



L&K<sup>®</sup> L&K ENGINEERING CO., LTD.

20  
24 Sustainability Report



# 2024 Sustainability Report

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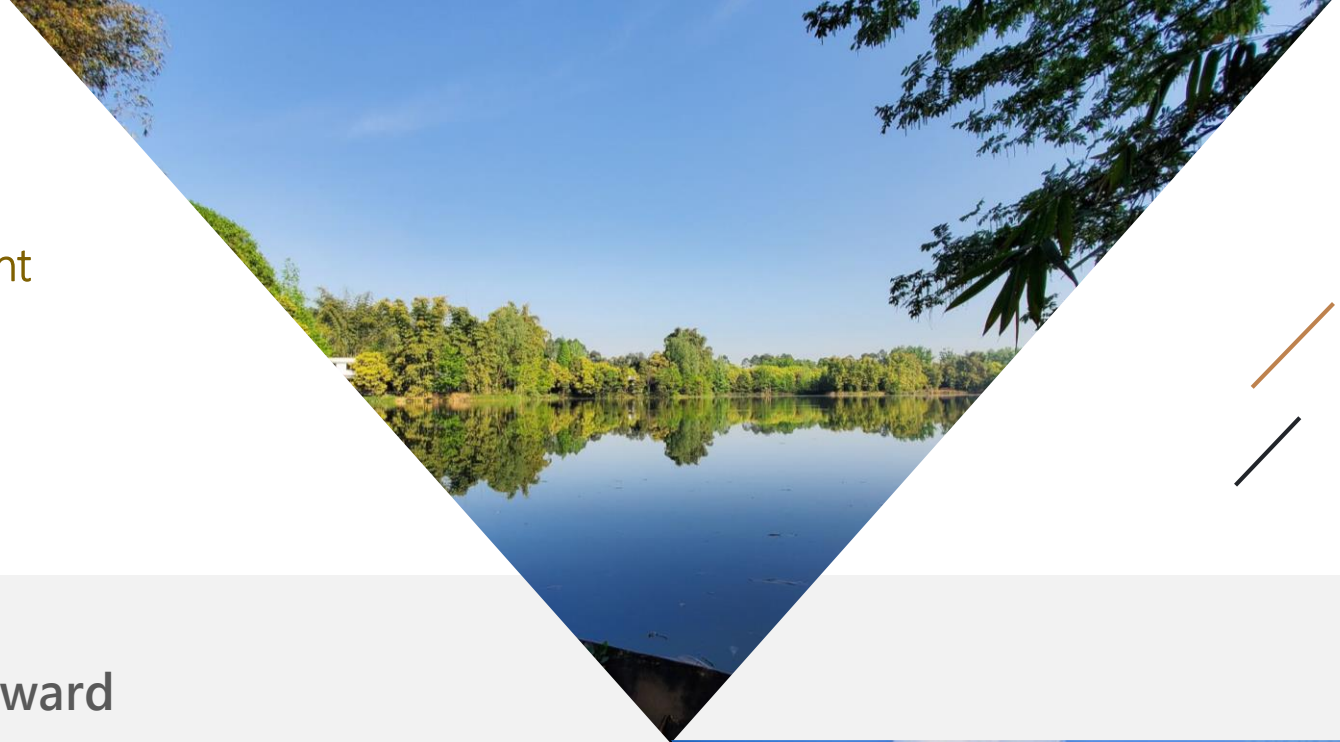
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## About This Report

Data Scope	Data Collection Boundary - Internal Organization	Data Collection Boundary - External Organization	Data Quality Management	GRI Level	Assurance Level	Contact Window
January 1, 2024 to December 31, 2024	L&K ENGINEERING CO., LTD. in Taiwan	<ul style="list-style-type: none"><li>■ Clients</li><li>■ Investors</li><li>■ Suppliers</li><li>■ Communities, Competent Authorities, Schools</li><li>■ Others, e.g., Lawyers, Media</li></ul>	<ul style="list-style-type: none"><li>■ Financial Data - L. H. CHEN &amp; CO., CPAs</li><li>■ Quality Management System - ISO 9001</li><li>■ Environmental Management System - ISO 14001</li><li>■ International Occupational Safety and Health Management System - ISO 45001</li><li>■ Taiwan Occupational Safety and Health Management System - CNS 45001</li></ul>	In accordance with GRI Standards 2021	AA1000 Type 1 Moderate Assurance	Hsu,Shu-Ming, Chief Sustainability Officer Sustainable Development Committee Telephone : (02)2691-9099 Ext.588 smsheu@lkeng.com.tw
Data Boundary	Internal Organization	This report covers data from L&K ENGINEERING CO., LTD. (hereinafter referred to as "L&K" or "L&K Group") from January 1 to December 31, 2024. It includes various actions and performance data related to business management, environmental protection, and social engagement. The scope of this report focuses on L&K ENGINEERING CO., LTD.'s operations in Taiwan as the main reporting entity. Only "Economic Performance" is defined based on the consolidated entity, which includes its subsidiaries RSEA ENGINEERING CORPORATION, L&K Engineering (Suzhou) Co., Ltd., and the L&K Group . The greenhouse gas inventory covers the offices in Xizhi, Hsinchu, and Tainan under operational control in Taiwan, as well as its subsidiaries RSEA ENGINEERING CORPORATION and L&K Engineering (Suzhou) Co., Ltd.. Construction sites are not included in the inventory scope as they are outside the operational control. The previous report was released in June 2024 (Chinese version) and July 2024 (English version) and is available for download in a dedicated section on our official website. This report is released in June 2025 (Chinese version) and July 2025 (English version). In the future, the report will be published annually, with the next edition scheduled for June 2026.				
	External Organization	The disclosure scope for external organizations includes investors, clients, suppliers, employees, communities/competent authorities/schools, and others such as lawyers and media.				
Review	Internal Review	The data in this report is collected and compiled by the Sustainable Development Committee. Concurrently, an external consulting team is commissioned to provide improvement suggestions. Once all data is complete, it is reviewed by the heads of each department and finally approved by the Chairman. The data in this report is established with standardized specifications, serving as a standard internal management process to ensure the credibility of data quality.				
	External Review	The financial data in this report is based on the audited financial annual report by L.H. CHEN & CO., CPAs, calculated in New Taiwan Dollars. The Quality Management System (ISO 9001), Environmental Management System (ISO 14001), International Occupational Safety and Health Management System (ISO 45001), and Taiwan Occupational Safety and Health Management System (CNS 45001) are verified by third-party SGS. Relevant sustainability information in this report has been assured by the third-party international certification body "AFNOR Asia Ltd." , based on GRI Standards, with AA1000 Type 1 moderate assurance.				

# 1 Sustainable Development

Chairman's Message  
About L&K  
Sustainability Blueprint  
Net Zero Initiatives  
Materiality and Stakeholder Engagement



## ■ Corporate Ethos

### Golden Quality Award

23rd Public Construction

## ■ Operational Structure

### Third in Revenue

Common Wealth Magazine Top 2000 Survey  
Engineering Contracting Industry 2023  
Revenue Rank: Third





## Chairman's Message 2-22



Chairman YAO, TSU-HSIANG

Despite weak overall domestic economic growth over the past year, the continuous evolution and innovation in information and communication technology and consumer electronic products have driven semiconductor and other major technology companies and their related supply chains to continuously expand their investments. In addition, the government's investment in public infrastructure has also continued to grow. Therefore, L&K Group's cleanroom electromechanical engineering business and civil construction engineering business, among other industries, have not been significantly affected by the weak overall economy.

To cope with changes in the overall economic climate, the company has, after thoroughly examining objective and subjective conditions, timely adjusted its business strategies. In addition to continuing to operate in familiar markets, the company has further delved into niche markets with long-term development potential, actively improving the management and services for various types of projects such as public infrastructure construction, optoelectronic manufacturing plants, semiconductor manufacturing plants, medical units, biochemical pharmaceuticals, commercial buildings, residential buildings, chemical plants, solar material manufacturing plants, solar power plants, and energy-saving improvements. This approach aims to deepen the integration of comprehensive engineering services across all fields and industries, including architecture and electromechanical engineering, and to strengthen the company's competitiveness with all-round professional integrated management capabilities and high-value-added engineering services. Due to the successful implementation of the aforementioned business strategies, the company achieved significant growth in performance and profitability in the past year, with consolidated operating revenue reaching 65,089,890,000 New Taiwan Dollars (NTD) for the full year, and earnings per share after tax reaching 18.73 NTD, setting a new high in recent years.

Profitability is not the ultimate goal of corporate operations; a harmonious and orderly society, where people live in peace and contentment, is paramount. Taking from society and giving back to society, using the profits from business operations to promote the sustainable development of the Earth's environment and the balance of all things, allows enterprises to continue operating and develop stably, like a natural cycle of continuous growth. L&K values ESG (Environmental, Social, and Governance) sustainable development, which aligns with the government's initiatives. Disclosures are made based on frameworks such as GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board), and TCFD (Task Force on Climate-related Financial Disclosures), progressively advancing with the United Nations-advocated SDGs (Sustainable Development Goals). There are commendable aspects, and of course, areas for improvement in progress. Through this report, we believe that many friends who care about L&K will gain a deeper understanding of the company and continue to support the management team, allowing the company to continue to progress and grow.

## About L&K

### Start from scratch~

L&K ENGINEERING CO., LTD. was founded in 1978, initially focusing on electromechanical and HVAC engineering. The company developed integrated cleanroom system projects for military laboratories, laying the foundation for early cleanroom technology in Taiwan. Following the pulse of Taiwan's industrial development, L&K has undertaken complete plant electromechanical and cleanroom projects for laboratories, biochemical pharmaceutical factories, optoelectronics, and semiconductor computer industries. By adapting to changing circumstances, adjusting management philosophies, and developing new technologies, L&K has distinguished itself in the traditional electromechanical engineering sector and now possesses the capability to compete with international peers.

#### Early Stage 1978

- During an eight-year foundational period, L&K focused on traditional HVAC and electromechanical engineering, establishing a base for cleanroom technologies.
- The company developed integrated cleanroom system projects for military laboratories, which laid the groundwork for early cleanroom adoption in Taiwan.
- L&K also expanded into the biochemical pharmaceutical engineering sector, undertaking complete plant electromechanical, process, and cleanroom projects for pharmaceutical factories, in alignment with the government's promotion of GMP (Good Manufacturing Practice) standards.

#### Transformation Period 1987

- L&K delved deeper into the cleanroom industry, specializing in complete plant electromechanical systems and related engineering.
- The company undertook integrated electromechanical, process, and cleanroom projects for a British GMP (Good Manufacturing Practice) pharmaceutical factory, gaining international engineering experience that encompassed design, procurement, construction, qualification, and acceptance.
- L&K acquired the agency rights for Austrian EUROCLIMA air handling units. This led to fundamental and practical training in planning, design, and supervision, with technical personnel dispatched abroad for skill development.
- The company then undertook complete plant electromechanical and cleanroom projects for a technology company in the Hsinchu Science Park, marking its transition from the biochemical pharmaceutical industry to the semiconductor and electronics engineering sector.
- L&K expanded from an engineering service company into manufacturing, officially changing its name to L&K ENGINEERING CO., LTD.

#### Growth and Research Period 1991

- This period marked an active engagement in professional cleanroom engineering, during which L&K developed the capability and strength to undertake large-scale cleanroom projects.
- L&K expanded into the STN-LCD (Super-Twisted Nematic Liquid Crystal Display) and TFT-LCD (Thin-Film Transistor Liquid Crystal Display) plant engineering sectors.
- The company also took on electromechanical and cleanroom projects for GMP (Good Manufacturing Practice) pharmaceutical factories, extending its reach into the pharmaceutical fermentation plant engineering field.
- L&K focused on research and development of cleanroom bulk materials and production, aiming to replace imported foreign products and enhance international competitiveness.
- During this time, the company began developing critical cleanroom products and successfully completed the development and production of its first-generation ceiling system.

#### Maturation Period 1995

- During this period, L&K dedicated itself to the planning, design, and construction of 8-inch and 12-inch IC (Integrated Circuit) wafer fabrication plants and TFT-LCD (Thin-Film Transistor Liquid Crystal Display) production factories. L&K became the first Taiwanese local company to undertake the complete plant construction for an 8-inch wafer fabrication facility, establishing its market position to contend with world-renowned engineering firms.
- L&K also achieved various quality management system certifications, including ISO 9001, ISO 14001, and OHSAS 18001.
- The company was honored with the 10th National Award of Outstanding Small and Medium Enterprise and the 4th Industrial Sustainable Excellence Award.
- In 2003, L&K's stock (6139) was listed on the Taiwan Stock Exchange.

#### Strategic Integration Period 2009 2021

- This period saw the establishment of RSEA ENGINEERING CORPORATION, a subsidiary that vertically integrated civil construction and electromechanical professional skills.
- L&K expanded into overseas markets by investing in subsidiaries and establishing branch offices.
- The company was awarded the ISO 9000 Quality Sustainability Award (for 17 years of compliance) and the ISO 14001 Environmental Sustainability Award (for 15 years of compliance).
- In 2016, L&K Engineering (Suzhou) Co., Ltd. was successfully listed on the Shanghai Stock Exchange A-share market through an IPO (Initial Public Offering).
- L&K undertook multiple public infrastructure projects and corporate investment cases.
- The company engaged in industry-academia collaborations with universities, providing internship opportunities and cultivating talent to ensure rapid adaptation to the workplace after graduation.
- L&K placed greater emphasis on corporate social responsibility, continuously maintaining its occupational health and safety management system and promoting health initiatives.
- Demonstrating outstanding economic performance, L&K was selected as one of the top engineering contractors in the service industry among large enterprises in Taiwan.

#### Sustainable Development Period – Present 2022

- During this period, L&K has seen stable growth in domestic business and has been actively expanding its overseas operations.
- The company was honored with the Happy Enterprise Award from a prominent Job Bank.
- L&K released its inaugural 2022 Sustainability Report, which successfully underwent third-party verification, and also launched its English version.
- The company received an "Excellent" rating in the Civil Engineering category, Level 1, at the 23rd Public Construction Golden Quality Award by the Public Construction Commission of the Executive Yuan.
- It also earned an "Excellent" rating in the 2023 Public Construction Superior Project Award from the Ministry of Transportation and Communications.
- L&K continues its industry-academia collaborations with schools, providing diverse programs such as scholarships that offer "employment upon enrollment" and corporate internship opportunities, aiming to cultivate talent.
- The Chairman was recognized in Harvard Business Review Global Traditional Chinese Edition as one of the "2024 Taiwan Business Leaders 100."

## L&K Group

L&K upholds a persistent business philosophy. In recent years, in addition to continuously advancing and actively expanding its core business in high-tech industrial plant construction equipment and commercial building electromechanical engineering, it has also leveraged opportunities in the listed capital market. By carefully selecting cross-industry alliances, L&K has pursued vertical and horizontal integration, moving towards a diversified market operation.



### Taiwan

L&K ENGINEERING CO., LTD.  
RSEA ENGINEERING CORPORATION

### Singapore

Singapore Branch

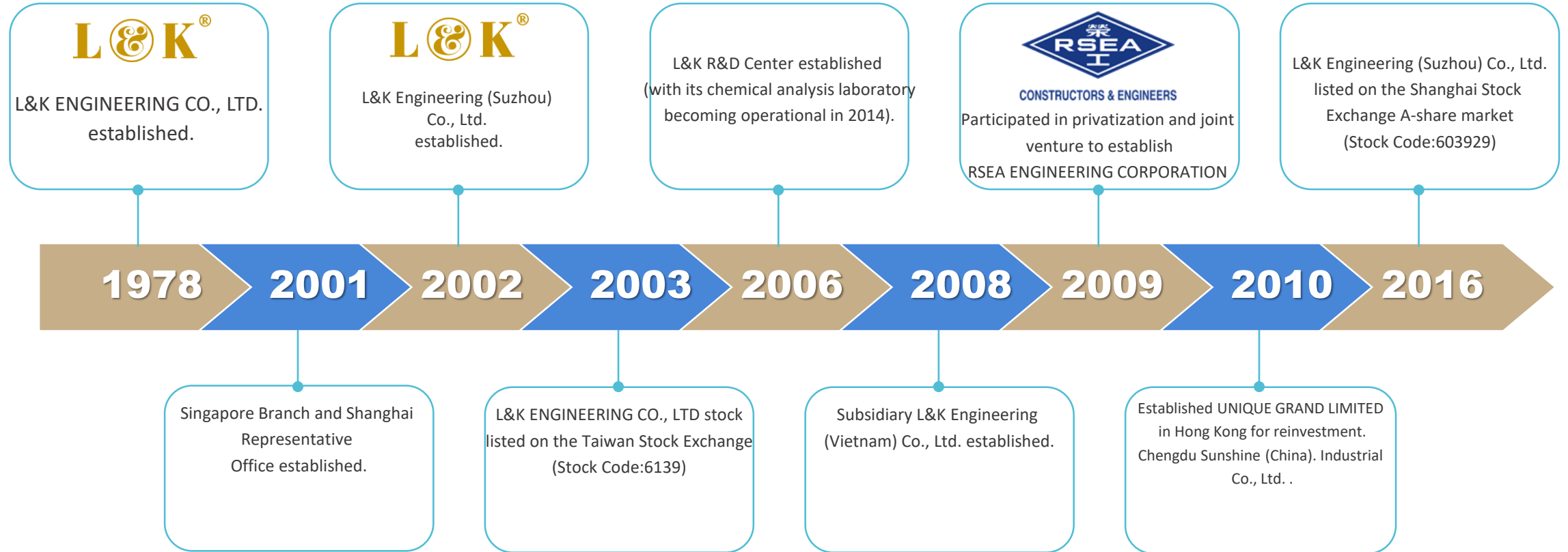
### China

L&K Engineering (Suzhou) Co., Ltd  
Suzhou Xiangxin Fire Engineering Co., Ltd.  
Suzhou Xiangsheng Trading Co., Ltd.  
Ronggong Construction Engineering (Chongqing) Co., Ltd.  
Xiangsheng Group  
Chengdu Xiangsheng Industrial Co., Ltd.  
Chengdu Xiangsheng Investment Co., Ltd.  
Shanghai Branch  
Xiamen Branch  
Shenzhen Branch  
Wuhan Branch  
Chongqing Branch  
Chengdu First Branch

### Vietnam

L&K Engineering (Vietnam) Co., Ltd.

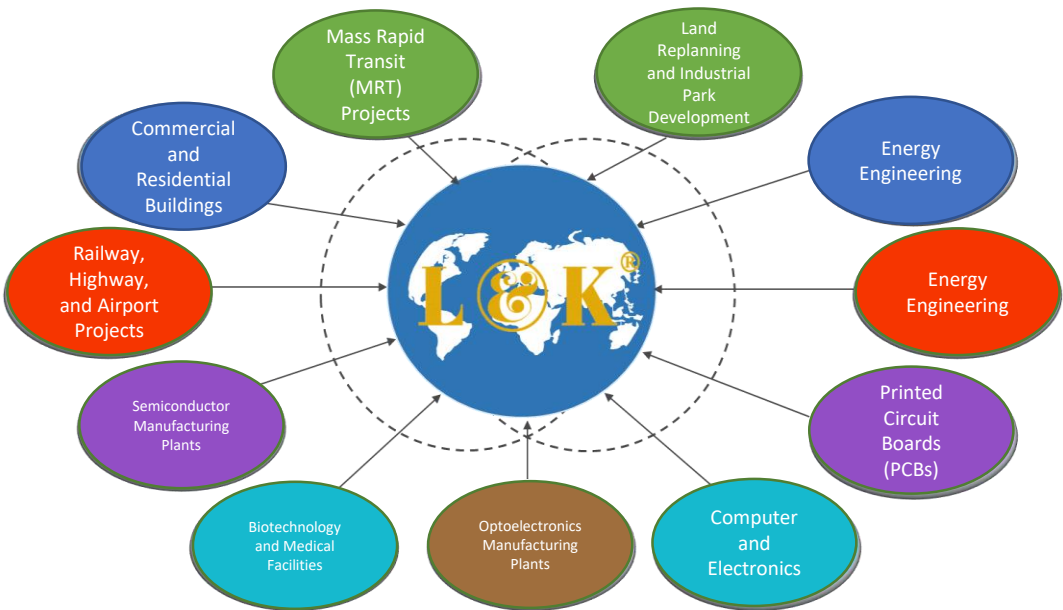
## Growth and Development of L&K Group



# Industry Scope and Turnkey Services

The engineering industry is a technical service sector and a foundational industry. L&K insists on forming a symbiotic relationship with various industries, providing comprehensive professional services, becoming a working partner to clients, and realizing mutually beneficial, boundless relationships. Competition is emphasized as the driving force for industrial progress; competition in the engineering sector is a war for survival "value." L&K people continuously create value, which is the company's commitment to endless growth.

L&K is one of the few engineering service companies among its domestic peers that possesses the complete and integrated engineering service capability, from planning, design, manufacturing, and installation to testing, verification, and maintenance. This comprehensive and consistent engineering service characteristic can fully meet clients' varying engineering needs. Furthermore, because every technical link is interconnected, mastering this entire set of engineering service procedures aids in predicting future engineering service trends and allows for rapid digestion of engineering experience, transforming it into operational technology that adapts to the market.



L&K has gradually expanded our range of service industries with over 46 years of engineering experience.

# Engineering Performance and Reputation

L&K has progressively expanded its service industry scope to include: public infrastructure construction, optoelectronic manufacturing plants, semiconductor manufacturing plants, medical units, biochemical pharmaceuticals, commercial buildings, residential buildings, chemical plants, solar material manufacturing plants, solar power plants, and energy-saving improvements. These are all sectors where L&K provides services.

Reputation" is a key element for a company's sustainable operation and for gaining client trust. L&K possesses 46 years of experience in undertaking and executing engineering projects. By consistently ensuring engineering quality, demonstrating high levels of cooperation, and maintaining a steadfast commitment to meeting client requirements, L&K has repeatedly earned the trust of clients in the domestic engineering market.

<b>Turnkey Project</b> <b>17</b>	<ul style="list-style-type: none"> <li>8-inch Wafer Fab x1</li> <li>12-inch Wafer Fab x1</li> <li>Semiconductor Packaging and Module Plant 1</li> <li>Semiconductor Equipment Manufacturer x1</li> <li>Photomask Plant x3</li> <li>Silicon Solar Cell Plant x1</li> <li>Biotech Research Park x1</li> <li>Pharmaceutical Plant x4</li> <li>Biotechnology Plant x1</li> <li>Commercial Office Building x2</li> <li>Rail Station Underground Project x1</li> </ul>	<b>Energy</b> <b>5</b>	<ul style="list-style-type: none"> <li>Silicon Solar Cell Manufacturing Plant x1</li> <li>Thin-film Solar Cell Module Factory x4</li> </ul>
<b>Semiconductor</b> <b>53</b>	<ul style="list-style-type: none"> <li>6-inch Wafer Fab x4</li> <li>8-inch Wafer Fab x10</li> <li>12-inch Wafer Fab x13</li> <li>Advanced Packaging Plant x1</li> <li>12-inch Silicon Wafer Fabrication Plant x1</li> <li>Photomask Plant x5</li> <li>IC Packaging and Testing Plant x5</li> <li>Equipment Plant / Materials Plant x4</li> </ul>	<b>Defense / Medical</b> <b>9</b>	<ul style="list-style-type: none"> <li>National Laboratory Cleanroom x5</li> <li>Hospital x4</li> </ul>
<b>Optoelectronic Panel</b> <b>44</b>	<ul style="list-style-type: none"> <li>Micro LED Plant x2</li> <li>IMOD Plant x1</li> <li>Mirasol Display Plant x1</li> <li>TFT-LCD Plant x19</li> <li>LTPS Plant x1</li> <li>LCM Plant x4</li> <li>Color Filter Plant x9</li> <li>OLED Plant x2</li> <li>Touch Panel Plant x2</li> <li>Glass Substrate Manufacturing Plant x1</li> <li>Optoelectronic Materials Plant x1</li> </ul>	<b>Biotechnology / Pharmaceuticals</b> <b>9</b>	<ul style="list-style-type: none"> <li>Biotech Park x1</li> <li>Biotech Factory x3</li> <li>Pharmaceutical Factory x14</li> </ul>
<b>Computer/ Electronics</b> <b>4</b>	<ul style="list-style-type: none"> <li>Electronics OEM x1</li> <li>Electronic Materials Plant x1</li> <li>PCB Substrate Plant x2</li> </ul>	<b>Architecture / Construction</b> <b>21</b>	<ul style="list-style-type: none"> <li>Office Building x2</li> <li>Exhibition Hall/Theater/Shopping Mall x7</li> <li>Station/Airport Terminal x2</li> <li>Warehouse/Residential Institution x4</li> <li>Hotel/Department Store x4</li> <li>Redevelopment Zone x1</li> <li>Railway Engineering x1</li> </ul>



# Awards and Accolades

## Certifications

- L&K has successfully achieved various quality management system certifications, including ISO 9001, ISO 14001, ISO 45001, and CNS 45001. L&K was awarded the 10th National Award of Outstanding Small and Medium Enterprises and the 4th Industrial Sustainable Excellence Award.
- In 2023, L&K was ranked by Common Wealth Magazine as:
- 4th in Operational Performance Top 50.
- 37th in Most Profitable Enterprises.
- 3rd in Revenue Ranking for Top 2000 Service Industries (Engineering Contracting).

