Management Positions	Senior Management	31	4	12.90%	27	87.10%
	Non-Senior Management	1,419	443	31.22%	976	68.78%
Technical Positions		757	218	28.80%	539	71.20%
Other Employees		3,221	1903	59.08%	1318	40.92%

Notes:
1. Senior management positions are defined in accordance with SASB TC-HW-330a.1's description of Executive Management and the Company's internal definition, referring primarily to senior executives at the vice-president level and above.
2. Technical positions are defined in accordance with SASB TC-HW-330a.1's description of Technical Employees and reference to ISCO Sub-Major Groups 21 and 25, covering highly skilled engineering-related personnel in electrical, electronic, mechanical, computer, information, and data science disciplines.

Management, Technical, and Other Employees — by Nationality

Category		Total Number of People	Taiwan		Philippines		China		United States		India		Others	
			Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage	Number of People	Percentage
Management Positions	Senior Management	31	24	77.42%	0	0.00%	1	3.23%	3	9.68%	0	0.00%	3	9.68%
	Non-Senior Management	1,419	739	52.08%	34	2.40%	540	38.05%	43	3.03%	29	2.04%	34	2.40%
Technical Positions		757	143	18.89%	111	14.66%	482	63.67%	2	0.26%	8	1.06%	11	1.45%
Other Employees		3,221	500	15.52%	2,034	63.15%	637	19.78%	1	0.03%	40	1.24%	9	0.28%

Notes :
1. This table lists the top five nationalities of Sercomm employees by number of people.
2. The Group's workforce comprises employees of 20 nationalities. Nationalities other than the five listed above are grouped under "Others" and include Japan, France, Italy, Vietnam, Singapore, Malaysia, Indonesia, Canada, Mexico, Brazil, Russia, the United Kingdom, Germany, Spain, and Greece.
3. In cases where employees hold dual nationality or permanent residency, their nationality is recorded based on their primary work location.
4. Senior management positions are defined in accordance with SASB TC-HW-330a.1's description of Executive Management and the Company's internal definition, referring primarily to senior executives at the vice-president level and above.
5. Technical positions are defined in accordance with SASB TC-HW-330a.1's description of Technical Employees and reference to ISCO Sub-Major Groups 21 and 25, covering highly skilled engineering-related personnel in electrical, electronic, mechanical, computer, information, and data science disciplines.

4 Social Inclusion

By Age Group

Age Group	Number of People	Percentage	Gender	Number of People	Percentage
Under 30	1,764	32.50%	Male	1,001	56.75%
Under 30	1,764	32.50%	Female	763	43.25%
30 to 50	3,346	61.64%	Male	1,684	50.33%
30 to 50	3,346	61.64%	Female	1,662	49.67%
Over 50	318	5.86%	Male	175	55.03%
Over 50	318	5.86%	Female	143	45.97%

Note: The statistical range for the "30–50 years" category is defined as 30 ≤ employee age ≤ 50.

By Work Location

Work Location	Number of People	Percentage	Gender	Number of People	Percentage
Taiwan	1,708	31.47%	Male	847	49.59%
Taiwan	1,708	31.47%	Female	861	50.41%
Mainland China	1,653	30.45%	Male	1,009	61.04%
Mainland China	1,653	30.45%	Female	644	38.96%
Philippines	1,889	34.80%	Male	851	45.05%
Philippines	1,889	34.80%	Female	1,038	54.95%
Other Overseas	178	3.28%	Male	153	85.96%
Other Overseas	178	3.28%	Female	25	14.04%

By Employment Type

Employment Type	Number of People	Percentage	Gender	Number of People	Percentage
Direct Labor	2,521	46.44%	Male	1,028	40.78%
Direct Labor	2,521	46.44%	Female	1,493	59.22%
Indirect Labor	2,907	53.56%	Male	1,832	63.02%
Indirect Labor	2,907	53.56%	Female	1,075	36.98%

Note:
1. Direct Labor (DL): Employees whose job functions are directly related to the manufacturing production line, such as assembly line workers and production machine operators.
2. Indirect Labor (IDL): Employees whose job functions are not directly related to the production line, such as R&D, sales, project management, and administrative staff.

By Job Function

Management Positions	Number of People	Percentage	Gender	Number of People	Percentage
Senior Management	31	0.57%	Male	27	87.10%
Senior Management	31	0.57%	Female	4	12.90%
Middle Management	443	8.16%	Male	339	76.52%
Middle Management	443	8.16%	Female	104	23.48%
Junior Management	976	17.98%	Male	637	65.27%
Junior Management	976	17.98%	Female	339	34.73%
Non-Management Positions	3,978	73.29%	Male	1,857	46.68%
Non-Management Positions	3,978	73.29%	Female	2,121	53.32%

Note: Junior management refers to Assistant Supervisors and Supervisors, Middle management covers Assistant Managers, Managers, Senior Managers, Directors, and Senior Directors, while Senior management refers to Vice Presidents and above.

4 Social Inclusion

Contract Type

Region / Gender	Taiwan		Mainland China		Philippines		Other Overseas		Total	
Contract Type	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Permanent Employee	807	601	1,009	644	851	1,038	152	24	2,819	2,307
Contractor / Temporary Employee	40	260	0	0	0	0	1	1	41	261

Note:
1. Permanent Employee: Full-time or part-time employees hired under an indefinite-term employment contract.
2. Contractor / Temporary Employee: Employees hired under a fixed-term contract. Their job functions include packaging and finished goods boxing, production line assembly support, warehouse in/outbound assistance, and cleaning or facility maintenance.

Employment Type

Region / Gender	Taiwan		Mainland China		Philippines		Other Overseas		Total	
Employment Type	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Full-Time Employee	847	861	1,009	644	851	1,038	153	25	2,860	2,568
Part-Time Employee	0	0	0	0	0	0	0	0	0	0

Note:
1. Full-time Employee: Employees whose weekly, monthly, or annual working hours meet the legal and practical definition of full-time employment under national labor laws.
2. Part-time Employee: Employees whose weekly, monthly, or annual working hours are fewer than those of full-time employees.
3. Sercomm does not employ non-guaranteed hours employees.

Workers Who Are Not Employees

Sercomm engages workers who are not employees to meet short-term or specific project requirements. These include dispatched workers and contracted service providers, as well as other contractors permanently stationed at Sercomm's manufacturing facilities or offices to provide essential services such as cleaning, security, and cafeteria catering.

Region / Gender	Taiwan		Mainland China		Philippines		Other Overseas		Total	
Types of Non-Employee Workers	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Dispatched or Contracted Service Workers	14	30	555	198	449	637	5	1	1,023	866
Other On-Site Contractors	8	2	91	47	0	0	2	1	101	50

Note: The statistics are based on the number of personnel employed as of the end of 2024.

4 Social Inclusion

4.1.2 Talent Recruitment and Employment

Recruitment Strategy

Outstanding talent is the key driver behind Sercomm's continuous innovation and steady growth. Sercomm is committed to reaching global talent through diverse channels. In 2024, recruitment channels included international mainstream job platforms, on-campus career fairs held in various countries, diverse recruitment activities, and robust employee referral programs, attracting a broad pool of potential candidates.

During the selection process, Sercomm ensures that all candidates are provided with fair and consistent opportunities regardless of race, gender, age, religion, or other background factors, in alignment with our equal employment principles. In addition to the professional skills required for each position, we also value alignment with Sercomm's core values. Through interviews, practical assessments, professional skills tests, language proficiency tests, as well as personality and competency profiling, we aim to foster mutual understanding and use comprehensive evaluation results as an important basis for hiring decisions, thereby promoting job-person fit and long-term development.

Sercomm recognizes that a strong employer brand is essential for attracting and retaining talent. Therefore, we actively cultivate our corporate image and employee value proposition by leveraging social media platforms, campus engagement activities, and media collaborations to share Sercomm's culture. Thanks to years of dedication and highly transparent communication channels, Sercomm was honored with the "Best Employer Brand" award in 2024 by the global professional networking platform LinkedIn. As of the end of 2024, Sercomm's LinkedIn follower count had reached 83,630, underscoring our strong appeal to talent and competitive employer branding on the global stage.

2024 Taiwan Campus Recruitment Activity (National Taiwan University)

LinkedIn "2024 Best Employer Brand" Award Plaque

2024 Philippines Campus Recruitment Activity (University of the Philippines)

2024 Suzhou Campus Presentation (Soochow University)

4 Social Inclusion

Talent Deployment

In 2024, with the Company's continued business growth, a total of 1,653 new employees were hired, representing an overall new hire rate of 30.45%. By labor type, the majority of new hires were Direct Labor (DL), accounting for 73.80% of all new hires, with a new hire rate of 48.39%. By age group, employees under the age of 30 represented the largest proportion of new hires, accounting for 83.79% of the total.

To support new employees, each operating site has established onboarding and mentoring programs, such as the Angel Buddy System in the Philippines, which assigns dedicated personnel to help new hires quickly adapt to the work environment, integrate into the organization, and realize their potential. The three-month retention rate for indirect employees in 2024 was 92.5%, an improvement from 92.36% in 2023. This demonstrates that our care and support mechanisms contribute to building a newcomer-friendly workplace, and Sercomm will continue to work toward this goal.

2024 New Hire Statistics - By Gender

Gender	Number of People	Percentage	New Hire Rate		
Male	1,023	61.89%	Indirect Labor	70.62%	35.77%
			Direct Labor	16.21%	
Female	630	38.11%	Indirect Labor	33.09%	24.53%
			Direct Labor	12.65%	

2024 New Hire Statistics - By Age Group

Age Group	Number of People	Percentage	New Hire Rate		
Under 30	1,385	83.79%	Indirect Labor	23.09%	78.5%
			Direct Labor	141.75%	
30−50	240	14.52%	Indirect Labor	10.88%	7.17%
			Direct Labor	3.08%	
Over 50	28	1.69%	Indirect Labor	11.85%	8.81%
			Direct Labor	2.80%	

2024 New Hire Statistics - By Work Location

Location	Number of People	Percentage	New Hire Rate		
Taiwan	157	9.49%	Indirect Labor	15.06%	9.19%
			Direct Labor	0.15%	
Mainland China	1126	68.08%	Indirect Labor	3.85%	68.12%
			Direct Labor	250.35%	
Philippines	289	17.47%	Indirect Labor	33.40%	15.30%
			Direct Labor	9.15%	
Other Overseas	82	4.96%	Indirect Labor	41.76%	46.07%
			Direct Labor	137.50%	

Notes:
1. The new hire rate is calculated as the number of new hires in the group during the year ÷ the number of employees in the group at year-end. The same calculation logic applies to all new hire statistics.
2. The 30−50 age group includes employees whose ages are between 30 and 50, inclusive.

4 Social Inclusion

As part of our attrition management process, the Company arranges one-on-one exit interviews for departing employees when necessary, to understand the reasons for leaving and explore possible retention measures. The insights gathered from exit interviews are used as a basis for the ongoing improvement of Sercomm's internal management and human resources systems. For all involuntary separations, Sercomm complies with applicable labor laws in each jurisdiction by providing advance notice and carrying out termination procedures, while also proactively providing employees with necessary information regarding their legal rights and relevant support.

2024 Employee Turnover Statistics - By Gender

Gender	Number of People	Percentage	Turnover Rate		
Male	1,313	53.83%	Indirect Labor	14.36%	45.87%
			Direct Labor	102.04%	
Female	1,126	46.17%	Indirect Labor	18.33%	43.85%
			Direct Labor	12.65%	

2024 Employee Turnover Statistics - By Age Group

Age Group	Number of People	Percentage	Turnover Rate		
Under 30	1,658	68.01%	Indirect Labor	21.17%	93.99%
			Direct Labor	177.06%	
30−50	740	30.35%	Indirect Labor	13.15%	22.12%
			Direct Labor	32.01%	
Over 50	40	1.64%	Indirect Labor	14.22%	12.58%
			Direct Labor	9.35%	

2024 Employee Turnover Statistics - By Work Location

Location	Number of People	Percentage	Turnover Rate		
Taiwan	336	13.78%	Indirect Labor	12.45%	19.67%
			Direct Labor	30.80%	
Mainland China	1,496	61.36%	Indirect Labor	13.09%	90.56%
			Direct Labor	310.21%	
Philippines	580	23.79%	Indirect Labor	31.11%	30.70%
			Direct Labor	30.57%	
Other Overseas	26	1.07%	Indirect Labor	13.53%	14.61%
			Direct Labor	37.50%	

Note:
1. The turnover rate includes voluntary resignations, retirements, and involuntary separations.
2. The turnover rate is calculated as the number of employees in the group who left during the year divided by the number of employees in the group at year-end. The same calculation logic applies to all turnover statistics.
3. For the 30−50 age group, the statistical range is defined as 30 ≤ employee age ≤ 50.

4 Social Inclusion

Localized Management

To accelerate Sercomm's development objectives and demonstrate its core corporate values, the company employs local talent in management positions as part of a localized management system, maintaining organizational flexibility and vitality in each region. As of 2024, 97.24% of management positions across Sercomm's global sites were held by local employees. This proportion has remained above 90% for the past three years, reflecting strong adaptability and team performance. Sercomm will continue to implement localized management practices to strengthen local human capital and enhance the long-term stability of its operations.

Localization Ratio of Management Positions by Level

Management Level	Percentage of Local Employees in Position
Senior Management	87.10%
Middle Management	95.94%
Junior Management	98.16%
All Management Positions	97.24%

Note: Junior Management includes Assistant Supervisors and Supervisors; Middle Management includes Assistant Managers, Managers, Senior Managers, Directors, and Senior Directors; Senior Management refers to Vice Presidents and above.

Localization Ratio of Management Positions over the Past Four Years

2021	2022	2023	2024
94.96%	93.06%	91.46%	97.24%

4.1.3 Employee Care

Compensation and Benefits

Equal Pay

The company is committed to fostering harmonious labor relations within the framework of legal requirements. Sercomm's compensation system does not discriminate based on gender, race, age, religious beliefs, or political affiliation. In 2024, the standard wages for entry-level employees at Sercomm's primary operating sites met or exceeded the local legal minimum requirements. For positions of the same nature (Direct Labor and Indirect Labor), no pay differences were observed between male and female employees.

In terms of total annual compensation (including base salary, annual allowances, and annual bonuses), the overall trend shows higher pay for male employees. This is primarily due to the higher proportion of male employees in R&D-related positions, which generally command higher compensation.

Ratio of Basic Salary and Remuneration of Women to Men

	Non-R&D Positions						R&D Positions					
Region / Gender	Taiwan		Mainland China		Philippines		Region / Gender	Taiwan		Mainland China		Philippines
Employment Type	Male	Female	Male	Female	Male	Female	Employment Type	Male	Female	Male	Female	Male	Female
Direct Labor	1	0.97	1	0.80	1	0.94	Indirect Labor	1	0.83	1	0.84	1	0.59
Indirect Labor	1	0.76	1	0.75	1	0.60							

Note: The female-to-male ratio is calculated by taking the male average figure as the baseline value of 1, and calculating the relative proportion of the female average figure.

Ratio of Minimum Starting Salary for Entry-Level Employees to Local Statutory Minimum Wage

Region / Gender	Taiwan		Mainland China		Philippines	
Employment Type	Male	Female	Male	Female	Male	Female
Direct Labor	1.05	1.05	1.20	1.20	1.00	1.00
Indirect Labor	1.15	1.15	1.75	1.75	1.10	1.10

Note: Calculated based on the local statutory minimum wage.

4 Social Inclusion

Full-time Non-Executive Employees' Salaries in Taiwan			Unit: NT$ thousands
Category	2023	2024	Annual Variation
Number of Employees (persons)	1,823	1,782	-2%
Total Salary	1,864,809	1,930,978	4%
Average Salary	1,023	1,084	6%
Median Salary	657	767	17%

Note: The number of "full-time non-executive employees" here excludes managers as defined in the Financial Supervisory Commission's Letter No. 920001301, and includes only those whose working hours meet the Company's required normal working hours or statutory working hours. This information is reported in accordance with legal requirements, and thus the definition differs from that of "non-management positions" in the statistics provided in Section 4.1.1 Workforce Structure, resulting in statistical differences. The disclosed information above can also be found on the Taiwan competent authority's website: https://esggenplus.twse.com.tw/

Competitive Compensation

Sercomm values the treatment and benefits of its employees. The Company adopts market-competitive compensation and benefits policies across all operating locations, referencing industry salary benchmarks and macroeconomic indicators. Employee starting salaries are determined based on individual professional capabilities, educational background, years of experience, and relevant work history. Salary adjustments after onboarding are evaluated holistically, taking into account individual performance, market value, and contributions.

For overseas employees, competitive and reasonable salary levels are established according to local labor market conditions, with reference to local laws, industry practices, and business performance. Both long-term and short-term incentive bonuses are provided to encourage long-term contributions and foster mutual growth with the Company.

Talent Incentives and Retention

Year-end and Performance Bonuses
Rewarding Individual Performance

Employee Profit-sharing
Employee Profit-sharing Implementation

Annual Salary Adjustments
Maintaining Market Competitiveness

Annual Promotions
Identifying and Nurturing Talent

Bonus and Incentive Programs	Eligibility	Implementation Method	Operating Locations
Cash Bonus Policy	Applicable to employees who have provided services during the performance evaluation period and remain employed on the bonus payment date.	The Company allocates a certain percentage of annual operating profits based on business performance, and distributes year-end bonuses and profit-sharing bonuses in proportion to individual performance contributions.	Taiwan, Mainland China, Philippines
Stock Incentive Plan	The Company grants treasury shares, stock options, or restricted stock awards to employees with outstanding performance contributions.	Stock grants are allocated to employees for consideration, with vesting schedules defined in the respective stock award plans. Employees must meet both corporate performance targets and individual performance indicators before being eligible to receive vested shares.	Taiwan, Mainland China
Patent Bonus	Applicable to employees of the Company (including its affiliates) who have made creative contributions to the substantive features of a patent proposal.	To encourage innovation and invention, the bonus is awarded in two stages: 1. A patent application bonus upon obtaining an official application number from the competent authority. 2. A patent grant bonus upon official approval of the patent.	Taiwan, Mainland China, Philippines
Project Bonus	Applicable to projects with innovative technologies submitted for official review.	Upon review and confirmation of the innovative nature of the project by the Industrial Development Administration, Ministry of Economic Affairs, the Company awards the project bonus.	Taiwan
Long-Service Award	Applicable to employees with 10, 20, or 30 years of service.	Long-service employees are recognized annually at year-end, with each recipient receiving a commemorative plaque and a customized pen.	Taiwan, Mainland China, Philippines
Retention Bonus	For key talent identified by supervisors based on tenure and performance, and approved under a formal retention plan.	The plan duration ranges from two to five years, with retention bonuses paid in monthly or annual installments. Employees who resign before completing the plan period are required to return the awarded bonuses.	Mainland China, Philippines

4 Social Inclusion

Diverse Benefits

Sercomm enhances employees' well-being through a variety of welfare programs and leisure activities. The Company offers travel allowances and encourages employees to participate in group tours and club activities organized by the Employee Welfare Committee, allowing employees and their families to enjoy leisure time together, relieve work-related stress, and achieve a balance between personal well-being, work, and family life.

The Employee Welfare Committee, funded by the Company's annual revenue allocation and employee welfare fund, regularly organizes annual activities. Sercomm also respects the freedom of assembly and association, encouraging and supporting the formation of diverse employee clubs to foster personal interests. These include basketball, swimming, badminton, tennis, yoga, hiking, cooking, handicrafts, photography, bartending, painting, floral design, and more. To foster camaraderie among colleagues, Sercomm hosts family days, team-building activities, afternoon teas, and festive celebrations during major holidays such as the Dragon Boat Festival, Mid-Autumn Festival, Lantern Festival, Christmas, New Year, and the year-end banquet.

Insurance Benefits

In accordance with Taiwan's local regulations, Sercomm enrolls all newly hired employees in labor and health insurance on their first day of work and contributes to their pension fund as required by law. The Company also provides group insurance coverage, including life insurance, accident insurance, hospitalization insurance, cancer insurance, and accident medical insurance.

For expatriate employees, Sercomm offers enhanced group insurance coverage to ensure greater protection during overseas assignments. In overseas locations, all social insurance programs are administered in compliance with local laws and regulations.

In addition, an insurance service desk is set up on-site to provide employees with convenient access to insurance consultations and claims assistance. Periodic sessions are also held to share insurance knowledge and explain employees' rights and entitlements regarding claims, helping employees fully understand the scope and benefits of their coverage.

Summary of Employee Welfare Initiatives in 2024

Item	Taiwan	Mainland China	Philippines
Insurance: Group insurance for employees, group insurance for dependents, occupational accident insurance	V	V	V
Parental leave	V	-	-
Employee stock ownership	V	V	-
Retirement benefits	V	V	-
Birthday gifts or allowances	V	V	V
Festive gifts or allowances	V	V	V
Club subsidies	V	V	-
Cafeteria lunch subsidies	V	V	V
Digital welfare points	V	-	-
Private movie screenings (including dependents)	V	-	-
Team building activities	V	V	V
Dormitory subsidies for employees from other counties/cities	V	-	-
Department gatherings	V	V	V
Health checkups	V	V	V
Other welfare measures	Opening day red envelopes, wedding/Funeral allowances	Opening day red envelopes, wedding/Funeral allowances	

4 Social Inclusion

Global Operations – Online Annual Meeting

Taipei Headquarters – Lunar New Year Celebration

Taipei Headquarters – Lunar New Year Celebration

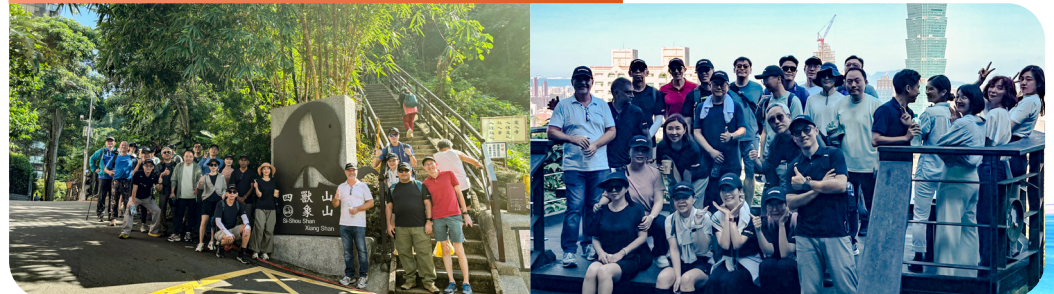**Taipei Headquarters – Dragon Boat Festival Celebration**

Taipei Headquarters – Movie Screening Event

Taipei Headquarters – Christmas Celebration

Taipei Headquarters – Xiangshan (Mt. Elephant) Hiking Event

4 Social Inclusion

Suzhou R&D Center – Suzhou Dongshan Spring Hiking Event

Philippines R&D Center – Christmas Celebration

Suzhou R&D Center – Management Team-Building Event

Philippines R&D Center – Team-Building Event

Suzhou Manufacturing Center – Lantern Festival Riddle Guessing Event

4 Social Inclusion

⚒ Retirement System and Implementation　　GRI: 201-3

Sercomm's retirement benefits are administered in accordance with local legal requirements. For employees in Taiwan, the Company makes regular contributions to the statutory retirement reserve account in compliance with the Labor Standards Act. In Mainland China, employees are enrolled in the local social endowment insurance scheme, ensuring that all employees are provided with secure retirement protection. Currently, the retirement plan coverage rate for both Taiwan and Mainland China is 100%.