## Awards and Honors



National Award of Excellence of Sustainable Development and Management (2003)



The 10th National Award of Outstanding SMEs (2001)

**ISO 9001**  
 國際品質管理系統  
 International Quality Management Systems(UKAS)

**ISO 14001**  
 國際環境管理系統  
 International Environment Management Systems(UKAS)

**ISO 45001**  
 國際職業安全衛生管理系統  
 International Occupational Health and Safety Assessment (UKAS)(TAF)

**CNS 45001**  
 臺灣職業安全衛生管理系統  
 Taiwan Occupational Health and Safety Assessment (TOSHMS)



• ISO 9001



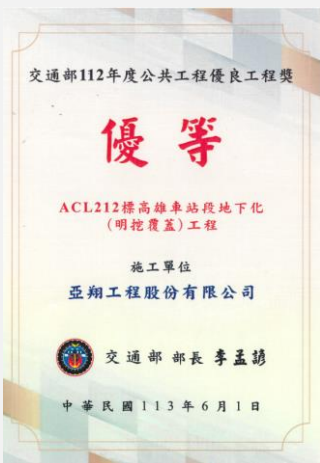
• ISO 14001



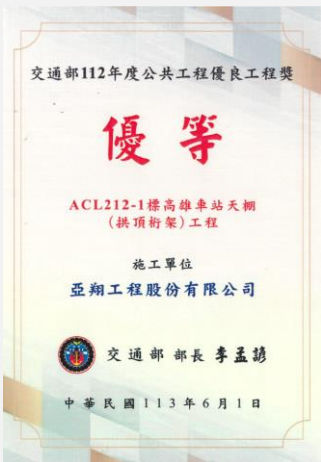
• ISO 45001



• CNS 45001



ACL212 Kaohsiung Main Station Section Underground (Cut-and-Cover) Project 2023 Public Works Superior Project Award (Excellent) from the Ministry of Transportation and Communications (2024)



ACL212-1 Kaohsiung Main Station Canopy (Arch Truss) Project 2023 Public Works Superior Project Award (Excellent) from the Ministry of Transportation and Communications (2024)

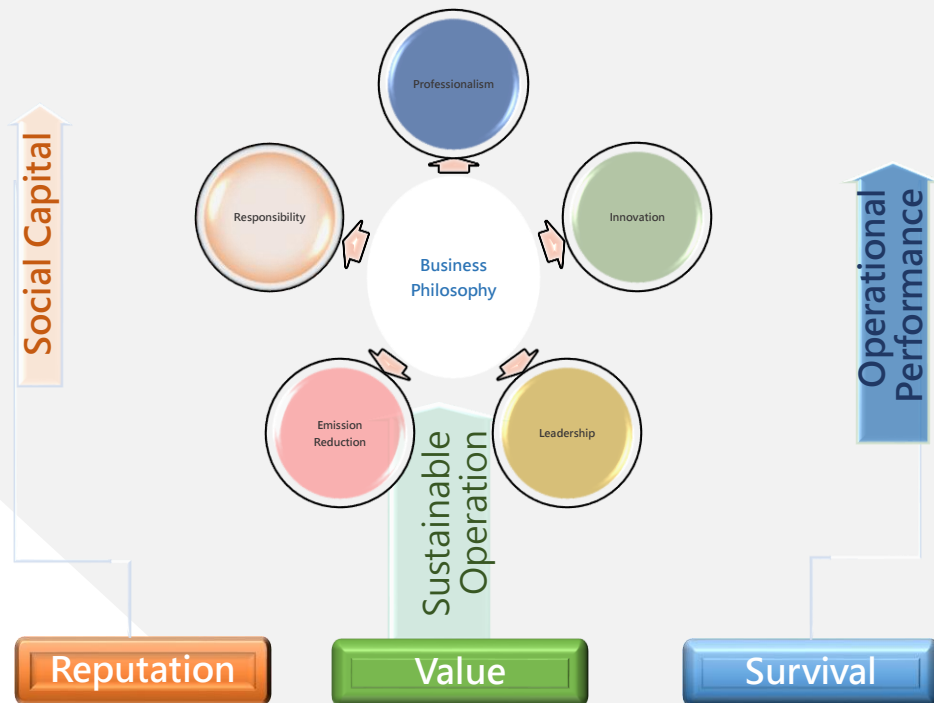


Harvard Business Review Global Traditional Chinese Edition-The Chairman was selected as one of the "2024 Taiwan Business Leaders 100."

## Excellent Operations, Professional Construction, Holistic Planning

L&K deeply understands evolving technological trends and prioritizes client needs. As early as 1986, the company began investing in the development of specialized equipment and materials for production and assembly. This not only led to achievements in cutting-edge engineering technology but also resulted in the successful development of multiple products and patents, enhancing Taiwan's competitiveness in the international market.

L&K's professional team offers comprehensive, integrated engineering services covering design, manufacturing, installation, testing, validation, and maintenance. Adapting to changes in the engineering market, the company employs a strategy of seeking distinction in the ordinary, innovation in the mundane, and transformation in simplicity. Through long-term refinement and experience, L&K has established a solid foundation.



## Competitive Advantage and Industry Value Creation

In 1994, L&K began independent research and development and production in cleanroom technology. Simultaneously, it collaborated with domestic and international partners to develop new products and systems, thereby gaining an advantage in material timeliness control and technological competition. Engineering serves as the cornerstone for human civilization and aids the progress of various industries. As knowledge and intellect continuously evolve, the engineering industry market undergoes rapid changes. However, L&K remains committed to implementing innovative, validated, and advanced engineering management concepts, engaging in self-reflection, and integrating with international resources. This commitment enables L&K to maintain its leadership and realize its vision in the intensely competitive engineering industry.

The collaboration between L&K and RSEA ENGINEERING CORPORATION exemplifies professional complementarity and resource integration, allowing for the effective expansion of potential business opportunities through comprehensive service offerings. This cooperative model has been successfully proven in recent operations. The synergistic effects of their collaboration not only enhance their turnkey capabilities in building, electromechanical, and equipment engineering, and broaden the group's engineering service scope, but also achieve the strategic goal of expanding market business across different industries and operational models.

L&K Engineering (Suzhou) Co., Ltd., a subsidiary (hereinafter referred to as L&K Integrated Technology), was listed on the Shanghai A-share market in 2016. In the future, as China continues to open its market economy and strategically develops independent R&D and production in high-tech industries, thereby driving stable overall economic growth in China, L&K Integrated Technology's performance will benefit significantly from this development trend over the long term.

## Human Resources: The Mission of L&K Personnel

The power of the knowledge economy begins with "people." The company and its employees are a symbiotic entity. L&K personnel must possess the awareness of becoming international engineers, combining the excellent technical legacy of senior international engineering talent to establish a "new" operational environment for management. This involves being ready to adapt to the challenges of impacts from different eras, building mutual loyalty and understanding. Standing firm in the fiercely competitive international market is the shared responsibility of all L&K personnel.



## Short-term and Long-term Business Development Goals

L&K Yesterday – Established in Taiwan  
L&K Today – Deeply rooted in mainland China  
L&K Tomorrow – Serving Asia

### L&K's Future Outlook

L&K anticipates that the high-tech industry will continue its innovative growth in both technology and applications. This includes advancements in electric vehicles, autonomous driving, new energy development and energy storage systems, robotics, drones, IoT (Internet of Things), big data, AI (Artificial Intelligence), cloud services, 5G/6G communication, and precision medicine. This evolution will drive the continuous development of smart living, smart manufacturing, and smart cities, leading to innovation in products and service models. This trend is also expected to expand the demand for construction and expansion engineering services in industries such as semiconductor wafer foundries, memory, testing and packaging, flat panel displays, and biotechnology and medical care. Therefore, despite some remaining risks in the overall economy, L&K Group's business is still expected to grow steadily.

Facing a rapidly changing market, L&K's management must adopt a more macro-perspective and innovative mindset and approaches. Beyond a simple product-price orientation, the focus must shift to building a comprehensive engineering technology platform that offers diverse value-driven, full-spectrum engineering services. This also requires leading all colleagues towards innovative engineering services and enhancing corporate value. Upholding a spirit of continuous improvement, L&K is committed to strengthening employee professional training, optimizing design and construction methods, integrating supply chain management, and reducing costs. This aims to create a competitive advantage by increasing the added value of products and services. In terms of market strategy, L&K will actively participate in urban renewal, expand into land development and green energy construction, and broaden its overseas market presence. It will also proactively seize the development opportunities arising from smart transformation trends and the global supply chain's strategic repositioning.

In the future, in line with the government's forward-looking infrastructure plans and China's continued market liberalization and strategic development of high-tech industries for independent R&D and production, L&K's performance will benefit significantly from these long-term development trends. Concurrently, aligning with cross-strait government policies actively promoting urban and rural construction, capital expenditures are expected to be successively invested in improving urban and rural infrastructure, enhancing living services, developing efficient smart agricultural industry clusters, and constructing technology-driven agricultural supply chains. L&K will continue to integrate its existing resources, actively participate in relevant engineering market development under future diversified growth, to respond to extreme climate challenges, guide resilient agricultural development, and capitalize on new opportunities for cooperation in agricultural net-zero emissions, technology, and investment.

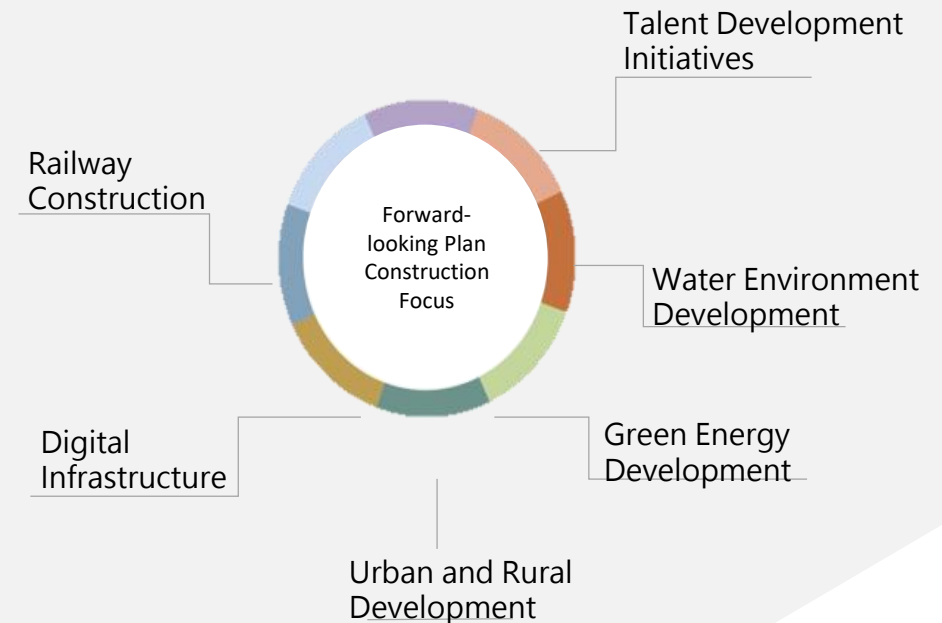
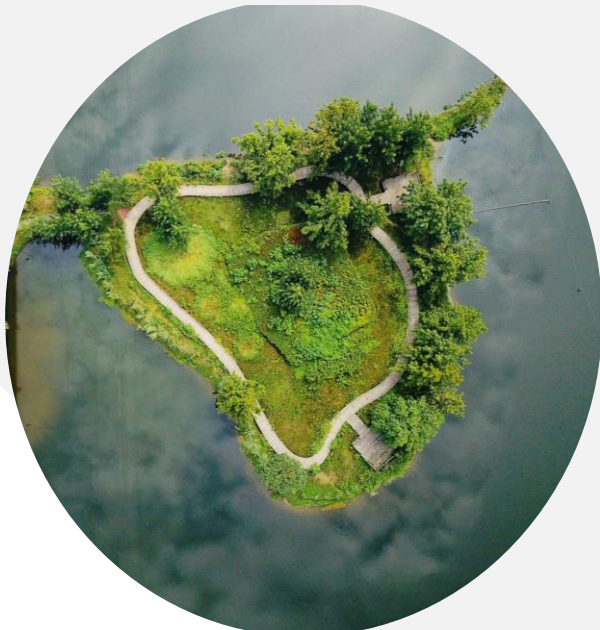


Image source: The central circular graphic is from the National Development Council's promotional presentation.

# Sustainability Blueprint

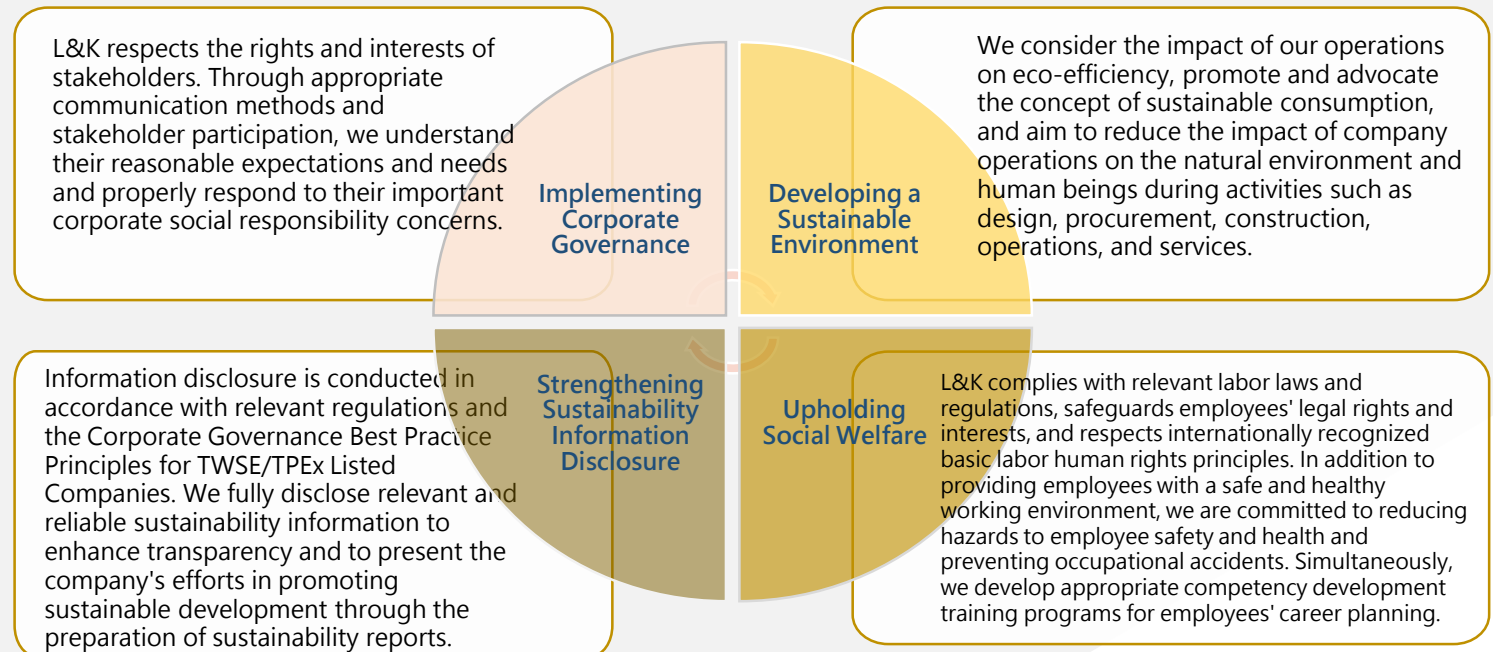
## Future Outlook: Vision and Practice

The engineering industry is both a technical service sector and a fundamental industry. L&K insists on becoming a symbiotic entity with various industries, providing comprehensive professional services, partnering with clients, and fostering mutually beneficial relationships. We emphasize that competition is the driving force for industrial progress, and in engineering, competition is a battle for "value" in survival. L&K personnel continuously create value, focusing on an engineering enterprise model driven by both knowledge and scale economies to pioneer a diversified engineering operational model for the 21st century. This is L&K ENGINEERING CO., LTD.'s commitment to continuous vitality.



## Sustainable Management Strategy

L&K's practice of sustainable development involves implementing corporate governance, fostering a sustainable environment, upholding social welfare, and enhancing disclosure of sustainability information. Profoundly understanding the high correlation and impact of engineering industry development with climate change, it is essential to strengthen and establish relevant actions. Through GRI (Global Reporting Initiative), TCFD (Task Force on Climate-related Financial Disclosures), and SASB (Sustainability Accounting Standards Board) frameworks, L&K assesses business risks and opportunities. We actively invest in research and development of green technologies and green engineering. For various types of engineering projects, we consider a holistic life cycle and identify significant indicators and issues based on stakeholder interests and organizational impact. Solutions and management approaches have been formulated, with regular tracking, review, and improvement. Furthermore, we enhance company training and industry-academia collaborations to accelerate talent cultivation and improve quality, fulfilling our corporate social responsibility. Through self-expectation as a corporate citizen, we aim to improve the quality of life for employees, the community, and society, while valuing the rights and interests of other stakeholders. All these actions repeatedly demonstrate that L&K is not only actively practicing ESG but also motivating supply chain partners to work together towards the sustainable goal of net-zero transition.

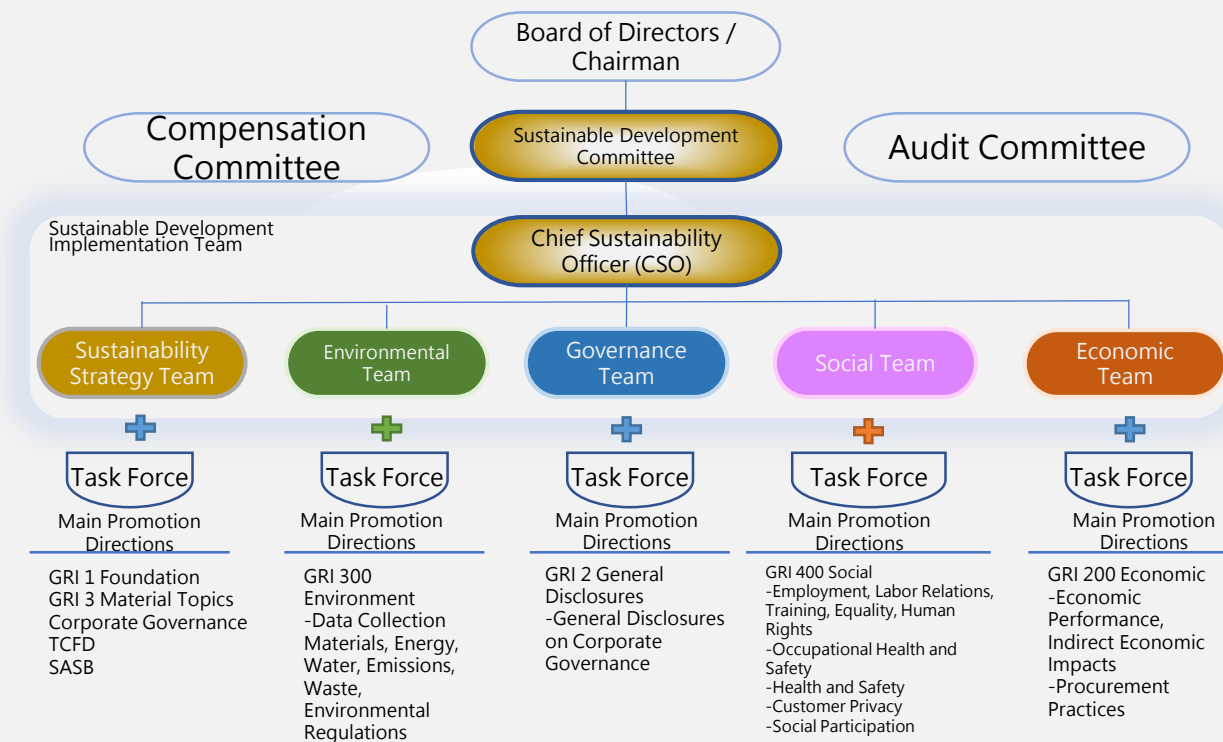


## Sustainable Development Strategy GRI 2-12、13、14,2-22,2-24

In recent years, the severe global climate change situation and the increasing demand for carbon reduction within international industrial supply chains have led to a surge in the popularity of the United Nations' Sustainable Development Goals (SDGs). Under the framework of the Paris Agreement, industries worldwide are reviewing their climate change responses, actively embarking on mitigation, adaptation, technology, finance, capacity building, and transparency efforts, and proposing a net-zero greenhouse gas emissions target by 2050. To align with international standards, meet sustainable development needs, adapt to the impacts of global climate change, build resilient systems, and address a series of regulatory controls such as international carbon pricing and carbon taxes, L&K Group deeply understands the high correlation and impact of engineering industry development with climate change. L&K Group has actively strengthened and established its sustainable development organization. Through GRI (Global Reporting Initiative) Sustainability Reporting Standards, TCFD (Task Force on Climate-related Financial Disclosures), and SASB (Sustainability Accounting Standards Board), L&K assesses business risks and opportunities and actively invests in green technology and green engineering research. For various types of engineering projects, L&K considers a holistic life cycle, and based on stakeholder interests and organizational impact, it has progressively identified key indicators and issues. Strategies and management approaches for energy saving and carbon reduction have been formulated, with regular tracking, review, and improvement. Furthermore, L&K strengthens company training and long-term industry-academia cooperation to accelerate talent cultivation and improve quality through practical actions, fulfilling its corporate social responsibility. All these actions repeatedly demonstrate that L&K is not only actively practicing ESG but also driving its supply chain partners to act together, jointly moving towards the sustainable goal of net-zero transition.

## ESG Promotion Organization

In 2022, L&K's Board of Directors approved the establishment of the Sustainable Development Committee and enacted the "Sustainable Development Practical Guidelines" as the basic regulations for the company's advancement in sustainable development. To demonstrate its commitment to net-zero climate goals, the Sustainable Development Committee designates the Chairman as the highest responsible person to enhance decision-making quality and efficiency, with the Chief Sustainability Officer serving as the overall commander, reporting relevant policy implementation to the Board of Directors according to their authority. The promotion team is divided into Sustainable Strategy, Environment, Governance, Social, and Economic groups, with middle and senior management from each group's department serving as group leaders, and other committee members under them. The Sustainable Development Committee plans and promotes various sustainable development strategies and risk management policies. By collecting and analyzing domestic and international trends, peer and cross-industry benchmarks, and significant domestic and international evaluations, the committee formulates development principles and promotion directions. In 2024, a total of 20 hours of ESG education and training were conducted to enhance sustainability awareness and risk consciousness.



### Sustainable Development Committee Operational Items

- Formulation of sustainable development policies, systems, or related management approaches.
- Review of ESG policy objectives, strategies, and action plans.
- Tracking the progress of action plan implementation and performance evaluation.
- Integration of execution status from each group and compilation of sustainability reports.
- Providing experience sharing on sustainability issues in relevant fields.