For employees in Taiwan hired on or before June 30, 2005, the Company provides benefits under the old pension scheme. Contributions are calculated at 2% of each eligible employee's monthly salary and deposited monthly into the old pension reserve account at the Bank of Taiwan. In 2024, contributions under the old scheme totaled NT$ 371,609 thousand, sufficient to cover the Company's retirement obligations for the next six years. Contribution amounts are adjusted annually based on actuarial reports to meet future retirement needs.

For employees covered by the new pension scheme, the Company contributes 6% of the employee's monthly salary into an individual retirement account. In addition to the employer's mandatory 6% monthly contribution, employees may voluntarily contribute an additional 0%–6% of their salary to their personal account.

⚒ Workplace Equality, Diversity, and Inclusion

Creating a Friendly Workplace

Sercomm is committed to fostering a respectful, inclusive, and trustworthy workplace culture, guided by the principles of greeting with a smile, communicating with care, working in harmony, and creating mutual goodwill. This approach aims to provide employees with a safe and supportive work environment where they can engage wholeheartedly and support one another.

To safeguard employees' fundamental rights, the Company has established policies such as the Written Statement Prohibiting Workplace Violence, the Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Procedures, and the Workplace Ethics Code of Conduct Guidelines. These clearly define prevention mechanisms and complaint procedures, proactively preventing mistreatment or harassment, promoting fairness, and strengthening interpersonal harmony in the workplace.

⚒ Maternity Health Protection and Parental Leave

As part of its comprehensive maternity health protection plan, Sercomm prioritizes care and well-being by providing comfortable nursing rooms at its operating sites. Female employees are entitled to menstrual leave, maternity leave, family care leave, paternity leave, and parental leave without pay, with assurances that such leave will not negatively affect attendance bonuses, performance appraisals, or result in any other unfavorable treatment.

In terms of parental leave statistics, all Sercomm operations comply with local laws in granting parental leave requests, ensuring that employees can balance work and family needs without compromising their career development.

Breastfeeding Room – Taipei Headquarters

Breastfeeding Room – Taipei Headquarters

4 Social Inclusion

Chunan Operations Site

Chunan Operations Site

Chunan Operations Site

Philippines R&D and Manufacturing Center – Accessible Facilities for Persons with Disabilities & Breastfeeding Room

2024 Parental Leave Statistics

Item	2023			2024		
	Female	Male	Total	Female	Male	Total
Number of employees eligible for parental leave (A)	13	24	37	21	25	46
Number of employees who applied for parental leave during the reporting year (B)	8	1	9	18	7	25
Number of employees due to return to work after parental leave (C)	6	0	6	7	3	10
Number of employees who returned to work after parental leave (D)	4	0	4	7	3	10
Return-to-work rate (D/C)	67%	--	67%	100%	100%	100%
Number of employees scheduled to return to work from parental leave in the previous year and actually returned (E)	4	1	5	8	1	9
Number of employees who remained employed for more than 12 months after returning from parental leave (F)	4	1	5	7	1	8
Retention rate (F/E)	100%	100%	100%	100%	100%	89%

Note: In Taiwan, statistics are calculated based on parental leave without pay in accordance with local legal requirements. In Mainland China and the Philippines, there is no statutory parental leave; therefore, these locations are not included in the statistics.

4 Social Inclusion

⟍ Career Support Program for Foreign Migrant Workers

In alignment with Sercomm's global manufacturing strategy and customer requirements, and in compliance with government policies, the Company embraces diversity and inclusion in the workplace. As of the end of 2024, the Chunan Manufacturing Center in Taiwan employed 290 foreign migrant workers, providing them with a high-quality working environment, professional job training, and accessible communication channels to ensure peace of mind at work. These efforts help enhance labor engagement and productivity, making migrant workers a stable, long-term contributor to the Company's manufacturing capacity.

Engaging Licensed Recruitment Agencies

Sercomm engages only licensed recruitment agencies and conducts regular audits to ensure they provide high-quality manpower recruitment programs. To create a stable working environment for migrant workers, the Company covers all costs related to overseas recruitment, including agency fees, visa fees, medical examination fees, insurance premiums, airfare, and domestic management fees.

Providing Bilingual Orientation Programs

To help new overseas migrant workers adapt quickly, Sercomm provides comprehensive bilingual orientation programs covering job functions, daily life, facilities, canteen, dormitory, and fire safety, ensuring smooth adaptation to their new environment.

Ensuring Smooth Communication

In collaboration with licensed recruitment agencies, the Company has established communication and feedback platforms for migrant workers. Quarterly labor-management meetings and migrant worker forums are held, along with dedicated complaint hotlines, mailboxes, and suggestion boxes, ensuring workers can freely express their opinions and strengthen two-way communication.

Providing Diverse Living Support

Migrant workers are provided with dormitory accommodation and daily meals in the factory, including a variety of buffet, vegetarian, noodle, and Filipino-style dishes. In line with the spirit of fostering labor-management harmony and cultural integration, Sercomm distributes red envelopes to migrant workers during the Lunar New Year to show care and blessings, enhancing their sense of belonging and participation in festive activities.

Snapshots of Migrant Worker Dormitory Activities

Snapshots of Migrant Worker Dormitory Activities

4 Social Inclusion

4.1.4 Talent Development

GRI: 404-1, 404-2, 404-3

Human Capital Development Strategy

Upholding a people-oriented philosophy, Sercomm has formulated a three-pronged human capital development strategy covering Global Talent Deployment, Stabilizing Team Performance, and Expanding Diverse Learning. This strategy aims to integrate internal and external learning resources to not only help the Company achieve its operational goals of accelerating expansion into international markets, but also to cultivate employees' knowledge and competencies, fostering mutual growth for both the Company and its people.

Human Capital Development Strategy

Focus Area	Global Talent Deployment	Stabilizing Team Performance	Expanding Diverse Learning
Objective	Target the global market and plan talent deployment	Strengthen organizational capability to support company growth	Leverage internal and external resources to cultivate professional knowledge
Approach	▪ Initiate strategic talent inventory ▪ Establish English proficiency benchmarks	▪ Enhance onboarding experience for new hires ▪ Introduce programs for newly appointed managers ▪ Implement leadership and management training	▪ Utilize learning platforms to broaden professional knowledge ▪ Engage expert resources to strengthen team capabilities ▪ Support self-directed external training

Initiating Strategic Talent Inventory

In response to market expansion and organizational growth trends, Sercomm launched a strategic talent inventory, initially focusing on three key job categories: mid- to senior-level positions in R&D, sales management, and manufacturing. Through structured interviews, HR guided managers in evaluating leadership potential, competencies, expertise, and performance outcomes. This process enabled the definition of talent readiness levels and the creation of a high-potential talent list, serving as a critical reference for organizational talent deployment planning.

Establishing English Proficiency Benchmarks

With employees representing 20 nationalities and the Company actively engaged in global markets, effective English communication has become an essential competency. To support this, Sercomm established TOEIC score benchmarks tailored to the business requirements of each position and job grade, publishing them internally. The Company also offers comprehensive English learning resources, including full reimbursement for one TOEIC test per employee annually and on-site TOEIC testing services, encouraging employees to continually enhance their English proficiency.
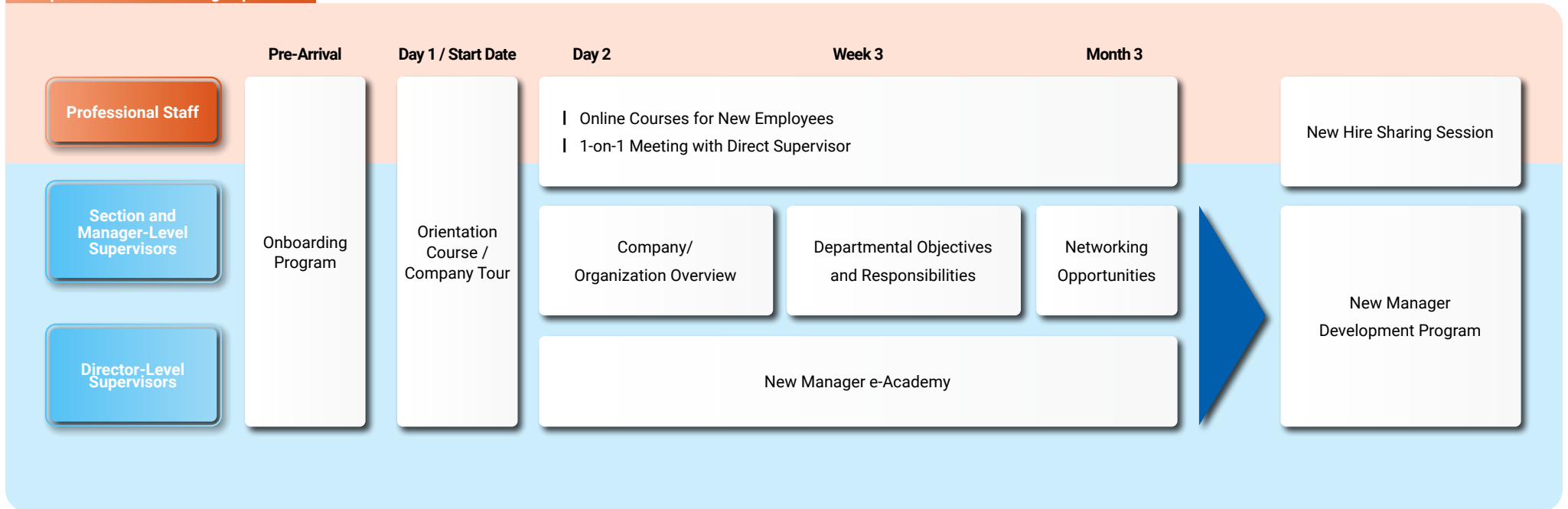
4 Social Inclusion

Enhancing the Onboarding Experience

Sercomm has designed a comprehensive onboarding journey that covers pre-arrival, first-day, and post-arrival stages. This includes a company introduction and facility tour on the first day, as well as a one-month online training program for all new hires. Customized onboarding guides have been developed for different job grades, incorporating automated processes to facilitate real-time communication between hiring managers and new employees, ensuring no information gaps. Additionally, quarterly New Employee Sharing Sessions are held, where senior executives present the Company's vision, operational status, and organizational structure to help new hires gain a cross-functional understanding of the business. This initiative aims to strengthen confidence in the Company and foster retention and career development intentions. In 2024, four such sessions were conducted at the Taipei Headquarters, with 109 employees completing the onboarding program, achieving a completion rate of 85.83%.

Note: Based on 2024 new hires required to complete the onboarding program.

Comprehensive Onboarding Experience

	Pre-Arrival	Day 1 / Start Date	Day 2	Week 3	Month 3
Professional Staff	Onboarding Program	Orientation Course / Company Tour	Online Courses for New Employees; 1-on-1 Meeting with Direct Supervisor		New Hire Sharing Session
Section and Manager-Level Supervisors			Company/ Organization Overview	Departmental Objectives and Responsibilities	Networking Opportunities
Director-Level Supervisors			New Manager e-Academy		New Manager Development Program

4 Social Inclusion

New Manager Development Program

For newly appointed managers at different job levels, Sercomm has designed a two-year New Manager Development Program to equip them with essential managerial competencies and organizational knowledge. This program integrates a series of in-person training courses with tailored learning resources, including the "New Manager e-Academy," "New Manager Starter Kits," and "New Manager Onboarding Guide." Automated workflows ensure that relevant information is provided on the manager's first day. In addition, HR Business Partners (HRBPs) and direct supervisors jointly support new managers within their first three months to familiarize them with company policies, strengthen key leadership skills, and build internal networks.

In 2024, Sercomm delivered four New Manager Program courses (including two newly developed courses), with a total of 111 managers participating. The program achieved an average satisfaction score of 4.80 out of 5.

Note: Satisfaction score is based on in-person training courses.

New Manager Development Program

	Within First Week	3 Months	1 Year	2 Years
Assistant Section Manager, Section Manager	New Manager e-Academy	Fundamentals of Management – Interviewing Skills and Performance Management	Team Leadership	Situational Leadership
Assistant Manager, Senior Manager			Situational Leadership	Leadership M'golf
Director, Senior Director			Fierce Conversation	Coaching Leadership

Determine as Mandatory or Elective Based on Job Grade

4 Social Inclusion

Leadership and Management Competency Training

To fully support operational effectiveness across departments, Sercomm conducts annual training needs assessments to align leadership development initiatives with departmental objectives and current team dynamics. Building upon the 2023 comprehensive review of management competencies and training frameworks, the Company continues to use these insights as the foundation for assessing management capabilities, designing leadership training, and planning long-term talent development.

In 2024, the focus was on developing leadership capabilities among junior and mid-level managers.

Diverse Work Management Seminars

To promote diverse learning and a culture of self-directed development, Sercomm organizes seminars on work-related topics relevant to employees' professional growth. Employees are encouraged to participate voluntarily in alignment with their career development plans, enhancing both their expertise and practical application skills. In 2024, the Taipei Headquarters hosted four thematic seminars, attended by 229 managers, with an average satisfaction score of 4.66 out of 5.

Target Participants	Course Topic	No. of Graduates	Total Training Hours (man-hour)	Average Satisfaction
Middle Management	Leadership Training – Coaching Leadership	24	320	4.51
	Leadership Training – Situational Leadership	18	126	4.94
	Leadership Training – Selection Interview Skills	17	121.5	4.82
	Leadership Training – Team Leadership	8	78	4.65
	Leading Teams: Building Cohesion	21	126	-
	Coaching: Guiding Forward	21	126	-
Junior Management	Leadership Training – Situational Leadership	1	7	5
	Leadership Training – Selection Interview Skills	5	35	4.96
	Leadership Training – Team Leadership	14	130	4.81
	Leading Teams: Building Cohesion	1	6	-
	Coaching: Guiding Forward	1	6	-
Total	6 courses, 6 cohorts	131	1081.5	4.81

Note: Average satisfaction score is calculated based on 15 listed data points.

Junior and Mid-Level Manager Training – Taipei & Chunan Regions

Seminar Topics	No. of Graduates	Total Training Hours (man-hour)	Average Satisfaction
Work Management – High-Efficiency Work Management Skills	52	104	4.39
Presentation Skills – Eye-Catching Proposals, Effective Meeting Presentation Design and Delivery	54	162	4.71
Presentation Skills – Visual Business Presentation Structure Analysis and Critical Thinking	43	129	4.74
Problem Analysis and Solving – Problem-Solving Starts with the Right Questions	47	141	4.79
Cross-Department Collaboration – Agile Teams for High-Efficiency Cooperation	33	66	4.67
Total	229	602	4.66

4 Social Inclusion

Training and Development

Leveraging the Learning Platform to Broaden Professional Knowledge

Since the introduction of the corporate learning platform in 2017, Sercomm has been committed to the widespread dissemination of internal professional knowledge. Subject matter experts in R&D, project management, and manufacturing are encouraged to develop online courses, which are made available for voluntary enrollment to employees worldwide. By the end of 2024, a total of 119 in-house digital courses had been completed, with cumulative learning hours reaching 9,571 hours. In addition, external online courses were integrated to provide more diverse learning resources, further motivating employees toward self-directed learning.

Year	2021	2022	2023	2024
Cumulative No. of In-house Online Courses	336	449	515	638
Cumulative Learning Hours (man-hour)	16,371	26,787	35,588	45,159

Engaging External Experts to Strengthen Team Capabilities

To address the rapidly evolving market environment, in addition to leveraging the learning platform to disseminate internal expertise, Sercomm actively encourages departments to introduce courses taught by external experts to help employees acquire new domain knowledge and enhance professional capabilities. In 2024, departments independently engaged 13 specialized courses, with a total of 313 employees completing the training.

Supporting Self-Directed External Training

Sercomm allocates an annual budget for external training based on departmental needs and encourages employees to apply for training programs aligned with their business responsibilities and career development goals. Through a well-defined external training management process, employees share their learnings internally upon course completion to maximize knowledge transfer. External training records are also systematically documented in the corporate learning platform for use in reviewing team skills and shaping development plans. In 2024, a total of 62 employees participated in external training, with a combined total of 736.83 training hours. The Company invested NT$ 381,000 in employee external training.

Global Employee Training Hours

Category		Taiwan		Mainland China		Philippines		Other Overseas	
		Cumulative Hours	Average Hours	Cumulative Hours	Average Hours	Cumulative Hours	Average Hours	Cumulative Hours	Average Hours
Gender	Male	12,410.28	12.54	2,727.05	1.41	3,300.67	3.05	80.32	0.46
	Female	27,771.89	25.93	2,162.91	1.77	3,712.42	2.68	5.82	0.19
Employment Type	Direct Labor	31,073.26	34.87	1,001.60	0.57	2,076.25	1.13	0.21	0.02
	Indirect Labor	9,108.91	7.79	3,888.36	2.81	4,936.84	7.86	85.93	0.45
Managerial Levels	Senior Management	498.39	19.17	81.31	40.66	--	--	20.83	3.47
	Middle Management	3,307.43	13.23	1,102.88	7.82	87.16	9.68	45.01	0.54
	Junior Management	3,416.21	5.93	1,473.73	3.43	547.02	17.65	7.58	0.18
Non-Managerial Levels		32,960.14	27.26	2,232.04	0.87	6,378.91	2.63	12.72	0.17
Global Training Cumulative Hours (man-hour)		52,171.36							
Global Average Training Hours (man-hour)		6.62							
Total Global Training Expenditure		NT$ 9,198,837							

Note:
1. Data covers regular and contract employees; excludes dispatched workers, outsourced contractors, and other non-employees who do not have a direct employment contract with Sercomm.
2. To accurately reflect training performance, the number of trainees includes employees who resigned or were on leave during the reporting year.

4 Social Inclusion

Global Employee Training Hours – by Course Category

Course Category	Training Hours (man-hour)	Total Training Attendances	Number of Trainees	Training Coverage Rate
Labor and Human Rights Management	1,028.62	1,045	982	18.09%
Business Ethics	626.56	5,671	5,301	97.66%
General Education	2,969.41	5,232	1,494	27.52%
Professional and Technical Skills	3,4781.5	17,118	1,929	35.54%
Environmental Sustainability	618.83	227	231	4.26%
Business Management	2,604.65	4,369	2,931	54.00%
Occupational Health and Safety	6,213.16	7,255	2,056	37.88%
Language Learning	1,210.37	689	243	4.48%
Information Security Management	1,857.26	2,479	2,351	43.31%
Risk Management	261	37	34	0.63%

Note:
1. Labor and Human Rights Management: Includes courses related to the RBA, gender equality, and sexual harassment prevention.
2. Business Ethics: Includes courses on ethical business practices, prevention of insider trading, anti-money laundering, anti-corruption, conflict of interest, fair trade and competition, and promotion of related internal company regulations.
3. Occupational Health and Safety: Includes training on workplace safety and health promotion.

Performance Evaluation

At the beginning of each year, every department at Sercomm sets organizational goals based on the company's strategic direction. Supervisors assist employees in clearly understanding their job responsibilities and subsequently cascading these into individual objectives. Throughout the performance cycle, supervisors and employees engage in real-time communication and feedback, as well as in-depth coaching and guidance, to regularly align progress with objectives and adjust execution methods as necessary, ensuring that employees make continuous improvements and achieve their goals.

Sercomm's performance evaluation system is built on assessments of work objectives and core competencies. At the end of each year, a one-on-one performance review is conducted through two-way communication to assess employee performance and, if needed, adjust job content. This process not only promotes competency development but also determines appropriate rewards or promotion opportunities. In 2024, all employees on active service during the performance evaluation period underwent performance evaluation, representing a coverage rate of 100%. Among them, a total of 221 indirect employees were promoted (65% male and 35% female), representing a promotion rate of 7%. Sercomm focuses on professional performance and future development potential, with promotion decisions unaffected by gender. Those promoted continue to contribute and grow in their respective professional fields.

Note: Promotion rate is calculated as the total number of promotions during the year divided by the total number of employees in service at the end of the previous year.

Performance Management Cycle			
EXECUTION	**INNOVATIVE**		**SERVICE**
Annual Goal Setting at the Beginning of the Year	Work Objective Tracking and Core Competency Development	Annual Performance Review	Employee Development Plan Performance Improvement Plan
Discuss and establish individual annual work objectives based on the company's strategy and departmental tasks.	Support employees in making progress and achieving their goals through ongoing two-way communication, feedback, and coaching.	At the end of each year, supervisors and employees conduct one-on-one performance review meetings to evaluate the achievement rate of annual goals and the demonstration of core competencies.	Develop key development plans for the following year to initiate the next performance management cycle.

4 Social Inclusion

4.1.5 Diverse Communication

GRI: 2-25, 2-26

Sercomm values employee feedback and provides multiple communication channels. Employees can access contact details or relevant information through internal system announcements and notices, or raise complaints via the Employee Complaint Hotline (hr_help@sercomm.com) regarding major management deficiencies, discrimination, forced labor, sexual harassment, or occupational safety issues.

In 2024, a total of two complaint cases were received (details provided in the table below), with no reported incidents of discrimination, forced labor, or sexual harassment.

Channel	Frequency	Topics
Channel Frequency Topics Executive Team Meetings	Monthly	Feedback from current employees
Labor-Management Meetings	Monthly	Feedback from current employees
Health Management	Monthly	Employee health related matters
Employee Welfare Committee Meetings	Monthly	Employee welfare related matters
New Employee Sharing Sessions	Quarterly	Corporate culture adaptation and feedback from new hires
Global Annual Meeting	Annually	Annual review and future outlook sharing by executive team; employee Q&A sessions; recognition of outstanding employees and teams; employee participation activities and interaction
Internal EIP System Announcements	Ad hoc	Employee related information and policy announcements
Employee Training Programs	Ad hoc	Employee knowledge and skills development
Global Employee Satisfaction Survey	Ad hoc	Employee needs and satisfaction
Employee Complaint Hotline hr_help@sercomm.com	Ad hoc	Complaints related to management deficiencies or human rights issues
Whistleblowing Hotline audit@sercomm.com	Ad hoc	Business ethics related whistleblowing
HR Coffee Chat	Ad hoc	Real time consultation and feedback space for employees

Whistleblowing, Complaint, and Whistleblower Protection Mechanism

Sercomm has established the Whistleblowing Policy to provide a comprehensive whistleblowing and complaint mechanism applicable to all employees, suppliers, contractors, customers, and other stakeholders. This mechanism ensures that any violations of business ethics or inappropriate workplace conduct can be reported promptly, thereby safeguarding the transparency and integrity of the Company's operations.

Independent and dedicated reporting channels are in place, allowing whistleblowers to submit reports verbally, in writing, or via email. Reports may be filed anonymously; however, sufficient information (e.g., date of the incident, persons involved, and details) should be provided to facilitate investigation.

To protect whistleblowers' rights, the Whistleblowing Policy stipulates a whistleblower protection mechanism, ensuring that whistleblowers are not subject to unfair treatment or retaliation for making a report. Sercomm is committed to maintaining strict confidentiality for all reported cases and to ensuring the fairness of both the reporting and investigation processes.

4 Social Inclusion

Scope of Whistleblowing and Complaints

Includes, but is not limited to:

▎ Violations of the Code of Business Ethics or Supplier's Code of Conduct

▎ Workplace misconduct (including violations of human rights, discrimination, sexual harassment, or other forms of harassment)

▎ Actions by Company rules, policies, or operations that infringe upon an individual's lawful rights and interests

▎ Any illegal or unethical conduct

Whistleblowing and Complaint Channels

All stakeholders may report through the following channels:

▎ audit@sercomm.com

Corporate Finance and Internal Audit Officer (Headquarters)

▎ HR_help@sercomm.com

Corporate HR, Finance, and Internal Audit Officer (Headquarters)

Whistleblowing and Complaint Cases in 2024

In 2024, Sercomm received one whistleblowing case and two complaints from operations in Mainland China. All cases were appropriately addressed, and improvement measures were implemented to maintain workplace safety and protect employee rights, as outlined below:

Type	Location Type	Description	Follow Up Actions and Improvement Measures
Whistleblowing	Business Site	A contractor used Sercomm business cards to negotiate deals.	▪ Conducted investigation. ▪ Retrieved all related business cards. ▪ Strengthened contractor management requirements and contractual terms to ensure compliance with the Company's business ethics principles.
Complaint	Manufacturing Site	A production line worker reported feeling unwell due to a hot and stuffy environment.	▪ Immediate response and care. ▪ On-site environmental inspection. ▪ Improved equipment and ventilation. ▪ Health awareness and care measures. ▪ Implemented follow-up and review mechanism.
Complaint	Manufacturing Site	A female employee reported, anonymously, that a male colleague mistakenly entered the public shower room while she was using it at night, causing distress.	▪ Immediate improvement of protective facilities for public shower and dormitory areas. ▪ Disciplinary action against the individual involved. ▪ Care and support provided to the affected employee.

4 Social Inclusion

4.2 Human Rights Management

GRI: 2-23, 406-1, 407-1, 408-1, 409-1

Human Rights Policy

Sercomm supports the United Nations Global Compact and adheres to the principles and spirit of international human rights initiatives, including the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the Responsible Business Alliance (RBA) Code of Conduct. In 2024, Sercomm completed a revision of its Group Human Rights Policy, which was approved by the Chairman and implemented accordingly. The related regulations and management procedures are also extended to Sercomm's Tier 1 suppliers, reflecting the company's and its partners' commitment to human rights protection in alignment with international expectations.

Internally, human rights-related matters are regularly discussed under the Corporate Sustainable Development Committee, which operates under the Board of Directors. In addition, each major operation and manufacturing site has developed a CSR execution manual and a grievance procedure for human rights violations. All workers are able to report concerns or incidents related to inequality, harassment, or bullying through a dedicated hotline or email (HR_Help@sercomm.com). Reported cases are handled by the Human Resources department in accordance with the Group's Whistleblower Policy, site-specific procedures, and applicable local laws. These include procedures for investigation, protection of involved parties, and disciplinary actions for policy violations.

Sercomm also conducts regular training on labor and human rights for relevant staff, supervisors, and internal auditors to raise awareness and foster a respectful and inclusive workplace. In 2024, a total of 982 employees across the Group received training on human rights topics, achieving a coverage rate of 18.09%*. No grievances related to human rights violations, child labor, discrimination, bullying, or harassment were reported across all operational sites.

Sercomm respects employee rights and holds regular labor-management meetings to promote harmonious workplace relations. On the supplier side, Sercomm requires suppliers to sign the Supplier's Code of Conduct Agreement, which includes commitments to prohibit child labor, ensure freedom of association, and uphold collective bargaining rights. The company also conducts interviews with supplier employees to ensure that no significant risks exist. For any supplier identified as having potential risks, continuous improvement is required. In 2024, no such risks or violations were identified among any of Sercomm's operating sites or suppliers.

*Note: The training coverage rate is calculated as the number of employees who received human rights-related training during the reporting year divided by the total number of employees (including those who resigned or were on leave in the same year).

The Company reported the following during the reporting period

0 incidents of discrimination   **0** cases of forced labor   **0** instances of child labor

Sercomm Labor and Human Rights Policy
https://www.sercomm.com/en/tool-download/sustainability_size/file/46/Labor%20and%20Human%20Rights%20Policy?note=

4 Social Inclusion

Human Rights Risk Identification, Mitigation, and Remediation

Human Rights Management Framework

External Principles	International human rights consensus and initiatives
Internal Policy Translation	Group policies & site-specific management implementation guidelines
Human Rights Risk Control Mechanism	Identification of human rights risk issues
	Development of remediation and mitigation measures
	Implementation and tracking of improvement action plans
	Training or awareness-raising programs
	Drafting or revising group policies & site-specific management guidelines (as needed)

Sercomm regularly participates in RBA assessments. In 2024, Sercomm conducted either the Self-Assessment Questionnaire (SAQ) or the Validated Assessment Program (VAP) at all major operational sites, including the Taipei Headquarters and Chunan Manufacturing Center in Taiwan, the Suzhou Manufacturing Center in China, and the Philippines Manufacturing Center.

Based on the assessment results and aligned with international labor and human rights principles, Sercomm identifies human rights risks at each site in areas such as freedom of employment, prohibition of child and underage labor, working hours, wages and benefits, anti-discrimination, prevention of violence and harassment, among others. Corresponding improvement plans are established, implemented, and closely monitored to ensure ongoing progress.

The Company remains committed to human rights protection, actively promoting related training programs to enhance employee awareness and reduce the likelihood of human rights risks. In 2024, a total of 1,045 training participants were recorded, with aggregate training hours reaching 1,028.62.

2024 RBA SAQ & VAP Assessment Results

Site	SAQ	VAP
Taipei HQ	Low Risk （94.2）	---
Chunan Manufacturing Center	Low Risk （90.7）	V
Suzhou Manufacturing Center	Low Risk （94.6）	V
Philippines Manufacturing Center	Low Risk （89.0）	V

4 Social Inclusion

2024 Key Human Rights Risk Issues, Mitigation, and Remediation Measures

Risk Issue & Definition	Potential Risk Impact	Sites with Potential Risks	Risk Mitigation	Remediation
Freely Chosen Employment ▪ Employers shall bear recruitment or any other employment-related fees.	If migrant workers are burdened with employment-related costs, it could impact their physical and mental well-being, workplace safety, employee morale, and corporate productivity.	Chunan Manufacturing Center	Establish and enforce a zero-fee recruitment policy to protect the rights of migrant workers.	If any employment-related costs are initially paid by workers, such costs will be reimbursed in their home country prior to deployment.
Working Hours ▪ All Sercomm sites have clear working hours and rest day arrangements, emphasizing that overtime must be voluntary.	▪ Excessive working hours or insufficient rest could affect employee health and productivity. ▪ Poor shift scheduling and workforce management may result in prolonged overtime.	Chunan Manufacturing Center, Suzhou Manufacturing Center, Philippines Manufacturing Center	▪ Improve production scheduling and workforce flexibility. ▪ Revise management documents such as the CSR Implementation Manual and Employee Handbook to strengthen communication of working hours policies and overtime management procedures. ▪ Implement a system-based extended working hours control mechanism that automatically sends alerts when overtime exceeds the standard threshold for total overtime management.	In cases of excessive working hours, provide overtime pay or compensatory rest days in accordance with local laws. Supervisors at each site review and address instances of excessive working hours and propose corrective measures.
Wages and Benefits ▪ Employment of dispatch workers must comply with local legal requirements.	Long-term reliance on dispatch (outsourced) workers may affect employee job satisfaction and productivity.	Philippines Manufacturing Center	Develop a more comprehensive hiring plan over the long term to reduce the proportion of dispatch (outsourced) workers.	Convert high-performing dispatch workers to direct employees upon completion of the evaluation period in accordance with dispatch performance evaluation and conversion guidelines.
Non-Discrimination / Non-Harassment ▪ No discriminatory medical or physical examinations may be conducted on employees or job applicants.	Discriminatory testing items could undermine recruitment stability and harm corporate reputation.	Philippines Manufacturing Center	▪ Declare that the company and all partner recruitment agencies will not conduct discriminatory testing on job applicants or employees. ▪ Sign a memorandum of understanding with current and future occupational health examination service providers to ensure no discriminatory practices occur.	In cases where discriminatory testing is identified, notify the occupational health examination provider, require investigation and corrective action within a specified timeframe, and terminate cooperation if necessary.

4 Social Inclusion

4.3 Occupational Health and Safety Management

GRI: 403-1, 403-8

To create a safe working environment and foster a strong corporate safety culture, Sercomm has established dedicated occupational health and safety (OHS) management units at all operating sites in Taiwan, China, and the Philippines. These units are staffed with qualified professionals responsible for OHS planning, promotion, supervision, and auditing, with the goal of minimizing occupational health and safety risks and ensuring the well-being of employees.

The Sercomm headquarters and major manufacturing centers have fully implemented the ISO 45001:2018 Occupational Health and Safety Management System. Through rigorous procedural controls and regular monitoring, and by adhering to the PDCA (Plan–Do–Check–Act) cycle, the company ensures systematic management and continuous improvement. In 2024, internal audits identified 16 nonconformities, all of which were fully corrected within the specified deadlines—demonstrating the company's commitment to OHS management and its effectiveness in driving improvements. Notably, the Taipei headquarters successfully obtained third-party certification in November 2024, further ensuring compliance with international standards and enhancing OHS management across all sites.

OHS Management System Coverage – Employees and Non-Employees

Region	Taiwan	Mainland China	Philippines	Global	Percentage
Employees	1,708	1,611	1,889	5,428	72.68%
Non-Employees	54	891	1,086	2,040	27.32%
Total	1,762	2,502	2,975	7,468	100%

2024 Internal Audit Nonconformities and Corrective Actions

Region	Number of Nonconformities	Corrective Action Completion Rate
Taiwan	4	100%
Mainland China	12	100%
Philippines	0	100%
Total	16	100%

4 Social Inclusion

4.3.1 Occupational Health and Safety Committees

Upholding a people-oriented management philosophy, Sercomm is committed to providing a healthy, safe, and supportive work environment for employees. To enhance overall workplace safety and hygiene and to promote employee well-being, Occupational Health and Safety Committees (OHS Committees) have been established at all operating sites in Taiwan, China, and the Philippines. These committees serve as the company's highest decision-making and advisory bodies on occupational safety, health, and well-being matters, responsible for formulating, coordinating, and overseeing related initiatives while ensuring compliance with international standards.

| Committee Operations: The OHS Committees convene at least once every quarter to discuss and establish occupational health and safety policies, management plans, and risk-control measures.

| Employee Representation: Worker representatives account for at least one-third of each committee's total membership to ensure that employee perspectives are fully reflected in the formulation of safety and health policies, thereby facilitating effective communication between employees and the company. In addition, the company has implemented a Communication Management Procedure within its management system to ensure open, transparent, and effective communication with internal and external stakeholders. Through this mechanism, employees' feedback and suggestions regarding workplace safety and employee rights are collected, reviewed, and addressed. The company is also committed to protecting the anonymity and confidentiality of feedback providers, fostering an open and safe communication environment that promotes organizational transparency and sustainable development.

Committee Composition and Operations

Operating Region	Taiwan	Mainland China	Philippines
Number of Committee Members	55	34	50
Number of Worker Representatives	20	18	5
Percentage of Worker Representatives	36%	53%	10
Number of Meetings in 2024	4	12	12

4.3.2 Hazard Identification and Risk Assessment   GRI: 403-2

To prevent potential occupational health and safety risks arising from operations, activities, services, or facilities, Sercomm has formulated and implemented the Occupational Health and Safety Risk Identification and Assessment Management Measures and the Hazard Identification and Risk Assessment Management Procedures in accordance with the ISO 45001 standard. The Company actively identifies, analyzes, and assesses risks for all operations through regular annual risk assessments. Based on the nature of operations, risks are classified as routine or non-routine, and management levels are determined according to the assessment results. Corresponding control procedures or response action plans are then developed. When a risk level exceeds the control threshold, risk control measures are immediately activated to continuously enhance workplace safety. Through institutionalized management and continuous improvement mechanisms, Sercomm demonstrates its commitment to safeguarding the health and safety of its employees.

Personnel participating in the assessments have completed relevant professional training, such as Safety Officer training and courses on identifying hazards and environmental factors, to ensure the quality and professionalism of assessments. For items identified with room for improvement, corrective action plans are formulated and implemented according to internal control procedures. To protect workers' life safety and health while performing their duties, Sercomm has established a clear "right to refuse dangerous work" provision in its Occupational Health and Safety Management Manual. If employees detect situations in the workplace that may endanger safety or health, they may immediately stop work and evacuate the area, and must report to their direct supervisor or relevant personnel for investigation and resolution. Employees exercising this right shall not be deemed in violation of work discipline or be subject to any form of penalty.

2024 Regional Hazard Identification Statistics

Region	Number of Identified Risks	Completion Rate for Improvements
Taiwan	357	100%
Mainland China	1,297	100%
Philippines	92	100%
Total	1,746	100%

4 Social Inclusion

4.3.3 Incident Investigation

GRI: 403-2

At all operating sites, Sercomm follows the Incident Investigation Management Procedures to immediately initiate the investigation process after an incident occurs—including near misses, inspection nonconformities, actual injuries, and major incidents. Through fact-finding and root cause analysis, the Company ensures a full understanding of the incident's circumstances and develops concrete preventive measures to avoid recurrence. In parallel, all manufacturing sites review and improve their operations to reduce potential risks.

Region	Number of Investigations	Main Types of Incidents	Number of Cases Closed with Completed Improvements	Improvement Rate
Taiwan	11	Slips, punctures, cuts, abrasions, caught-in, entanglement	11	100%
Mainland China	0	—	0	100%
Philippines	4	Punctures, cuts, abrasions	4	100%
Total	15	—	15	100%

Incident Risk Identification Process

Incident

On-Site

- Incident Reporting
- Incident investigation meeting held by the involved unit, EHS unit, and relevant departments
- Sign-off by labor representative and relevant departments
- Completion of corrective and preventive actions
- Based on the nature of the incident, provide: 1.Occupational Health and Safety Risk Assessment Form 2.Supporting documents for corrective and preventive actions
- Case Closure and Sign-off

Off-Site

- Report to authorities (e.g. police)
- Incident Reporting
- Submit Commuting Incident Investigation Form and required attachments

4 Social Inclusion

4.3.4 Occupational Health and Safety Training

GRI: 403-5

The Company continues to strengthen employees' knowledge of workplace occupational health and safety and their ability to respond to emergencies. In addition to regularly organizing various occupational health and safety training courses in accordance with legal requirements and operational needs, Sercomm's Taipei Headquarters also conducts annual fire evacuation drills in coordination with the science park and provides CPR and AED first aid training.

In 2024, at major operational sites in Taiwan, China, and the Philippines, the Company organized multiple occupational health and safety courses for both new hires and existing employees, covering:

- General hazard awareness, electrostatic protection, chemical spill response, and respiratory protective equipment usage
- CPR training and Occupational Health and Safety Committee education
- Legally required refresher courses for licensed personnel (e.g., occupational safety personnel, first-aid personnel, organic solvent operation supervisors)
- Emergency response and fire safety training
- Safety education for the introduction of new equipment and new technologies

All training sessions were conducted in the local language or in languages understood by non-native employees, with post-training tests to evaluate effectiveness. In 2024, a total of 7,255 training attendances were recorded, with total training hours reaching 6,213.16 hours.

Note: The statistics cover Taiwan, Mainland China, the Philippines, and other overseas regions.

Fire drill conducted jointly by Taipei Headquarters and the local fire department

4 Social Inclusion

4.3.5 Workplace Health Management and Promotion

GRI: 403-3, 403-4, 403-6, 403-7

Sercomm is committed to fostering a people-oriented corporate safety culture. Through a systematic workplace health management framework covering three key areas — health management, occupational safety programs, and healthcare — we strive to create a work environment that supports employees' physical and mental wellbeing.

In the area of health management, the Company continues to promote diverse health promotion initiatives, including regular health seminars, stress management courses, and related activities to enhance employees' health awareness and self-care capabilities. To provide timely and professional health support, Sercomm engages in-house occupational health nurses to be stationed at worksites, offering health consultations and follow-up services. In collaboration with contracted occupational medicine institutions, we conduct regular health risk assessments and preventive healthcare programs, further strengthening our overall health management system.

Regarding workplace safety, Sercomm implements occupational safety programs in accordance with the Labor Health Service Plan. When health examination results indicate abnormalities or employees voluntarily report discomfort, follow-up management, appropriate job placement, and health promotion counseling are provided to protect employees' health rights and workplace safety. For special operations involving potential hazards (e.g., ionizing radiation-related work), engineering and administrative control measures are implemented in accordance with the Special Operations Management Procedures to ensure effective risk control and reduce the likelihood of occupational diseases.

For health information management, Sercomm places high importance on the privacy and security of employees' personal data. Electronic health examination reports are stored on dedicated computer systems in compliance with the Company's information security standards, while hardcopy reports and records are securely kept by occupational health nurses in locked cabinets, with access keys managed by designated personnel, to ensure confidentiality, integrity, and availability of health data.

Through these integrated health management and safety measures, Sercomm not only safeguards the health and wellbeing of employees and business partners but also demonstrates its commitment to social responsibility, continuously creating a sustainable, safe, and reassuring workplace.

Workplace Health Management Achievements in 2024

Health Management	Occupational Safety Programs	Healthcare
Pre-employment, regular, and special health examinations	Overwork prevention program, ergonomic hazard prevention program, maternity protection program, etc.	Health service plan, medical room treatment and injury/illness statistics analysis, on-site occupational physician services, health promotion campaigns
Pre-employment Health Examination: A total of 365 new employees completed pre-employment health examinations, with a completion rate of 22.07%. The rate was affected by the early departure of some direct labor employees before the examination process could be completed. **Regular Health Examination:** 2,552 employees completed regular health examinations, achieving a 94.67% completion rate. Uncompleted cases will continue to be followed up to ensure effective health management. **Special Health Examination:** 96 employees completed special health examinations, with a completion rate of 100%.	**Overwork Prevention Program:** From the 2024 health examination reports, eight employees were identified with the highest risk levels for cardiovascular disease and four workload risk factors. All eight completed interviews by the end of 2024. **Ergonomic Hazard Prevention Program:** In June 2024, a mobile health examination was conducted, distributing the Nordic Musculoskeletal Questionnaire (NMQ) to employees. A total of 1,490 responses were collected, showing 97.4% with no hazards and 2.6% with suspected hazards. **Maternity Protection Program:** Forty cases were reported (24 pregnant employees, 10 returning within one year after childbirth, and 6 other cases), with all completing health consultations. All were classified as Level 1 risk, suitable for their original work assignments. **Prevention of Unlawful Infringements Program:November 2024** 1. Workplace environment inspection: physical environment, workplace design, administrative control measures. 2. Hazard identification and risk assessment: 100% response rate.	1. **Health Service Plan – as detailed under "Health Management."** 2. **Medical Room Treatment and Injury/Illness Analysis:** 60 injury/illness cases in 2024. 5 cases pending closure from 2024; 1 case pending from 2023. Total of 6 cases under continued follow-up. 3. **On-site Occupational Physician Services (2024):** 1. Chunan site: 131 consultations. 2. Taipei site: 118 consultations. 4. **Health Promotion (Taiwan and the Philippines):** 1. Tobacco hazard prevention campaign and quiz competition. 2. "When Stress Strikes: Breathe Deep" seminar. 3.CPR and AED hands-on training. 4. "Understanding Your Health Check-up Indicators" seminar. 5. "From Scientific Knowledge to Medical Research: A Family Physician's Approach to Health and Time Management" seminar. 6. "Hypertension and Cancer" seminar. 7. "Weight Management" seminar.

4 Social Inclusion

4.3.6 Occupational Health and Safety Statistics   GRI: 403-9, 403-10

Employees

Sercomm prioritizes the operational safety of employees and workers, striving to prevent occupational incidents and continuously improve the work environment. In 2024, no fatalities or permanent disabilities resulting from occupational injuries occurred across the Company's operations, indicating effective control of overall occupational health and safety risks.

In terms of recordable work-related injuries, a total of 13 cases occurred in 2024 (employees: 10; non-employees: 3). The distribution of employee work-related injuries was as follows:

- Taiwan: 9 cases, mainly involving slips, trips, and falls; punctures, cuts, abrasions; being caught or entangled.

- Mainland China: 0 cases.

- Philippines: 1 case involving punctures, cuts, and abrasions.

All incidents were investigated and analyzed in accordance with procedures, with responsible units formulating corrective actions and preventive measures, including workplace adjustments, enhanced equipment safeguards, process optimization, and refresher training, to prevent recurrence. In addition, each site conducted safety awareness campaigns and preventive training based on case studies to strengthen hazard recognition and self-management capabilities. In 2024, no major fires, explosions, or other occupational safety incidents requiring notification to the competent authorities occurred.

Employee Work-Related Injury Statistics

Item	Taiwan	Mainland China	Philippines	Global
Number of work-related fatalities	0	0	0	0
Work-related fatality rate	0.00	0.00	0.00	0.00
Number of high-consequence work-related injuries	0	0	0	0
High-consequence work-related injury rate	0.00	0.00	0.00	0.00
Number of recordable work-related injuries	9	0	1	10.00
Recordable work-related injury rate	2.46	0.00	0.16	0.74
Number of disabling cases	7	0	0	7.00
Disabling injury frequency rate (FR)	1.91	0.00	0.00	0.52
Number of lost days due to disabling injuries	89.00	0.00	0.00	89.00
Disabling injury severity rate (SR)	24.30	0.00	0.00	6.57

Notes:
1. Data exclude commuting incidents.
2. Work-related fatality rate = (Number of fatalities ÷ Total hours worked) × 1,000,000.
3. High-consequence work-related injury = injury where the worker has not recovered within 6 months.
4. High-consequence work-related injury rate = (Number of high-consequence injuries ÷ Total hours worked) × 1,000,000 (excluding fatalities).
5. Recordable work-related injury rate = (Number of recordable injuries ÷ Total hours worked) × 1,000,000.
6. Number of disabling cases = cases where a work-related injury results in death, permanent total disability, permanent partial disability, or temporary total disability, with lost work time of at least one day.
7. Disabling injury frequency rate (FR) = (Number of disabling cases ÷ Total hours worked) × 1,000,000.
8. Disabling injury severity rate (SR) = (Number of lost days due to disabling injuries ÷ Total hours worked) × 1,000,000.
9. The calculation logic for subsequent non-employee work-related injury statistics is the same as in this table.

Occupational Disease Statistics – Employees

Item	Taiwan	Mainland China	Philippines	Global
Number of work-related ill health fatalities	0	0	0	0
Work-related ill health fatality rate	0.00	0.00	0.00	0.00
Number of recordable work-related ill health cases	0	0	0	0

Notes:
1. Work-related ill health fatality rate = (Number of work-related ill health fatalities ÷ Total hours worked) × 1,000,000.
2. The calculation logic for subsequent non-employee work-related ill health statistics is the same as in this table.

4 Social Inclusion

Non-employees

In 2024, a total of 3 work-related injury cases occurred among non-employees, including puncture/cut/abrasion injuries, musculoskeletal strain, and hazardous substance exposure. All incidents were analyzed to identify root causes, with corrective measures implemented to reduce recurrence.

For other workers who are not employees, Sercomm provides pre-entry hazard communication and occupational health and safety training, conducts job safety analyses and safety briefings, and offers ongoing safety supervision during operations. Safety and health concepts are reinforced through ad-hoc reminders to foster a strong safety culture among all workers.