## Sustainable Development Framework

L&K's philosophy of sustainable operations is based on the balanced development of business management and green sustainability. Beyond pursuing a robust corporate structure, L&K invests resources in environmental protection and social engagement initiatives. To adapt to global changes, a Sustainable Development Committee has been established to coordinate sustainability strategies, closely aligning with the United Nations Sustainable Development Goals. L&K is committed to using its core competencies to help industries achieve carbon neutrality, co-creating a better future.

L&K integrates its corporate vision, mission, and culture, combining four strategies with diverse departmental operating models to create sustainable shared value for stakeholders and for the company itself. This framework aims to build a trustworthy engineering service team, a promoter of green innovation, a responsible employer for a happy workplace, and a willing corporate citizen, serving as the core framework and thinking behind the company's promotion of corporate sustainability.

## Implementation Status

### Corporate Governance Officer

The Board of Directors resolved to establish the position of Corporate Governance Officer, held concurrently by the Finance and Accounting Department Manager, who possesses over three years of experience serving as a financial supervisor for public companies. Since taking office, the officer completed 12 hours of continuing education by 2024. The Corporate Governance Officer's scope of duties includes:

- Matters related to Board of Directors' and Shareholders' meetings.
- Preparing minutes for Board of Directors' and Shareholders' meetings.
- Assisting directors with their appointment and continuous professional development.
- Providing directors with necessary information for performing their duties.
- Assisting directors in complying with laws and regulations.
- Executing other related operations as stipulated by the company's articles of incorporation or contracts.

### Sustainable Development Committee Implementation Status

Date	Reporting and Approval Discussion Items
2024/05/10	<ul style="list-style-type: none"> <li>• Report on greenhouse gas inventory guidance and inventory locations.</li> <li>• Report on the review and implementation of the company's risk management policy and procedures, established in reference to Articles 1 and 5 of the "Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange listed Companies," announced on the company's official website in March 2024.</li> <li>• The implementation status of the company's 2023 ESG Sustainability Report was approved by all attending committee members and submitted to the Board of Directors for report.</li> </ul>
2024/11/08	<ul style="list-style-type: none"> <li>• Reporting Annual Work Plan</li> <li>• Report that the greenhouse gas inventory locations are the Xizhi, Hsinchu, and Tainan offices, and will include subsidiaries RSEA ENGINEERING CORPORATION and L&amp;K Engineering (Suzhou) Co., Ltd.</li> <li>• The company has added a "Sustainability Information Management" system, which was approved by all attending committee members and submitted to the Audit Committee and Board of Directors for resolution in accordance with the law.</li> </ul>

### Board of Directors' Oversight and Management Status

Reporting and Approval Discussion Items
<ul style="list-style-type: none"> <li>• Report on greenhouse gas inventory guidance and inventory locations.</li> <li>• Report on the review and implementation of the company's risk management policy and procedures, established in reference to Articles 1 and 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," announced on the company's official website in March 2024.</li> <li>• The implementation status of the company's 2023 ESG Sustainability Report was resolved and approved by all attending directors.</li> </ul>
<ul style="list-style-type: none"> <li>• Report on the annual work plan.</li> <li>• Report that the greenhouse gas inventory locations are the Xizhi, Hsinchu, and Tainan offices, and will include subsidiaries RSEA ENGINEERING CORPORATION and L&amp;K Engineering (Suzhou) Co., Ltd.</li> <li>• The company has added a "Sustainability Information Management" system, which was resolved and approved by all attending directors.</li> </ul>







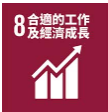






### Impact Management

In addition to regularly overseeing the performance of sustainable strategic goals, the Sustainable Development Committee also integrates these into operational and key strategic considerations. Through subgroup meetings, they discuss and review the implementation of short-term and long-term goals. In 2024, seven working meetings were held, and the promotion effectiveness was reported to the Board of Directors in accordance with the "Sustainable Development Practical Guidelines." In the event of an impact incident, the Chief Sustainability Officer handles the event and then reports to the Board of Directors.



## L&K's SDG Actions

L&K operates on the fundamental principle of "human-centricity as the starting point, pursuing the establishment of collective character." In its operational management, sustainable operations prioritize the core practice of sustainable engineering through the influence of green technology and risk management. L&K identifies five major sustainable development pillars: "Professional Essence," "Innovative Value," "Leadership Excellence," "Resource Waste Reduction," and "Responsibility Assumption." These pillars develop L&K's personnel to imbue L&K with vitality and a sound corporate structure. By focusing these five pillars on 13 SDGs, L&K actively integrates them into daily operations to ensure the effective exercise of core sustainable engineering functions and to solve social and environmental problems efficiently. For more details, please refer to the Major Topic Management Goals.

Core Focus	Goal	Actions	SDGs
Professional Essence	The essence of professionalism: Technology, integrity, and work ethic. The practice of professionalism: Adhering to rules and regulations, striving for excellence. The purpose of professionalism: Ensuring clients receive the highest product and service quality.	Uphold the essence of integrity in business operations. Meet client needs. Collaborate with suppliers to foster a strong and sustainable supply chain.	 
Innovative Value	<ul style="list-style-type: none"> <li>To realize the company's sustainable development by having the capability and vision for continuous innovation.</li> <li>Timely pursue the regeneration of multiple values from things.</li> </ul>	Continuously strengthen green engineering technology. Drive the industry's net-zero transition.	   
Leadership Excellence	<ul style="list-style-type: none"> <li>Achieve a leading position for the company with high industry value.</li> <li>Generate high profitability and demonstrate outstanding contributions.</li> </ul>	Create economic performance through value management.	
Resource Waste Reduction	Minimize errors and avoid resource misuse.	Do it right the first time, every time.	 
Responsibility Assumption	<ul style="list-style-type: none"> <li>Premised on safeguarding the company's fundamental survival rights.</li> <li>With the executive goal of ensuring the highest rights and interests of clients and employees.</li> <li>Avoid creating social problems and strive to become an asset to society.</li> </ul>	L&K operates and aims to be a sustainable enterprise that fosters self-realization, provides a friendly and safe workplace, and contributes to a diverse society.	   

## Impact Management

To address potential operational impacts and risks, L&K has established control and prevention mechanisms within each functional unit, with related management and oversight systems aimed at preventing losses from potential impact incidents and mitigating their severity. The action plan for 2024 is as follows:

Item	Frequency
Safety management during long holidays	4
Typhoon warnings	4
Safety and health awareness campaigns	11
Fire drills	2
Traffic safety awareness campaigns	11
Emergency evacuation drills	2
Workplace safety inspections at plant sites	12
Fire equipment inspections	12
Prevention of unlawful workplace harassment	1
Construction site inspections	17
Employee health examinations	Once every two years
Employee health, occupational disease prevention, and health promotion	22
Health consultation and communication	
Maternity protection plan	3 people

## Sustainable Development Intellectual Engagement

Since the establishment of the Sustainable Development Committee, company supervisors and team members have participated in courses related to GRI Standards, stakeholder communication, materiality analysis, disclosure indicator confirmation and management approaches, TCFD, SASB, and greenhouse gas inventory. They have also attended seminars on industry innovation, technology, carbon reduction development, engineering durability technology, and various sustainability issues. Through instant messaging software, they share research on sustainable energy development, low-carbon societies, green economy promotion, carbon credits, carbon trading, and other sustainability topics, exchanging ideas to enhance knowledge and intelligence. The effectiveness of intellectual development seminars attended in 2024 is as follows:

Type	Participation in Sustainable Development Knowledge Acquisition
Internal Training	ESG Sustainability Report Preparation, TCFD, SASB, Greenhouse Gas Inventory, and other related courses: 4 sessions
External Training	Latest Trends in Sustainable Governance and Board Responsibilities
	Entry-Level Product Carbon Footprint Inventory and Carbon Management
	Advanced Carbon Footprint Training: 2-day session
	Greenhouse Gas Inventory Train-the-Trainer Program: 3-day session
	Greenhouse Gas Inventory Workshop
	ESG Summit: Net-Zero Comprehensive, Sustainable Future
	Information Security Management System Core Concepts and Clause Essentials Analysis Training Course
Seminars	Latest Development Trends and Responses in ESG
	Explanation of International Greenhouse Gas Standards and Regulatory Requirements
	Sustainable (ESG) Information Management
	Corporate Integrity Management and Greenwashing Risk Management
	Response to Latest Industry Issues (AI, ESG, Information Security, etc.) and Internal Audit
	Corporate Integrity Management and Greenwashing Risk Management
	ESG Implementation Methods and Performance Management
	Cybersecurity Live Drill Conference - Corporate Cybersecurity Joint Exercise in the Era of AI Explosion

## Net Zero Initiatives

L&K responds to the United Nations and international carbon reduction and net-zero goals by planning to join relevant energy research units or associations, hoping to achieve net-zero emissions through action, raise public awareness in Taiwan regarding net-zero carbon emissions, and jointly promote net-zero initiatives. L&K pledges to work diligently with its supply chain to move towards net-zero environmental impact, aiming for "Net-Zero EPC."

The company has formulated a medium-to-long-term plan for reducing greenhouse gas emissions, aiming to lower its sensitivity to future fluctuations in energy or fuel costs. Reducing greenhouse gases can be seen as an investment, one with low risk and almost guaranteed returns.

## All-Staff ESG Practicing Net-Zero EPC

### ➤ All-Staff ESG

To transform sustainable development into the company's competitiveness and DNA, the "All-Staff ESG" program has been launched to continuously instill the concept of sustainable operations in all employees. L&K is committed to advocating for and practicing ESG, serving as a benchmark and role model for enterprises, inspiring colleagues to break through with innovation, pursue sustainability, and collectively realize the ESG sustainable vision (Page 13: L&K's Strategy and Vision).

### ➤ Practicing Net-Zero EPC

"Sustainable Innovative Green Engineering, Friendly to the Earth, Protecting the World" – working together towards a path of sustainable growth! This aims to make all colleagues feel the company's sustainable performance and understand their own contributions.

## Implementation Status

During his tenure as a committee member at the TAIWAN PROFESSIONAL CIVIL ENGINEERS ASSOCIATION and the NEW TAIPEI CITY PROFESSIONAL CIVIL ENGINEERS ASSOCIATION, Mr. Hsu,Shu-Ming L&K's Chief Sustainability Officer, was invited by academic institutions to host multiple sessions on low-carbon circular materials and the impact of climate change on industries, sharing academic insights and applications related to promoting low-carbon and sustainable development.

Organizer	Seminar Topics
TAIWAN PROFESSIONAL CIVIL ENGINEERS ASSOCIATION	<p><b>"Seminar on Carbon Reduction and Carbon Footprint in the Construction Industry"</b></p> <ul style="list-style-type: none"> <li>• A Brief Discussion on Architecture and Sustainable Development: Carbon Reduction Trends in the Architecture and Construction Industry</li> <li>• Innovative Applications of Building Materials</li> <li>• Experiences on Carbon Footprint Implementation in the Architecture and Construction Industry</li> </ul> <p><b>Seminar on Low-Carbon Transition for Concrete Building Materials"</b></p> <ul style="list-style-type: none"> <li>• Concrete Carbon Emission Calculation and Carbon Reduction Certification</li> <li>• Applications of Low-Carbon Circular Concrete Building Materials</li> <li>• Innovative Applications of High-Pressure Steam Cured Lightweight Aerated Concrete (ALC) Materials</li> </ul>
National Taipei University of Education	<p><b>"Sustainable Innovation and Smart Forum"</b></p> <ul style="list-style-type: none"> <li>• ESG Environmental Economy and ESG</li> <li>• Applications of ESG in Various Fields</li> </ul>
NEW TAIPEI CITY PROFESSIONAL CIVIL ENGINEERS ASSOCIATION	<p><b>"AI Application and Information Security Seminar"</b></p> <ul style="list-style-type: none"> <li>• The Importance of Cybersecurity Incidents for Information Security and Management</li> <li>• Analysis of Prevention Strategies for Social Engineering and Online Fraud</li> <li>• Applications of Artificial Intelligence and Cloud Services</li> </ul>
St. John's University	<p><b>Conference on Information and Electrical Technology Applications and Sustainable Environment"</b></p> <ul style="list-style-type: none"> <li>• Innovations and Opportunities of Generative AI</li> <li>• Research on the Impact of Climate Change on the Construction Industry</li> </ul>



# Materiality and Stakeholder Engagement

GRI 2-16 、 2-25 、 2-29 、 GRI 3-1 、 3-2 、 3-3

L&K identifies relevant stakeholders by understanding its operational activities, the geographical areas where business relationships occur, the governmental regulatory responsibilities it must adhere to, and the sustainability context generated by its business relationships. Through communication with these stakeholders, L&K ascertains their expectations for the company's operational direction and confirms the material topics requiring priority attention, including their economic, environmental, and social impacts. This ensures L&K stays on the right path in implementing sustainable management and effectively responds to stakeholder expectations.

## STEP 1 Identifying Stakeholders

### 7 Major Communication Targets

The Sustainable Development Committee identified key stakeholders relevant to L&K's operations. These include clients, investors, employees, suppliers, competent authorities, community groups/schools, and others (e.g., lawyers, media).

## STEP 2 Collecting Sustainability Issues

### 18 Sustainability Issues

In gathering sustainability issues, 14 relevant topics were identified from international standards and norms, stakeholder communication, and the company's operational strategy and vision. These were categorized into environmental (E), social (S), and governance (G) aspects, forming the foundation for compiling the 2024 ESG Sustainability Report.

## STEP 3 Online Questionnaire Survey

### 156 Stakeholders

The Sustainable Development Committee utilized an online questionnaire system to survey company employees and external stakeholders. They evaluated operational activities related to material issues across the three sustainability dimensions, collecting a total of 156 valid questionnaires.

## STEP 4 Filtering Material Topics and Impact Levels

### 33 Colleagues

Based on feedback analysis of material issues, comparison with the previous year's material topics, and verification of the impact scope across L&K's upstream value chain, company operations, and downstream boundaries, the Sustainable Development Committee filtered out 8 material topics for the current year. Through internal supervisor evaluations of positive/negative impacts and frequency of occurrence, a total of 33 valid questionnaires were collected. Relevant information was then gathered and disclosed according to reporting requirements.

## STEP 5 Review and Disclosure

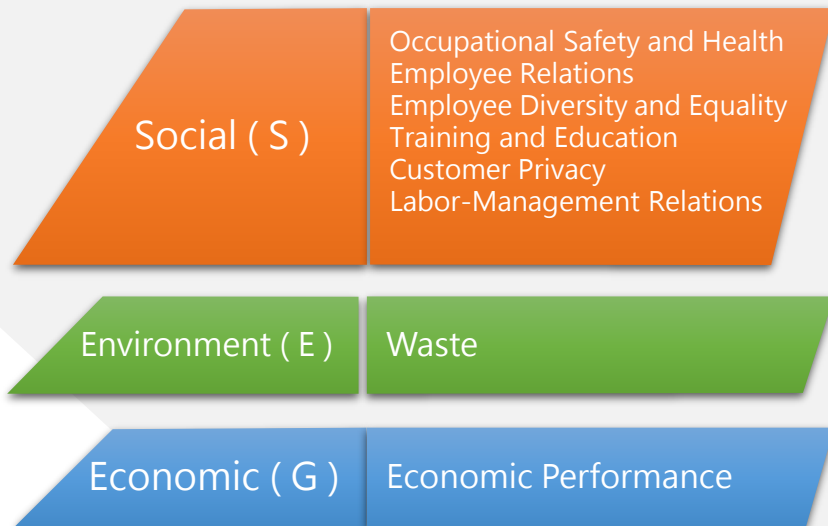
### Third-Party Assurance

The Sustainable Development Committee aligns material topics with GRI Sustainability Reporting Principles. In accordance with reporting requirements, this report outlines the management strategies, short-to-long-term goals, action plans, effectiveness evaluations, and grievance mechanisms for these material topics. The report is also assured by a third-party external organization to enhance its credibility.

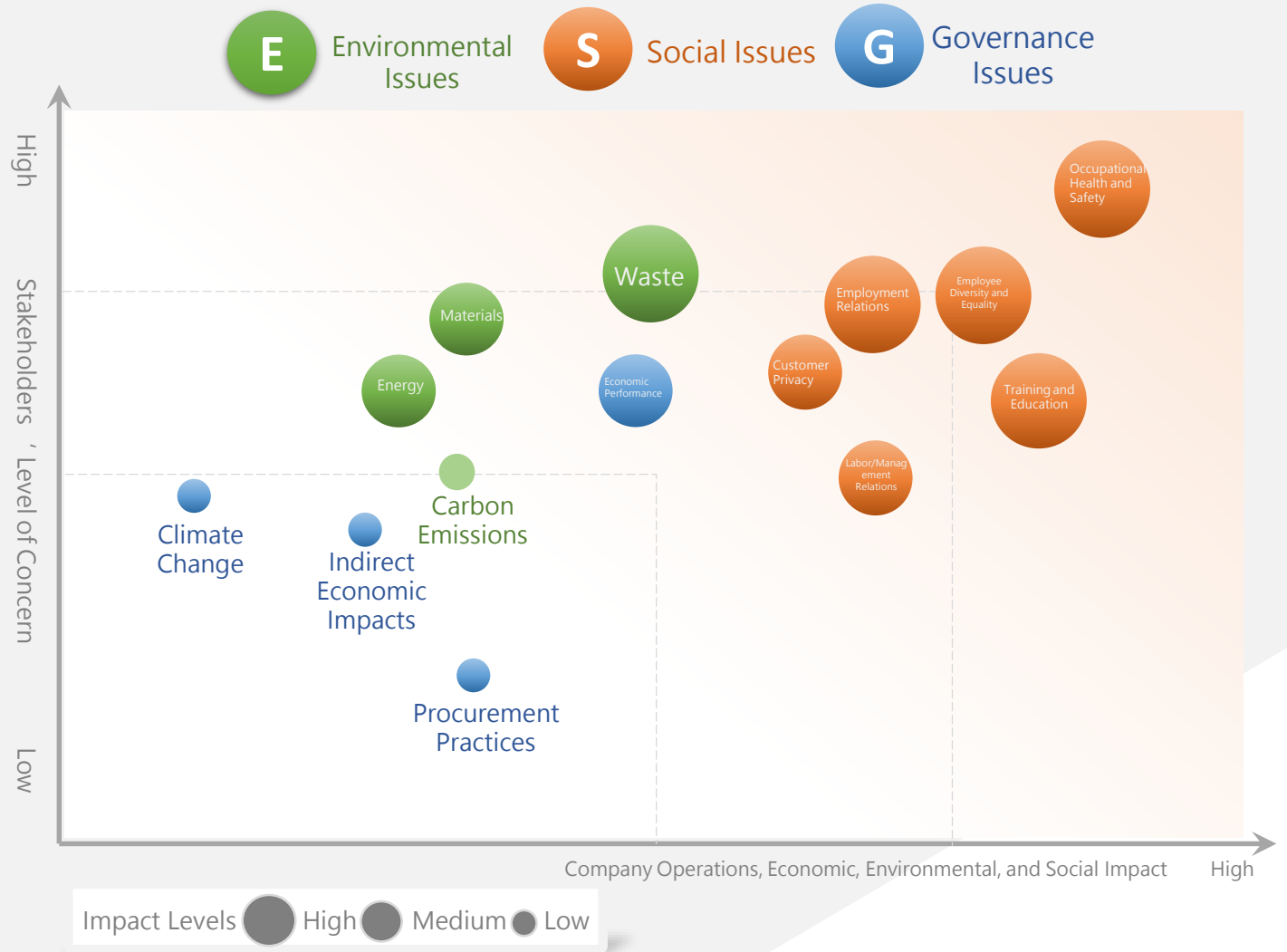
## Material Topic Assessment Results

Considering the questionnaire results on stakeholder concern, the impact assessment questionnaire results, and the company's philosophy and core operational values, 8 material topics were selected for 2024. Strategies and management goals have been formulated for these topics, along with analyses of results and execution plans. Other items identified this year as non-material topics will be disclosed to stakeholders through existing management systems, providing relevant indicators to help them understand the company's overall sustainability achievements.

Through the material topic survey, the average score was 3.86. This year's average for material topics shows an increased level of concern compared to the previous year's average of 3.77.



### Materiality Matrix



# Material Topic Impact Assessment

Through an internal questionnaire survey, the positive and negative impacts, as well as the frequency of occurrence, of material topics on the company's economic, environmental, and social aspects were assessed. Positive and negative impact levels were rated as Very High (5 points), High (4 points), Moderate (3 points), Low (2 points), and Very Low (1 point). Frequency of occurrence was rated as Daily (4 points), Monthly (3 points), Semi-annually (2 points), Annually (1 point), and None (0 points). After multiplying and summing the positive and negative impact levels with their respective frequencies of occurrence, the total scores were ranked from highest to lowest. The 8 material topics are:

Significant Impact	
Level of Impact	Sustainability Issues
High ●	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>
Medium ◎	<ul style="list-style-type: none"> <li>Labor/Management Relations</li> <li>Employment Relations</li> <li>Training and Education</li> </ul>
Low ▲	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Economic Performance</li> <li>Employee Diversity and Equality</li> <li>Waste</li> </ul>



## Material Topic Value Chain Involvement


The Sustainable Development Committee is responsible for material topic management items. This includes inventorying and reviewing material topic management approaches, proposing optimization and improvement suggestions, establishing diverse stakeholder communication channels, regularly consolidating stakeholder suggestions, assessing their opinions and influence, and formulating corresponding response measures. The committee also discusses material topic management in accordance with GRI Standards and SASB Sustainability Accounting Standards, and formulates sustainable development directions and strategic goals.

Aspect / Dimension	Material Topics	GRI Standards	Impact (Note)		Operational Impact				Sustainable Development Impact					Stage of Impact			SASB Metrics	Report Corresponding Chapter / Section
			Positive Impact	Negative Impact	Revenue	Customer Satisfaction	Operational Risk	Employee Loyalty	Industry Technology Development	Creating Upstream Value	Promoting Welfare	Post-tax Net Profit Environment	Environmental Benefits	Customer Usage	Planning, Design, Construction, and Operation	Society		
Corporate Governance	Economic Performance	201	◎	◎	◆		◆	◆			◆	◆			◆	◆	Structural Integrity and Safety Business Ethics Activity Indicators	2 Sustainable Governance
Environment	Waste Management	306	▲	▲	◆	◆							◆			◆	-	
Social	Employment Relations	401	◎	◎				◆			◆				◆	◆	-	4 Sustainable Society
	Labor/Management Relations	402	▲	◎				◆			◆					◆	-	
	Occupational Health and Safety	403	●	●	◆	◆	◆	◆			◆	◆				◆	Environmental Impact of Project Development	
	Training and Education	404	◎	◎	◆	◆	◆	◆	◆		◆				◆		-	
	Employee Diversity and Equality	405	◎	◎				◆	◆		◆					◆	-	
	Customer Privacy	418	▲	▲		◆	◆					◆		◆			-	

Note: Impact Levels ● Indicates high impact ◎ Indicates medium impact ▲ Indicates minimal impact; other affected items are marked with ◆.

## Material Topic Management Goals

To fulfill its sustainable development commitment, L&K adopts an outside-in approach for the 8 material topics. By exploring external demands through a global perspective, L&K integrates sustainable development goals with its operational strategies. The Sustainable Development Committee outlines medium-to-long-term sustainable development goals for 2030, specifically planning the direction, action plans, targets, and performance indicators for each goal. The management and execution status are reviewed annually, enabling the company to make core contributions towards achieving sustainable development goals and creating a better future for the industry and society.