Work-related Injury Statistics – Non-employees

Item	Taiwan	Mainland China	Philippines	Global
Number of work-related fatalities	0	0	0	0
Work-related fatality rate	0.00	0.00	0	0.00
Number of high-consequence work-related injuries	0	0	0	0
High-consequence work-related injury rate	0.00	0.00	0	0.00
Number of recordable work-related injuries	0	0	3	3
Recordable work-related injury rate	0.00	0.00	1.12	0.56
Number of disabling cases	0	0	0	0
Disabling injury frequency rate (FR)	0.00	0.00	0.00	0.00
Number of lost days due to disabling injuries	0.00	0.00	0	0.00
Disabling injury severity rate (SR)	0.00	0.00	0.00	0.00

In 2024, two recordable work-related ill health cases were reported among non-employees: one case of chemical conjunctivitis and one case of musculoskeletal strain, both linked to workplace hazards such as chemical exposure or improper working posture. Risk-based control measures were implemented to reduce occupational disease risks and protect the health and safety of all workers, as detailed below:

Type of Occupational Disease	Occupational Hazard Source	Cause	Proposed Hierarchy of Controls Measures
Chemical conjunctivitis	Volatile chemicals	Failure to wear protective goggles or face shield	Administrative control: Reinforce chemical handling training and SDS management; PPE: Goggles/face shield wearing requirements and audits
Musculoskeletal strain	Improper working posture; lack of ergonomics training	Prolonged use of poor posture	Administrative control: Provide ergonomics training; PPE: Promote back support belt usage and reporting mechanism

Occupational Disease Statistics – Non-employees

Item	Taiwan	Mainland China	Philippines	Global
Number of work-related ill health fatalities	0	0	0	0
Work-related ill health fatality rate	0.00	0.00	0.00	0.00
Number of recordable work-related ill health cases	0	0	2	2

Notes: Work-related ill health fatality rate = (Number of work-related ill health fatalities ÷ Total hours worked) × 1,000,000.
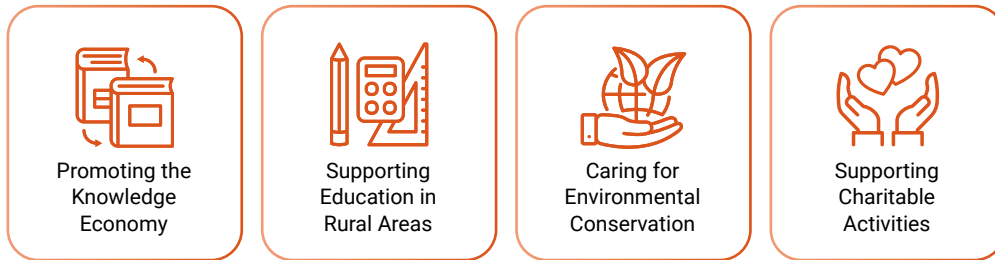
4 Social Inclusion

4.4 Community Engagement and Public Welfare Investment `GRI: 413-1`

4.4.1 Public Welfare Investment Strategy

Four Pillars of Social Engagement

Promoting the Knowledge Economy

Supporting Education in Rural Areas

Caring for Environmental Conservation

Supporting Charitable Activities

Since its founding, Sercomm has regarded social engagement as one of its core corporate values, with a long-term focus on four major areas of social concern — supporting education in rural areas, promoting arts and cultural activities, nurturing young talent, and building platforms for the knowledge economy. We firmly believe that the growth of a corporation is built not only on business achievements but also on its contributions to and engagement with society.

Through mobilizing employees and fostering cross-departmental collaboration, Sercomm extends its influence from within the organization to the wider community, actively participating in community care and public welfare initiatives. This embodies our philosophy of "taking from society, giving back to society." Our vision is to help build an innovative, diverse, inclusive, and sustainable positive cycle in society.

Sercomm actively serves as a bridge between the Company and charitable organizations, integrating resources and rallying compassion. Each year, we make regular donations to charitable groups and rural schools, transforming corporate resources into tangible support.

The specially established Sercomm Scholarship is awarded to outstanding high school students nominated by R&D supervisors, encouraging them to pursue their studies with dedication. This scholarship program not only helps alleviate the financial burden on students from low-income families but also fosters the development of promising young talent who, in turn, can contribute back to society and create long-term value.

Looking ahead, Sercomm will continue to deepen its corporate social responsibility through concrete actions, working hand in hand with all employees to cultivate a warm and influential corporate culture. We strive to strike a balance between innovation, philanthropy, and sustainability, injecting more hope and positive energy into society

4.4.2 Achievements in Public Welfare Initiatives

`2024 Implementation Results`

Sercomm actively fulfills its corporate social responsibility. In the area of social engagement, the Company connects employee initiatives through various themed activities, promoting environmental protection and social responsibility while demonstrating our steadfast commitment to sustainability.

`Action List`   Date of Action 2024.6.5   #EnvironmentalSustainability

Eco-friendly Tableware

Taking Action to Protect the Planet— Sercomm Promotes a Zero-Waste Lifestyle on World Environment Day

`Highlight`

To mark World Environment Day on June 5, Sercomm distributed a set of eco-friendly tableware to every employee at the Taipei Headquarters. This initiative was a tangible step toward environmental protection and plastic reduction, starting with everyday dining habits and encouraging employees to embrace a greener lifestyle together.

The initiative not only demonstrated the Company's commitment to sustainable development, but also strengthened employees' awareness of reducing carbon, waste, and plastic in their daily routines, driving a green transformation beginning in the workplace.

`Outcome`

Enhanced employee environmental awareness and promoted sustainable office practices.

4 Social Inclusion

Action List   Date of Action 2024/7/18 - 7/22   #EnvironmentalSustainability #SocialInclusion

Charity Book Sale - Reading Continues, Giving Never Stops

Highlight

Giving Books a New Life — Sercomm Taipei Headquarters and Employees Share Knowledge and Hope

Sercomm's Taipei Headquarters launched a second-hand book donation campaign, calling on all employees to sort and donate idle books from their homes. The initiative aimed to find new homes for these books while bringing warmth and care to society.

Over the course of the campaign, more than 700 books were collected and donated in full to the Chinese Christian Relief Association, to be used in supporting disadvantaged children and promoting reading resources within local communities. This activity not only embodied the environmental principle of resource reuse, but also carried the dual significance of educational promotion and charitable assistance.

This event stands as a concrete example of Sercomm's commitment to the ESG principles of Social Inclusion and Environmental Sustainability. We believe that every book shared represents the continuation of hope.

Outcome

Mobilized employees to donate personal book collections, resulting in over 700 second-hand books collected.

Action List   Date of Action 2024.7.23   #SocialInclusion

Eden Social Welfare Foundation – Children's Visit

Highlight

A One-Day Corporate Visit in Collaboration with the Eden Social Welfare Foundation — Inspiring Disadvantaged Youth to Pursue Their Dreams

Sercomm held a community service event at its Taipei Headquarters, warmly welcoming 20 children from the Eden Social Welfare Foundation, ranging from elementary to high school.

Through a series of hands-on experiences, we guided these young minds to explore the world of telecommunications technology. Activities included a Morse code mini-game and an introduction to our innovative work in Wi-Fi and 5G.

Sercomm Chairman and CEO James Wang stated:

"Sometimes, even the smallest effort can plant a seed of hope in a child's heart. We can be like a ray of light shining into a dark room — guiding them forward and opening the door to endless possibilities. While we may not change society overnight, through small and collective efforts we can create opportunities for these children to see a bigger world."

This event was more than just an office tour — it was an important way for Sercomm to give back to society. We hope that through such activities, we can inspire the curiosity and innovative spirit of the next generation. The day was filled with learning, laughter, and warmth, bringing us closer to the communities we serve.

Outcome

Invited 20 children and youth supported by the Eden Social Welfare Foundation to visit Sercomm's headquarters, providing them with inspiration and positive encouragement.
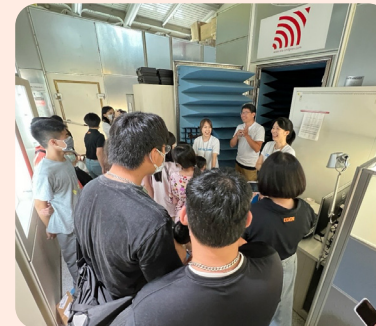
4 Social Inclusion

Dates of Action 2024.9.5,2024.10.29 #SocialInclusion

Blood Donation Drive

Highlight

Sharing Hope Through the Gift of Life ─ Sercomm Actively Supports Public Blood Donation Initiatives

In line with our commitment to social responsibility, Sercomm recently partnered with blood donation centers in Taipei and Chunan to host blood donation drives at both offices. Employees responded with great enthusiasm and active participation.

A total of 70 colleagues joined the charitable effort, collectively donating more than 100 bags of blood (each 250cc). This act of kindness turned compassion into tangible action, helping sustain medical resources and save more lives.

This was more than just a blood donation event ─ it exemplified Sercomm's active fulfillment of the Social Inclusion aspect of ESG. We believe that every small bag of blood can contribute to a powerful force of warmth within society.

Outcome

Successfully collected 100 bags of 250cc blood.

Action List

Date of Action 2024.9.21 #EnvironmentalSustainability

International Coastal Cleanup Day

Highlight

Our employees and their families joined hands in support of "International Coastal Cleanup Day," heading to Fulong Beach in New Taipei City to take part in a beach cleanup activity. On that day, a total of 83 participants worked together to remove 56 kilograms of marine debris.

This collective action not only demonstrated our commitment to technological innovation but also reflected our dedication to protecting the natural environment. Through participation in such public welfare activities, we hope to inspire positive influence both within and beyond the industry, contributing to a more sustainable future for all.

Outcome

Removed a total of 56 kg of marine debris with the participation of 83 employees.

4 Social Inclusion

Action List   Date of Action 2024.2.21   #EnvironmentalSustainability #SocialInclusion

U.S. Subsidiary "Community Care" Activity

Highlight

A team of 26 colleagues from Sercomm's U.S. subsidiary rolled up their sleeves and joined a cleanup effort at Balboa Park in San Diego, California. Working together with great enthusiasm, they cleared approximately 13.8 cubic meters (18 cubic yards) of green waste, collected around 18 kilograms (40 pounds) of trash, and gathered about 2.3 kilograms (5 pounds) of recyclables. Their efforts not only revitalized the park but also contributed meaningfully to the local community.

Outcome

Cleared approximately 13.8 cubic meters of green waste and collected about 20 kg of trash and recyclables.

Action List   Date of Action 2024.4.4 - 4.7   #SocialInclusion

U.S. Subsidiary Sponsorship and Participation in Adaptive Spirit

Highlight

Sercomm's U.S. Subsidiary participated in the Adaptive Spirit event, taking concrete action to support outstanding athletes of the U.S. Paralympic Ski and Snowboard Team. As a proud Platinum Sponsor, we were honored to join this celebration in Vail, engaging with partners from diverse sectors to share in the excitement, cheer for the athletes, and participate in friendly competition.

This remarkable gathering not only highlighted the resilience and determination of athletes with disabilities, but also showcased how technology can empower lives and unlock potential. Sercomm firmly believes that an active, innovative, and fulfilling approach to life is a vital bridge connecting us with these exceptional athletes.

Outcome

Participated in Adaptive Spirit for the first time as a Platinum Sponsor, demonstrating the Company's commitment to diversity, inclusion, and equality in sports.

CH 5

CORPORATE GOVERNANCE

5 Corporate Governance

GRI: 2-25

Target Readers

SDGs

- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 17 PARTNERSHIPS FOR THE GOALS

Performance Highlights

Performance Highlights
Ranked in the top **6%–20%** in the 2024 (11th) Corporate Governance Evaluation.

Performance Highlights
100% Board meeting attendance rate

Performance Highlights
50% of Board seats held by Independent Directors

Performance Highlights
Average training hours for Directors: **7.75** hours

Performance Highlights
100% of new employees signed the Code of Ethical Conduct

Performance Highlights
0 major violations of laws and regulations

Target Readers

Shareholders / Financial Institutions, Employees, Government Agencies, Customers, Suppliers

Policy Commitments

- Continuously enhance corporate governance mechanisms based on domestic and international governance indicators and best practices, strengthening the functions and oversight effectiveness of the Board of Directors.
- Improve information transparency and timeliness to ensure investors have access to accurate and complete financial and non-financial information.
- Strengthen internal control and internal audit systems to ensure lawful and compliant operations with risks kept under control.
- Establish a business ethics policy and grievance mechanism to prevent fraud risks and uphold a culture of corporate integrity.
- In accordance with the Information Security Management System (e.g., ISO 27001), ensure information security, system stability, and the protection of confidential data to safeguard stakeholder interests.

Material Topic

Business Ethics

Management Approach and Evaluation Mechanism

We formulate an annual audit plan each year, with audit items covering not only legal and regulatory requirements but also areas with significant potential deficiencies.

2024 Key Performance Management

- Revised the Ethical Corporate Management Best Practice Principles to serve as a code of conduct for integrity in all Group business activities.
- Implemented the Procedures for Ethical Management and Guidelines for Conduct to regulate the handling procedures for various integrity-related matters.
- Approved and adopted the 2025 annual audit plan.

Short-Term Goals

2024-2025

✔ Achieved a 100% signing rate of the Code of Ethical Conduct by new employees.

Medium-Term Goals

Long-Term Goals

2026~

No incidents in violation of business ethics.

Note: 2024 Performance Status — ✔ Achieved | △ Ongoing Progress

5 Corporate Governance

Material Topic	Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals	Medium-Term Goals	Long-Term Goals
Risk Management	We maintain and implement the internal control system, reporting quarterly to the Audit Committee and the Board of Directors on audit findings, management plans, and the status of improvement follow-ups.	Implemented the Risk Management Policies and Procedures, applying an enterprise-wide risk management framework to ensure effective risk control and timely communication.	**2024-2025** ✔✔ Regularly update and conduct enterprise risk assessments (including operational, financial, and climate-related risks) and establish a tracking mechanism for significant risks.	**2026-2027** Digitalize the risk management process and integrate it into the Company's internal control system to enhance real-time response capabilities.	**2028** Establish a Group-level risk governance framework, incorporating ESG risks into corporate decision-making and aligning with the Company's overall strategy.
Information Security	Certified by third party verification bodies.	We implement the Information Security Management Policy and establish a comprehensive management mechanism in accordance with the ISO 27001:2013 Information Security Management System. These measures strengthen data protection, risk control, and operational resilience, ensuring the confidentiality, integrity, and availability of the Company's information assets.	**2024-2025** ✔✔ Conducted information security policy awareness programs and employee training, and regularly carried out cybersecurity drills to enhance employees' information security awareness.	**2026~** No major information security incidents.	
Privacy Management	We implement the Company's privacy protection policies, requiring all business units to adhere to privacy principles in their operations.	❙ Conduct employee privacy and information security training and awareness programs. ❙ Monitor policy implementation through audits and internal control procedures to ensure the proper use and protection of personal data.	**2024-2025** ⚠ Conduct privacy protection awareness campaigns and training programs to enhance employees' awareness of privacy protection.	**2026~** No major incidents of privacy breaches.	

Note: 2024 Performance Status — ✔✔ Achieved | ⚠ Ongoing Progress

5 Corporate Governance

5.1 Governance Structure

Sercomm upholds integrity as the cornerstone of corporate operations and strives to enhance corporate governance to fulfill its responsibility for sustainable business operations. A sound and effective Board of Directors serves as the foundation of good corporate governance. Functional committees under the Board—including the Audit Committee, Remuneration Committee, and Sustainable Development Committee—assist the Board in fulfilling its supervisory responsibilities and responding to the trust of shareholders and stakeholders.

The Board of Directors is the Company's highest decision-making and governance body, responsible for overseeing overall business operations and monitoring the execution of policies by the management team. The election of Board members follows the procedures outlined in the "Board Election Regulations," ensuring diversity and independence among members to enhance operational efficiency and decision-making effectiveness.

An Audit Office operates under the Board, with the primary responsibility of examining and assessing the integrity, reasonableness, and effectiveness of the Company's internal control and management systems. Before the end of each year, based on risk assessment results, the audit plan for the following year is formulated and submitted to the Board for approval. The plan is then filed with the competent authority via the online information system. In addition to mandatory reporting at routine Board and Audit Committee meetings, the Audit Office may also provide reports to the Board and management as necessary.

5 Corporate Governance

Board of Directors
https://www.sercomm.com/en/investor/governance
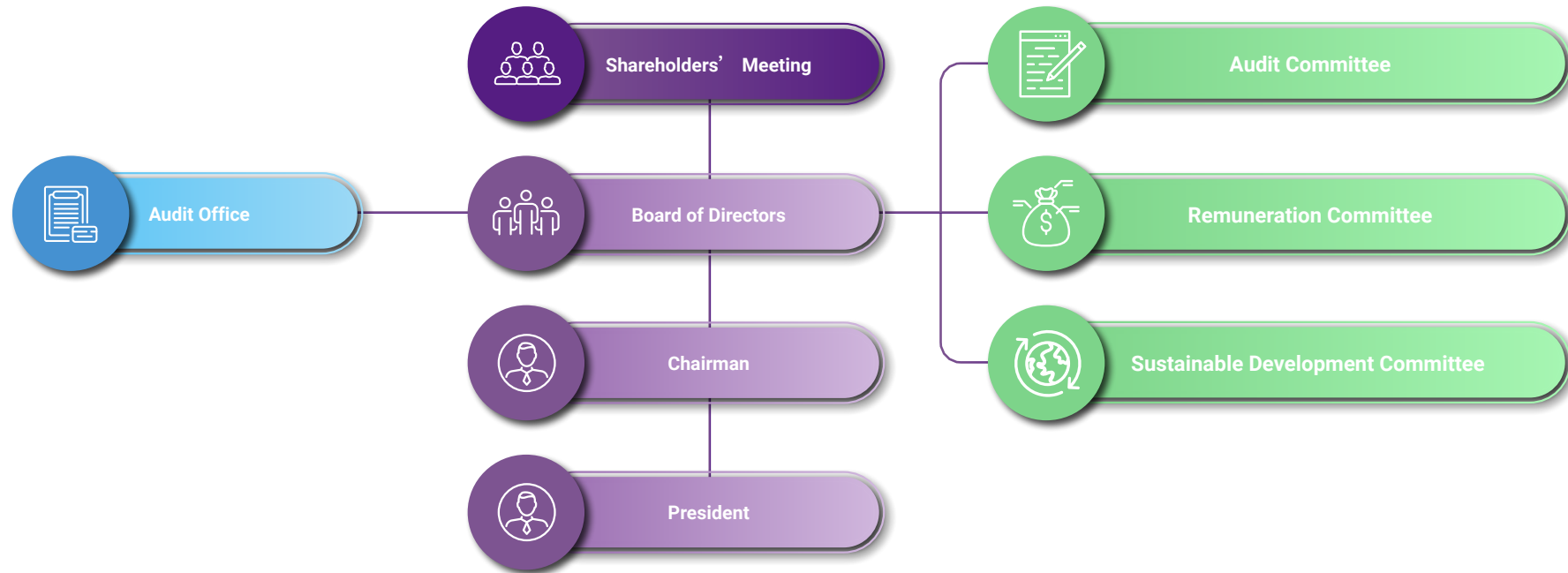
Functional Committees
https://www.sercomm.com/en/investor/governance/2

FRules for the Election of Directors
https://www.sercomm.com/en/tool-download/page_size/file/61/Rules%20for%20the%20Election%20of%20Directors?note=

Internal Audit
https://www.sercomm.com/en/investor/governance/4

5.1.1 Composition of the Board of Directors

GRI: 2-12, 2-15, 2-16

The Board of Directors is the Company's highest governance body. Sercomm follows the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies as its governance standard and is committed to establishing and maintaining a robust corporate governance framework. The Company's Corporate Governance Best Practice Principles stipulate that the selection of board members should consider the overall competencies of the Board.

As of the reporting year, the Board consists of eight members, including four independent directors and one female director. Directors with employee status account for 25%, independent directors for 50%, and female directors for 12.5%. To further strengthen governance, Sercomm has appointed a dedicated Corporate Governance Officer responsible for overseeing corporate governance matters.

In 2024, the Board convened four meetings with a 100% attendance rate among board members. Given the Company's operational and asset scale, the Chairman also serves as CEO to support the Group's overall operations and global resource integration. For more detailed information on the Board of Directors, please refer to the annual shareholders' meeting report and the Company website.

Independent Directors	Directors with Employee Status
4 seats - 50%	2 seats - 25%
In 2023, the Company increased the number of independent directors by one seat. While maintaining the principle of independence, some independent directors have relatively longer tenures, as their understanding of the Company's medium- to long-term operations, combined with their extensive experience and expertise, enhances the quality of Board decision-making.	Considering the Company's business operations and asset scale, the Chairman also serves as the President to oversee Group-wide operations and global resource integration. To enhance the objectivity and independence of Board decisions, the proportion of directors concurrently serving as managers is limited to 25% of the total Board seats, meeting the requirement of not exceeding one-third of total Board seats.

General Directors

4 seats - 50%

5 Corporate Governance

Board Operations

The Board of Directors meets at least once every quarter to review and oversee operating performance. All major proposals are submitted to the Board in accordance with legal and regulatory requirements. In 2024, the Board met four times, with an attendance rate (including proxy attendance) of 100%.

To effectively and promptly discuss ESG-related issues and significant matters — including economic, environmental, and social impacts — relevant topics are reported to the Board. Where necessary, the responsible units for each proposal provide follow-up reports on related matters at subsequent Board meetings.

In 2024, Sercomm presented the following ESG-related proposals (Communication of critical concerns) to the Board of Directors:

Board Meeting Date	ESG Aspect	Proposal
2024.03.05	Social	Approved the 2023 Employee and Director Compensation Distribution Proposal.
	Governance	Approved the 2023 Financial Statements, Business Report, and 2024 Business Plan.
		Approved the 2023 Earnings Distribution and Cash Dividend Payment Proposal.
		Approved the amendments to the Procedures for Acquisition or Disposal of Assets, Audit Committee Charter, and Rules of Procedure for Board of Directors Meetings.
2024.05.07	Social	Approved the issuance of restricted employee stock awards.
2024.07.30	Governance	Approved the 2023 Sustainability Report.
		Approved the amendments to the Company's Ethical Corporate Management Best Practice Principles.
		Approved the formulation of the Procedures for Acquisition or Disposal of Assets, Procedures for Lending Funds to Other Parties, and Procedures for Endorsements and Guarantees for the Company's Indian subsidiary.
2024.11.01	Social	Approved the determination of the record date for capital increase through the issuance of common shares in exchange for employee stock options.
	Governance	Approved the establishment of the Regulations for the Management of Sustainability Information and the Internal Audit Implementation Rules.
		Approved the 2025 Annual Audit Plan.

Management Objectives and Implementation

Management Objective	Implementation Status	Achieved
Independent Directors to comprise at least half of all Board members	Four Independent Directors, exceeding half of all Board seats	Achieved
At least one female Director	One female Director	Achieved
Directors concurrently serving as Company employees not to exceed one-third of all Board seats	Two Directors	Achieved
Tenure of Independent Directors not to exceed three terms	While maintaining the principle of independence, certain Independent Directors have longer tenures to leverage their understanding of the Company's medium- to long-term operations and their extensive experience to enhance the quality of Board decision-making. The Company has also carefully considered Board diversity and independence, and plans to replace two Independent Directors in the 2025 Board election to introduce new perspectives and diverse professional backgrounds, further strengthening Board oversight functions and overall governance effectiveness, ensuring alignment of corporate governance with sustainable development and the long-term interests of shareholders.	Not Achieved
Board members to possess the knowledge, skills, and experience necessary to perform their duties	All Directors possess diverse professional knowledge and expertise	Achieved

5 Corporate Governance

Avoidance of Conflicts of Interest by the Board of Directors

To effectively implement conflict-of-interest avoidance, the Company has established the Rules of Procedure for Board of Directors Meetings, which clearly stipulate the requirements for Directors to recuse themselves from discussions or voting where conflicts exist.

In 2024, there were no matters requiring recusal by Board members.

Board Independence and Diversity

To promote sound corporate governance and strengthen Board composition, Sercomm has formulated a Board Diversity Policy in accordance with Article 20 of the Corporate Governance Best Practice Principles. Based on the Company's business model and development needs, two major diversity dimensions have been set:

Ι Basic Attributes and Values: Gender, age, nationality, and cultural background.

Ι Professional Knowledge and Skills: Legal, accounting, finance, marketing, technology, multimedia platforms, investment and entrepreneurship, as well as industry experience.

By integrating members with diverse backgrounds, Sercomm aims to enhance the quality and effectiveness of Board decision-making and reduce the risk of groupthink. The Company conducts an annual Board performance evaluation to ensure diversity and suitability of members.

All current Directors meet the requirements of the Securities and Exchange Act, and there are no spousal or second-degree kinship relationships among Directors. Independent Directors meet the qualifications and independence criteria stipulated in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and independence is assessed both upon initial appointment and annually thereafter.

In the reporting year, the Board consisted of eight Directors, all aged over 50. Of these, four were Independent Directors, accounting for 50% of the Board, demonstrating a high degree of independence. There was also one non-domestic Director and one female Independent Director.

To further enhance gender diversity, the Company has planned to add one additional female Director in 2025, increasing the proportion of female Directors to two seats (25%). In future Board elections, the Company will continue to assess and, when appropriate, further increase the number of female Directors, aiming to achieve a target in which neither gender represents less than one-third of all Board seats.

Overall, Sercomm's Board members possess cross-industry experience and diverse professional backgrounds, demonstrating strong complementarity and effectively implementing the Board Diversity Policy. Related operational information is disclosed on the Company's website under "Board of Directors Operations."

Board of Directors
https://www.sercomm.com/en/investor/governance

2024 Annual Report
https://www.sercomm.com/en/tool-download/investor_financial_3/file/19/2024_Annual%20Report?note=Annual%20Report

Operations and Major Resolutions of the Board
https://www.sercomm.com/en/tool-download/page_size5/file/16/Operations%20and%20Major%20Resolutions%20of%20the%20Board?note=

Rules of Procedure for Board of Directors Meetings
https://www.sercomm.com/en/tool-download/page_size5/file/21/Rules%20of%20Procedure%20for%20Board%20of%20Directors%20Meetings?note=

Corporate Governance Best Practice Principles
https://www.sercomm.com/en/tool-download/page_size/file/58/Corporate%20Governance%20Best%20Practice%20Principles?note=

Board Diversity Policy, Specific Management Objectives, and Implementation Status
https://www.sercomm.com/en/tool-download/page_size5/file/17/Board%20Diversity%20Policy,%20Specific%20Management%20Objectives,%20and%20Implementation%20Status?note=

Professional Qualifications and Experience of Board Members
https://www.sercomm.com/en/tool-download/page_size5/file/20/Professional%20Qualifications%20and%20Experience%20of%20Board%20Members?note=
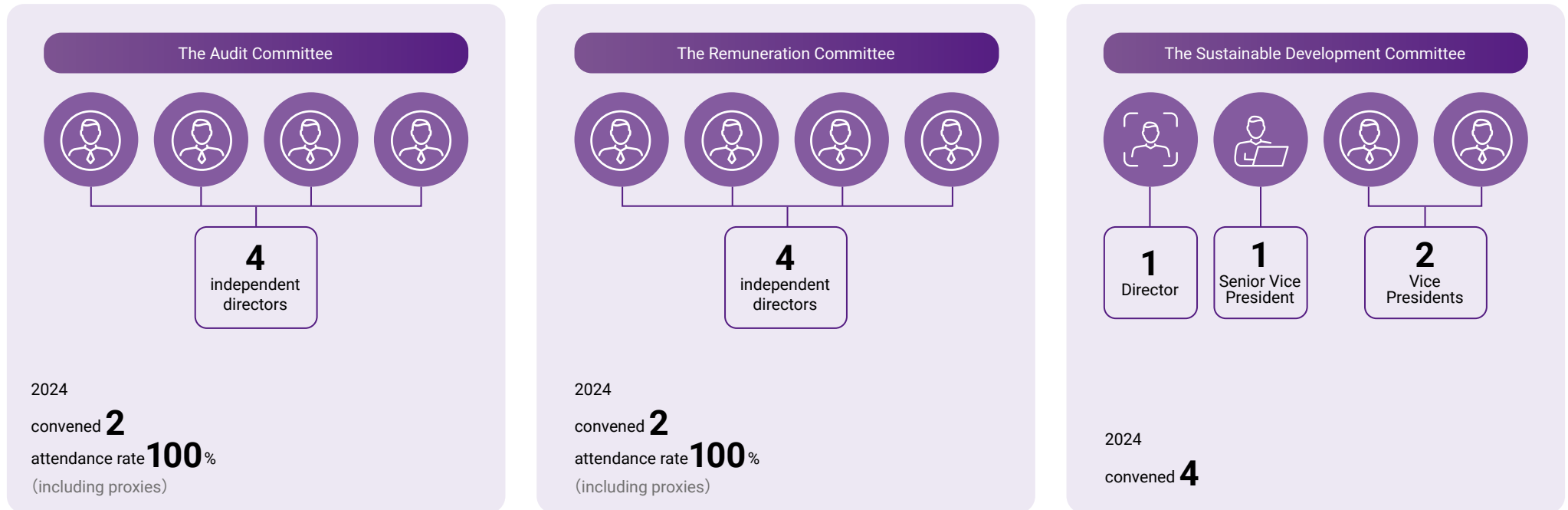
5 Corporate Governance

5.1.2 Functional Committees

To effectively supervise the management team's performance and establish robust systems, the Board of Directors has established three functional committees: the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee. These committees aim to safeguard shareholders' rights and enhance the transparency of the Company's operations. Each committee operates in accordance with its respective charter: the Audit Committee Charter, the Remuneration Committee Charter, and the Sustainable Development Committee Charter. Through the lenses of financial oversight, internal audit, reasonable compensation, and ESG-related risks, the committees serve as advisory bodies to the Board, thereby strengthening overall governance effectiveness.

The duties and operations of the functional committees in 2024 are detailed on the Company's official website.

The Audit Committee

4 independent directors

2024
convened **2**
attendance rate **100**%
(including proxies)

The Remuneration Committee

4 independent directors

2024
convened **2**
attendance rate **100**%
(including proxies)

The Sustainable Development Committee

1 Director   **1** Senior Vice President   **2** Vice Presidents

2024
convened **4**

Articles of Incorporation
https://www.sercomm.com/en/tool-download/page_size/file/16/Articles%20of%20Incorporation?note=

Functional Committees
https://www.sercomm.com/en/investor/governance/2

5 Corporate Governance

Remuneration Policy

With the growing importance of ESG topics, the Company has begun to pay attention to the practices of domestic and international companies in incorporating ESG performance into remuneration systems. In the future, the Sustainable Development Committee and the Remuneration Committee will jointly study the feasibility of this approach and evaluate the incorporation of targets and implementation results for material sustainability topics as reference factors in the design of variable remuneration for senior executives. This aims to enhance the Company's sustainable management momentum and governance effectiveness.

The Company's remuneration policy for Directors and managerial officers is implemented in accordance with the Articles of Incorporation and the Rules for the Remuneration of Directors and Managerial Officers. To ensure that the remuneration system is fair, reasonable, and aligned with the Company's overall business objectives and sustainable development direction, Sercomm has established a sound remuneration evaluation mechanism, as outlined below:

Position	Remuneration Policy	Evaluation Mechanism
Directors	In accordance with the Company's Articles of Incorporation, Directors' remuneration is determined by the Board based on each Director's level of participation in Company operations and the value of their contributions, taking into account the Company's operating performance and prevailing industry standards. If the Company generates profit for the year, no more than 2.5% may be allocated as Directors' remuneration. Independent Directors do not participate in the distribution of Directors' remuneration. The Company conducts regular evaluations of Directors' remuneration in accordance with the Rules for Performance Evaluation of Board of Directors, and the reasonableness of performance-based remuneration is reviewed by the Remuneration Committee and the Board. In addition, Directors receive business execution expenses, including transportation and travel expenses, but no separate payments for bonuses, special allowances, subsidies, or retirement benefits.	Based on the results of the Rules for Performance Evaluation of Board of Directors, linked to annual business performance indicators, covering operational performance and financial results.
Independent Directors	In addition to fixed monthly remuneration, Independent Directors receive business execution expenses, including transportation and travel expenses, but no separate payments for bonuses, special allowances, subsidies, or retirement benefits.	
Remuneration for Members of Functional Committees		
Managerial Officers	In accordance with the Articles of Incorporation, if the Company generates profit for the year, 12% to 18% is allocated as employee remuneration. The Company's remuneration regulations specify various work allowances and bonuses to recognize and reward employees' efforts. Bonuses are determined based on the Company's annual operating performance, financial position, operational status, and individual performance. Performance evaluations are conducted in accordance with the Performance Management Regulations and serve as a reference for determining bonuses for managerial officers. Performance evaluation items include financial and non-financial indicators, as detailed in the Company's Annual Report. Non-financial indicators include the practice of corporate core values, operational management capabilities, and sustainable performance evaluation. Remuneration is calculated based on operational performance, and the remuneration system is reviewed periodically in light of actual operating conditions and applicable regulations.	Evaluations conducted in accordance with the Performance Management Regulations, covering financial indicators (revenue and profitability), budget achievement, growth strategies, talent development, risk management, and sustainability performance.

Notes:
1. For employee remuneration policy, see Section 4.1.3 Employee Care.
2. For employee performance evaluation, see Section 4.1.4 Talent Development.

5 Corporate Governance

5.1.3 Board Effectiveness

GRI: 2-17, 2-18

Board Performance Evaluation

In line with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," Sercomm has established the "Rules for Performance Evaluation of Board of Directors" to enhance the Board's functionality and operational efficiency. The policy stipulates that internal board evaluations must be conducted at least once annually, and external professional evaluations must be conducted at least once every three years.

The evaluation covers the performance of the Board as a whole, individual directors, and each functional committee. The results of the board performance evaluations also serve as a reference for director selection or nomination. The most recent performance evaluation was conducted as follows:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Result
Internal evaluation conducted once a year	Jan. 1, 2024 – Dec. 31, 2024	Board of Directors, individual Board members, and functional committees	• Board self-assessment • Self-assessment by individual Board members	In 2024, the self-evaluation results for the Board of Directors, individual Board members, and functional committees were all rated "Excellent," with no major improvement items identified. The results were reported to the Board of Directors on Feb. 27, 2025.
External evaluation conducted once every three years	Jan. 1, 2022 – Dec. 31, 2022	Board of Directors, individual Board members, and functional committees	Engaged an external professional institution, Chainye Management Consulting Co., Ltd., to conduct the evaluation.	Following on-site participation in Board and Audit Committee meetings, the external professional institution concluded that the Company's Board of Directors has established relevant policies and procedures for Board operations in compliance with applicable laws and Taiwan corporate governance indicators. The Board comprises Directors with relevant professional expertise, and work assignments are allocated based on their different specialties and experience. The Board and all functional committees operate effectively. The evaluation result was rated "Excellent" and was reported to the Board of Directors on Mar. 9, 2023.

Rules for Performance Evaluation of Board of Directors
https://www.sercomm.com/en/tool-download/page_size6/file/6/Rules%20for%20Performance%20Evaluation%20of%20Board%20of%20Directors?note=

2023 Board Performance Internal Evaluation Report
https://www.sercomm.com/en/tool-download/page_size6/file/4/2023%20Board%20Performance%20Internal%20Evaluation%20Report?note=

2022 Board Performance External Evaluation Report
https://www.sercomm.com/en/tool-download/page_size6/file/5/2022%20Board%20Performance%20External%20Evaluation%20Report?note=

5 Corporate Governance

In accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies, and taking into account industry developments, the Company's internal growth needs, and the annual strategic priorities, Sercomm plans training programs for Directors to enhance their professional knowledge and competencies.

In response to the growing international focus on corporate governance and corporate sustainability in recent years, the Company encourages Directors to participate in relevant training programs and submit proof of completion. In 2024, Directors completed a total of 62 training hours, with an average of 7.75 hours per Director. Details are provided in the Company's 2024 Annual Report.

Training hours in 2024, categorized by the three sustainability dimensions:

Category	Hours
Environmental	6
Social	8
Governance	48
Total	62

5.2 Business Ethics

5.2.1 Business Ethics System and Implementation

Sercomm upholds a philosophy of integrity and honesty in business operations and has gradually built a robust ethical governance framework. The Company has established relevant policies and procedures, including the Corporate Governance Best Practice Principles, Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Code of Ethical Conduct for Directors and Managers, and Regulations and Promotion of Insider Trading Prevention. These policies clearly stipulate the prohibition of bribery, improper donations or sponsorships, illegal political contributions, unfair trading, and other unethical behaviors. The Company regularly conducts promotion and training sessions for all employees to enhance their awareness and ability to act with integrity.

In May 2023, the Board of Directors approved the adoption of the Ethical Corporate Management Best Practice Principles as the ethical guideline for all Group business activities, covering issues such as prohibition of bribery and kickbacks, improper donations, conflicts of interest, and unfair competition. To ensure practical implementation, Sercomm simultaneously formulated the Procedures for Ethical Management and Guidelines for Conduct, outlining the handling processes for various ethical issues. In addition, the Code of Ethical Conduct for Directors and Managers was specifically established for key internal stakeholders, providing behavioral standards regarding conflicts of interest, confidentiality obligations, and fair trade.

The Company has also established the Procedures for Handling Material Internal Information and Code of Ethics to guide ethical conduct among all employees during business execution. The implementation of these policies is disclosed through public channels such as the Company's website, annual report, and prospectus.

The implementation of business ethics is supervised by the internal audit unit under the Board of Directors. This unit regularly analyzes and assesses potential integrity risks in business activities, establishes oversight and control mechanisms for high-risk matters, and reports implementation status to the Board of Directors annually to support senior management in continuously strengthening corporate governance and regulatory compliance.

Sercomm conducted risk assessments for its three main manufacturing sites (Chunan, Suzhou, and the Philippines), representing 75% of operations (excluding the headquarters office). The evaluation considered procurement volume for the current and upcoming year, production capacity, and high-risk findings from the previous year's internal audits. In 2024, no irregularities were identified during audits of the Company, its internal personnel, or its suppliers, and no suppliers had partnerships terminated due to corruption.

Details on the implementation of business ethics are disclosed on the Company's official website.

Training Status of Board Members in 2024

For details, see page 51 of the 2024 Annual Report

https://www.sercomm.com/en/tool-download/investor_financial_3/file/19/2024_Annual%20Report?note=Annual%20Report

orporate Governance-Business Ethics

https://www.sercomm.com/en/investor/governance/3

Training and Awareness on Business Ethics, Material Information Handling, and Information Security

https://www.sercomm.com/en/tool-download/page_size/file/56/Training%20and%20Awareness%20on%20Business%20Ethics,%20Material%20Information%20Handling,%20and%20Information%20Security?note=

Business Ethics Implementation

https://www.sercomm.com/en/tool-download/page_size2/file/21/Business%20Ethics%20Implementation?note=

5 Corporate Governance

5.2.2 Business Ethics Training and Promotion

Sercomm promotes business ethics awareness through Board member continuing education, employee training, new hire orientation, and written communications.

Integrity is a core operational value of the Company. To instill this awareness, all new employees are required to sign the Code of Ethical Conduct. Integrity-related courses are also designated as mandatory annual training, and all employees are required to complete these courses.

Supplier's Code of Conduct Signing Rate

100%

Employee Business Ethics Training Performance

Total training hours:	Total participants	Training coverage rate
626.56 man-hours	**5,671**	**97.66**%

Notes:
1. Business Ethics includes integrity management, prevention of insider trading, anti-money laundering, anti-corruption, conflict of interest, fair trade and competition, and promotion of relevant internal regulations.
2. Implementation rate = total number of employees who received business ethics-related training in 2024 ÷ total number of employees in 2024 (including those who resigned or were on leave during the year).
3. Differences between the training hours reported here and those disclosed on the Company website are due to different reporting dates and statistical cut-off dates. The figures in this report reflect the final corrected numbers.
4. In 2024, there were no violations of the Company's Business Ethics policy.

To prevent insider trading by Directors, managerial officers, and employees, Sercomm conducts at least one awareness session each year covering relevant procedures and legal requirements. New Directors and managerial officers receive such training within three months of assuming their positions, while new employees receive the training during onboarding. Additionally, prior to the announcement of quarterly financial statements, the Company sends internal reminders to insiders regarding insider trading regulations.

In 2024, among the Company's eight Directors, two (25%) participated in external anti-corruption training programs. For details, please refer to the "Directors and Managerial Officers Continuing Education" table in the 2024 Annual Report.

5.2.3 Business Ethics Risk Assessment

In accordance with the Procedures for Self-assessment of Internal Control System, the Internal Audit Office requires management and relevant departments to conduct an Internal Control Self-assessment annually. In 2023, no high-risk items were identified.

In addition, in line with the Regulations Governing the Establishment of Internal Control Systems by Public Companies, the Company evaluates the design and implementation of its internal control system. The results confirmed that the design (including oversight and management of subsidiaries) and implementation of the internal control system were effective in reasonably ensuring the achievement of objectives. In 2023, the Company obtained a "Written Communication Letter of No Significant Deficiencies in the Internal Control System" issued by PwC Taiwan.

5.2.4 Internal Audit

Sercomm formulates an annual audit plan for approval by the Board of Directors. The results of quarterly internal audits and follow-up improvements are reported to the Audit Committee and the Board.

In addition to statutory audit items, the audit plan also takes into account the results of the previous year's risk assessment and audit findings. In 2024, based on operational characteristics, revenue scale, profitability, inventory and accounts receivable, and the results of subsidiary audits in the past two years, risk-based selection of audit targets was carried out. Key subsidiaries in Mainland China and the Philippines were audited on the procurement cycle, production cycle, payroll cycle, and through special project audits. A total of 54 audit findings were identified and all have been fully addressed.

5.2.5 Supply Chain Integrity Management

Sercomm values ethical compliance among its suppliers. As part of the Company's supply chain management mechanism, all new suppliers are required to sign the Supplier Code of Conduct, pledging never to engage in bribery, offering gifts or entertainment, or providing any improper benefits. The agreement stipulates that Sercomm reserves the right to immediately terminate transactions in the event of a violation.

Suppliers must complete this signing process before they can be qualified as approved suppliers. In 2024, 100% of new suppliers completed the signing of the Supplier Code of Conduct.

For further details, please refer to Section 2.6 Sustainable Supply Chain Management.

5 Corporate Governance

5.2.6 Major Violations

GRI: 2-27, 416-1, 416-2, 206-1

Sercomm operates worldwide and closely monitors domestic and international policy and regulatory developments. The Company promptly adjusts its internal policies and procedures in line with regulatory changes to ensure all operations comply with the laws and regulations of each country in which it operates. This prevents potential operational disruptions or financial losses arising from non-compliance and encompasses areas such as:

| Promoting fair competition
| Ensuring the safety of products and services provided to customers
| Complying with applicable import/export controls and economic sanctions regulations
| Regularly enhancing compliance measures for information security and personal data protection
| Meeting labor and environmental laws and practices
| Protecting copyrights, company assets, and all forms of intellectual property rights

Sercomm has a dedicated Legal Department that provides legal advice to all departments to help ensure compliance with applicable laws and regulations. In 2024, no major violations of laws and regulations occurred at Sercomm.

Beyond our own operations, we also require our supply chain partners to operate legally and in compliance with regulations. The Company has established the Supplier's Code of Conduct Agreement, which requires suppliers to ensure their employees are treated with respect, to take environmental responsibility, and to act ethically while complying with all applicable laws, rules, and regulations. This code is updated in alignment with the latest Responsible Business Alliance (RBA) Code of Conduct.

In Q4 2023, Sercomm launched a project to enhance its sustainable supply chain management mechanism. This requires suppliers directly involved in manufacturing activities to obtain at least ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) certification. These management systems strengthen the sustainable risk control capabilities of the supply chain.

Aspect	Compliance Area	Number of Major Violations	Financial Loss from Major Violations
Product	Regulations on product and service health and safety	0	0
Product	Regulations on product and service information and labeling	0	0
Market	Anti-competitive or antitrust regulations	0	0
Social	Labor regulations	0	0
Environmental	Environmental regulations	0	0

Note: The definition of "Major Violation" follows the Taiwan Stock Exchange Procedures for Verification and Disclosure of Material Information of Listed Companies: a single event resulting in a cumulative fine of NT$ 1 million or more.

At Sercomm's Chunan Manufacturing Center, a labor inspection identified an overtime violation in which total extended working hours in one month exceeded 46 hours, contravening Article 32, Paragraph 2 of the Labor Standards Act. This resulted in an administrative fine of NT$ 20,000.

The Company immediately conducted an investigation and took appropriate action, including cooperating with authorities for supplementary documentation and explanation, strengthening shift scheduling and working hours control mechanisms, enhancing supervisor communication and employee training, and implementing regular internal audits and reviews. Subsequent corrective measures were adopted to ensure workplace safety and protect employees' fundamental labor rights.
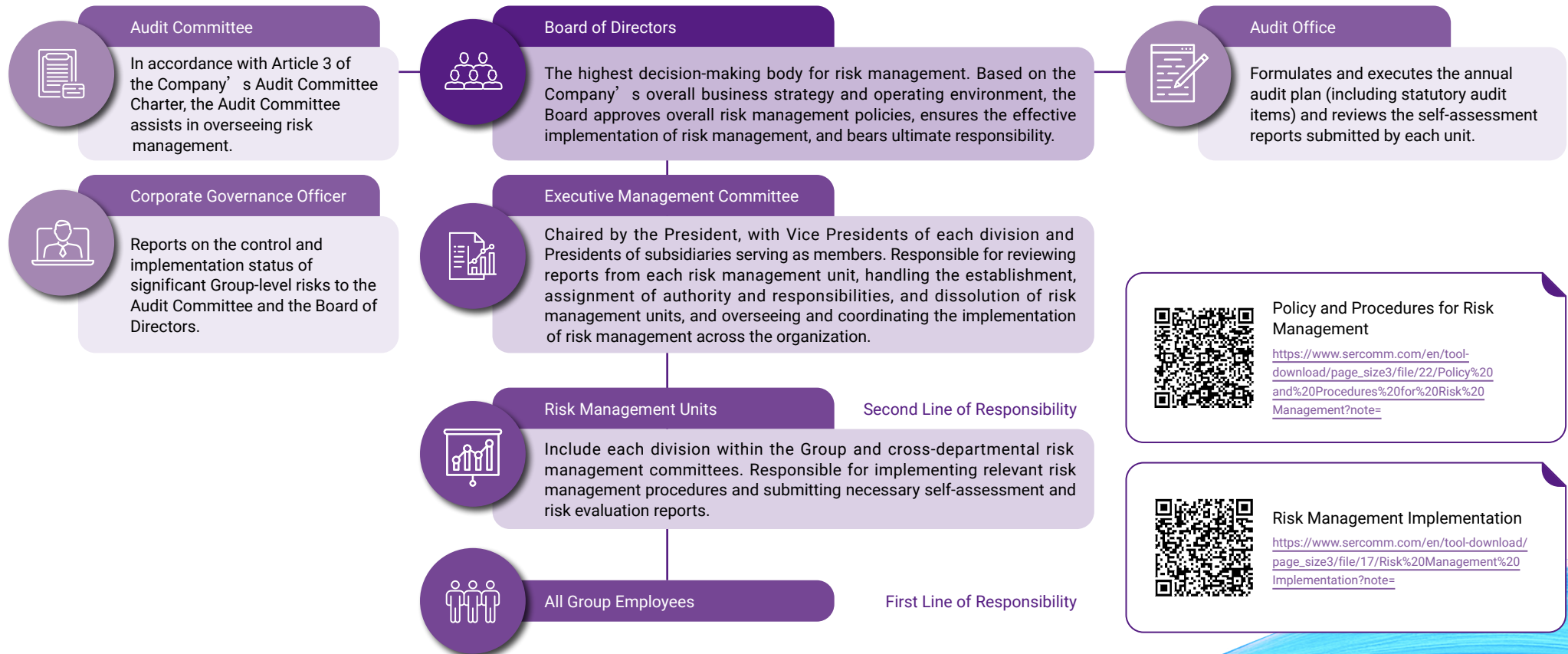
5 Corporate Governance

5.3 Risk Management

GRI: 2-12

In 2020, Sercomm's Board of Directors approved the establishment of the Risk Management Policy and Procedures as the Company's highest-level guiding principles for risk management. Under a comprehensive risk management framework, the policy ensures organization-wide risk control and timely communication.