	Risk Factor	Probability of Occurrence (Note) / Trend	Severity	Commitment	Solutions	Mechanisms
<b>Economic Performance 201</b>	Rising global or regional sustainability awareness leads clients to a trend of reducing high-carbon emission business development or transitioning to new energy industries. If L&K cannot meet client-perceived engineering services, it may result in unsuccessful project execution and business acquisition, leading to a decrease in company revenue.	Possible / Continuously monitor trends in sustainable development across various fields, refine technical capabilities to increase bidding opportunities.	Economic Performance: Very Slight / Continuously enhance capabilities and strengthen competitiveness. In addition to solidifying existing services, L&K needs to expand its service scope and develop new clients to secure more service opportunities, reducing the risk of contraction in existing service areas.	Stable Revenue Profit Sharing	<ul style="list-style-type: none"> <li>Refine Management Standards for Service Quality</li> <li>Receivables Management</li> <li>Comply with Laws and Regulations</li> <li>Standardized Operational Procedures</li> <li>Uphold the business philosophy of "Professionalism, Innovation, Leadership, Waste Reduction, Responsibility"</li> </ul>	Senior Executive Meeting Project Monthly Meeting
<b>Waste Management 306</b>	Failure to appropriately reduce waste will increase disposal and treatment costs. Limited by the current waste treatment capacity in Taiwan, this could lead to waste accumulation on-site or improper disposal by clear-and-treat operators, causing pollution to land and the environment.	Almost Certain / Support and comply with local government resource recycling policies.	Waste Management: Very Slight / The company's waste primarily consists of office supplies and 3C products like computers. Increase recycling to reduce waste volume. One violation of "Article 31 of the Waste Disposal Act" resulting in a fine occurred within the last 5 years, disclosed on page 79 of the 2022 Sustainability Report.	Reduce Waste Generation Increase Recycling and Reuse	<ul style="list-style-type: none"> <li>Recycle and resell retired computers and related 3C products to recycling operators for reuse</li> <li>Implement Waste Reduction</li> </ul>	Waste Disposal Volume Annual Plan Control Table

Note 1: Probability of Occurrence Definition: Almost Certain (within 1 year), Very Likely (within 3 years), Possible (within 5 years), Unlikely (6-10 years)

Note 2: Impact Severity: Rare - almost never occurs; Very Slight - fine amount below NT1million; Moderate-fine amount between NT1 million (inclusive) and NT5 million; Higher-fine amount NT5 million (inclusive) or more. Starting from 2025, all impact scopes will be included in the assessment.

	Risk Factors	Probability of Occurrence <sup>(Note)</sup> / Trend	Severity	Commitment	Plans	Mechanisms
<b>Employment Relations</b> 401	Employee is a company asset; if labor-management relations are tense, if relevant welfare and salary system measures are inadequate or lower compared to the industry, or if the workplace atmosphere is not harmonious, these factors can lead to employee emotional instability and complaints, subsequently increasing turnover rates.	Almost Certain / Cultivate a good workplace atmosphere, establish a comprehensive welfare and compensation system, and increase employee retention rates.	Very Slight / Each unit has established a good communication environment, and harmonious employee relationships make work pleasant, reducing complaint incidents. There have been zero major incidents of employee grievances or labor disputes in the past ten years.	Establish a harmonious labor-management workplace environment	<ul style="list-style-type: none"> <li>Establish a positive workplace environment.</li> <li>Enhance employee communication skills.</li> <li>Ensure welfare and compensation systems keep pace with the times.</li> </ul>	Employee Satisfaction Survey Labor-Management Meeting
<b>Labor/Management Relations</b> 402	Employees expect to find the right company, the right job, and the right boss; bosses expect profitability, talent, and a future. When labor-management relations undergo negative changes, the risk of disputes arises.	Unlikely / If the company needs to terminate employment relationships due to significant operational changes, it should provide advance notice as required by regulations.	Rare / Organize investor conferences, shareholder meetings, and labor-management meetings for timely communication, reducing labor dispute incidents.	The company practices sustainable management, making employees feel proud of the company.	<ul style="list-style-type: none"> <li>Reference industry market salary and welfare benchmarks to offer a competitive compensation and benefits system.</li> <li>Continuously improve the performance appraisal system.</li> <li>Promote two-way labor-management communication.</li> <li>If significant operational changes necessitate terminating employment relationships with some employees, advance notice will be provided in accordance with the laws and regulations of each operational site.</li> </ul>	Investor Conference Shareholder Meeting Labor-Management Meeting
<b>Occupational Health and Safety</b> 403	The engineering industry is a high-risk operation, characterized by labor shortages and frequent turnover. The professional quality of workers varies, and general hazard awareness is insufficient, increasing the risk of occupational accidents.	Very Likely / Due to the inconsistent quality of subcontractor laborers, and if faced with urgent work demands or taking shortcuts, the risk of occupational accidents increases.	Very Slight / Supervisors at all levels should adhere to the company's operational philosophy—"Everyone is responsible for workplace safety"—and oversee their respective projects to ensure strict implementation of occupational safety and health management, thereby reducing the occurrence of occupational accidents. One contractor's occupational safety incident occurred in the past three years, disclosed on page 89 of the 2022 Sustainability Report.	"Everyone is Responsible for Workplace Safety" Provide a Safe and Secure Workplace	<ul style="list-style-type: none"> <li>Effectively implement autonomous environmental, safety, and health management at construction sites.</li> <li>Strengthen all employees' awareness and actions regarding occupational safety and health.</li> <li>Implement site management to ensure construction safety.</li> <li>Promote employee health management.</li> </ul>	ISO 45001 CNS 45001 Annual Plan Control Table Health Management Survey

Note 1: Definition of Probability of Occurrence: Almost Certain (within 1 year) Very Likely (within 3 years) Possible (within 5 years) Unlikely (within 6 to 10 years)

Note 2: Severity Levels: Rare — Almost never occurs. Minimal — Fine amount below NT\$1,000,000 Moderate — Fine amount from NT\$1,000,000 (inclusive) to NT\$5,000,000 High — Fine amount NT\$5,000,000 (inclusive) or above. Starting from 2025, all impact scopes will be included in the assessment.



	Risk Factors	Probability of Occurrence (Note) / Trend	Severity	Commitment	Plans	Mechanisms
<b>Training and Education</b> 404	<ul style="list-style-type: none"> <li>Talent not possessing professional skills up to standard, resulting in work execution that cannot provide compliant human resources.</li> </ul>	Possible / Based on the company's strategic direction and vision for development.	Very Slight / The company continuously promotes general and specialized training programs to enhance employee quality.	Systematic and planned career development blueprint to achieve self-worth realization.	<ul style="list-style-type: none"> <li>Develop digital courses.</li> <li>Promote co-learning and co-growth incubation programs.</li> <li>Elite talent development training programs.</li> <li>Guide proactive management and diligent teaching.</li> </ul>	Mechanisms Education and Training
<b>Employee Diversity and Equality</b> 405	The trend for corporate talent acquisition comes from countries worldwide, where the human resource workplace environment should embrace and respect employee differences, eliminating bias and discrimination.	<ul style="list-style-type: none"> <li>Possible / It has become a global trend; more and more companies recognize the importance of creating diverse, equitable, and inclusive workplaces, and the many benefits it can bring to the company.</li> </ul>	Very Slight / Continuously establish a sound workplace culture that ensures employees' human rights are protected, fosters a sense of responsibility and achievement in their work, thereby reducing turnover risk.	Committed to providing employees with a dignified, safe, and belonging work environment, enhancing the company's performance and adaptability to change.	<ul style="list-style-type: none"> <li>Employ diverse workforce exceeding legal requirements.</li> <li>Promote a friendly workplace environment.</li> <li>Continuously improve compensation and promotion systems.</li> </ul>	Group Meal Management Survey Health Management Survey
<b>Customer Privacy</b> 418	The company should properly manage client data; leakage of client confidential information could result in fines and damage the company's reputation.	Possible / There are legal regulations, and public awareness of personal data privacy has increased. It depends on whether the personnel, systems, and technologies used can ensure privacy requirements, prevent personal data incidents, and meet regulatory requirements.	Very Slight / Comply with laws, regulations, and company management systems, establish robust information security control measures, and reduce the likelihood of client data leakage. No incidents of client data leakage have occurred.	Strengthen employee awareness and responsibility for personal data protection, enhancing competitiveness.	<ul style="list-style-type: none"> <li>Comply with client data management regulations.</li> <li>Advance technology management for information security.</li> </ul>	Client Satisfaction Survey Client Complaints

Note 1: Definition of Probability of Occurrence: Almost Certain (within 1 year) Very Likely (within 3 years) Possible (within 5 years) Unlikely (within 6 to 10 years)


Note 2: Severity Levels: Rare — Almost never occurs. Minimal — Fine amount below NT\$1,000,000 Moderate — Fine amount from NT\$1,000,000 (inclusive) to NT\$5,000,000 High — Fine amount NT\$5,000,000 (inclusive) or above. Starting from 2025, all impact scopes will be included in the assessment.



## Material Topic Indicators and Target Management

	Management Strategy	Linkage to SDGs	Management Indicators and Performance					
			Key Indicators (KPI)	2024 Targets	2024 Achievements	Short-term Goals	Mid-term Goals	Long-term Goals
						2025 Year	2027 Year	2030 Year
Economic Performance 201	Uphold the business philosophy of "Professionalism, Innovation, Leadership, Waste Reduction, Responsibility."	<div>8 合適的工作及經濟成長</div> <div>9 工業化、創新及基礎建設</div> <div>12 責任消費及生產</div>	Customer satisfaction. EPS growth. Implement international ERP management system.	$\geq 80$ points $\geq 30\%$ 30% completed	86 points 46% growth 15% completed, target not met	$\geq 80$ points $\geq 20\%$ 40%	$\geq 80$ points $\geq 20\%$ 100%	$\geq 80$ points $\geq 10\%$ -
Waste Management 306	<ul style="list-style-type: none"> <li>Implement waste reduction.</li> <li>Office machines and equipment are handed over to recycling vendors for reuse.</li> </ul>	<div>11 永續城市與社區</div> <div>12 責任消費及生產</div> <div>13 氣候行動</div> <div>14 保育海洋生態</div> <div>15 保育陸域生態</div>	<ul style="list-style-type: none"> <li>Waste disposal volume.</li> <li>Number of desktop and laptop computers recycled.</li> </ul>	$\leq 0.3\%$ $\leq 1\%$ planned volume	68.5% increase, target exceeded (Note 1.) Increase	$\leq 0.3\%$ $\leq 1\%$ planned volume	$\leq 0.3\%$ $\leq 1\%$ planned volume	$\leq 0.3\%$ $\leq 1\%$ planned volume
Employment Relations 401	Establish a positive workplace environment.	<div>3 良好健康和福祉</div> <div>5 性別平等</div> <div>8 合適的工作及經濟成長</div> <div>10 減少不平等</div>	Employee turnover rate. Employee complaint incidents.	$\leq 15\%$ $\leq 5$ cases	13% 2 cases	$\leq 15\%$ $\leq 5$ cases	$\leq 15\%$ $\leq 5$ cases	$\leq 15\%$ $\leq 5$ cases
Labor/Management Relations 402	Promote two-way labor-management communication.	<div>5 性別平等</div> <div>8 合適的工作及經濟成長</div> <div>10 減少不平等</div>	Labor-management dispute incidents.	0 cases	0 cases	0 cases	0 cases	0 cases

Explanation: Short-term refers to 1 year, mid-term to 3 years, and long-term to over 5 years; the base year is 2022. Note 1: During 2024, the decommissioning of outdated office equipment resulted in an increase in waste disposal volume. The reduction plan is disclosed under the Waste Management section.

	Management Strategy	Linkage to SDGs	Management Indicators and Performance					
			Key Indicators (KPI)	2024 Targets	2024 Achievements	Short-term Goals	Mid-term Goals	Long-term Goals
						2025	2027	2030
Occupational Health and Safety 403	<ul style="list-style-type: none"> <li>Effectively implement autonomous environmental, safety, and health management at construction sites.</li> <li>Strengthen all employees' awareness and actions regarding occupational safety and health.</li> <li>Implement site management to ensure construction safety.</li> <li>Promote employee health management.</li> </ul>	<div>3 良好健康和福祉</div> <div>8 合適的工作及經濟成長</div> <div>11 永續城市與社區</div>	<ul style="list-style-type: none"> <li>Occupational safety incidents determined by the Ministry of Labor's Occupational Safety and Health Administration.</li> <li>Major injuries and occupational disease cases.</li> </ul>	0 cases Under 65 years old, not specified	0 cases 24%	0 cases ≥ 60%	0 cases ≥ 70%	0 cases ≥ 85%
Training and Education 404	Systematic and structured training program blueprint.	<div>4 優質教育</div> <div>8 合適的工作及經濟成長</div> <div>10 減少不平等</div>	Professional skill training achievement rate. Education and training achievement rate. Education and training satisfaction.	≥ 80% ≥ 90% ≥ 85 points	90% 100% 97.5 points	≥ 80% ≥ 90% ≥ 85 points	≥ 80% ≥ 90% ≥ 85 points	≥ 80% ≥ 90% ≥ 85 points
Employee Diversity and Equality 405	Foster a friendly workplace environment.	<div>5 性別平權</div> <div>8 合適的工作及經濟成長</div> <div>10 減少不平等</div>	Employee complaint incidents.	≤ 5 cases	5 cases	≤ 5 cases	≤ 5 cases	≤ 5 cases
Customer Privacy 418	Advance technology management for information security.	<div>9 工業化、創新及基礎建設</div> <div>16 和平、正義及健全制度</div>	Client complaint incidents.	≤ 5 cases	1cases	≤ 5 cases	≤ 5 cases	≤ 5 cases

Explanation: Short-term: 1 year, Medium-term: 3 years, Long-term: 5 years or more; based on 2022 as the base year.

## Stakeholder Engagement

L&K's primary stakeholders include employees, clients, shareholders, suppliers, competent authorities, community groups, and others (banks). To understand the issues of concern and specific opinions of our stakeholders, we have established public and direct diverse communication channels. Feedback from stakeholders serves as an important reference for our management approaches and action plans, and we respond to stakeholders in this report.

### Importance of Stakeholders to L&K

#### Investors

Investors provide the company's funding. L&K continuously rewards investors with steady operational results, fostering investor support, stabilizing capital, and creating investment value.

#### Employees

Talent and innovation are key to L&K's core competitiveness and a crucial foundation for the company's sustainable development.

#### Clients

Clients are the company's main source of revenue. L&K values and listens to client feedback, focusing on their needs as core service to enhance client satisfaction. Through contract execution, we build performance, reputation, and brand.

#### Competent Authorities

Competent authorities play a crucial role in overseeing and evaluating corporate governance and sustainable development. L&K must comply with legal regulations and policies to thoroughly implement sustainable governance and work with the government to promote industrial development.

#### Community Groups/Schools

As a corporate citizen, L&K collectively maintains the community's environmental ecology. Through industry-academia collaboration and corporate internships, we actively establish long-term cooperative relationships with major colleges and universities to cultivate industry talent.

#### Suppliers/Contractors

L&K expects mutual collaboration and joint efforts with vendors to ensure that engineering services provided align with L&K's philosophy and satisfy clients, thereby promoting mutual growth and achieving sustainable operation and shared prosperity.

#### Others (Lawyers, Media)

Banks are important partners for L&K, developing stable cooperative relationships through mutual benefit. Media coverage and evaluation of L&K will affect the company's reputation and image.



## Stakeholder Engagement



### Employee

#### Topics of Concern

- Labor-Management Relations
- Occupational Safety and Health
- Employee Diversity and Equality

#### Communication Frequency and Channels

- Announcement System (Instant)
- Labor-Management Meeting (Quarterly)
- Occupational Safety and Health Committee Meeting (Quarterly)
- Employee Welfare Committee (Quarterly)
- Management Meeting (Monthly)
- Employee Feedback Platform (Instant)
- Work Report (Weekly)
- Project Monthly Meeting (Monthly)

#### 2024 Communication Performance

- Internal Announcements: 180
- Labor-Management Meetings: 4
- Occupational Safety and Health Committee Meetings: 4
- Employee Welfare Committee Meetings: 6, with representatives from each department jointly operating the committee to be closer to employee needs and promote interaction and connection.
- Management Meetings: 11
- Employee Feedback: 0 major incidents

#### Disclosure Chapter

Chapter 4 Sustainable Society



### Customer

#### Topics of Concern

- Energy
- Customer Privacy
- Procurement Practices

#### Communication Frequency and Channels

- Customer Satisfaction Questionnaire Survey (Regular)
- Client Visits and Business Meetings (Instant)
- Official Website Customer Service Email, Phone, Fax, Email (Instant)
- Conferences and Physical Events (Instant)
- Publication of Sustainability Report (Annual)

#### 2024 Communication Performance

- Customer satisfaction questionnaires collected: 21, with an average score of 86. For lower satisfaction scores, client feedback was analyzed, issues reviewed, improvement measures proposed, and clients responded to, all to enhance customer satisfaction.
- Customer complaint cases received: 0.
- Sustainability Report: Chinese and English versions disclosed on the company's official website and the Market Observation Post System.

#### Disclosure Chapter

Chapter 2 Sustainable Governance  
Chapter 4 Sustainable Society



### Investor

#### Topics of Concern

- Economic Performance
- Customer Privacy
- Waste

#### Communication Frequency and Channels

- Shareholder Meeting (Annual)
- Investor Conference (Annual)
- Annual Report (Annual)
- Publication of Sustainability Report (Annual)
- Company Official Website and Market Observation Post System (Instant)
- Phone, Email (Instant)

#### 2024 Communication Performance

- Held 1 general shareholders' meeting and 2 investor conferences to report the company's latest operational and financial status to shareholders, and announced these on the company's official website.
- Electronic versions of the Chinese and English Sustainability Reports were disclosed on the company's official website and the Market Observation Post System.
- Issued 68 material announcements.

#### Disclosure Chapter

Chapter 2 Sustainable Governance  
Chapter 3 Sustainable Environment

## Stakeholder Engagement



### Supplier

#### Topics of Concern

- Customer Privacy
- Occupational Safety and Health
- Energy
- Labor-Management Relations

#### Communication Frequency and Channels

- Phone, Email, and Messaging Apps (Instant)
- Message Communication (Instant)
- Business Visits (Instant)
- Factory Audits (Instant)

#### 2024 Communication Performance

- Assessed 133 new vendors.
- Supplier assessments showed no non-conforming, suspended, or permanently disqualified cases, with 100% qualified vendors.
- Implemented pre-work consensus and prioritized workers, managing according to relevant regulations, conducting occupational safety and health education training, and overseeing construction quality to jointly maintain a safe construction environment.

#### Disclosure Chapter

Chapter 2 Sustainable Governance



### Competent authority

#### Topics of Concern

- Labor-Management Relations
- Training and Education
- Employee Diversity and Equality
- Employee Relations
- Occupational Safety and Health
- Customer Privacy

#### Communication Frequency and Channels

- Official Correspondence (Instant)
- Legal Regulations (Instant)
- Government Promotion Seminars (Instant)
- Various Declaration Announcements (Instant)
- Supervision or Business Liaison (Instant)
- Inspection Unit Communication and Improvement (Instant)

#### 2024 Communication Performance

- Market Observation Post System (MOPS)
- Official correspondence with competent authorities: 175 cases.
- Complied with and announced all required declarations by competent authorities.
- No incidents of penalties from competent authorities due to omitted or false declarations.

#### Disclosure Chapter

Chapter 2 Sustainable Governance  
Chapter 4 Sustainable Society



### Community groups / schools

#### Topics of Concern

- Occupational Safety and Health
- Procurement Practices
- Waste
- Indirect Economic Impact
- Energy
- Employee Diversity and Equality

#### Communication Frequency and Channels

- Neighborly Relations and Work Area Road Cleaning (Instant)
- Publication of Sustainability Report (Annual)
- Campus Recruitment Activities (Annual)
- Industry-Academia Collaboration with Schools (Annual)

#### 2024 Communication Performance

- Recyclable resources sorted and collected by neighbors.
- Electronic version of the Sustainability Report disclosed on the company's official website and the Market Observation Post System.
- Collaborated with multiple schools on industry-academia partnerships, donating to St. John's University to offer diverse programs such as "employment upon enrollment" scholarships and corporate internship opportunities.
- Adopted roads for maintenance and cleanliness, fulfilling corporate social responsibility.

#### Disclosure Chapter

Chapter 2 Sustainable Governance  
Chapter 4 Sustainable Society



### Others (e.g., lawyers, media)

#### Topics of Concern

- Economic Performance
- Climate Change Risks and Opportunities
- Customer Privacy

#### Communication Frequency and Channels

- On-site Visits (Instant)
- Fund Utilization Statements (Instant)
- Phone and Email Communication (Instant)
- Accepting Media Interviews or Responding to News (Instant)

#### 2024 Communication Performance

- Market Observation Post System (MOPS)
- Financial institutions conducted periodic visits or communicated via phone and email regarding the company's operations, finances, and sustainability report, which contributes to better financing conditions and provides suggestions for future development.
- Appropriately responded to media to build a trusted and positive brand image.

#### Disclosure Chapter

Chapter 2 Sustainable Governance



# 2 Sustainable Governance

Corporate Governance  
Economic Performance  
Climate Change Management  
Indirect Economic Impact  
Customer Service Management  
Supply Chain Management  
Information Security Management  
Risk Management



## ■ Economic Performance    Achieved an 8-year high.

Earnings per share growth.  
Operating revenue growth.  
Pre-tax net profit growth.  
Current net profit growth.

## ■ Business Philosophy

Professionalism 、 Innovation 、 Leadership 、 Waste Reduction and Responsibility

## Ethical Management 205-3、206-1

L&K, starting from a human-centric perspective, pursues the establishment of collective character and continuously implements its corporate culture of "reputation, value, survival." Integrity is a key element and core value of L&K's corporate culture. In operational management, to strengthen integrity practices, L&K has formulated "Ethical Management Best Practice Principles," "Code of Ethical Conduct," and "Employee Confidentiality and Ethical Conduct Guidelines" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and relevant laws and regulations. These clearly stipulate that the company's directors, managers, and employees must not engage in dishonest behavior during business activities. This is further reinforced through continuous identification of regulations and implementation of educational training as an executive policy for regulatory compliance. To ensure the implementation of ethical management and legal compliance, L&K regularly promotes core values of ethical management, enhancing employee awareness of integrity-related matters, thereby strengthening corporate governance. In terms of legal compliance, in addition to continuously monitoring domestic and international policies and regulations that have potential impacts on the company's business and finances, L&K also establishes various corporate governance rules and regulations. The auditing unit inspects the compliance with laws and regulations accordingly and updates relevant internal regulations as needed.

To implement ethical management policies and relevant legal regulations, the Management Department plans the establishment, implementation, review, and amendment of systems for ethical management policies and the prevention of dishonest conduct. It is responsible for monitoring changes in competent authority regulations, handling the revision and promotion of relevant integrity systems and rules, and enhancing the legal compliance and ethical awareness of all employees. The department may integrate with business needs and internal control systems, and closely coordinate and cooperate with compliance, audit, and human resources departments to strengthen the corporate integrity culture and risk control mechanisms. Internal audit verifies the implementation of the ethical management system and checks for any significant irregularities. The Audit Office accepts and investigates reports of dishonest conduct, and proposes improvement suggestions and resolution plans. The Sustainable Development Committee evaluates internal integrity risks and discloses relevant implementation status on the official website, annual reports, and sustainability reports.

## Whistleblowing System

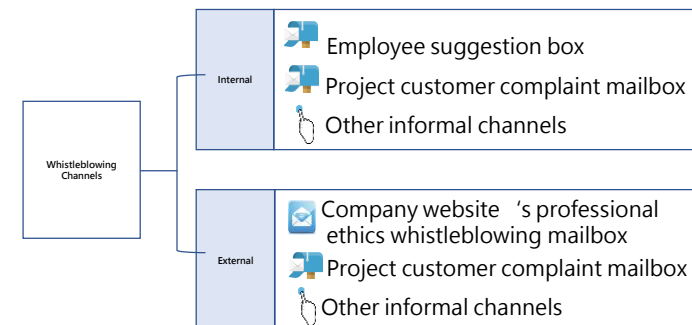
L&K adopts a zero-tolerance policy towards corruption, bribery, unfair competition, disclosure of confidential information, infringement, and insider trading. If internal audit or the whistleblowing mechanism discovers any violation of professional ethical conduct or internal regulations, the company will record, investigate, and penalize such incidents in accordance with relevant regulations to uphold its reputation for fairness and integrity.