The framework designates risk management units to assume second-line control responsibilities, mandating the accurate implementation of risk policies and optimization of resource allocation for risk mitigation. When risks arise, the Company develops response strategies and recovery plans, and consults external experts as needed. Any revisions to internal regulations are subject to the approval of the Executive Management Committee.

In accordance with the principle of materiality, the Company identifies risks across strategic, operational, financial, and event-related domains, aiming to minimize potential losses.
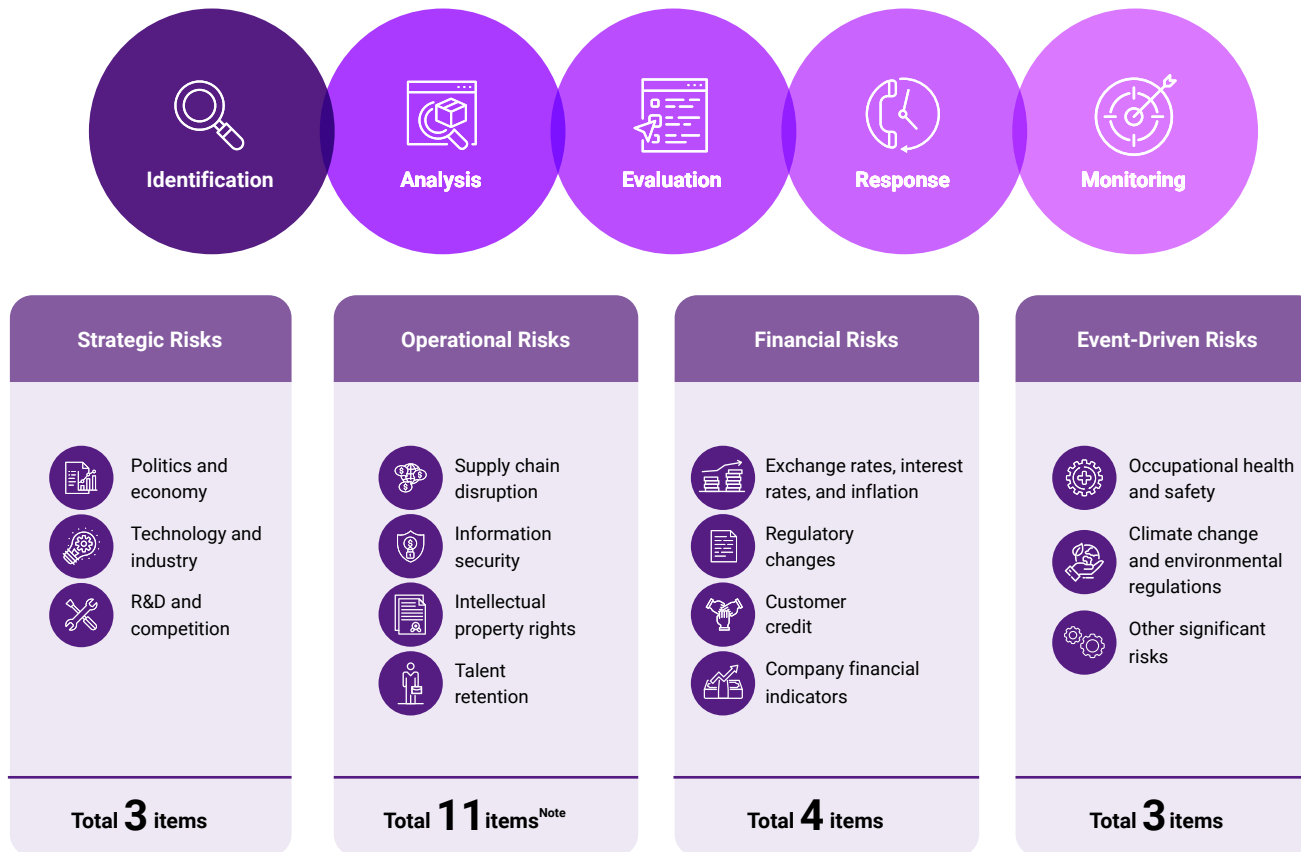
5.3.1 Risk Management Organization

Audit Committee

In accordance with Article 3 of the Company's Audit Committee Charter, the Audit Committee assists in overseeing risk management.

Board of Directors

The highest decision-making body for risk management. Based on the Company's overall business strategy and operating environment, the Board approves overall risk management policies, ensures the effective implementation of risk management, and bears ultimate responsibility.

Audit Office

Formulates and executes the annual audit plan (including statutory audit items) and reviews the self-assessment reports submitted by each unit.

Corporate Governance Officer

Reports on the control and implementation status of significant Group-level risks to the Audit Committee and the Board of Directors.

Executive Management Committee

Chaired by the President, with Vice Presidents of each division and Presidents of subsidiaries serving as members. Responsible for reviewing reports from each risk management unit, handling the establishment, assignment of authority and responsibilities, and dissolution of risk management units, and overseeing and coordinating the implementation of risk management across the organization.

Risk Management Units — Second Line of Responsibility

Include each division within the Group and cross-departmental risk management committees. Responsible for implementing relevant risk management procedures and submitting necessary self-assessment and risk evaluation reports.

All Group Employees — First Line of Responsibility

Policy and Procedures for Risk Management
https://www.sercomm.com/en/tool-download/page_size3/file/22/Policy%20and%20Procedures%20for%20Risk%20Management?note=

Risk Management Implementation
https://www.sercomm.com/en/tool-download/page_size3/file/17/Risk%20Management%20Implementation?note=

5 Corporate Governance

5.3.2 Risk Management Process

The Company follows the ISO 31000 risk management framework and principles to collect and analyze internal and external issues, identify risks, analyze, evaluate, respond to, and monitor them. We formulate risk treatment strategies, implement risk mitigation measures, and carry out ongoing risk monitoring. The Company is committed to disclosing the current and potential impacts of significant risks through regular risk reports to safeguard the interests of both the Company and its stakeholders.

Identification — Analysis — Evaluation — Response — Monitoring

Strategic Risks
- Politics and economy
- Technology and industry
- R&D and competition

Total 3 items

Operational Risks
- Supply chain disruption
- Information security
- Intellectual property rights
- Talent retention

Total 11 items^Note

Financial Risks
- Exchange rates, interest rates, and inflation
- Regulatory changes
- Customer credit
- Company financial indicators

Total 4 items

Event-Driven Risks
- Occupational health and safety
- Climate change and environmental regulations
- Other significant risks

Total 3 items

Note: The other seven operational risk items include customer and market, quality, capacity, contract, corporate image, business continuity, and investment management.

5.3.3 Risk Issues, Impacts, and Response Measures

In accordance with relevant regulations, the Company has established an internal control system. In addition to quarterly reviews by both the external auditors and the Internal Audit Office, the Corporate Governance Officer reports to the Audit Committee and the Board of Directors on identified financial and internal control operational risks, audit findings, and follow-up improvements. The Executive Management Committee consolidates risk factors identified by functional teams into the overall risk assessment framework. Risk categories include strategic, operational, financial, and event-driven risks. In the past two years, the Company has identified major risks such as U.S. patent litigation and customer credit risk. For each significant risk, management plans and improvement targets are developed, and the responsible executives report progress to the Board of Directors.

In recent years, climate change-related risks have emerged as a new category of risks. In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company conducts risk and opportunity identification and has identified four key transition risks with potential market and regulatory impacts. These include:

- Increased attention from upstream value chain partners on low-carbon operations and products. Failure to respond adequately could negatively impact revenue.
- Given the high degree of customization of Sercomm's products, global climate goals may restrict fossil fuel-related industries, leading to higher raw material prices and, in turn, increased operating costs.

To address these challenges, the Company has signed the Science Based Targets initiative (SBTi) commitment, pledging to set GHG emissions reduction targets aligned with the 1.5°C global warming limit scenario, using a scientific methodology. In 2024, the Company will also implement a digital carbon management information platform and establish a product life cycle assessment (LCA) mechanism. Major operational sites are already adopting renewable energy through Power Purchase Agreements (PPAs) or planning the installation of rooftop solar photovoltaic systems to reduce the Company's operational carbon footprint.

For further details on the governance, management, and targets related to climate change risks, please refer to Section 3.2.2 –Climate Risk and Opportunity Response.

5 Corporate Governance

5.4 Information Security Management   GRI: 418-1   SASB: TC-HW-230a.1

To implement information security management and ensure the security of information infrastructure, application systems, products, and customer data, Sercomm has established an Information Security Policy as a management guideline. This policy is approved and implemented by the Chairperson of the Information Security Committee.

The Taipei Headquarters adopted the ISO 27001:2013 Information Security Management System in 2015 to build a systematic approach to information security. In 2024, the Company updated its management system documentation to align with ISO 27001:2022 and obtained recertification to comply with the updated international standard. Sercomm will continue strengthening the security of its information infrastructure and application systems while safeguarding Company and product R&D data.

In 2024, Sercomm's Philippine subsidiary experienced a cybersecurity incident in which certain information systems were attacked by hackers. Upon detection, the IT Department activated defensive measures and collaborated with external cybersecurity experts to conduct comprehensive system scans and restore normal operations. This incident did not cause material impact on Company operations. Moving forward, Sercomm will continue enhancing security controls for network and IT infrastructure, reinforce defensive mechanisms, and maintain close monitoring to ensure information security.

5.4.1 Information Security Management Organization

To implement corporate information security strategies and ensure internal compliance with relevant standards, procedures, and regulations, Sercomm established the Information Security Committee in 2015. Chaired by the Chief Operating Officer, the Committee meets regularly to review and approve information security and data protection policies, ensuring the effectiveness of security management measures. The Committee reports annually to the Board on performance, key issues, and strategic directions.

Under the Committee, the Information Security Promotion Team—covering all domestic and overseas subsidiaries—coordinates policy formulation, implementation, risk management, and compliance audits, applying a PDCA management cycle and reporting annually to the Committee.

Unit	Members	Roles, Meeting Frequency & Reporting
Information Security Committee	Convener: COO Members: Division heads	Formulate security policy; oversee evaluation and direction of information and network security management. Meets semi-annually; reports to Board as needed.
Information Security Promotion Team	Convener: CISO Members: Security officers from each unit	Coordinate policy, implementation, risk management, and compliance audits. Meets semi-annually; reports annually to Committee.
Information Security Regulatory Team	Convener: Head of Legal Members: Security officers	Identify applicable regulations; communicate updates to relevant personnel.
Information Security Audit Team	Convener: Head of Audit and Quality Assurance Members: Audit and Quality Assurance personnel	Conduct internal and external security audits.
Information Security Consultant	External cybersecurity specialists	Provide compliance strategies, security assessments, defense solutions, training, and remediation advice.
Training Group	Convener: HR Head	Plan security training and drills.
Physical Security Group	Convener: Administration Head	Prevent unauthorized physical access, damage, or interference.
Information Security Technology Group	Convener: CISO	Execute frontline security tasks, manage software/hardware use, and develop protection measures.

SERCOMM

5 Corporate Governance

Management Mechanism

Sercomm's information security management focuses on four areas: risk management, security protection, monitoring & auditing, and continuous improvement.

Focus Area	Objective	Key Actions	2024 Implementation
Risk Management	Assess risks and perform vulnerability scans to guide defenses	▪ Conduct enterprise information security risk assessments ▪ Establish information security risk evaluation and incident management procedures ▪ Perform third-party risk analysis and rating ▪ Inventory and assess risks for confidential information	Completed both internal and external audits, and assessed the risk levels of databases for each process
Security Protection	Implement control measures at information security points such as networks, devices, applications, and data to ensure the confidentiality of all Company information	▪ Monitor network behavior and implement physical network segmentation ▪ Deploy NAC (Network Access Control) and EDR (Endpoint Detection and Response) endpoint protection and detection systems ▪ Establish system development and maintenance control procedures for application security ▪ Enforce encryption for confidential and top-secret data	Introduced endpoint threat detection, tracking, and incident response services, enabling 24/7 cybersecurity monitoring and incident tracking for user environments and networks
Monitoring & Auditing	Verify the effectiveness of control measures through internal and external audits	▪ Conduct regular vulnerability scans ▪ Perform penetration testing ▪ Conduct disaster recovery simulation drills ▪ Achieve third-party cybersecurity audit certification ▪ Carry out social engineering drills	Scanned for system vulnerabilities and updated the information asset inventory; conducted related business impact analysis. Social engineering drills helped employees effectively identify and prevent phishing attacks, thereby improving security awareness
Continuous Improvement	Continuously monitor the latest cybersecurity threats to promptly update hardware and software management measures and enhance personnel awareness	▪ Monitor cybersecurity threat intelligence and protection technologies ▪ Provide information security training and promote case studies ▪ Conduct regular evaluations of information security contractors	Joined the Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC) to leverage multiple channels for threat intelligence sharing, achieving cross-sector collaborative defense against cybersecurity threats

5 Corporate Governance

Information Security Incident Reporting Process

Sercomm conducts regular annual risk assessments. Each unit analyzes the potential impact and threat level based on its workflow and the data it generates. Using the analysis results, relevant risk values are defined and corresponding risk response plans are developed. This ensures that, in the event of an information security incident, the Company can promptly follow the classification standards in the Information Security Incident Management Procedure to report the incident, take necessary response measures, and establish an incident-learning mechanism to minimize potential damage.

Information Security Incident Level	Criteria	Response
Level 4	▪ Leakage of top-secret information ▪ Severe alteration of top-secret information ▪ Disruption to critical information infrastructure operations or system downtime with no recovery within the acceptable recovery time objective (RTO)	Report within 15 minutes; propose countermeasures within 8 hours
Level 3	▪ Leakage of confidential information ▪ Severe alteration of confidential information ▪ Disruption to core business operations or system downtime with no recovery within the acceptable RTO	Report within 30 minutes; propose countermeasures within 24 hours
Level 2	▪ Leakage of internal-use-only information ▪ Minor alteration of internal-use-only information ▪ Impact to core business operations or reduced system efficiency, with recovery within the acceptable RTO	Report within 2 hours; propose countermeasures within 48 hours
Level 1	▪ Alteration of general information ▪ Impact to non-core business operations or temporary downtime	Report within 4 hours; propose countermeasures within 3 business days

Information Security Drills

Sercomm conducts annual disaster recovery drills for its information systems. In 2024, the Company completed seven drills covering critical information systems and essential IT equipment related to business operations. All system drills met recovery requirements for restoring systems or data, and all equipment drills successfully switched to backup equipment within the required timeframes to maintain normal operations.

Drill Item	Execution Status
Data Backup & Recovery	Conducted drills for data backup and virtual host system recovery procedures to ensure the effectiveness of backups and the timeliness of system restoration operations. A total of four drills were conducted in 2024.
Network Redundancy	Conducted drills to switch active equipment and network lines to backup environments, testing the availability of backup equipment and lines. The process familiarized participants with switching procedures and verified the applicability of operational procedures. One drill was conducted in 2024.
Penetration Testing	Engaged an external cybersecurity team to perform penetration testing drills, helping Sercomm verify and test the security strength of internal and external information systems, identify security threats to the tested targets, detect potential security issues, and provide recommendations for overall cybersecurity improvements. One drill was conducted in 2024.
Social Engineering Simulation	As part of information security enhancement measures, engaged an external cybersecurity team to conduct social engineering drills simulating phishing emails and social engineering scams. These drills aimed to raise employee awareness and vigilance. One drill was conducted in 2024, followed by additional training and improvement recommendations based on the results.

Information Security Awareness and Training

Information Security Communication	Information Security Training
▪ To strengthen personnel awareness of information security protection, all new hires are required to sign an employee pledge covering confidentiality obligations for sensitive information and rules for the use of computer hardware and software. In 2024, 100% of new hires completed the signing process. ▪ The information security unit issued two key cybersecurity alerts reminding employees to avoid opening phishing emails.	▪ Company-wide awareness campaign on phishing email social engineering, with training modules updated to address new attack methods to enhance employee cybersecurity awareness. ▪ In 2024, total training time related to information security reached 1,857.26 man-hours, with a training coverage rate of 43.31%.

Note: Training coverage rate is calculated as the total number of employees who received training on information security topics in 2024 ÷ total number of employees in the reporting year (including those who left the company or were on leave during the year).
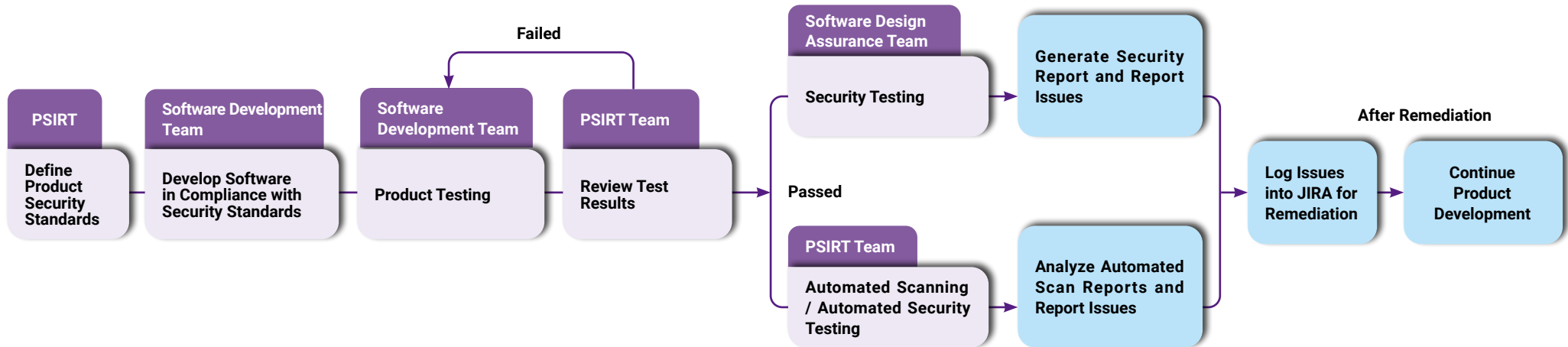
5 Corporate Governance

⟍ 5.4.1 Product Information Security

Sercomm places great importance on product information security. Within the software development organization, we have established a dedicated Product Security Incident Response Team (PSIRT). The PSIRT is responsible for defining and executing product information security verification strategies and procedures, including comprehensive inspection and prevention measures against viruses, backdoor programs, network vulnerabilities, potential hacking techniques, and other security threats.

All software and firmware subjected to these verifications are those running on Sercomm's various products, including routers, servers, network cameras, and small cell base stations. During verification, the software or firmware is installed on actual product models for testing. Therefore, once the software or firmware passes PSIRT verification, it confirms that the corresponding routers, servers, network cameras, and small cell base stations have also passed product information security validation.

We have integrated relevant information security processes into our software development procedures to ensure that all software programs produced by Sercomm meet established information security requirements. At the initial stage of product development, the PSIRT defines product information security standards based on the product's characteristics and customer requirements. These standards are then provided to the software development team, which develops the related software in compliance with the specifications and performs preliminary product security testing.

The test results are reviewed by the PSIRT, and once approved, further verification is carried out jointly by the PSIRT and the Software Design Assurance Department. The results are documented in the JIRA project management tool to track and ensure that all issues identified during testing are resolved. This process ensures that all delivered software meets the defined product information security standards.

Failed

PSIRT	Software Development Team	Software Development Team	PSIRT Team
Define Product Security Standards	Develop Software in Compliance with Security Standards	Product Testing	Review Test Results

Software Design Assurance Team — Security Testing → **Generate Security Report and Report Issues**

Passed

PSIRT Team — Automated Scanning / Automated Security Testing → **Analyze Automated Scan Reports and Report Issues**

After Remediation

Log Issues into JIRA for Remediation → **Continue Product Development**

In addition, the PSIRT team is also responsible for receiving, handling, and publicly disclosing cybersecurity vulnerabilities related to Sercomm products and solutions. We encourage researchers, industry organizations, and suppliers to proactively report any security vulnerabilities associated with Sercomm products to the PSIRT team.

Reporting channel: PSIRT@sercomm.com

5 Corporate Governance

5.5 Privacy Management

Privacy Protection Policy

Sercomm values the personal privacy and data protection of all stakeholders, including employees, suppliers, customers, and consumers. The Company has incorporated its privacy protection policy into various corporate policies and management documents, including but not limited to the Sustainable Development Best Practice Principles, Employee Handbook, Supplier's Code of Conduct Agreement, and Information Security Management Manual. These ensure that a sound privacy management policy and practical mechanisms are in place. The policy applies to all branch offices, operational sites, subsidiaries, customers, and suppliers.

In compliance with the Personal Data Protection Act and related regulations, Sercomm adopts lawful measures throughout the processes of collecting, storing, processing, transmitting, and sharing personal data. The Company ensures, through both electronic and physical operating systems, that data usage is legitimate, necessary, and appropriate. The Human Resources Department properly manages employee personnel data in accordance with privacy principles and safeguards personal and business confidentiality during internal and external communications via bulletin boards, the internal website, and anonymous communication channels.

Sercomm also requires all departments to conduct information security and privacy protection training, maintaining relevant materials and records to ensure personnel are familiar with data protection procedures, thereby fulfilling the Company's commitment to privacy and integrity. For the performance of related education and training in 2024, please refer to Section 4.1.4 – Talent Development and Section 5.4.1 – Information Security Management Organization.

Customer Data and Privacy Protection

Sercomm takes the utmost care to protect data provided by customers. In addition to signing non-disclosure agreements (NDAs) with customers to safeguard confidential information, the Company implements the control processes of the ISO 27001 Information Security Management System to ensure that relevant business personnel maintain confidentiality during business dealings, thereby protecting customer privacy rights.

Access to, processing, transmission, and storage of customer data, as well as personnel and equipment security, are all fully controlled. Security measures and controls are applied across all layers, including application system development, design, and maintenance, databases, networks, personal computers, and storage media, to prevent customer data from being stolen, lost, or leaked and to ensure the security of customer information.

Furthermore, given Sercomm's business model, the network communication products manufactured by the Company do not involve the collection of end-user information. Therefore, there is no risk of end-user privacy breaches.

In 2024, the number of complaints and major cybersecurity incidents involving customer privacy violations or loss of customer data was zero.

CH 6
GREEN INNOVATION

6 Green Innovation

Performance Highlights

Established **Sercomm's green product design targets** in 2023 and implemented them in 2024.