Both internal and external parties can report improper conduct that has caused or is likely to cause adverse effects to the company or harm the rights and interests of all employees, through the established whistleblowing mailbox. Anonymous reports are also accepted. During the handling process, L&K will protect the whistleblower's rights and interests, ensuring that reported cases are properly investigated and handled.

WhistleblowingEmail :

[whistleblower@lkeng.com.tw](mailto:whistleblower@lkeng.com.tw)

Whistleblowing Phone : (03)5981311 #231





## L&K's Whistleblower Protection Mechanism

L&K strengthens whistleblower personal data confidentiality. All personnel involved in case handling and relevant responsible individuals must sign a confidentiality undertaking, which defines accountability and penalties for leaks. Personnel with conflicts of interest in a reported case must recuse themselves and not participate in the investigation. L&K pledges to protect whistleblowers from dismissal, demotion, salary reduction, infringement of their legal, contractual, or customary rights, or any other adverse treatment due to their report. An incentive mechanism, managed by the Rewards and Disciplinary Committee, provides immediate monetary awards based on the confirmed scale of the reported incident. No commendations or public announcements are made, ensuring whistleblower protection and encouraging employees to report wrongdoing.

To prevent corruption from external organizations, L&K has included ethical management provisions in the general terms of its contracts with suppliers and contractors. A whistleblowing system is also established on the official website, committing to protect the identity and content of reports from whistleblowers, and ensuring they are not improperly treated due to their reports. In 2024, there were no reported violations related to anti-competition, anti-trust, monopolistic practices, or corruption.

### Mechanisms for Seeking Advice and Raising Concerns GRI 2-26 · 207-3

In 2024, no unplanned engagement incidents occurred.

Incident \ Year	2022	2023	2024
Mergers and Acquisitions	0	0	0
Taxation	0	0	0
Shareholders	0	0	0
Suppliers	0	0	0
Major Occupational Accidents	0	0	0

## Whistleblowing Statistics from Feedback Platforms

L&K's Audit Office, which operates independently, receives reported cases from various channels, including the company's official website, construction site customer complaint mailboxes, emails, and other informal formats.

Year		2022	2023	2024
Total number of reports		5	3	2
C a t e g o r y	Irrational use of company assets or resources, etc.	-	-	-
	Improper entertainment, gifts, kickbacks	-	-	-
	Conflict of interest	-	-	-
	Bullying in the workplace	-	1	-
	Sexual harassment	-	-	-
	Discrimination	-	-	-
	Others (including systems, customer response, supplier management, employee management, supervisor communication and leadership, etc.)	5	2	2
Cases where investigation completed		5	3	2
Cases under investigation		0	0	0

Note 1: Method of Reporting Statistics: Classified by feedback content.  
 Note 2: Employee suspected mislabeling of food leading to misunderstanding.  
 Note 3: Notification frequency for vending machine vendor to restock.

## Corporate Governance

L&K's growth has been a step-by-step progression from its foundations. Having undertaken comprehensive electromechanical and cleanroom projects for laboratory engineering, chemical pharmaceutical plants, and optoelectronic and semiconductor electronics industries, L&K has followed the pulse of Taiwan's industrial development, adapting to changing times and contexts. By adjusting its management philosophy and developing new technologies, it has emerged from the traditional electromechanical engineering sector. Today, L&K possesses the strength to compete with international peers. Through the long-term professional management of its executive team and the collective efforts of all employees, L&K has amassed rich knowledge and intellect, along with considerable tangible and intangible assets, making it a crucial driving force in advancing Taiwan's cleanroom engineering technology. L&K emphasizes that engineering is the accumulation of applied science and professional experience. It implements rigorous engineering management, continuously innovating through replacement of old practices, and developing new application technologies and products to enhance competitiveness. The company aligns with international engineering firms, constantly improving its competitive advantages. It operates within the frameworks of ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Safety and Health Management System, and CNS 45001 Taiwan Occupational Safety and Health Management System, diligently striving with persistent dedication towards international competitiveness.

### L&K's Corporate Culture

#### Reputation

L&K is committed to fair competition and honest operations for stable business development. We aim to contribute to society, gain public recognition, and become a social asset.

#### Value

L&K adheres to laws and regulations, diligently practices corporate governance and risk management, strengthens its financial structure, and ensures steady profit growth to maximize company value.

#### Survival

L&K starts from a human-centric perspective, valuing natural human rights and the obligation of equal rights, thereby promoting and protecting fundamental individual and collective human rights.

### L&K's Business Philosophy

#### Professionalism

Essence of Professionalism: Technology, integrity, and work ethic.  
Practice of Professionalism: Adhering to rules and regulations, striving for excellence.  
Purpose of Professionalism: Ensuring clients receive the highest product and service quality.

#### Innovation

To realize the sustainable development of company operations.  
Possessing the capability and vision for continuous innovation.  
Timely pursuing the regeneration of multiple values from things.

#### Leadership

Achieving a leading position for the company with high industry value.  
Generating high profitability and demonstrating outstanding contributions.

#### Waste Reduction

Minimizing errors and avoiding resource misuse.

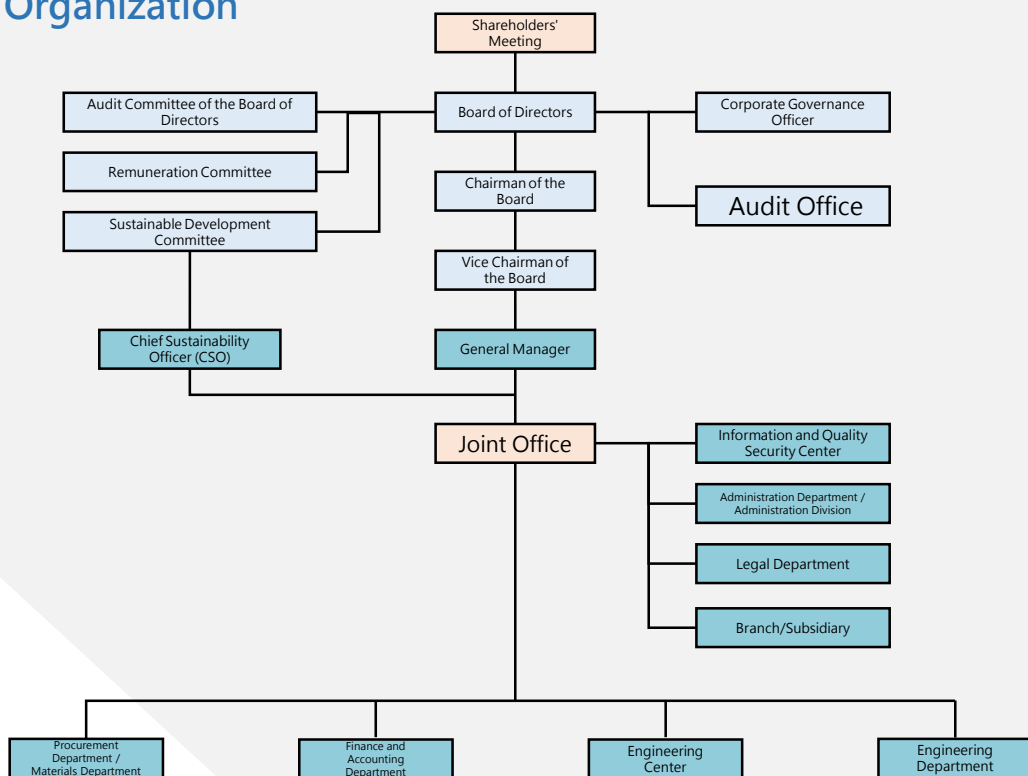
#### Responsibility

Premise: Safeguarding the company's fundamental survival rights.  
Execution Goal: Ensuring the highest rights and interests of clients and employees.  
Not creating social problems, working day and night to strive to become an asset to society.

## Governance Structure

Facing the challenges of the global overall operating environment, high-tech industry managers need to quickly transform enterprises and rethink their response strategies to maintain an advantage when facing intense competition. The company will utilize its enterprise resource planning (ERP) system and effective knowledge management to enhance its competitiveness. It will adjust its organizational structure to achieve the necessary execution capability for market competition and foster a corporate learning environment to strengthen employees' diverse professional skills, thereby improving the company's adaptability to changes in the market environment.

### Organization



### Board of Directors

L&K establishes its corporate governance system in accordance with Taiwan's Securities Exchange Act and relevant regulations. To further protect shareholder rights, enhance the Board of Directors' functions, respect stakeholder interests, and improve information transparency, the Board has approved the "Corporate Governance Best Practice Principles." Based on fair, just, and open procedures for director selection, and through measures such as the appointment of independent directors, the Board's management and supervisory functions are strengthened. The Board has also approved "Procedures for Handling Material Inside Information and Preventing Insider Trading," prohibiting insiders such as directors, managers, and employees from profiting by utilizing non-public market information. Furthermore, upholding the principles of accurate, timely, and fair disclosure, L&K has established a comprehensive information disclosure system, providing various operational, financial, Board of Directors, and shareholder meeting information on the company's website and public information online reporting system to ensure shareholders can obtain the latest relevant company news.

L&K's corporate sustainability initiatives are led by the Chairman as the highest responsible person, with the Chief Sustainability Officer acting as the overall commander. The Chief Sustainability Officer reports on relevant policy implementations to the Board of Directors according to their authority and responsibilities. The promotion task force is divided into the Sustainable Strategy Group, Environmental Group, Governance Group, Social Group, and Economic Group. Middle and senior management from each group's respective departments serve as group leaders, with various committee members under them. The Sustainable Development Committee plans and promotes various sustainable development strategies and risk management policies. It collects and analyzes domestic and international trends, benchmarks from both within and outside the industry, and significant domestic and international evaluations to formulate development principles and directions.



Investor Conference



Shareholders' Meeting

Nomination and Selection

L&K, based on its diversity policy and commitment to strengthening corporate governance and promoting a sound board composition and structure, nominates its director candidates in accordance with the “Company Act” , the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” , and the company’s Articles of Incorporation. The qualifications of each candidate, including academic background, professional experience, integrity, and relevant professional qualifications, are evaluated. After approval by the Board of Directors, candidates are submitted for election at the shareholders’ meeting. The Board of Directors designates the Chairman as its presiding officer, and the Chairman does not concurrently serve as a manager, ensuring the full functionality of the Board.



Board of Directors

Board Composition

The Board of Directors’ composition dictates that directors also serving as company managers should not exceed one-third of the total board seats. Furthermore, L&K formulates appropriate diversity policies based on its own operations, business model, and development needs. The election process for all directors is open and fair, complying with the company’s “Articles of Incorporation” and “Corporate Governance Best Practice Principles” . Currently, the Board consists of 9 directors, with a composition of 3 independent directors (33%) and 6 non-independent directors (67%), including one female director.

Board Diversity in Background and Expertise

Core Diversity Indicators		Gender	Nationality	Professional Status as Independent Director	Years of Service as Independent Director	Age					Professional Background					Professional Knowledge and Skills				
						Aged 30-40	Aged 50-60	Aged 61-70	Aged 71-80	Aged 81-90	Finance and Accounting	Industry Expertise	Information and Technology	Legal	Operational Expertise	Market Capacity	Business Management Capability	Business Management Capability	Cost Management Capability	Industry Knowledge
Director	YAO,TSU-HSIANG	Male	Taiwan, R.O.C.	•			•				•	•		•	•	•	•	•	•	
Director	YAO,CHIH-HSUN	Male		•		•					•	•		•	•	•	•	•	•	
Director	WANG,TZU-HUNG	Male							•		•	•		•	•	•	•	•	•	
Director	LO,CHUNG-CHENG	Male					•				•	•	•	•	•	•	•	•	•	
Director	CHEN,PO-JEN	Male		•				•			•	•		•	•	•	•	•	•	
Director	HSIAO CHING-CHIH	Male			From June 2024 to present				•			•	•		•	•	•	•	•	
Independent Director	LI CHIEN-JAN	Male			From May 2018 to present		•				•	•	•		•	•	•	•	•	
Independent Director	HO TUNG-HAO	Male			From May 2018 to present			•				•	•	•	•	•	•	•	•	
Independent Director	PENG,CHO-LAN	Female			From May 2018 to present			•			•	•	•		•	•	•	•	•	

### Executive Compensation Ratio

L&K discloses the total compensation paid to directors, the general manager, and vice general managers for the most recent two fiscal years, both for the company and for all consolidated entities. This compensation is presented as a percentage of the net profit after tax for the individual or separate reporting entities.

Title / Position	2023		2024	
	The Company	All Entities within the Consolidated Financial Statements	The Company	All Entities within the Consolidated Financial Statements
Director	108,873million and 3.77%	110,396million and 3.12%	143,891million and 3.32%	148,836million and 2.65%
Independent Director				
General Manager, Deputy General Manager, and Other Managerial Officers				

### Participation in Intellectual Development

The total continuing education hours for directors and independent directors amounted to 33 hours, with each session lasting 3 hours.

Title / Position	Name	Training Courses
Director	YAO,TSU-HSIANG /CHEN,PO-JEN YAO,CHIH-HSUN LO,CHUNG-CHENG /WANG,TZU-HUNG / HSIAO CHING-CHIH	Latest Trends in Sustainable Governance and Board Responsibilities
Director / Independent Director	HSIAO CHING-CHIH / HO TUNG-HAO	2024 Promotion of Insider Trading Prevention
Independent Director	LI CHIEN-JAN / PENG,CHO-LAN	Corporate Governance 3.0: The Role of Directors and Compliant Responses to Management Rights Challenges
Independent Director	LI CHIEN-JAN	Corporate Governance and Securities Regulations: Discussing the Corporate Governance Blueprint and Practices

### Directors' Attendance Record

Title / Position	Name	Actual Attendance Count	Attendance by Proxy	Actual Attendance Rate (%)
Director	YAO,TSU-HSIANG	8	0	100
Director	YAO,CHIH-HSUN	8	0	100
Director	WANG,TZU-HUNG	5	3	62.5
Director	LO,CHUNG-CHENG	7	1	87.5
Director	CHEN,PO-JEN	5	3	62.5
Director	HSIAO CHING-CHIH (Note)	4	0	100
Independent Director	LI CHIEN-JAN	8	0	100
Independent Director	HO TUNG-HAO	7	1	87.5
Independent Director	PENG,CHO-LAN	8	0	100

Note: Director Hsiao Ching-Chih assumed office on June 26, 2024.

### Conflict of Interest Management

In accordance with L&K's Rules of Procedure for Board Meetings, a director who has a material interest in a meeting agenda item, either personally or through the legal entity they represent, shall explain the significant content of such interest at that Board meeting. If there is a concern that it may prejudice the company's interests, the director shall not participate in the discussion or voting, shall recuse themselves, and shall not act as a proxy for other directors to exercise voting rights. In 2024, the Board of Directors' meetings had 3 instances of conflict-of-interest recusal.



### ➤ Evaluation Status

To implement corporate governance and enhance the functionality of the Board of Directors, L&K regularly provides training courses promoted by competent authorities and periodically disseminates information on ethical management principles and insider trading prevention guidelines to all directors. This encourages continuous professional development for directors, ensuring they stay updated on the latest regulations and possess the expertise needed for decision-making.

The Board of Directors has approved the establishment of the "Board Performance Evaluation Regulations." Internal board performance evaluations are conducted annually in November. External evaluations are conducted every January through the Corporate Governance Evaluation by the Taiwan Stock Exchange's Corporate Governance Center. This regular review of the Board's functions and accountability enhances its effectiveness and strengthens corporate governance. Strong corporate governance, in turn, allows for more robust implementation of sustainability initiatives, leading to widespread impact.

Evaluation and Recommendations :

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Evaluation Criteria
From the end of each fiscal year to the end of the first quarter of the following year	2024/01/01 - 2024/12/31	<ul style="list-style-type: none"> <li>The Board as a Whole</li> <li>Individual Board Members</li> <li>Functional Committee Members</li> </ul>	<ul style="list-style-type: none"> <li>Self-Evaluation by the Board</li> <li>Self-Evaluation by Individual Directors</li> <li>Appointment of external experts or other appropriate methods when necessary</li> </ul>	Board-Level Assessment <ul style="list-style-type: none"> <li>Level of participation in company operations</li> <li>Enhancement of decision-making quality</li> <li>Board composition and structure</li> <li>Director selection and ongoing education</li> <li>Internal control</li> </ul> Individual-Level Assessment <ul style="list-style-type: none"> <li>Understanding of the company and awareness of responsibilities</li> <li>Level of participation in company operations</li> <li>Professional expertise and ongoing education</li> <li>Internal control</li> </ul>
Evaluation Results		The Company regularly reviews its investment performance and goal achievement rate. Members of the Board of Directors actively fulfill their guidance and supervisory roles, engaging in thorough communication on board proposals and related issues while contributing their individual expertise. This has fostered a positive board meeting culture. The overall evaluation results were excellent.		
Suggestions		In accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEx Listed Companies," the continuing education of directors requires further strengthening. The Company will, from time to time, provide directors with information on courses and briefings promoted by the competent authorities, and actively encourage directors to pursue ongoing education to stay up to date with the latest regulations and enhance the professional competence required for sound decision-making.		

### ➤ Functional Committees

To enhance the oversight function and strengthen management capabilities, the Board of Directors has established the Audit Committee and the Remuneration Committee. Except where otherwise required by laws and regulations to exercise powers independently, functional committees are accountable to the Board and shall submit their proposals to the Board for resolution.

#### ◆ Audit Committee

The Audit Committee assists the Board of Directors in overseeing the quality and integrity of the Company' s accounting, auditing, financial reporting processes, and internal controls. The Board has adopted the Audit Committee Charter, under which the Audit Committee is composed of three Independent Directors, one of whom serves as the convener, and at least one member possesses expertise in accounting or finance.

#### ● Operations

The Audit Committee meets at least once every quarter. In 2024, it convened six meetings, with a 100% attendance rate by all members.

The Chief Internal Auditor also holds meetings with all Independent Directors at least once per quarter to report on the execution of internal audit activities. In 2024, a total of eight such meetings were held between the Independent Directors and the Chief Internal Auditor.

Title / Position	Name	Actual Attendance Count	Attendance by Proxy	Actual Attendance Rate (%)
Independent Director	LI CHIEN-JAN	6	0	100
Independent Director	HO TUNG-HAO	5	1	87.5
Independent Director	PENG,CHO-LAN	6	0	100

## ◆ Remuneration Committee

To establish a sound remuneration system for directors and managers, and to evaluate whether their operating performance and compensation received are fair and reasonable, the Board of Directors has approved the "Organizational Regulations of the Remuneration Committee," establishing a Remuneration Committee under the Board. At least one member of the committee must be an independent director, and currently all 3 members are independent directors.

The Remuneration Committee's primary duties include establishing and regularly reviewing the performance and remuneration systems and standards for directors and managers, as well as periodically evaluating the compensation of directors and managers.

### ● Operational Status

When evaluating, the Remuneration Committee comprehensively considers the following principles: that the company's remuneration complies with relevant laws and regulations and is sufficient to attract outstanding talent; that the performance evaluation and compensation of directors and managers reference typical industry standards, taking into account the individual's time commitment, responsibilities, achievement of personal goals, performance in other positions, and the company's recent compensation for equivalent positions. It also assesses the reasonableness of individual performance's correlation with the company's operating performance and future risks, based on the achievement of short-term and long-term business objectives and the company's financial condition. The committee should not induce directors and managers to engage in behavior exceeding the company's risk appetite in pursuit of remuneration. The proportion of short-term performance-based remuneration and the timing of payment for variable compensation for directors and senior managers should be determined by considering industry characteristics and the nature of the company's business.

In actual operation, the Remuneration Committee faithfully fulfills its duties with the due care of a good administrator. It establishes and regularly reviews policies, systems, standards, and structures for directors' and managers' performance evaluations and remuneration, and periodically evaluates and determines their compensation. The committee submits its recommendations to the Board of Directors for discussion. In 2024, a total of 3 meetings were held, as detailed on the right, with a 100% attendance rate.

Title / Position	Name	Actual Attendance Count	Attendance by Proxy	Actual Attendance Rate (%)
Convener	HO TUNG-HAO	3	0	100
Committee Member	LI CHIEN-JAN	3	0	100
Committee Member	PENG,CHO-LAN	3	0	100

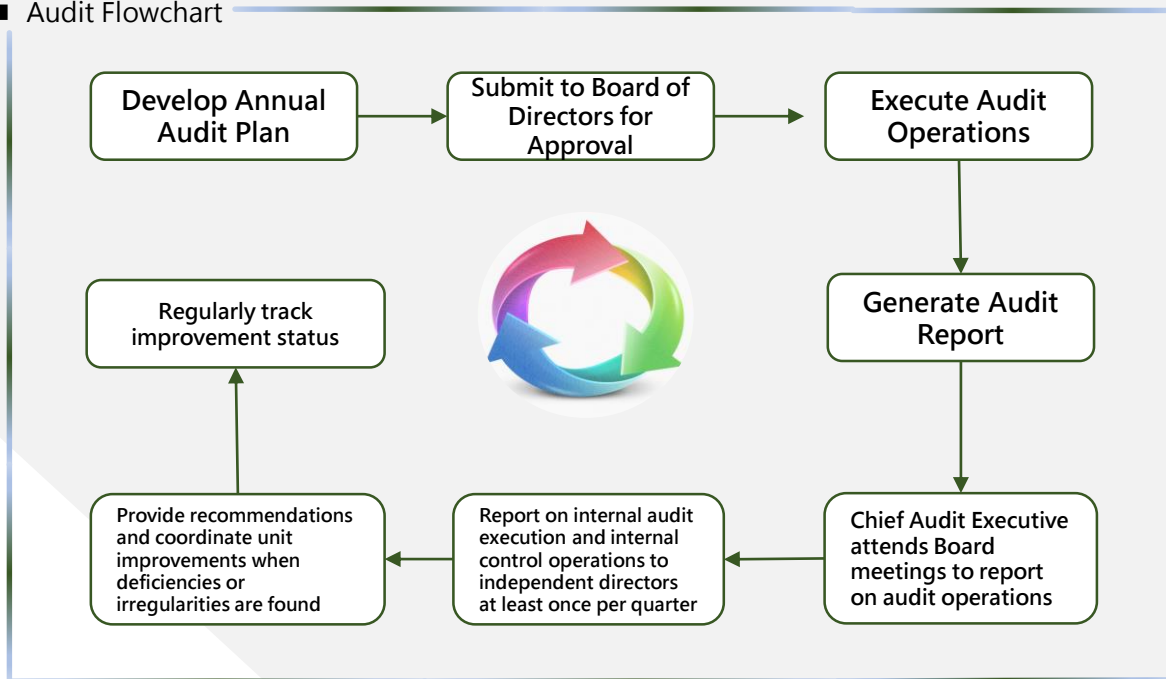
Date of Meeting	Reporting and Approval Discussion Items
2024/01/17	Deliberation on the allocation of stock subscription shares for managers in a cash capital increase.
2024/03/13	Proposal for the distribution of employee and director remuneration. Proposal for the change of the company's audit supervisor.
2024/10/04	Deliberation on the adjustment of managers' salaries and remuneration. Deliberation on the allocation of employee remuneration for managers.



## Internal Audit

The purpose of the company's internal audit is to assist the Board of Directors and managers in inspecting and reviewing internal control system deficiencies, measuring the effectiveness and efficiency of operations, and providing timely recommendations for improvement. This ensures the continuous and effective implementation of the internal control system and serves as a basis for its review and amendment. In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies," L&K establishes an effective internal control system, considering its own operations and those of its subsidiaries as a whole. This system is continuously reviewed and improved to adapt to changes in the company's internal and external environment, ensuring that the design and execution of the internal control system remain continuously effective. To ensure auditors maintain an impartial and objective stance in performing their audit work, an independent Audit Office, staffed with full-time audit personnel, is established under the Board of Directors in accordance with the law. The appointment, dismissal, performance evaluation, and compensation of internal audit personnel are approved by the Chairman. In 2024, the Audit Office reported to and communicated with the Audit Committee and the Board of Directors 4 times. Its operational status and effectiveness include conducting annual audit plans based on risk assessments, on a monthly, quarterly, and annual basis. In 2024, 57 audit items were executed.

### Audit Flowchart



### Operational Status

Meeting Date	Independent Directors and Chief Internal Audit Executive Communication Items
2024/03/13	<ul style="list-style-type: none"> <li>Review "Statement of Internal Control System"</li> <li>Internal Audit Reports</li> </ul>
2024/05/10	<ul style="list-style-type: none"> <li>Internal Audit Reports</li> </ul>
2024/08/02	<ul style="list-style-type: none"> <li>Internal Audit Reports</li> </ul>
2024/11/08	<ul style="list-style-type: none"> <li>Submit "Audit Plan"</li> <li>Internal Audit Reports</li> </ul>

Audit Items	Number of cases
Engineering Production Cycle	4
Property, Plant, and Equipment Cycle	1
Investment Cycle	2
Purchasing and Disbursement Cycle	4
Electronic Data Processing Control Operations	2
Management Control	17
Sales and Collection Cycle	2
Financing Cycle	6
Payroll Cycle	3
Key Transaction Cycle	16

## Economic Performance GRI 201

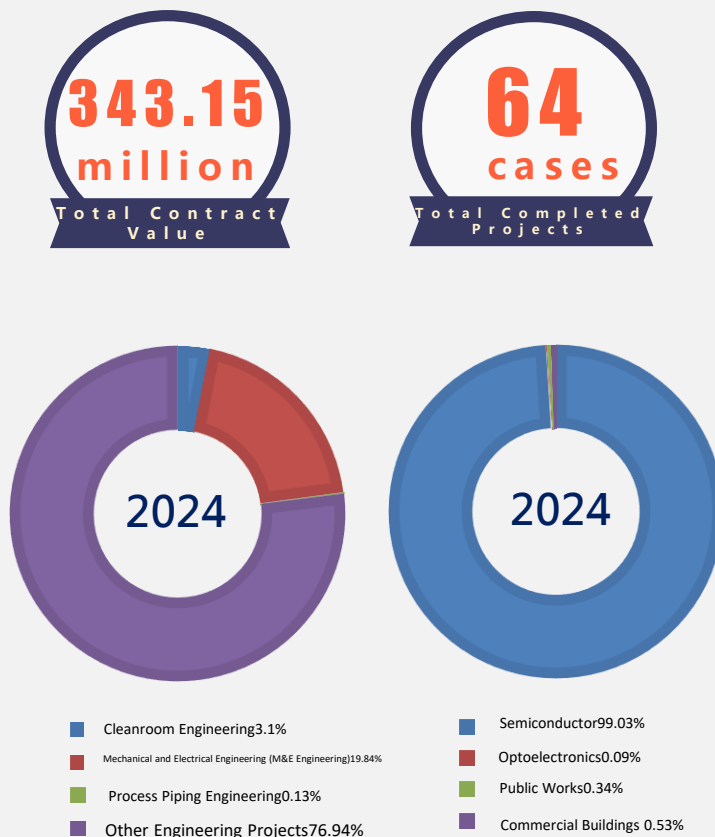
Since its establishment in 1978, L&K has progressed through its initial, transformation, research and growth, maturation, and strategic integration phases. From a small-to-medium-sized HVAC and electrical engineering contractor, it has grown into a leading provider of cleanroom engineering and complete plant turnkey projects domestically. The most crucial factor has been its adherence to its business philosophy. Through the interplay of theory and over 40 years of continuous engineering practice, L&K has striven tirelessly with a technology-service orientation, committed to providing clients with the best service quality. In 2024, L&K completed 23 projects totaling NT\$0.79 billion and had 41 ongoing projects valued at NT\$34.236 billion, bringing the total to 64 projects with a total contract value of NT\$34.315 billion.

## Engineering Performance

- L&K is the only domestic contractor involved in cleanroom engineering for 8" and 12" semiconductor wafer fabrication plants, optoelectronic plants, and biochemical pharmaceutical industries, as well as general utility projects like electrical, plumbing, HVAC, and fire protection.
- It is one of the few domestic engineering service companies capable of simultaneously undertaking projects both domestically and internationally across diverse industrial sectors such as optoelectronics, electronics, hospitals, biomedical pharmaceuticals, and energy.
- In 2024, new contract awards amounted to NT\$34.315 billion.

## Defined Benefit Obligations and Other Retirement Plans GRI 201-3

Given the characteristics of the engineering industry, L&K's workforce has an average age of around 38. Therefore, various human resource plans focus on professional (technical) training to enhance employee quality and create core employee value. Employees who meet the retirement conditions and apply are processed in accordance with the Labor Standards Act's retirement regulations.



### Financial Assistance Received from the Government 201-4

Year	2023	2024
Total Amount	643,000	616,000
Equity Share (%)	0.006%	0.004%

Note: Includes the Singapore branch.

## Taxation 207

L&K supports government regulations that foster corporate innovation and promote economic growth. The head of the Finance and Accounting Department annually reviews the company's tax policies, striving for information transparency and sustainable development.

### Tax Policy

- ✓ L&K complies with all tax laws and their legislative spirit in all operating locations.
- ✓ Financial reporting information is transparent, and tax disclosures are handled in compliance with relevant regulations and standard requirements.
- ✓ Tax planning is not undertaken for the purpose of tax avoidance.
- ✓ L&K establishes mutually respectful relationships with tax authorities based on mutual trust and information transparency.
- ✓ L&K evaluates the operating environment and utilizes management mechanisms to conduct tax risk assessments.

## Risk Management

L&K complies with tax laws in all its operating locations. Unfavorable changes in tax laws and regulations can increase the company's effective tax rate, negatively impacting performance. The company's internal control system processes identify, assess, and implement countermeasures to manage risks and reduce tax impact.

## Tax Governance

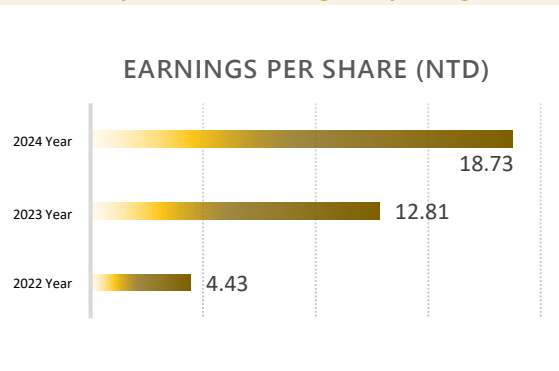
The head of L&K's Finance and Accounting Department holds ultimate responsibility for tax management. Daily tax administration and management are delegated to the accounting supervisor. The Audit Committee oversees the quality and integrity of accounting, auditing, financial reporting processes, and financial controls, reviewing matters including accounting policies and procedures, internal control systems, legal compliance, and risk management. In 2024, the effective tax rate was 16.3%, and there were no instances of penalties from competent authorities during this period.

## Financial Performance

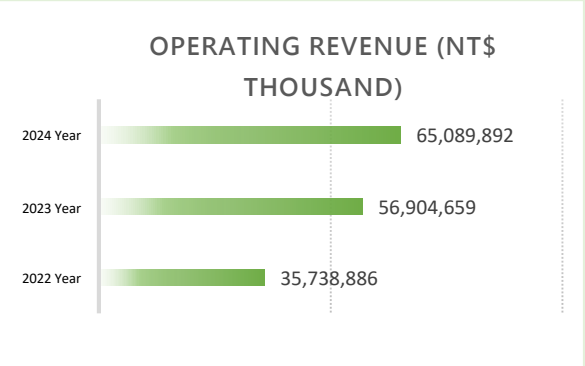
L&K achieved another peak in business volume in 2024, with the proactive efforts of its project teams yielding particularly outstanding financial results. Both the individual and consolidated operating revenues, gross operating profits, and gross profit margins increased compared to last year. Profitability grew, and several performance indicators hit a 7-year high. The consolidated financial statements (encompassing subsidiaries RSEA ENGINEERING CORPORATION, L&K Engineering (Suzhou) Co., Ltd., and L&K Group) and the individual financial statements have been audited by PricewaterhouseCoopers Taiwan, with an unqualified opinion.

### Consolidated Financial Report

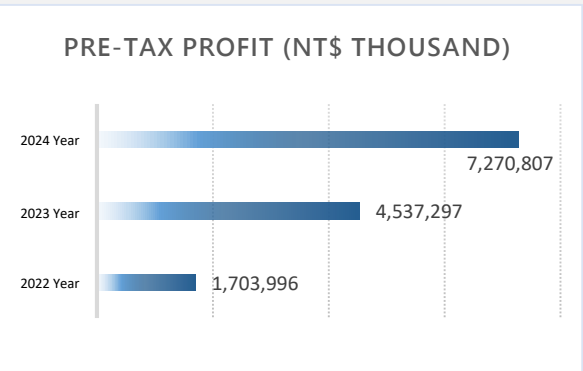
Earnings Per Share Growth:  
Increased by 1.5 times, reaching an 8-year high.



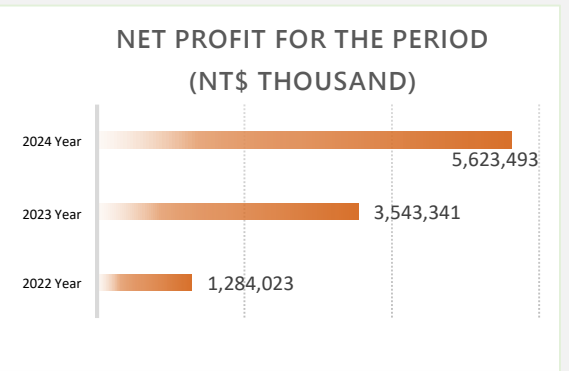
Revenue Growth:  
Increased by 14%, reaching an 8-year high.



Pre-tax Profit Growth:  
Increased by 1.6 times, reaching an 8-year high.

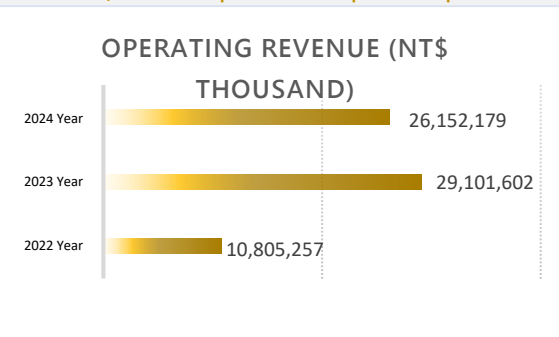


Net Profit for the Period Growth: Increased by nearly 1.6 times, reaching an 8-year high.

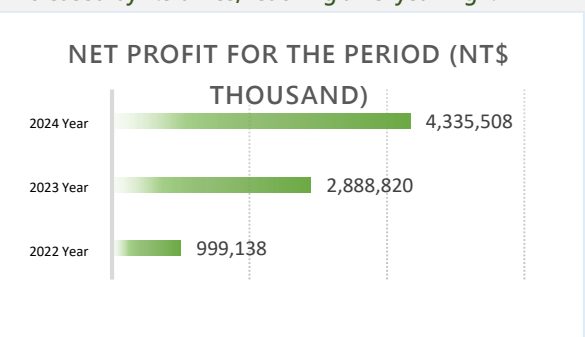


### L&K Individual Financial Report

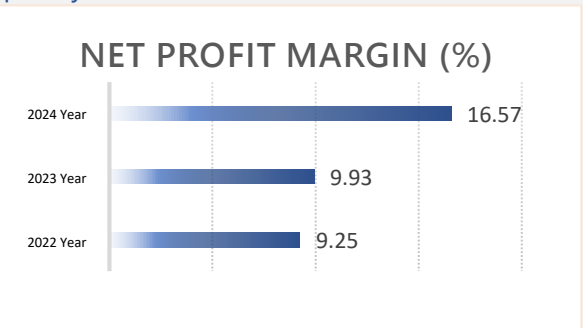
Operating Revenue:  
Decreased by 10 % compared to the previous period.



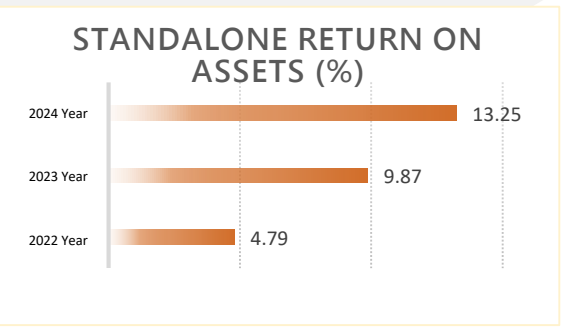
Net Profit for the Period:  
Increased by 1.5 times, reaching an 8-year high.



Net Profit Margin:  
Increased by 1.7 times, marking the highest level in the past 5 years.



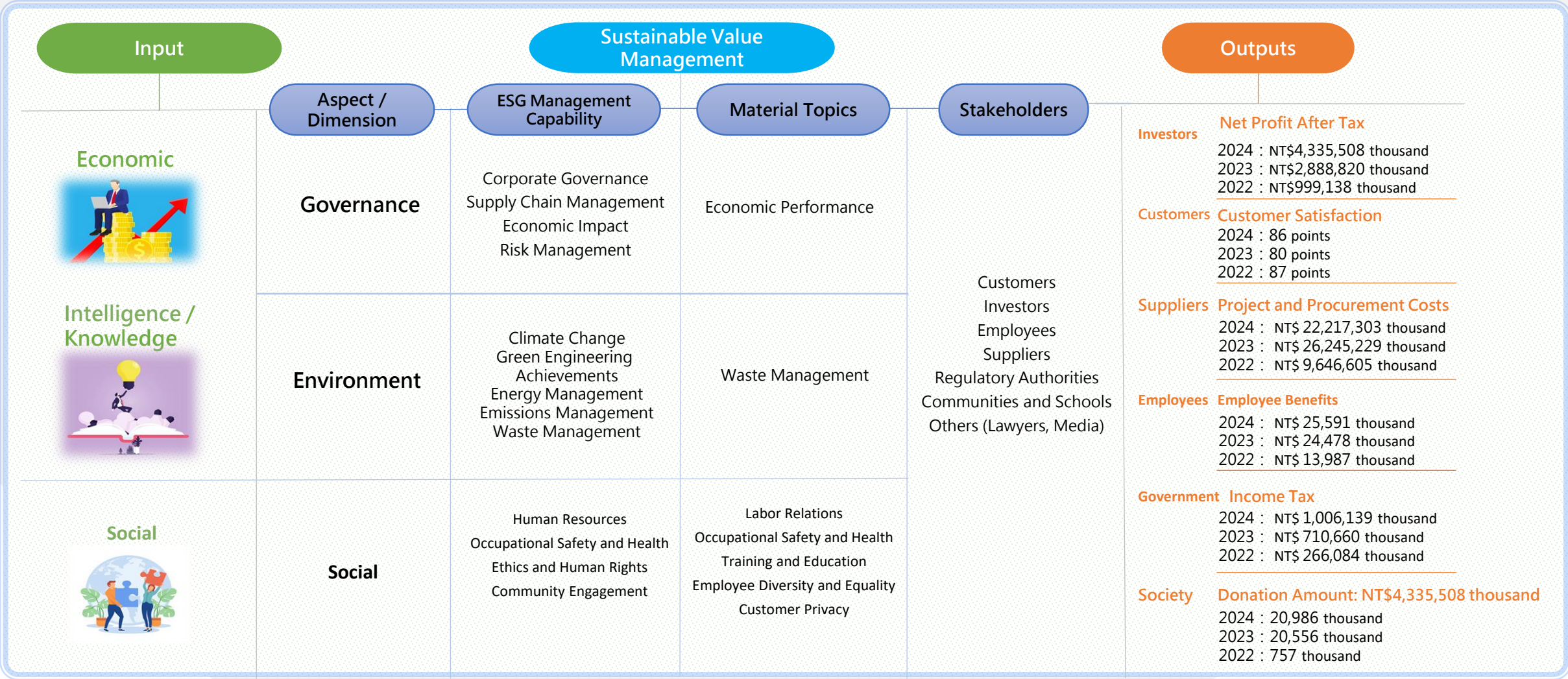
Return on Assets (ROA):  
Increased by 1.3 times, reaching an 8-year high.





# Sustainable Value

L&K's operations invest economic, intellectual, and social resources to maximize corporate operating profits and shareholder value. This drives the internal corporate sustainability management mechanism, pursuing a spirit of continuous improvement to maximize output value and benefits. In promoting sustainable management, L&K leverages organizational capabilities such as corporate governance, procurement management, economic impact, turnkey project management, environmental, safety, and health (ESH) management, human resources, and stakeholder communication. These serve to enhance the organization's multiple surpluses for sustainable performance while simultaneously creating sustainable value for the industry and the public, expanding impactful benefits, and leading society and the company towards a sustainable and prosperous future.



## Climate Change Management 201-2

### Climate Governance

L&K's Sustainable Development Committee, established by the Board of Directors, serves as the highest management unit for climate change risk management. The Sustainable Development Committee also acts as the executive unit for managing and identifying climate change risks and opportunities. L&K's Sustainable Development Committee is led by the Chief Sustainability Officer, and under the committee, five working groups (referred to as ESG working groups)—Sustainable Strategy Group, Environmental Group, Governance Group, Social Group, and Economic Group—are established. These groups respectively address issues of concern to various stakeholders and integrate the work promoted by relevant company departments to facilitate business execution. Annually, the ESG working groups compile the risks, opportunities, and response measures faced by each risk management executive unit. This information is then consolidated and its impact assessed by the Sustainable Strategy Group. The committee monitors risks derived from climate change through a sustainable development perspective, plans corresponding response measures, reviews the implementation of relevant issues, and reports to the Board of Directors.

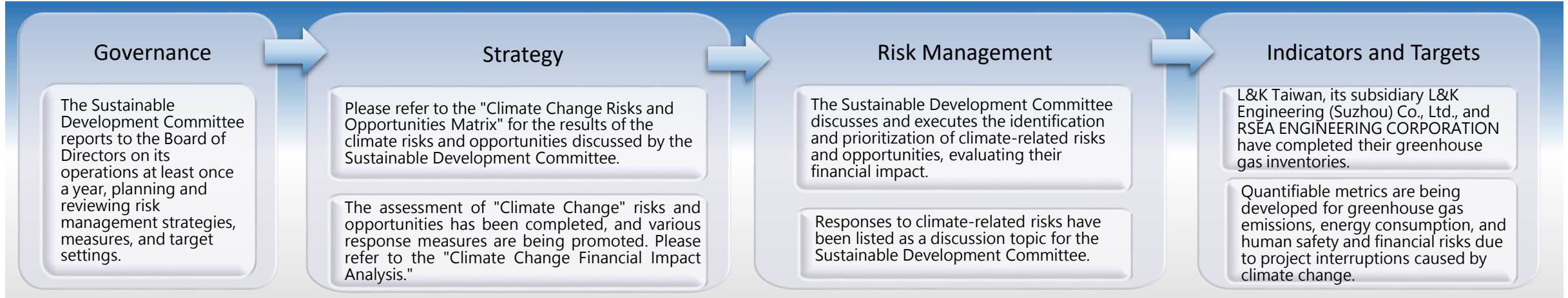
In accordance with laws and regulations set by competent authorities, L&K conducts greenhouse gas inventory annually. The ESG working groups compile greenhouse gas emission and reduction information, and disclose the results in the Sustainability Report and on the Market Observation Post System. The preparation of L&K's related operational reports complies with relevant laws and regulations from competent authorities. Additionally, internal audit operations are regularly conducted to review the management of ESG-related activities, and audit reports are compiled and submitted to the Board of Directors.

### Climate Change Risk Management Identification Process

L&K references the Task Force on Climate-related Financial Disclosures (TCFD), issued by the Financial Stability Board (FSB). Following the disclosure frameworks of "Governance," "Strategy," "Risk Management," and "Metrics and Targets," L&K conducts risk and opportunity analysis and formulates corresponding response measures.

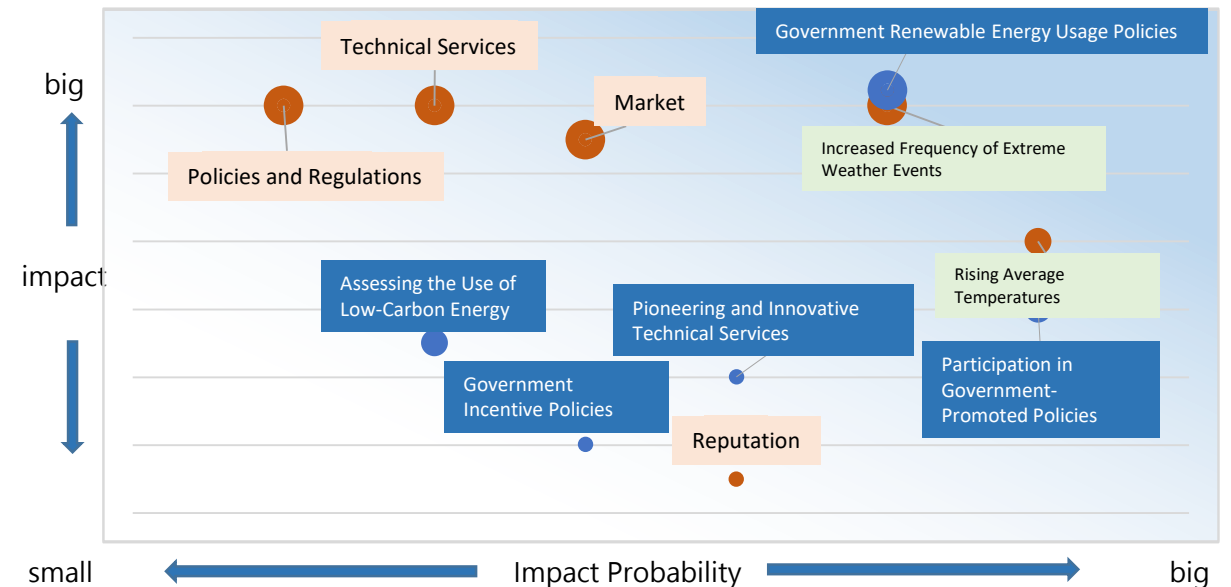
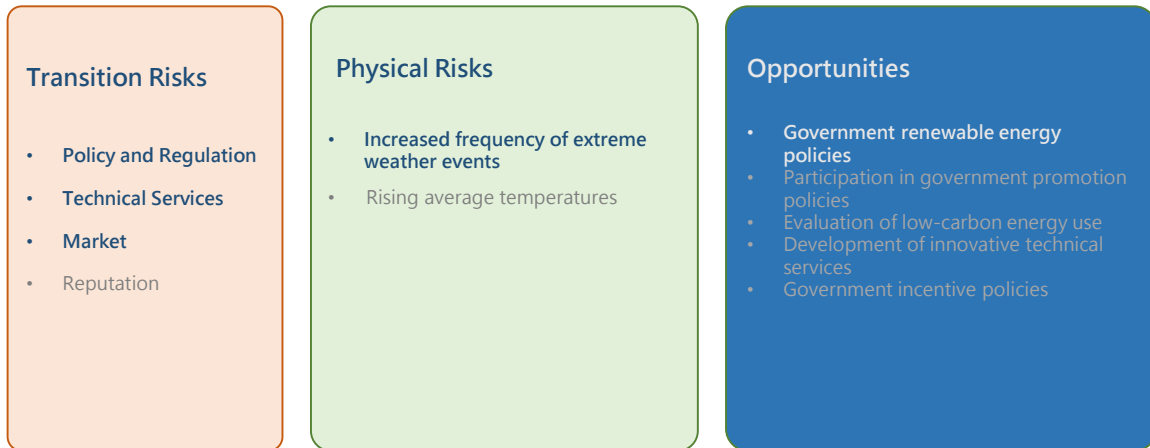


## Climate Change Management Strategy, Metrics, and Targets



## Climate Change Risks and Opportunities Matrix

### 4 Major Risks, 1 Important Opportunity



## Climate Change Risk Impact and Response

The dangers of extreme weather to humans and species are becoming increasingly frequent and severe. Torrential rains cause landslides, wildfires ignite forest infernos, and droughts lead to water scarcity. These unpredictable risks not only endanger people's lives and property and destroy public infrastructure but also inflict significant losses upon businesses. As an engineering company, L&K faces challenges such as increased material costs, delayed project timelines, and impaired asset values. It's crucial to acknowledge the impacts and ramifications of extreme weather and actively explore solutions.