Performance Highlights

15 products adopted Post-Consumer Recycled (PCR) plastics.

GRI: 2-25

Management Approach

SDGs
3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION

Target Readers

Shareholders / Financial Institutions, Employees, Customers

Policy Commitments

Take care of the environment, save energy and reduce emissions, and promote green products and manufacturing processes

Material Topic	Management Approach and Evaluation Mechanism	2024 Key Performance Management	Short-Term Goals	Medium-Term Goals	Long-Term Goals
Product Innovation and R&D	Internal Regular and Ad-Hoc Product Management Meetings	I In accordance with the Company's Patent Incentive Measures, continue to encourage product innovation. I Hold monthly product R&D review meetings and product production meetings. I Hold quarterly R&D hardware and software technology seminars. I Hold quarterly product roadmap meetings. I Introduce professional tools to support innovation.	**2024** ✓ Implement regular and ad-hoc innovation-related meetings and reviews. Continue R&D and patent applications, with no fewer applications than the previous year.	**2025** I Continue regular and ad-hoc innovation-related meetings and reviews. I Continue R&D and patent applications, with no fewer applications than the previous year. I Identify and pilot relevant innovation tools and evaluate their benefits and risks.	**2026 ~** I Maintain previous targets, expand and promote the use of innovation tools, and evaluate their benefits and risks. I Review the direction of innovation and establish a three-year innovation strategy.
Green Products	Set Targets and Review Target Achievement Based on Four Green Design Principles	Follow the four green design principles — Reduce, Reuse, Recycle, and Usage — in product development and manufacturing.	**2024** ✓ Confirm achievement of Sercomm's 2024 green product design targets.	**2025** I Confirm achievement of Sercomm's 2025 green product design targets.	**2026 ~** I Confirm achievement of Sercomm's 2026 green product design targets and ensure that these targets can be maintained in subsequent years.
Customer Relationship Management	Conduct One Customer Satisfaction Survey Annually	Continue to build long-term partnerships based on the principles of professional R&D, flexible production, and integrated communication.	**2024** △ Continuously enhance customer satisfaction.	**2027 ~** I Achieve an average customer satisfaction score of 90 or above.	

Note: 2024 Performance Status — ✓ Achieved | △ Ongoing Progress

6 Green Innovation

6.1 Green Products

Product Design Philosophy

In response to the trend toward sustainable consumption and to enhance the green competitiveness of its products, Sercomm has long been committed to implementing environmentally friendly design to achieve optimal ecological benefits. From the product R&D stage, the Company adheres to the European Union WEEE (Waste Electronic and Electrical Equipment) directive's 3R principles — Reduce, Reuse, and Recycle — to extend product life while achieving ease of disassembly and recyclability.

Strategically, Sercomm promotes Green Design, Green Manufacturing, and Green Procurement to fully comply with international environmental protection regulations, including EU WEEE, RoHS, and REACH standards. Through improving power conversion efficiency, reducing material usage, and optimizing packaging design, Sercomm effectively reduces the environmental impact across the entire product life cycle. At the same time, the Company actively collaborates with the supply chain to incorporate recycled and environmentally friendly materials, putting the principles of the circular economy into practice. Sercomm believes that products are not only a representation of corporate innovation but also a vital medium for fulfilling sustainability responsibilities, leading the industry toward a low-carbon future through green innovation.

Green Design

Integrate green design concepts from the product R&D stage. Reduce environmental impact across the product life cycle through improved power efficiency, material reduction, and the use of recycled resources.

Green Manufacturing

Continuously optimize process energy efficiency and resource utilization. Introduce lead-free processes and enhance electricity management in plants to build a green manufacturing environment that balances quality and environmental protection.

Green Procurement

Integrate supplier management systems to ensure parts comply with environmental standards such as RoHS and REACH. Prioritize the procurement of raw materials containing recycled content or with environmental certifications, promoting a sustainable supply chain.

6.1.1 Green Design Pathway and Product Life Cycle Assessment

Sercomm is committed to manufacturing more environmentally friendly electronic equipment, avoiding environmental pollution, and reducing resource consumption. We follow the ISO 14040 and ISO 14044 Life Cycle Assessment (LCA) methodologies to identify significant environmental aspects and quantify environmental impacts, implementing measures in product design, energy consumption calculation, material selection, packaging reduction, and process optimization to lower environmental burdens.

In fact, in 2009 Sercomm participated in the Ministry of Economic Affairs Industrial Development Bureau's International Industry Sustainable Development and Compliance with International Environmental Standards Guidance Program and collaborated with the Taiwan Industry Service Foundation to carry out a Type III Environmental Product Declaration (EPD) for router products. This involved calculating and disclosing environmental impacts throughout the product life cycle — from R&D design, component procurement, production, manufacturing, and transportation, to sales and consumer use — covering:

- Global Warming
- Ozone Layer Depletion
- Photochemical oxidation
- Acidification
- Eutrophication
- Non Renewable, fossil

In 2011, Sercomm also established Product Category Rules (PCR) for femtocell products for use in their related Type III Environmental Product Declarations.

To complete evaluations more efficiently and accurately, Sercomm established an inventory task force in 2023 to enhance departmental responsibilities and plans to introduce a digital GHG inventory management system in 2024. This system will not only help accurately collect GHG emissions statistics in accordance with the six categories of ISO 14064-1 but also leverage a comprehensive LCA database to strengthen the Company's capability to calculate product carbon footprints in accordance with ISO 14067 methodologies.

6 Green Innovation

6.1.2 Green Design Management and Implementation Framework

To integrate green design concepts from the earliest stage of the product life cycle — the R&D phase — the R&D organization must be able to meet and implement relevant design requirements and standards. Sercomm has established a concrete green design management framework. The management organizational structure is as follows:

Department	Chief Technology Officer (CTO)					
	Hardware R&D	Software/ Firmware R&D	Mechanical & Packaging R&D	Component Engineering	Strategic Procurement	Product Assurance
Responsibilities	▪ Improve power conversion efficiency ▪ Evaluate printed circuit board (PCB) size ▪ Select components that comply with green design requirements	Set product idle mode	▪ Evaluate the rationality of product casing and PCB size ▪ Select plastic materials compliant with green design ▪ Select packaging materials compliant with green design ▪ Reduce packaging weight	Ensure that all components in the component database comply with relevant international regulations	Ensure that components supplied by vendors meet green design requirements	Verify and audit the results from all the above departments

6.1.3 Green Design Principles

SASB: TC-HW-440a.1

Sercomm primarily follows a subtractive design approach, aiming from the design stage to reduce energy consumption and material usage in order to minimize the burden on the ecological environment. Our main design principles are based on the 3R concept — Reduce, Reuse, Recycle — along with reducing resource and energy consumption during the usage phase. Corresponding targets are set for each principle.

Green Design Principles and Targets

Principle			2026 Target	2024 Achievement Status

3R	Reduce	▪ Reduce power consumption (improve power conversion efficiency):
		  − Hardware level
		  − Software/firmware level
			By 2026, for relevant router products:
			▪ Power conversion efficiency ≥ 80% for all products.
			▪ ≥ 85% power conversion efficiency for 80% of products, of which 30% achieve ≥ 90%.
				▪ All products have achieved ≥ 80% power conversion efficiency. More than 80% of products have achieved ≥ 85% efficiency.

		▪ Reduce material volume:
		  − Reduce PCB board area
		  − Reduce packaging volume and weight
			By 2026, for relevant router products:
			▪ Average PCB board area of top 10 shipped products reduced by 3%.
			▪ Average packaging material weight of top 10 shipped products reduced by 3%.
				▪ PCB board area: reduced by 0.84%
				▪ Packaging material weight: reduced by 0.83%.

	Reuse	▪ Use of recycled and environmentally friendly materials:	By 2026, for relevant router products (where not conflicting with customer specifications): ▪ ≥ 70% (by weight) of plastic parts made from recycled materials; 15 products incorporate Post-Consumer Recycled (PCR) plastics. ▪ ≥ 70% (by weight) of paper parts made from recycled or environmentally friendly materials.	▪ 15 products incorporate PCR plastics.
	Recycle	▪ Compliance with the Waste Electrical and Electronic Equipment (WEEE) Directive	▪ 100% of products comply with WEEE requirements.	▪ See "WEEE-3R Disassembly Test Results".
Usage		▪ Compliance with hazardous substance regulations (REACH, RoHS)	▪ 100% of products comply with relevant hazardous substance control standards.	▪ All products meet hazardous substance control standards.
		▪ Energy-saving settings for hardware and software	▪ Incorporate hardware/software sleep mode design and comply with voluntary energy-saving requirements in each region.	▪ All products meet voluntary energy-saving requirements in each region.

6 Green Innovation

Reduce – Product Energy Saving

In the Reduce aspect, Sercomm focuses on product energy conversion efficiency during the R&D stage, using environmental impact reduction and eco-design as guiding indicators. With the expertise of development teams specializing in power consumption, Sercomm has developed innovative sleep modes in the past that effectively lower energy usage. As of 2024, all Sercomm products have achieved a power conversion efficiency of 80% or higher, and over 80% of products have achieved 85% or higher.

For example, for one router model, by using high-efficiency switching regulators, reducing the DC resistance loss of inductive components, improving thermal design, and adopting synchronous rectification technology, Sercomm significantly reduced energy losses and improved overall power conversion efficiency. In a typical usage scenario of 8 hours per day, a single product consumes 57.53 kWh per year. A 1% increase in power conversion efficiency would save 702,487.59 kWh annually per one million routers shipped, equivalent to avoiding 332,979.32 $kgCO_2e$ emissions.

In addition, efforts are underway to reduce product size and volume. For key products such as routers and Wi-Fi access points, PCB sizes are optimized to match the actual dimensions of the product. By reducing material usage, the product's environmental footprint is further minimized.

Note: reduction calculated using the Bureau of Energy, Ministry of Economic Affairs' 2024 published emission factor for purchased electricity: 0.474 $kgCO_2e$/kWh.

Reuse – Environmentally Friendly Materials

Adhering to a subtractive design mindset and market expectations, Sercomm incorporates environmentally friendly recycled materials in both plastic components and paper components.

For plastic components, the Company primarily applies post-consumer recycled (PCR) plastics to product enclosures, such as those for home routers and Wi-Fi access points. In 2024, 15 products incorporated PCR plastics.

For paper components, most packaging materials used for product shipments are made from recycled paper or environmentally friendly raw materials, covering corrugated cartons, inserts, manuals, and outer color boxes. In alignment with customer preferences, Sercomm prioritizes paper suppliers certified by the Forest Stewardship Council (FSC) to promote sustainable forestry and reforestation. Going forward, Sercomm will continue collaborating with material suppliers to use recyclable, reusable packaging or reduce resource consumption through simplified packaging processes.

6 Green Innovation

Recycle – Product Recovery and Reuse

Beyond complying with environmental restricted substance requirements and power-saving design standards, Sercomm incorporates easy disassembly and recyclability into green product design. This allows end-users to easily handle products at the end of their life.

The Company follows the EU Waste Electrical and Electronic Equipment (WEEE) directive's "3R" principles — Reduce, Recycle, and Reuse — and labels its products with the WEEE symbol to prevent improper disposal. As of 2024, a total of 86 products have undergone third-party WEEE-3R disassembly testing, with 9 products tested in 2024 alone. The average Reuse and Recycled Rate for these 9 products exceeded 83.40%, while the Recovery Rate exceeded 90.20%.

In addition, Sercomm has signed agreements with local recyclers in markets where its products are sold to support consumer product recycling. In 2024, the Company completed registration for product waste collection and processing in seven countries: Germany, France, Italy, Spain, Poland, the United Kingdom, and Greece.

WEEE-3R Disassembly Test Results (2024)

Number of Products Evaluated	9
Reuse and Recycled Rate	>83.40%
Recovery Rate	>90.20%

Usage – Restricted Substances in Products

To comply with international environmental regulations and customer requirements, Sercomm has established the Sercomm Banned and Restricted Substances List, referencing substances listed in the EU RoHS and REACH directives, as well as customer halogen-free requirements and other relevant international laws, clearly listing prohibited and restricted substances.

From a management perspective, Sercomm implements source control measures starting at supplier selection, requiring suppliers to sign the Product Quality Assurance Agreement. When delivering materials, suppliers must use the Green Product Management (GPM) platform to disclose the composition and content of substances in materials. If necessary, suppliers must also provide third-party laboratory testing reports. Internally, Sercomm uses the Production Part Approval Process (PPAP) with detailed checklists and requirements to approve critical components, ensuring that products and parts delivered to Sercomm — including product accessories, packaging, and other materials — comply with international regulations.

The Company also incorporates substance control into its incoming inspection process, using X-ray Fluorescence (XRF) testing instruments to verify that raw materials do not contain restricted substances. If non-compliance is found, suppliers must immediately implement corrective and preventive measures to avoid recurrence. The same measures apply to auxiliary materials used in production processes.

Substance Control Mechanism

Design Concept	Responsible Material Selection	Component Approval
Integrate resource and energy reduction design thinking into Reduce, Reuse, Recycle, and Usage aspects.	Require supply chain partners to sign the Product Quality Assurance Agreement to control hazardous substances at the source.	Require suppliers to disclose material composition via the management platform and submit third-party test reports when needed.
Incoming Inspection	Process Control	Finished Product Control
Inspect materials with XRF instruments to ensure compliance.	Periodically inspect auxiliary materials used during production for restricted substances.	Verify finished product compliance with international directives and customer requirements.

6.1.4 Energy-Saving Design

To maximize energy saving and carbon reduction throughout the product life cycle, Sercomm has established two key design indicators for its green product design targets:

1. Power Conversion Efficiency – Set annual targets for power conversion efficiency to reduce power consumption during product use, thereby achieving energy-saving and carbon-reduction goals.

2. Energy-Saving Operating Modes – Implement hardware and software features that enable products to quickly enter standby mode during non-operational periods, minimizing power loss.

6 Green Innovation

6.2 Product Innovation and R&D

6.2.1 Product Innovation

Sercomm's core and most critical technology lies in the integration of software and hardware for network IP technologies, covering generations of wired and wireless networking technologies and communication protocols, including xDSL, Cable, fiber, and 4G/5G broadband interfaces. Sercomm's software and hardware engineers have extensive R&D experience in these areas, with heads of major R&D departments each possessing over 20 years of professional experience. The Company continues to invest in R&D personnel and equipment to maintain a high-quality R&D environment and capacity to meet the evolving demands of the market.

Sercomm is highly proficient in the architecture and integration of various networking technologies and can rapidly adjust designs to meet diverse customer specifications. As network communication technologies evolve rapidly, the Company closely tracks the latest developments, actively participates in relevant technical seminars, and invests R&D resources from both the hardware and software departments to master and incorporate emerging technologies.

Our R&D centers are primarily located in Taipei, Taiwan and Suzhou, China, with a global R&D engineering team of more than 1,000 engineers. Both software and hardware engineers possess rich domain-specific experience, and they stay up-to-date with networking technology developments through participation in industry technical seminars. To foster R&D innovation, Sercomm encourages engineers to apply for patent protection for new software and hardware innovations. Approved patents are rewarded with monetary incentives, helping the Company sustain its R&D capacity to meet market needs.

Division of Responsibilities in Product Innovation

Software Department	Develop new software architectures; coordinate with hardware development; create new development processes to enhance product performance; incorporate energy-saving requirements to reduce standby power consumption.
Hardware Department	Innovate hardware architectures beyond existing frameworks; collaborate with software teams to achieve optimal product performance.
Antenna Department	Develop antennas for various wireless spectra using innovative concepts to achieve high performance in compact, lightweight designs.
Mechanical Department	Innovate product form factors; multiple-time recipient of the German Red Dot Design Award; design packaging with a focus on practical, simplified, and eco-friendly solutions.
Product Assurance Department	Validate software and hardware performance; develop automated testing to reduce manpower requirements and improve testing efficiency.

6.2.1 Intellectual Property Rights Management

Sercomm is committed to innovation and R&D, regarding intellectual property (IP) as an important corporate asset. To ensure that IP generated during the R&D process enhances the Company's competitive advantage, Sercomm implements classification and control of internal patent proposals and trade secrets, with clear regulations and processes in place. The Company regularly reviews and evaluates the effectiveness of its internal IP management system, continuously optimizing its IP management practices.

The Company's Legal Department has dedicated IP management personnel who provide each department with patent search, proposal, and IP dispute consultation services. At least once a year, IP-related matters are reported to the Board of Directors.

Sercomm has established the Patent Incentive Measures, actively applying for patents with relevant authorities worldwide. Monetary incentives are provided for invention, utility model, and design patent proposals to encourage participation in Sercomm's product innovation from R&D, manufacturing, and product planning personnel. In doing so, the Company accumulates patents, copyrights, trade secrets, and technical know-how, while enhancing its technological capabilities.

In terms of training, R&D staff receive patent education and trade secret protection training. New employees are also briefed on patent systems and infringement prevention as part of their onboarding orientation.

R&D Investment over the Past Four Years

Unit: NT$ thousands

Item	2021	2022	2023	2024
R&D Expenses	2,303,713	2,815,066	3,127,890	3,323,109
R&D Expenses as % of Revenue	5.25%	4.36%	5.00%	5.85%
Revenue	43,899,508	64,573,720	62,584,493	56,788,762

Total Patent Applications >335

Total Granted Patents >246

Total Registered Trademarks >42

Note: Cumulative IP Achievements as of December 2024

6 Green Innovation

6.3 Customer Relationship Management

Sercomm regards "Customer First" as the core spirit of its corporate mission, Committed Partnership. Our three core values — Execution, Innovation, and Service — are key enablers for fulfilling this mission. Guided by these values, we establish strong and long-term partnerships with customers through three dimensions: Professional R&D, Flexible Manufacturing, and Integrated Communication.

COMMITTED PARTNERSHIP

Execution

Professional R&D
Customized Solutions

Sercomm excels at adding differentiated features to hardware products through software technology. From the early stages of product design, we collaborate with customers to co-develop high-value customized solutions.

Innovative

Flexible Manufacturing
Timely and Reliable Service

Sercomm strategically deploys global manufacturing sites, enabling flexible allocation of resources in production, warehousing, shipping, and logistics. This ensures timely and reliable service, laying the foundation for long-term cooperation.

Service

Integrated Communication
Market Experience Sharing

Leveraging our global presence, Sercomm closely monitors global market trends and channels integrated internal information to customers through localized teams without time delays. This positions the Company not only as a product supplier but also as a market knowledge partner to support customers' operational strategies and strengthen partnerships.

Telecom operators are among Sercomm's most important customers. However, they face growing labor shortages and rising labor costs. Additionally, end-users often lack an effective understanding of the causes of service outages, resulting in repeated on-site visits by service personnel and higher operating costs.

By leveraging our hardware-software integration capabilities, in the past two years Sercomm has not only optimized hardware design but also introduced a new cloud-based Intelligent Diagnostic Platform to enhance telecom operators' remote troubleshooting and diagnostics capabilities. This solution uses big data analytics models to predict equipment failure risks, implement necessary software optimizations in real time, reduce downtime, improve user experience, and minimize unnecessary on-site dispatches — ultimately helping telecom operators lower operational costs.

6 Green Innovation

Sercomm has established the Customer Satisfaction Survey Procedure, conducting at least one survey annually to gather feedback on quality, delivery, price, service, and technology. We also reference results from customers' periodic or ad hoc on-site audits as a key basis for improving customer relationships.

In 2024, we conducted one survey, achieving an average customer satisfaction score of 84.51. No customer feedback was received regarding health or safety incidents caused by our products.

For customer complaint channels, refer to Section 4.1.5 –Diverse Communication.

Customer Satisfaction Survey Process

Identify Survey Targets	Distribute and Collect Questionnaires	Analyze Customer Feedback	Conduct Internal Review	Report to Management Review Meeting
Initial screening based on three criteria: ▪ Top 30 customers by product sales ▪ New customers with mass production implemented ▪ Customers with significant complaints in the past year	2024 results: ▪ 28 questionnaires distributed ▪ 17 valid questionnaires returned ▪ 60.7% response rate	2024 average satisfaction score: 84.51.	If satisfaction scores fall below standards, discuss internally based on customer feedback and determine improvement actions. In 2024, actions included: ▪ Introducing production checkpoints ▪ Process improvements ▪ Weekly anomaly tracking	The 2024 customer satisfaction survey results were presented to the Management Review Meeting, where management confirmed whether to further assign relevant departments to continue monitoring and control.

Customer Satisfaction Survey Results over the Past Four Years

Year / Dimension	Quality	Delivery	Price	Service	Technology	Overall Average
2021	92.12	86.67	85.45	96.73	99.39	92.07
2022	92.20	89.40	86.60	96.00	92.20	91.28
2023	86.00	93.00	76.00	91.00	84.00	86.00
2024	85.49	85.88	77.65	87.65	85.88	84.51

CH 7
APPENDICES

7 Appendices

Management System Certifications

Category	Management System	Taipei HQ	Manufacturing Center		
			Chunan	Suzhou	Philippines
Operational Management	ISO 9001:2015 Quality Management System	DNV	DNV	DNV	DNV
	TL 9000:2016 Telecommunications Quality Management System	DNV	DNV	DNV	
	ISO 45001:2018 Occupational Health and Safety Management System	BSI	DNV	DNV	DNV
	RBA VAP		RBA	RBA	RBA
Environmental Sustainability	ISO 14001:2015 Environmental Management System		DNV	DNV	DNV
	ISO 14064-1:2018 Greenhouse Gas Inventory	DNV	DNV	TÜV SÜD	TÜV SÜD
	ISO 14067:2018 Carbon Footprint Verification		DNV	DNV, SGS	
	Green Mark				TÜV Rheinland
	LEED Green Building Certification		USGBC		
	ISO 50001:2018 Energy Management System		DNV	TÜV SÜD	DNV
	FSC-STD-40-004 V3-1 Chain of Custody Certification				BV
Business Ethics	ISO 27001:2022 Information Security Management System	SGS	SGS	TÜV SÜD	TÜV SÜD
	C-TPAT Customs-Trade Partnership Against Terrorism		GSV		GSV

Share of Operational Management Certifications	40.00%
Share of Environmental Management Certifications	42.86%
Share of Business Ethics Certification	17.14%

7 Appendices

GRI Content Index

Statement of Use	Sercomm has reported the information for the period of January 1 to December 31, 2024, in accordance with the GRI Standards and the disclosures listed in the GRI Content Index. All indicators listed below have been externally assured, with the verification results detailed in the independent assurance statement.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	As of the reporting period, there is no applicable GRI Sector Standard for the company's industry.