In its construction processes, L&K needs to procure materials, labor, capital, and adhere to schedules, while frequently interacting with its partners. The intensity of these interactions directly influences the overall economic development. Furthermore, changes in the upstream, midstream, and downstream industrial environments also exert influence, such as fluctuations in bank loan interest rates, material prices, and the availability of domestic and migrant labor. Consequently, L&K has identified 5 high-risk factors and 3 medium-risk factors related to climate change. It is developing adaptation, mitigation, and management measures to address their impact on the company and analyzing potential opportunities to reduce operational and financial shocks caused by climate change, thereby strengthening the organization's climate resilience. Details on climate change risk impacts and response measures are as follows:

Types of Risks and Opportunities	Title	Impact/Opportunity Description	Impact Scope	Timeframe of Impact			Financial Impact	Response Measures
				Short	Medium	High		
Transition Risks	Policy and Regulation	<ul style="list-style-type: none"> <li>The Ministry of Environment has announced carbon fee collection measures, leading to increased material costs across the supply chain. The passing on of carbon fees could reduce company profits, necessitating proactive preparation for regulatory changes.</li> <li>The continuous expansion of losses caused by climate change may also increase climate-related litigation risks.</li> </ul>	Increased operating costs Increase in penalty cases	●	●	●	High	<ul style="list-style-type: none"> <li>Prioritize climate change issues, focusing on green compliance within climate-related legal frameworks, and actively foster talent.</li> <li>Understand changes and trends in relevant legal frameworks to ensure compliance and risk control.</li> </ul>
	Technical Services	The economic system is gradually shifting to support low-carbon, high-efficiency technological improvements and innovations. This means that existing operations might be replaced by products or services that produce less carbon, or the development of low-carbon technology and renewable energy could increase operating costs.	Decreased revenue Increased operating costs	●	●	●	High	<ul style="list-style-type: none"> <li>Monitor the progress of government regulatory systems and develop feasible, rapid low-carbon pathways, adjusting the company's business strategy accordingly.</li> <li>Research and annually invest a certain proportion in developing green engineering technical capabilities.</li> <li>Collaborate with schools on technical research to enhance the competitiveness of green engineering technology.</li> </ul>

Note: Short-term refers to a period of 1 year, medium-term to 3 years, and long-term to over 5 years.

Continue

Types of Risks and Opportunities	Title	Impact/Opportunity Description	Impact Scope	Timeframe of Impact			Financial Impact	Response Measures
				Short	Medium	High		
Transition Risk	Market	<ul style="list-style-type: none"> <li>Climate change is altering supply and demand structures and product/service mechanisms, increasing market uncertainty.</li> <li>If L&amp;K undertakes contracts involving high-pollution or high-carbon emission industries, it might negatively impact the perception of society or stakeholders, influencing their decision to invest in the company.</li> </ul>	Reduced revenue Impairment of asset value		●	●	High	<ul style="list-style-type: none"> <li>Proactively adjust and develop diverse treatment methods in line with environmental legal trends, providing integrated carbon reduction services to clients.</li> <li>Develop products and services related to low-carbon technology, such as replacing diesel forklifts with electric machinery, and high-carbon fuels with low-carbon fuels.</li> <li>Proactively invest in and develop innovative green engineering-related technical services, constantly monitoring policy and market changes; update design specifications and standards to meet client needs and gain client trust.</li> <li>Actively respond to ESG-related issues, disclosing information on fuel, electricity, water, paper, and waste emissions.</li> </ul>
	Goodwill	<ul style="list-style-type: none"> <li>Ineffective integration of client carbon reduction measures could damage the company's reputation, leading to business loss.</li> <li>A lack of proactive response to stakeholder concerns about climate change issues could harm the company's reputation.</li> </ul>	Reduced revenue Diminished reputation		●	●	Medium	<ul style="list-style-type: none"> <li>Fulfill social responsibility and collaborate with suppliers to continuously promote ESG issues.</li> <li>Establish communication channels for stakeholder concerns or needs, using feedback as a driving force for the company's progress towards sustainability goals.</li> </ul>
Physical Risk	Immediate Physical Risks: Increased Frequency of Extreme Weather Events	<ul style="list-style-type: none"> <li>The increasing frequency and severity of typhoons and torrential rains annually could lead to: project delays, damage to engineering structures, and property losses. Regarding personnel deployment, it could result in inability to work or casualties.</li> <li>It could also disrupt or break the supply chain, leading to service interruptions or decreased quality.</li> </ul>	Operational disruption Impairment of asset value	●	●	●	High	<ul style="list-style-type: none"> <li>Modify construction strategies to accelerate project timelines.</li> <li>Continuously strengthen safety awareness campaigns and preventive measures to effectively reduce occupational accidents at project sites, achieving hazard prevention.</li> <li>Develop new suppliers; currently, there have been no instances of project delays due to weather-related delivery issues impacting construction progress.</li> </ul>

Note: Short-term refers to a period of 1 year, medium-term to 3 years, and long-term to over 5 years.



Types of Risks and Opportunities	Title	Impact/Opportunity Description	Impact Scope	Timeframe of Impact			Financial Impact	Response Measures
				Short	Medium	High		
Physical Risk	Long-term Risk: Rising Average Temperatures	Excessive greenhouse gases lead to global warming, fueling extreme weather phenomena such as rising average air and ocean temperatures, and melting glaciers that result in rising sea levels, inundating low-lying areas. Changes in precipitation patterns contribute to extreme weather, including heatwaves, droughts, wildfires, torrential rains, and floods, causing loss of life and property, and increasing operating costs such due to higher electricity bills and water shortages.	Increased operating costs Impairment of asset value			●	Medium	<ul style="list-style-type: none"> <li>Provide heat hazard prevention education and training at project sites.</li> <li>Continuously review and adjust operational management mechanisms to improve resource efficiency and proactively develop low-carbon technologies and services.</li> <li>Establish and regularly drill emergency response plans to enhance personnel's response capabilities, preventing sudden or unpredictable disasters from affecting operations and causing financial burdens.</li> </ul>
Opportunity	Resource Use Efficiency <ul style="list-style-type: none"> <li>Expand the efficiency of operational resource utilization.</li> <li>Evaluate the use of low-carbon energy.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance the efficiency of operational resource utilization through monitoring information and timely, effective adjustments or corrective measures.</li> <li>Implement water-saving equipment, promote reduction, and encourage recycling and reuse to lower operational costs.</li> </ul>	Reduce operational costs.	●	●	●	Medium	<ul style="list-style-type: none"> <li>Evaluate equipment use efficiency, update or replace inefficient equipment, and reduce carbon emissions.</li> <li>Select energy-efficient facilities or equipment and establish an energy use monitoring mechanism to effectively evaluate and manage energy consumption, aiming to gradually reduce energy consumption.</li> </ul>
	Energy Sources <ul style="list-style-type: none"> <li>Government incentive policies</li> <li>Respond to the use of low-carbon energy</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate the use of low-carbon energy to enhance energy efficiency</li> <li>Cooperate with government incentive policies for building renovation or replacement with energy-efficient products and equipment</li> </ul>	Reduced operating costs	●	●	●	Low	<ul style="list-style-type: none"> <li>Plan and utilize idle areas to install solar power generation facilities, reducing carbon emissions</li> <li>Select renewable energy products or equipment to increase renewable energy utilization rate</li> </ul>

Note: Short-term refers to a period of 1 year, medium-term to 3 years, and long-term to over 5 years.

Continue

Types of Risks and Opportunities	Title	Impact/Opportunity Description	Impact Scope	Timeframe of Impact			Financial Impact	Response Measures
				Short	Medium	High		
Opportunity	Products/Services <ul style="list-style-type: none"> <li>Development of Innovative Technical Services</li> </ul>	Develop innovative technical services to provide clients with plant construction consulting and diversified environmental protection solutions, mitigating the impact of climate change.	Increased Revenue		●	●	Low	<ul style="list-style-type: none"> <li>Actively expand the scope of engineering services and broaden the value of green engineering technology services. For example, digitizing documents, official correspondence, and submission reviews enhances timeliness and reduces paper consumption.</li> <li>Implementation of Carbon Reduction Technologies: Integrate carbon reduction technologies across various stages design, material procurement, transportation, construction, operation, and demolition to minimize environmental impact.</li> </ul>
	Market <ul style="list-style-type: none"> <li>Government encourages renewable energy use.</li> <li>Advocate for energy saving and carbon reduction.</li> </ul>	<ul style="list-style-type: none"> <li>Government encourages renewable energy use.</li> <li>In response to mitigating global warming, advocate for energy saving and carbon reduction.</li> </ul>	Enhanced Goodwill Increase in Revenue Reduction in Operating Costs	●	●	●	Low	<ul style="list-style-type: none"> <li>Increased new business models, such as public works and green engineering.</li> <li>Replace high-carbon emission equipment and systems, such as diesel equipment and vehicles.</li> <li>Develop energy-saving technologies and construction methods.</li> </ul>
	Resilience <ul style="list-style-type: none"> <li>Participate in government promotion policies.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in government-promoted green engineering to collectively solve overall environmental problems.</li> <li>Actively and proactively implement environmentally friendly promotional activities, such as environmental education courses; invest human resources in environmental protection work by participating in environmentally friendly activities to jointly fulfill green responsibility.</li> </ul>	Increased revenue. Enhanced reputation.	●	●	●	Medium	<ul style="list-style-type: none"> <li>Participate in public environmental engineering tenders and private enterprise green building investments.</li> <li>Promote environmental protection knowledge and implement environmental education courses.</li> <li>Invest in green financial products.</li> </ul>

Note: Short-term refers to a period of 1 year, medium-term to 3 years, and long-term to over 5 years.

# Climate Change Risk Management Scenario Analysis

In recent years, the financial impact related to climate change has gained increased attention from stakeholders. To understand the potential financial impact of significant climate risks and opportunities on L&K's future, L&K will select 4 major risks and 1 opportunity from the risk-opportunity matrix for quantitative analysis. Scenario Analysis Process: Select significant climate change risks and opportunities → Identify potential impact levels and financial impacts → Quantify major climate change risks and opportunities → Analyze results and response strategies.

Climate Risks and Opportunities		Potential Impact Level	Quantifiable Scenario	Operational Impact as % of Overall Revenue
Transition Risk	Policy and Regulation	At the end of 2022, the Financial Supervisory Commission officially announced the "Reference Guidelines for the Identification of Sustainable Economic Activities," which includes items related to L&K's service scope in the "Construction and Real Estate Industry." In response to regulatory policies and stakeholder expectations, these are set as management targets.	Based on client demands and government policies and regulations, L&K will conduct technical services. In line with the government's net-zero transition plan, the company will increase the proportion of energy-saving and carbon-reducing products. In the future, to meet government requirements, the increased costs of green buildings and the procurement of green building materials will lead to a rise in construction costs.	No impact on expenses occurred in 2024.
	Technical Services			
	Market			
Physical Risk	Increased Frequency of Extreme Weather Events	Whenever extreme weather events occur, such as typhoons, torrential rains, and concentrated rainfall causing flooding in low-lying areas, they directly result in extended construction dates and varying degrees of disaster losses. Due to climate change, the frequency of such extreme weather events has increased in recent years and shows a trend of continuous worsening, which will lead to an increase in the frequency and amount of losses faced by the engineering service industry in the future.	Under the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (IPCC) AR6 SSP5-8.5 scenario, future climate conditions in Taiwan are expected to become increasingly severe, with a 20% increase in the rate of heavy rainfall changes. This will cause disaster losses or construction delays at construction sites, project offices, and regular offices.	<ul style="list-style-type: none"> <li>At construction sites and project offices, due to competent authorities announcing disaster leave, project progress was affected; flooding occurred due to torrential rains. This situation was within acceptable limits, and no severe disaster loss expenses were incurred.</li> <li>Rusting of the tin roof on the office building led to rainwater seepage into the floor. This situation was within acceptable limits, and no severe disaster loss expenses were incurred.</li> </ul>
Opportunity	Government Encourages Renewable Energy Use	Currently, the demand for green products is increasing. The government provides subsidies and tax reductions for green buildings, making participation in public works contracts and green engineering opportunities highly valued.	In response to changes in economic models, there may be an increased demand for new construction and environmental engineering projects, leading to increased revenue and asset value. Actively participating in subsidy measures related to zero-energy building transformation is important, as net-zero energy buildings have higher unit prices, and consumer demand for such buildings is also increasing.	No government subsidies or tax reductions occurred in 2024.

## Indirect Economic Impact 203-1 203-2

### Talent Cultivation Program

In response to the shortage of engineering professionals in the market, the severe lack of engineering management talent, and the declining birthrate, coupled with young people's reluctance to enter the engineering industry (and their instability even if they do), L&K has an opportunity to focus on a student cultivation program with St. John's University. L&K is donating to St. John's University to support education and promote industry-academia collaboration. This initiative combines the strengths of L&K's Board of Directors, the university's alumni association, and alumni enterprises to offer "employment upon enrollment" programs, various scholarships and grants, and corporate internship opportunities. For students, this provides a chance to find suitable employment and apply their knowledge. For L&K, it strengthens human resource succession planning, mitigates indirect impact risks, and enhances the company's market competitiveness. This mutually beneficial partnership creates a win-win situation for both parties, while also contributing to social responsibility and striving for corporate sustainable development.

Beyond its dedicated industry-academia collaboration initiatives with domestic universities, L&K also implements similar programs at its Chinese subsidiary, L&K Engineering (Suzhou) Co., Ltd. These diverse talent cultivation channels and development programs aim to ignite young people's interest and willingness to engage in the engineering industry's growth. Concurrently, L&K leverages external developments within the engineering sector to supplement its professional training with essential language skills and international engineering management knowledge, thereby nurturing future international engineering talent.

### "Employment Upon Enrollment"

For many years, L&K has recognized the severe labor shortage in the industry. To cultivate international industrial talent in electrical system integration and to align with the government's "Program to Promote International Students to Study and Remain in Taiwan," L&K has partnered with several enterprises to strongly support St. John's University in jointly launching a new specialized class for international industrial talent. This program recruits international students, primarily from Indonesia, to study for dual-degree programs in Taiwan. Upon graduation, partner enterprises will facilitate their employment in Taiwan, thereby alleviating the domestic shortage of industrial talent.

This "new specialized class" not only expands the school's recruitment of overseas Chinese and international students, but also helps enterprises tailor the talent they need. Excellent students can even remain in Taiwan for work, alleviating the industry's labor shortage.

In addition to offering positions like construction electromechanical supervision engineers, electromechanical engineers, and electrical control technicians, each student in the specialized class will receive living allowances and tuition fee subsidies from the participating enterprises during their enrollment. These preferential measures substantially ease the financial burden on students during their studies.



### Fulfilling Corporate Social Responsibility

L&K's Hsinchu office is located on Ren'ai Road, a mixed-use area with industrial zones, shops, and residences. Vehicles are often parked within the white lines on the road, forcing pedestrians to walk in the vehicle lanes. In 2024, L&K adopted this road for maintenance, ensuring its neatness. The short-term plan is to establish sidewalks on the adopted road to separate pedestrians and vehicles, ensuring safety for both drivers and walkers. This initiative demonstrates the company's support for community infrastructure, enhancing regional environmental tidiness, quality of life, and the urban environment, showcasing a positive impact on the surroundings.



Maintaining Orderly Roads and Improving Environmental Quality

Learning about daily life and site visits



## Talent Cultivation Goals and Strategies

L&K, in alignment with the government's "Program for Promoting International Student Recruitment and Retention in Taiwan," collaborates with multiple enterprises to strongly support St. John's University to jointly launch new specialized programs for international industrial talent, recruiting international students from Indonesia and Vietnam to study in Taiwan.

Given the abnormal global climate change in recent years, the Company's Chief Sustainability Officer, with a professional engineering technical background, researched the impact of climate change response laws on the construction industry, developing a research paper published at an international conference for extensive exchange and sharing of experience among engineering technical personnel. This aims to formulate climate change adaptation strategies, reduce and manage greenhouse gas emissions, implement intergenerational justice, environmental justice, and just transition, fulfill the shared responsibility of protecting the global environment, and ensure national sustainable development, thereby leveraging listed/OTC-listed companies to connect the supply chain and promote the sustainable development of the entire industry.

Overseas Student Recruitment



Overseas Academic Publications and Presentations





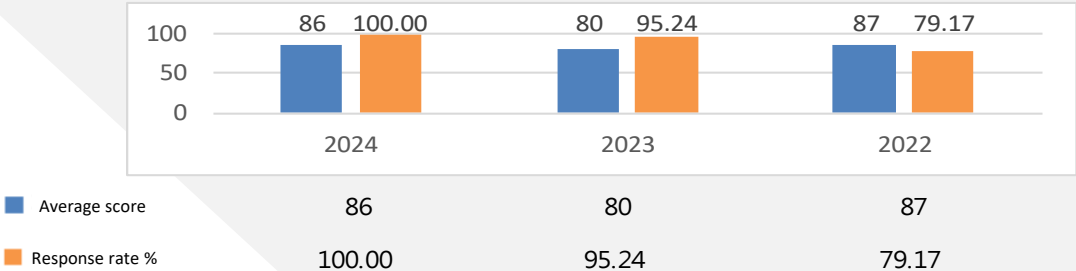
# Customer Service Management

L&K provides high-quality, comprehensive engineering service solutions, aiming to be a reliable business partner for clients. We gather engineering technology and professional talent, utilizing the organizational benefits of teamwork and professional division of labor, and uphold an attitude of integrity and responsibility to offer clients the most trustworthy services.

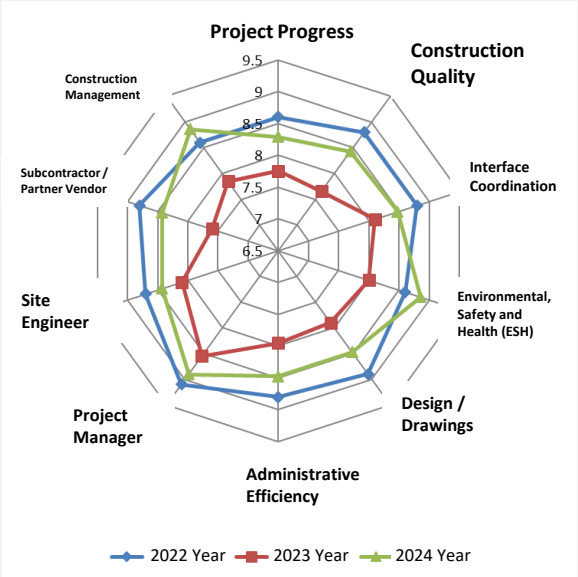
## Customer Satisfaction

Clients are the Company's most important assets, and client retention rate is a critical factor determining whether an enterprise can achieve sustained growth in a highly competitive market. Therefore, customer satisfaction is the foundation for business growth and repeat project rates, and it provides the impetus for the Company's sustainable operation, making it an extremely crucial area for the enterprise. To enhance engineering quality and value client feedback, customer satisfaction questionnaires are regularly conducted.

Execution Forms	Execution Method	Handling of Survey Results
Customer Satisfaction Survey Form	The first survey is conducted three months after project initiation, followed by a semi-annual basis. When project progress exceeds 95%, the head of the Engineering Department is requested to assign an interviewer.	The determination of questionnaire survey results involves project department-level managers compiling client-suggested solutions for resolution in management meetings.



L&K places particular emphasis on engineering service quality, especially on feedback regarding project progress, construction quality, interface coordination, EHS (Safety, Health, and Environment) management, design/drawings, administrative operational efficiency, project managers, on-site engineers, cooperating vendors, and construction management. Questionnaires from the past three years indicate weaknesses in cooperating vendors, construction management, and on-site engineers. In EHS management, we remain constantly vigilant and disciplined, rigorously implementing management, educating that "everyone is responsible for industrial safety," and jointly maintaining the construction environment and ensuring worker safety.



## Deficiencies and Industrial Safety Losses

L&K discloses heavy rework costs and safety-related deficiencies based on the Structural Integrity & Safety topic of SASB Sustainability Accounting Standards. External competent authorities and clients issue notices for worker violations of the Occupational Safety and Health Act that pose hazards and involve deficiencies, which also incur heavy rework costs. During the requisition stage, procurement budgets can only be executed after a review process and approval.

Year	Fines from Regulatory Authorities		Fines from Clients / Project Owners		Fines from Client Committees		Defect Cost	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
2023	0	0	6	12,500	20	103,050	21	15,562,114
2024	2	106,000	4	15,000	0	0	5	411,500

# Sustainable Supply Chain 204

## Procurement Management

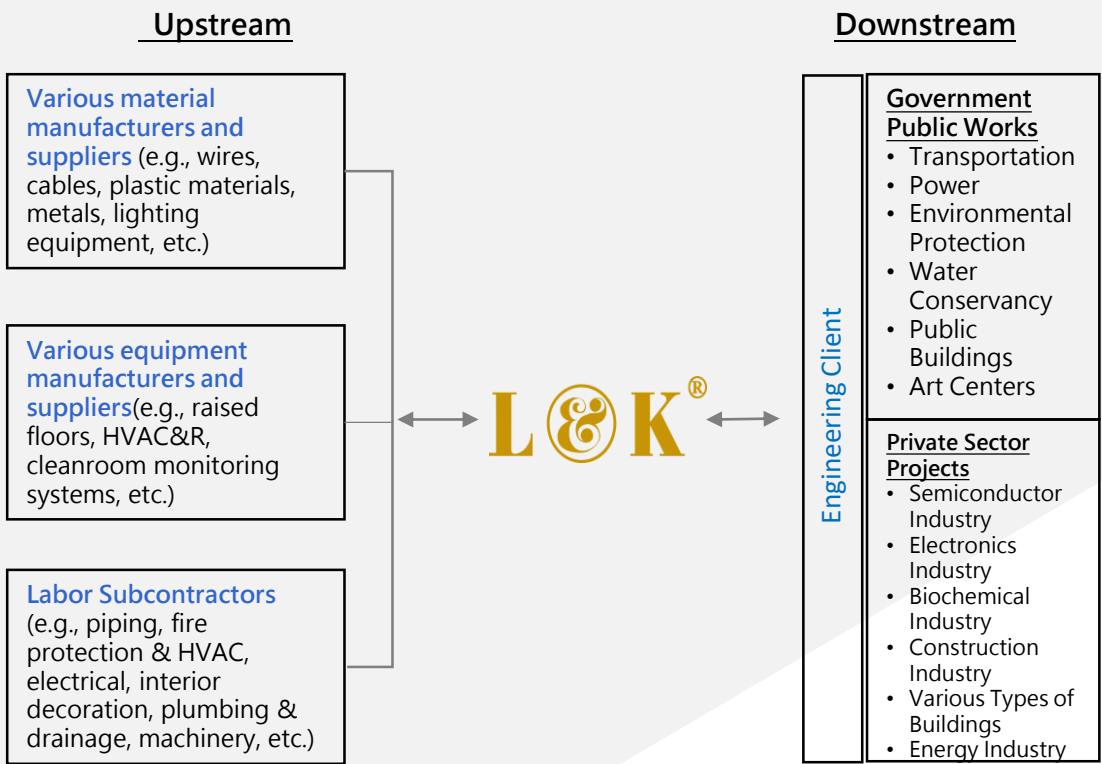
In its early stages, L&K's business scope included EPC (Engineering, Procurement, and Construction) turnkey projects and the manufacturing of patented cleanroom products. As the demand for technology plant construction became saturated in later stages, the Company began expanding its scope, undertaking projects such as public infrastructure, commercial office buildings, hospitals, art centers, and station buildings. Concurrently, it increasingly relied on swift and efficient supplier collaboration to maintain competitiveness.