GRI 2 : General Disclosures 2021

GRI Standards	Disclosure Items	Chapter	Page Number	Note / Omission
2-1	Organizational details	About This Report 1.1.1 About Sercomm	4 10	
2-2	Entities included in the organization's sustainability reporting	About This Report 1.1.1 About Sercomm	4 10	
2-3	Reporting period, frequency and contact point	About This Report	4	
2-4	Restatements of information	About This Report 3.5 Waste Management	4 56	Correction to 2023 non-hazardous waste statistics.
2-5	External assurance	About This Report	4	
2-6	Activities, value chain and other business relationships	1.1.3 Value Chain of the Communications and Internet Industry 2.6 Sustainable Supply Chain Management	14 32	
2-7	Employees	4.1.1 Workforce Structure	62	
2-8	Workers who are not employees	4.1.1 Workforce Structure	62	
2-9	Governance structure and composition	5.1 Governance Structure	102	
2-10	Nomination and selection of the highest governance body	5.1 Governance Structure	102	

7 Appendices

GRI Standards	Disclosure Items	Chapter	Page Number	Note / Omission
2-11	Chair of the highest governance body	5.1 Governance Structure	102	
2-12	Role of the highest governance body in overseeing the management of impacts	2.1 Sustainability Management Framework 5.1.1 Composition of the Board of Directors 5.3 Risk Management	19 103 112	
2-13	Delegation of responsibility for managing impacts	2.1 Sustainability Management Framework	19	
2-14	Role of the highest governance body in sustainability reporting	2.1 Sustainability Management Framework	19	
2-15	Conflicts of interest	5.1.1 Composition of the Board of Directors 5.2 Business Ethics	103 109	
2-16	Communication of critical concerns	5.1.1 Composition of the Board of Directors	103	
2-17	Collective knowledge of the highest governance body	5.1.3 Board Effectiveness	108	
2-18	Evaluation of the performance of the highest governance body	5.1.3 Board Effectiveness	108	
2-19	Remuneration policies	4.1.3 Employee Care 5.1.2 Functional Committees	69 106	
2-20	Process to determine remuneration	5.1.2 Functional Committees	106	
2-21	Annual total compensation ratio	4.1.3 Employee Care	69	The annual total compensation ratio is calculated in accordance with the Company's remuneration policy and includes base salary and variable bonuses (Taiwan only): 1. Annual total compensation ratio: 28.4 2. Change in annual total compensation ratio: 2.83

7 Appendices

GRI Standards	Disclosure Items	Chapter	Page Number	Note / Omission
2-22	Statement on sustainable development strategy	Message from Management	6	
2-23	Policy commitments	CH1–Value Creation CH2–Sustainable Operations CH3–Environmental Sustainability CH4–Social Inclusion CH5–Corporate Governance CH6–Green Innovation	8 17 41 58 99 119	
2-24	Embedding policy commitments	2.1 Sustainability Management Framework	19	
2-25	Processes to remediate negative impacts	4.1.5 Diverse Communication Management Approaches by Chapter	83	
2-26	Mechanisms for seeking advice and raising concerns	4.1.5 Diverse Communication	83	
2-27	Compliance with laws and regulations	5.2.6 Major Violations	111	
2-28	Membership associations	2.5 Participation in Public Associations	32	
2-29	Approach to stakeholder engagement	2.4 Stakeholder Engagement	30	
2-30	Collective bargaining agreements	--		Only the Suzhou site has established a labor union in accordance with local regulations and conducts collective bargaining covering compensation, working hours and leave, occupational health and safety, maternity protection for workers, and insurance benefits. Employees in this region account for 30.45% of total employees, while employees in other regions have not raised demands for collective bargaining.

7 Appendices

GRI 3：Material Topics 2021

GRI Standards		Disclosure Items	Chapter	Page Number	Note / Omission
Material Topic					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2.3 Material Topic Analysis	23	
	3-2	List of material topics	2.3 Material Topic Analysis	23	
Material Topic : Climate Change Mitigation and Adaptation					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.2.2 Climate Risk and Opportunity Response	48	
Material Topic : Greenhouse Gas and Energy Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Energy 2016	302-1	Energy consumption within the organization	3.3.2 Energy Management	52	
	302-3	Energy intensity	3.3.2 Energy Management	52	
Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.3.1 Greenhouse Gas Management	50	
	305-2	Energy indirect (Scope 2) GHG emissions	3.3.1 Greenhouse Gas Management	50	
	305-3	Other indirect (Scope 3) GHG emissions	3.3.1 Greenhouse Gas Management	50	
	305-4	GHG emissions intensity	3.3.1 Greenhouse Gas Management	50	
Material Topic : Human Resource Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	Retirement System and Implementation	74	
Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.1.3 Employee Care	69	
	202-2	Proportion of senior management hired from the local community	4.1.3 Employee Care	69	
Employment 2016	401-1	New employee hires and employee turnover	4.1.3 Employee Care	69	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.3 Employee Care	69	
Material Topic : Employee Training and Development					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Training and Education 2016	404-1	Average hours of training per year per employee	4.1.4 Talent Development	77	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.1.4 Talent Development	77	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.1.4 Talent Development	77	
Material Topic : Human Rights Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	

7 Appendices

GRI Standards		Disclosure Items	Chapter	Page Number	Note / Omission
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.2 Human Rights Management	85	
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	2.6 Sustainable Supply Chain Management 4.2 Human Rights Management	32 85	
Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.6 Sustainable Supply Chain Management 4.2 Human Rights Management	32 85	
Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2 Human Rights Management	85	
Material Topic : Diversity, Equity, and Inclusion (DEI)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Employment 2016	401-3	Parental leave	4.1.3 Employee Care	69	
Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1.1 Workforce Structure 5.1 Governance Structure	62 102	
	405-2	Ratio of basic salary and remuneration of women to men	4.1.3 Employee Care	69	
Material Topic : Occupational Health and Safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.3 Occupational Health and Safety Management	88	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3.2 Hazard Identification and Risk Assessment 4.3.3 Incident Investigation	89 90	
	403-3	Occupational health services	4.3.5 Workplace Health Management and Promotion	92	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3.5 Workplace Health Management and Promotion	92	
	403-5	Worker training on occupational health and safety	4.3.4 Occupational Health and Safety Training	91	
	403-6	Promotion of worker health	4.3.5 Workplace Health Management and Promotion	92	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3.5 Workplace Health Management and Promotion	92	
	403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Health and Safety Management	88	
	403-9	Work-related injuries	4.3.6 Occupational Health and Safety Statistics	93	
	403-10	Work-related ill health	4.3.6 Occupational Health and Safety Statistics	93	
Material Topic : Economic Performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Economic Performance 2016	201-1	Direct economic value generated and distributed	1.2 Business Performance	15	
	201-4	Financial assistance received from government	1.2 Business Performance	15	

7 Appendices

GRI Standards		Disclosure Items	Chapter	Page Number	Note / Omission
Material Topic : Business Ethics					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	5.2 Business Ethics	109	
	205-2	Communication and training about anti-corruption policies and procedures	4.1.4 Talent Development 5.2 Business Ethics	77 109	
	205-3	Confirmed incidents of corruption and actions taken	5.2 Business Ethics	109	No such occurrence during the reporting year.
Material Topic : Sustainable Supply Chain Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.6.1 Sustainable Supply Chain Strategy	32	
Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.6.2 Supply Chain Management System and Framework	34	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.6.2 Supply Chain Management System and Framework	34	
Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.6.2 Supply Chain Management System and Framework	34	
	414-2	Negative social impacts in the supply chain and actions taken	2.6.2 Supply Chain Management System and Framework	34	
Material Topic : Privacy Management					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	5.4 Information Security Management	114	
Material Topic : Information Security(Custom Topics of Sercomm)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Material Topic : Risk Management(Custom Topics of Sercomm)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Material Topic : Customer Relationship Management(Custom Topics of Sercomm)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Material Topic : Product Innovation and R&D(Custom Topics of Sercomm)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	
Material Topic: Green Products(Custom Topics of Sercomm)					
GRI 3: Material Topics 2021	3-3	Management of material topics	2.3 Material Topic Analysis	23	

7 Appendices

⬚ GRI 200 : Economic Series

GRI Standards		Disclosure Items	Chapter	Page Number	Note / Omission
Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	5.2.6 Major Violations	111	

⬚ GRI 300 : Environmental Series

GRI Standards		Disclosure Items	Chapter	Page Number	Note / Omission
Water and Effluents 2018	303-1	Interactions with water as a shared resource	3.4 Water Resource Management	55	
	303-2	Management of water discharge-related impacts	3.4 Water Resource Management	55	
	303-3	Water withdrawal	3.4 Water Resource Management	55	
	303-4	Water discharge	3.4 Water Resource Management	55	
	303-5	Water consumption	3.4 Water Resource Management	55	
Waste 2020	306-1	Waste generation and significant waste-related impacts	3.5 Waste Management	56	
	306-2	Management of significant waste-related impacts	3.5 Waste Management	56	
	306-3	Waste generated	3.5 Waste Management	56	
	306-4	Waste diverted from disposal	3.5 Waste Management	56	
	306-5	Waste directed to disposal	3.5 Waste Management	56	

7 Appendices

SASB Index (Hardware)

Topic	Code	Metric	Category	Response	Chapter	Page Number	Note
Product Security	TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	Discussion and Analysis	Refer to the content of the relevant section.	5.4 Information Security Management	114	
Employee Diversity & Inclusion	TC-HW-330a.1	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) technical employees and (d) all other employees	Quantitative	Refer to the content of the relevant section.	4.1.1 Workforce Structure	62	
Product Lifecycle Management	TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Not applicable.	--	--	Currently, all customers adopt RoHS, REACH, and halogen-free requirements as the management standards for restricted and prohibited substances. 100% of Sercomm products comply with the above restricted and prohibited substance requirements. For detailed control measures on prohibited and restricted substances, please refer to Section 6.1 Green Products. In the future, Sercomm will strengthen the management of substances declared under IEC 42474.
	TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	Quantitative	Not applicable.	--	--	Sercomm's business model is primarily an ODM (Original Design Manufacturer) in a B2B framework. If products fall under the scope of this standard, verification and related processes will be completed according to downstream customer requirements. Currently, there are no cases applicable to this indicator.
	TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Quantitative	76.78%	--	--	Products sold to the Americas and Europe comply with local energy certification standards.
	TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	Quantitative	Not applicable.	--	--	As Sercomm operates mainly as an ODM in a B2B business model, products are ultimately sold and handled by brand customers. Therefore, Sercomm does not directly manage the recycling or disposal process at the end of the product life cycle and only provides assistance upon customer request.

7 Appendices

Topic	Code	Metric	Category	Response	Chapter	Page Number	Note
Supply Chain Management	TC-HW-430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	Quantitative	Refer to the content of the relevant section.	2.6.2 Supply Chain Management System and Framework	34	
	TC-HW-430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority nonconformances and (b) other nonconformances	Quantitative	Refer to the content of the relevant section.	2.6.2 Supply Chain Management System and Framework	34	
Materials Sourcing	TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	Refer to the content of the relevant section.	2.6.4 Responsible Minerals Management 6.1.3 Green Design Principles	40 122	At the upstream level, we require that all products delivered by suppliers — whether raw materials for primary production materials or auxiliary materials — 100% comply with international regulations on restricted and prohibited substances. During our own operations, we conduct incoming material sampling and testing for restricted and prohibited substances to further ensure compliance with regulations and to reduce the risk of negative environmental impacts. Regarding responsible minerals, Sercomm has established the Responsible Minerals Management Policy, committing to not using conflict minerals. Each year, we conduct due diligence in accordance with international guidelines to ensure that relevant metals are not sourced from illegal areas.
Activity	TC-HW-000.A	Number of units produced by product category	Quantitative	Refer to the content of the relevant section.	1.1.2 Products and Markets	13	
	TC-HW-000.B	Area of manufacturing facilities	Quantitative	119,833.82 m^2	1.1.1 About Sercomm	10	The data does not cover the India manufacturing center.
	TC-HW-000.C	Percentage of production from owned facilities	Quantitative	100%	--	-	

7 Appendices

TWSE Sustainability Disclosure Indicators — Communications and Internet Industry

NO. / GRI, SASB Code	Indicator	Indicator Type	Annual Disclosure		Remarks		
			Summary of Content	Unit	Chapter	Page Number	External Assurance
1 GRI 302	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Quantitative	(1) 157,354.47 (2) 93.23% (3) 11.30%	Gigajoules (GJ), Percentage (%)	3.3.2 Energy Management	52	✓✓
2 GRI 303	Total water withdrawn, total water consumption	Quantitative	(1) 183.63 (2) 18.46	Thousand cubic meters (1,000 m³)	3.4 Water Resource Management	55	✓✓
3 GRI 306	Total hazardous waste generated and percentage recycled	Quantitative	(1) 144.79 (2) 83.78%	Metric tons (t), Percentage (%)	3.5 Waste Management	56	✓✓
4 GRI 403-9	Types of, number of employees in and rate of occupational accidents	Quantitative	Refer to the content of the relevant section	Quantity, Percentage (%)	4.3.6 Occupational Health and Safety Statistics	93	✓✓
5 SASB TC-HW-410a.4	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	Not applicable.	Metric tons (t), Percentage (%)	SASB Index (Hardware)	137	✓✓
6 SASB TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	Qualitative description	Refer to the content of the relevant section	Not Applicable.	2.6.4 Responsible Minerals Management 6.1.3 Green Design Principles	40 122	✓✓
7 GRI 206-1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	0	NT$ thousands	5.2.6 Major Violations	111	✓✓
8 SASB TC-HW-000.A	Production by product category	Quantitative	Refer to the content of the relevant section	Unit (pcs)	1.1.2 Products and Markets	13	✓✓

7 Appendices

Climate-Related Information of TWSE/TPEx Listed Company (TCFD Index)

Item	Corresponding Sections (Implementation Status)
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Refer to Section 3.2 Climate Change Adaptation.
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	
3.Describe the financial impact of extreme weather events and transformative actions.	
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Refer to Section 3.2 Climate Change Adaptation and Climate Risk Management and Section 5.3 Risk Management.
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Refer to Section 3.2 Climate Change Adaptation.
6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	Refer to Section 3.2 Climate Change Adaptation.
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Refer to Section 3.2 Climate Change Adaptation.
8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	Refer to Section 3.2 Climate Change Adaptation.
9.Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Refer to Sections 1-1 and 1-2.

7 Appendices

1.1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1.1.1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Since 2014, Sercomm has adopted the ISO 14064-1 standard and the Greenhouse Gas Protocol for its GHG inventory, setting organizational boundaries based on the operational control approach to calculate GHG emissions.

The scope of GHG emissions statistics covers operations in Taiwan, Mainland China, and the Philippines. Beginning in 2023, emissions from the Taipei headquarters have also been included.

Unit: metric tons CO_2e

Item	2023	2024
Scope 1 (Direct emissions)	660.88	632.24
Scope 2 (Indirect emissions) – Location-based	26,359.59	22,954.26
Scope 2 (Indirect emissions) – Market-based	26,359.59	20,884.61
Scope 1 + 2 – Location-based	27,020.47	23,586.50
Scope 1 + 2 – Market-based	27,020.47	21,516.85
Scope 3	6,834,583.08	3,967,987.09
Revenue (NT$ million)	62,584	56,789
Emission Intensity – Market-based	0.43	0.38

Note:
1. Global Warming Potential (GWP) values are based on the IPCC Sixth Assessment Report (AR6).
2. Emission Intensity = Scope 1 + 2 Emissions (tCO₂e) / Total Revenue (NT$ million)

1.1.2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

1. Since 2022, the Company has implemented ISO 14064-1:2018 at all manufacturing centers.
2. For 2023 GHG emissions, the Taipei headquarters office and major manufacturing centers in Chunan, Suzhou, and the Philippines respectively obtained ISO 14064-1:2018 verification statements from SGS and TÜV SÜD.
3. For 2024 GHG emissions, the Taipei headquarters office and major manufacturing centers in Chunan, Suzhou, and the Philippines respectively obtained ISO 14064-1:2018 verification statements from DNV and TÜV SÜD.
4. For items 2 and 3 above: Scope 1 and Scope 2 GHG emissions for the Taipei headquarters office and Chunan manufacturing center were verified at a reasonable assurance level, while Scope 3 GHG emissions were verified at a limited assurance level; for the Suzhou manufacturing center, all scopes were verified at a reasonable assurance level; for the Philippines manufacturing center, all scopes were verified at a limited assurance level.
5. The Company's 2023 and 2024 Sustainability Reports have passed third-party assurance by TÜV NORD Taiwan.

7 Appendices

⬚ 1.2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Greenhouse Gas Emission Reduction Baseline Year and Target

In 2023, Sercomm signed the SBTi Commitment Letter and, in 2025, successfully obtained SBTi approval confirming that the Company's GHG reduction targets are aligned with the 1.5 °C decarbonization pathway.

Baseline Year: Reset to 2023

Reduction Target:

• Scope 1 & Scope 2: Reduce absolute GHG emissions by 42% by 2030

• Scope 3 (covering purchased goods and services and use of sold products): Reduce emissions by 25% over the same period

Greenhouse Gas Reduction Strategy and Specific Action Plans

Reduction Strategy	Action Plan
Implement GHG Inventory	Adopt ISO 14064-1:2018 GHG Inventory Standard
Strengthen Energy Management and Improve Energy Efficiency	• Implement ISO 14001:2015 Environmental Management System and ISO 50001:2018 Energy Management System • Obtain LEED Green Building Certification for facilities
Utilize Renewable Energy	Actively install renewable energy systems and procure renewable electricity
Promote Green Product R&D	Follow green design principles and targets to enhance product energy efficiency, use environmentally friendly materials, and promote product recycling and reuse, in compliance with the EU Waste Electrical and Electronic Equipment (WEEE) Directive's "3R" principles: Reduce, Recycle, and Reuse
Strengthen Sustainable Supply Chain Management and Promote Value Chain Decarbonization	• Conduct supplier carbon management status surveys • Organize ISO 14064-1 training to help supply chain partners develop GHG inventory capabilities

Progress in Achieving Reduction Targets

1. Philippines – Calamba Manufacturing Center: Progress toward 100% renewable energy usage, with 2,696,044.62 kWh of renewable electricity procured in 2024.

2. Suzhou Manufacturing Center: Gradually increased renewable electricity procurement, totaling 394,157.00 kWh in 2024.

3. Suzhou Manufacturing Center: Installed solar panels generating 1,850,940.40 kWh in 2024.

4. Scope 1 & Scope 2 GHG emissions: Reduced by 20.37% compared to 2023 (market-based method).

5. Scope 3 GHG emissions: Reduced by 41.94% compared to 2023.

7 Appendices

Independent Assurance Opinion Statement

(Aligned with GRI Standards, SASB Standards, TCFD Framework, and TWSE Sustainability Disclosure Indicators)

TÜVNORD

Assurance Statement

Sercomm Corporation Sustainability Report

TUV NORD Taiwan Co., Ltd. (hereinafter referred to as TUV NORD) was commissioned by Sercomm Corporation (hereinafter referred to as SERCOMM) to perform the 2024 Sustainability Report Verification (hereinafter referred to as Sustainability Report) in accordance with the AA1000 Assurance Standard Version 3 and the GRI Sustainability Reporting Standards (GRI Standards) and related assurance standards.

The Scope of Statement and Assurance Standards

1) The scope of assurance is consistent with the scope of disclosure in Sercomm 2024 Sustainability Report, which covers the period from 1 January 2024 to 31 December 2024.

2) The verification of compliance with the AA1000 Principles of Accountability for Sercomm bases on the AA1000 Assurance Standard, Third Edition, Application Type I that does not include verification of the reliability of the information/data disclosed in the report.

3) Sustainability Accounting Standards Board (SASB) Hardware industry sustainability accounting metrics.

4) Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry.

5) TCFD Climate Related Financial Disclosure Recommendation.

Intended Users

The intended users of this statement are the stakeholders of Sercomm.

Assurance Type and Level

In accordance with the requirements of the AA1000 Assurance Standard Version 3, Type 1, Moderate of Assurance Level.

Opinion Statement

Sercomm complies with the GRI sustainability reporting and AA1000 accountability principles of inclusivity, materiality, responsiveness and impact. The sustainability report presents the commitment of top management, the needs and expectations of stakeholders. To achieve sustainability performance indicators by stakeholders' engagement.

We assure that Sercomm complies with the SASB Hardware industry sustainability accounting standards to disclose relevant metrics

We assure that Sercomm complies with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of

Page 1 of 4

TÜVNORD

Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry.

We assure that Sercomm complies with TCFD's climate-related financial disclosure recommendations and discloses relevant metrics.

Methodology

The verification is in accordance with the above stated assurance standards and the TUV NORD Sustainability Report Verification Agreement.

Our verification includes the following activities:

* Collect objective evidence of relevant performance metrics, as mentioned in the report.

* Assurance of expectations of local or national regulations; international standards as set forth in public opinion and/or expert opinion are relevant to such general considerations.

* Document review records and report content assessment in the context of GRI criteria application requirements.

* Interviews with managers and related staff on issues of concern to the company's stakeholders.

* Interviews with personnel involved in sustainability management, information gathering and report preparation.

* Review significant organizational developments and review internal and external audit findings.

* Review AA1000 (2018) Principles of Accountability and other compliance requirements.

Conclusion

The results of the AA1000 accountability standard for inclusivity, materiality, responsiveness and impact in the report are set out below.

Inclusivity

Sercomm identifies 7 stakeholders and their concerns via the questionnaire method, and decides materiality through stakeholder discussions, sustainability committees and experts. There are 16 material topics determined among the 23 sustainability topics including economic, governance, social, human rights and climate impact.

Materiality

Sercomm complies with the GRI Guidelines, SASB Hardware industry sustainability Indicators disclosure related metrics, Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Sustainability Disclosure Indicators – Communications and Internet Industry, and TCFD Climate Related Financial Disclosure Proposed Indicators to fully disclose the company's material risks and opportunities, taking into account the extent of impact on the company and prioritize the materiality of the report.

Page 2 of 4

7 Appendices

Independent Assurance Opinion Statement

(Aligned with GRI Standards, SASB Standards, TCFD Framework, and TWSE Sustainability Disclosure Indicators)

TÜVNORD

Responsiveness

Sercomm Sustainability Report clearly describes the relationship between sustainability and organizational strategy and the performance metrics corresponding to the materiality and their achievement status, and adequately addresses the main issues of concern to stakeholders.

Impact

Sercomm Sustainability Report fully identifies materiality that reflect the significant economic, environmental, and social impacts on the organization. The company has established a robust process to monitor and measure the impact and establish short, medium, and long-term strategic planning through corporate governance.

GRI Sustainability Reporting Standards

Sercomm Sustainability Report complies with the GRI 1 to GRI 3 universal Standards and the GRI 200 Series, GRI 300 Series and GRI 400 Series topic standards, and meet the requirements for disclosure.

Limitations

The financial report of Sercomm was certified by PwC Taiwan, the accounting firm appointed by the company.
The data of carbon emission verification was verified by the third party, DNV and TUV SUD.

Independent Statements and Competence

TUV NORD Group is a leader in the supervision, testing and certification. It operates businesses and provides services in more than 150 countries around the world. The services include management systems and product certification; quality, environmental safety, social and moral audits and training; corporate sustainability report assurance.
TUV NORD and Sercomm are mutually independent organizations, and there is no conflict of interest with Sercomm or any of its affiliates or interested parties when performing the verification of the sustainability report. Regarding the sustainability report of Sercomm, TUV NORD bases on the Sercomm verification agreement, and does not assume any legal or other responsibilities. Sercomm is responsible for responding to any questions that intended users concerned.

Page 3 of 4

TÜVNORD

The verification team is composed of experienced chief reviewers such as ISO 9001, ISO 14001, ISO 14064-1,ISO 14067, ISO 45001, SA 8000, ISO 50001, ISO 27001 etc., and has received the CSAP verification practice qualification certification of AA1000 AS v3 accountability training. The verification team bases on extensive knowledge and experience in the industry to provide professional advice in this assignment.

Jack Yeh
General Manager
Date of Issuance: 2025.08.05
TUV NORD Taiwan Co., Ltd.
Room A1, 9F, No. 333, Sec. 2, Tun Hua S. Rd., Taipei 10669 Taiwan, R.O.C.

AA1000
Licensed Assurance Provider
000-75

Page 4 of 4

SERCOMM

2024

SERCOMM CORPORATION
SUSTAINABILITY REPORT