Faced with supply chain shortages, increased client demand, and rapid social innovation, the smooth progression of engineering projects relies on the support and cooperation of the entire supply chain. Based on this, in order to fulfill contracts while controlling budgets and maximizing profits, it is essential to collaborate with material and equipment manufacturing suppliers, labor service providers, human resources, and their related peripheral services to jointly complete projects. This enables clients to commence operations within the shortest possible time to reduce costs and recover capital within the shortest period.

In the early stages of each project, the Company plans the operational timelines for various equipment, materials, and installation labor requirements. Requisitions are then executed according to these timelines and operational procedures, consolidating procurement demands. Procurement operations are carried out following procurement management guidelines, ensuring that equipment and material specifications and functions meet client requirements, and that installation labor contractors comply with safety, health, and project progress demands. Furthermore, the Company supports and cooperates with various projects in handling supplier issues, establishing and consolidating supplier cooperative relationships, achieving quality and on-schedule targets, and jointly creating mutually beneficial, win-win sustainable operations.

## Supply Chain Attribute Categories

L&K categorizes its upstream supply chain attributes into material/equipment suppliers and labor subcontracting contractors. These are managed by different attribute characteristics and contract execution statuses to promptly acquire supplier information and effectively manage supplier operations. As of the end of 2024, L&K has accumulated 4,265 domestic and international cooperating vendors, with 3,851 domestic vendors and 414 international vendors.



## Supply Chain Management

### Supplier Code of Conduct

L&K was founded on the principle of integrity in business operations, with a particular focus on supplier integrity. In response to the premise of sustainable development, L&K has formulated a Supplier Code of Conduct based on relevant industry requirements and by referencing international supplier initiatives and issues of concern. Equipment and material suppliers, installation labor contractors, and their affiliates and subsidiaries' suppliers shall all jointly comply with and promote the key points of integrity management and the code of conduct, responding to corporate sustainability responsibilities and climate action.

### Integrity Management and Code of Conduct

#### Ethical Standards

- Ethical Business Practices
- Legitimate Profit
- Information Disclosure
- Intellectual Property (IP)
- Fair Trade and Competition
- Conflict-Free Mineral Sourcing
- Privacy Protection
- Prevention of Bullying

#### Labor and Human Rights

- Prohibition of Child Labor
- Working Hours
- Wages and Benefits
- Fair Treatment
- Non-Discrimination
- Free Employment
- Freedom of Association

#### Safety and Health

- Compliance with Occupational Safety Regulations
- Occupational Safety
- Environmental Hygiene
- Emergency Response
- Occupational Injuries and Illnesses
- Safety Protection
- Occupational Safety and Health Education

#### Environmental Responsibility

- Environmental Permit Compliance with Environmental Regulations
- Hazardous Substances
- Pollution Prevention and Control Wastewater Discharge Air Emissions
- Waste Management Energy Saving and Carbon Reduction

#### Management System

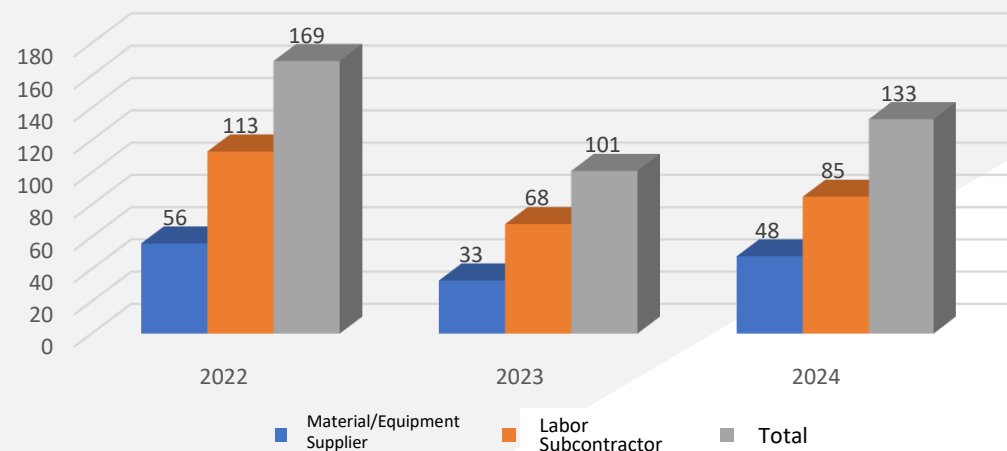
- Management Responsibilities
- Legal Requirements
- Customer Requirements
- Risk Assessment and Management
- Corporate Responsibility
- Documentation and Records
- Education and Training
- Audit and Improvement

### Selection of New Vendors

In accordance with procurement operating guidelines, new material/equipment and labor subcontracting vendors must undergo evaluation and selection procedures. Statistical data indicates the necessity of newly developing suppliers due to business expansion:

- New vendors are provided by projects or developed independently. New vendors must prepare and provide relevant documents and data for initial evaluation.
- Labor subcontracting partners must provide a certificate of no occupational accidents issued by a labor inspection authority or the competent authority of the contracted construction site within the past year. If no such certificate is available, a "Declaration of No Occupational Accidents" must be signed and returned.
- For a single requisition amount exceeding NT\$5,000,000 (inclusive), a corporate credit report issued by the Joint Credit Information Center (JCIC) or proof of no bounced checks within the past six months must be submitted.
- Finance and Accounting consolidates relevant credit information to assess the financial capability for undertaking projects.
- If evaluated that a new vendor requires an on-site factory visit for assessment, the relevant evaluation lead or professional personnel will be assigned to conduct the factory visit.

Newly Onboarded Suppliers from 2022 to 2024



### Supplier Qualification Assessment

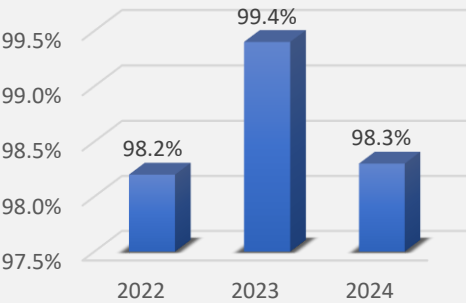
To effectively understand supplier cooperation status, L&K classifies supplier qualifications into Approved Vendors, Substandard Vendors, and Non-conforming Vendors. Projects propose evaluations for abnormal vendors, procurement representatives then determine the grading based on the evaluation content, and finally, the Director of the Material Department makes the final assessment. Vendors assessed as Approved will be prioritized for inquiry. Substandard Vendors will be suspended from inquiries or disqualified for one year. Vendors assessed as Non-conforming will be suspended from inquiries or disqualified. For substandard and non-conforming vendors, if their quality or technology does not meet standards but they show potential in terms of human resources, manufacturing/processing capabilities, and financial strength, the Material Department can coordinate with relevant departments to provide guidance in technology, quality control, and schedule management.

Vendor Qualification	Equipment and Material Suppliers	Installation Labor Suppliers
Approved Vendors	New vendors who have been evaluated and approved. Old vendors whose delivery quality on acceptance forms is qualified, who have no abnormal records or violations of occupational safety, health, and environmental regulations, and who demonstrate good cooperation in inquiries.	New vendors who have been evaluated as approved. Old vendors who have no abnormal records, industrial safety accident records, or abnormal warranty period records, and who demonstrate good cooperation in inquiry, comparison, and negotiation, with no abnormalities found in their financial capability credit checks.
Substandard Vendors	Vendors whose delivery quality on acceptance forms shows non-conformity or overdue penalties, who have records of violating occupational safety, health, and environmental regulations, who have abnormal records but no concrete evidence of being a non-conforming vendor, or whose cooperation in inquiries is poor.	Vendors whose project undertaking evaluation is below 6 points, who have abnormal records but no concrete evidence of being a non-conforming vendor, who have industrial safety accident records, or abnormal warranty period records, and who have implemented improvements or whose cooperation in inquiry/comparison/negotiation is relatively poor, but whose financial capability credit checks show no abnormalities.
Non-conforming Vendors	<p>Those who meet one of the following concrete facts:</p> <ul style="list-style-type: none"> <li>Listed as a substandard supplier twice in a year.</li> <li>Suppliers who have poor design, poor quality, or poor service and have been reported by the Material Department for written warning, suspension of inquiry, or cancellation of registration, etc.</li> <li>False quotations.</li> <li>Reneged after quoting, refused to sign contract after bid award, or failed to perform after signing contract.</li> <li>Those who continue to fail to improve after being urged regarding delivery delays.</li> <li>Poor transaction records.</li> <li>Those with financial difficulties.</li> <li>Slandered L&amp;K's reputation.</li> <li>Those who violate occupational safety, health, and environmental regulations and whose violations are deemed severe by relevant unit supervisors.</li> <li>Bribed L&amp;K personnel.</li> </ul>	<p>Those who meet one of the following concrete facts for non-conforming contractors:</p> <ul style="list-style-type: none"> <li>Listed as a substandard vendor twice in a year.</li> <li>Suppliers who have poor design, poor construction, poor quality, or poor service and have been reported by the Material Department for written warning, suspension of inquiry, or cancellation of registration, etc.</li> <li>False quotations.</li> <li>Reneged after quoting, refused to sign contract after bid award, or failed to perform after signing contract.</li> <li>Those who continue to fail to improve after being urged regarding project delays.</li> <li>Poor transaction records.</li> <li>Those with financial difficulties.</li> <li>Slandered L&amp;K's reputation.</li> <li>Vendors whose project undertaking evaluation score is below 6 points twice (for those below two times, opinions from relevant supervisors will be sought).</li> <li>Intimidated or threatened supervisors, or engaged in disputes with L&amp;K/project owners, or demanded unreasonable additions.</li> <li>Bribed L&amp;K personnel.</li> </ul>

### Local Procurement

To strengthen positive environmental and social impacts and encourage upstream and downstream supply chain partners to focus on environmental protection, Asia Cement not only recommends customers adopt energy-saving and carbon-reduction construction methods and promotes the application of green products, but also will continue to enhance collaboration with suppliers to advance sustainable development through environmentally certified products. These include eco-label certified products, energy-saving labels, water-saving labels, green building materials certifications, and carbon footprint reduction initiatives. By prioritizing local suppliers for these products, the company aims to improve service efficiency, reduce transportation carbon emissions, and promote local employment opportunities, thereby contributing to regional economic development.

Number of Local Suppliers in the Past Three Years



Unit: NT\$1,000; Singapore operations not included

Total Value and Percentage of Domestic and International Procurement Contracts in the Last Three Years

Year	2022		2023		2024	
Category	Total Amount	%	Total Amount	%	Total Amount	%
Domestic	3,984,563	95.4	1,507,241	99.6	1,661,988	96.3
Overseas	193,959	4.6	6,796	0.4	63,176	3.7

## Information Security Management

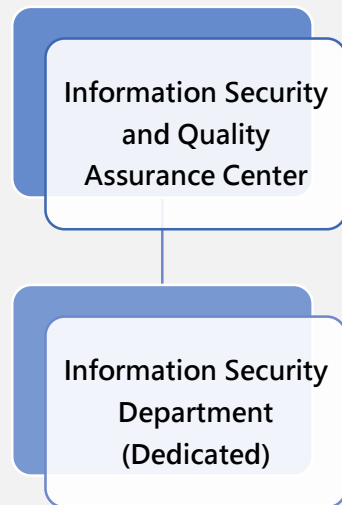
L&K has established a dedicated information security management unit, with the Information Security Department responsible for information security-related maintenance and management. Its work includes formulating information security policies and operating regulations, promoting the implementation of information security policies, putting information security management programs into practice, raising employee information security awareness, continuously strengthening protection measures to reduce information security risks, and ensuring the confidentiality, integrity, and availability of the Company's important information data.

Internal audits are conducted in accordance with audit plans, reviewing the Company's information security based on internal control systems and management regulations. This provides management with insights into the operational status of internal control functions, enabling them to understand existing or potential deficiencies and subsequently improve and optimize.

## Organization

For information security management, L&K has established the Information Security Department within the Information Security and Quality Assurance Center, which promotes various information security initiatives for the Company. The organization has dedicated information security personnel responsible for advancing various information security tasks and has established a reporting process to ensure organizational staff are constantly aware of all information security incidents. The committee, in turn, provides recommendations for various information security promotion efforts.

In terms of risk management methodology, the PDCA cycle is adopted for information security risk management, to ensure continuous improvement in information security and the effectiveness of the overall management system.



## Information Security Policy

Based on the objectives of the information security policy, L&K's approach to information security management includes:

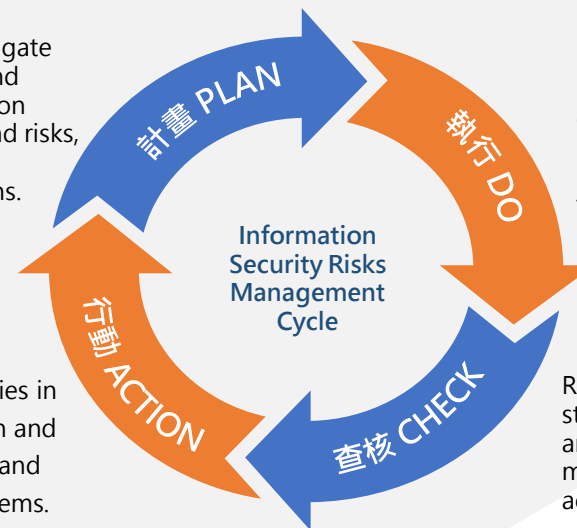
- 1.Information Security and Quality Assurance Center carries out activities for the unit.
- 2.Management Cycle
- 3.Information Security Control Measures
- 4.Training and Exercises



## Risk Management

Statistically investigate various internal and external information security threats and risks, and formulate improvement plans.

Improve deficiencies in various prevention and control measures and management systems.

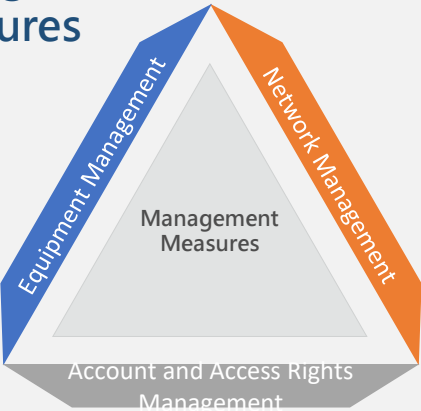


Execute various prevention and control measures and routine management processes according to planned schemes.

Review the implementation status of various measures and assess whether the management system has achieved expected results.



## Management Measures



### Equipment Management

All information equipment is managed, with critical equipment placed under server room control. Monitoring measures are in place to keep abreast of situations at all times. Additionally, important data is regularly backed up, and anti-hacking protection is installed.

### Network Management

A preliminary firewall is established, and network services are controlled to prevent unauthorized access. Email filtering controls are in place to enhance email security.

### Account Access Management

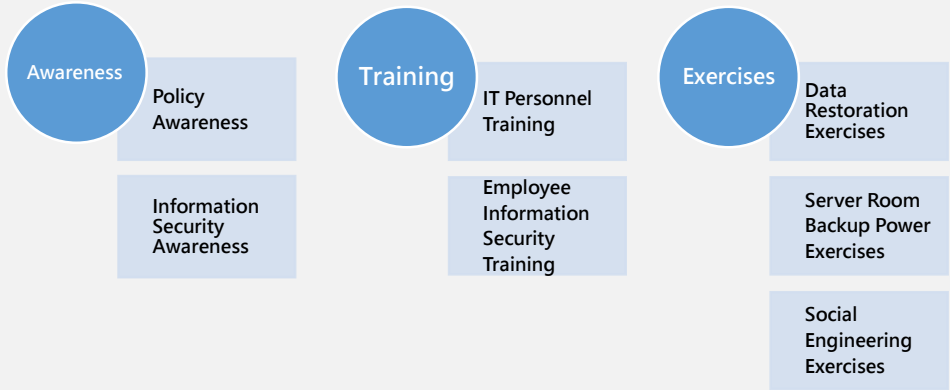
All accounts are centrally managed and assigned appropriate permissions. Their permissions are regularly reviewed for reasonableness, and all important data is subject to document encryption to prevent leakage.

Server Room/Asset Control	The server room is equipped with access control and CCTV surveillance for personnel entering and exiting. An inventory list of information and computer equipment is established, and these are regularly maintained and inventoried.
Record Storage	Access records for various events are stored for future reference. Monitor the operational status of network equipment and servers.
Data Backup	Important data on equipment is backed up regularly.
Anti-Hacking Protection	Information equipment is installed with advanced EDR and XDR anti-hacking protection.

APT Firewall	Segregates internal and external networks, and defends against external attacks.
Network Service Access Control	Prohibits connections to unauthorized networks.
Email Gateway Filtering Control	Defends against spam and phishing emails, scans emails for viruses, and enhances email anti-forgery measures.

Privileged Account Control	Privileged accounts are centrally controlled and regularly changed to prevent password leakage.
User Account Least Privilege	Defaulted to least privilege; changes are applied for only when needed. Permission changes are notified upon personnel resignation or transfer.
Document Encryption	All documents circulated through information activities are automatically encrypted.

## Information Security Training and Exercises



- Regularly promote information security policies and their importance to relevant personnel.
- Regularly conduct educational training for colleagues.
- IT personnel regularly participate in various information security training and seminars to absorb the latest technical information and apply it to information security management in a timely manner.
- Regularly conduct data backup and restoration exercises to confirm data availability and validity.
- Regularly conduct server room backup power exercises to ensure the operation of the Company's information systems.
- Regularly conduct social engineering exercises to increase employee awareness of email phishing.

Information Security Training and Drills		2022	2023	2024
Awareness Promotion	Policy Awareness Promotion	6 times	6 times	6 times
	Information Security Awareness Promotion	480 people	483 people	485 people
Training	IT Staff Training	50 hours	22 hours	436 hours
	Employee Information Security Training	100 hours	31 hours	36 hours
Drill	Data Recovery Drill	2 times	2 times	2 times
	Data Center Backup Power Drill	2 times	2 times	2 times
	Social Engineering Simulation	2 times	4 times	4 times
	Information Security Awareness Promotion	2 times	4 times	6 times

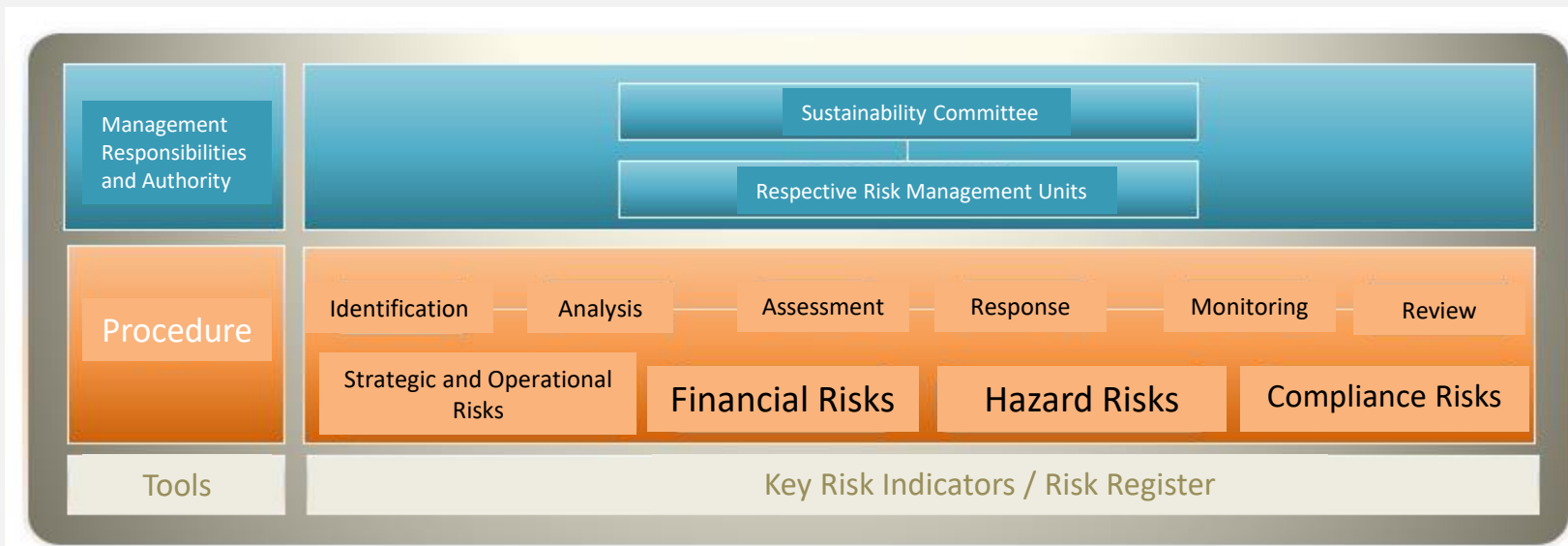
## Risk Management

### Policies and Procedures

In order to promote sound corporate governance and sustainable development, the Company is committed to establishing a comprehensive risk management culture. This is achieved by defining various risk management mechanisms aligned with the Company's overall business strategy. Within the scope of acceptable risk tolerance, potential losses are proactively prevented. The Company continuously adjusts and optimizes risk management practices in response to internal and external environmental changes, thereby safeguarding the interests of employees, shareholders, business partners, and customers, enhancing corporate value, and achieving the principle of optimal resource allocation.

From an organizational perspective, the Company endeavors to promote and implement enterprise-wide risk management with the objective of clearly identifying operational risks and ensuring the effectiveness of risk control measures. The Sustainability Development Committee oversees and directs the execution and operation of risk management initiatives and is responsible for periodically reporting on risk management outcomes to the relevant stakeholders.

Recognizing the increasing significance of management issues, the Company proactively addresses and manages risks inherent in its business operations. Accordingly, heads of all risk management executing units bear responsibility for risk oversight, tasked with analyzing and monitoring risks within their respective domains to reasonably ensure that risk management mechanisms and procedures are effectively implemented.



## Risk Identification and Response Strategies

Category	Risk Items	Risk Description	Response Measures
Strategic and Operational Risks	Market Risk	Due to changes in economic conditions or policies and regulations, fluctuations in interest rates, exchange rates, marketable securities, imposition of carbon fees, raw material prices, and labor supply-demand market prices, etc., may jeopardize the Company's profitability.	<ul style="list-style-type: none"> <li>Each functional unit continuously monitors market economic changes, evaluates them in compliance with laws and management systems, and develops response strategies to minimize asset damage.</li> <li>The government has not yet announced carbon fee prices, making it impossible to specifically estimate the cost structure. Continuous monitoring is underway.</li> </ul>
Financial Risk	Credit Risk	<p>The Company primarily conducts transactions with clients and suppliers.</p> <p>Clients: Failure to fulfill contractual payment terms.</p> <p>Suppliers: Risk of loss due to contract termination or inability to fulfill contractual obligations, potentially caused by poor supplier financial health or other factors.</p>	<ul style="list-style-type: none"> <li>Conduct client credit investigations in compliance with management systems; Engineering units are responsible for monitoring client operational status and reporting to supervisors if there are concerns about non-payment for services rendered or failure to pay according to payment terms; If abnormal situations persist unresolved, they are deemed material and genuine, and reported to the General Manager and the Risk Management Unit.</li> <li>Conduct thorough credit assessments of suppliers; Projects constantly monitor supplier financial status and workforce arrangements.</li> </ul>
Hazard Risk	Climate Change Risk	Safety hazards to personnel caused by extreme weather such as high temperatures and heavy rainfall.	<ul style="list-style-type: none"> <li>For details, please refer to Chapter 2, Climate Change Management.</li> </ul>
	Information Security Risk	Confidentiality and Integrity of Corporate Information	<ul style="list-style-type: none"> <li>Comply with the Company's information security management policy and relevant internal control systems. For management objectives and execution results, please refer to Chapter 2, Information Security Management.</li> </ul>
	Natural Disasters or Other Major Unexpected Events	Occurrence of force majeure natural or incidental events, such as: regional torrential rain, flooding, earthquakes, fatal industrial accidents, construction site protest incidents, occurrence of fraud incidents, internal operational oversight leading to Company financial losses exceeding NT1,000,000, occurrence of litigation incidents with financial impact exceeding NT5,000,000, information asymmetry from external media or investors sufficient to affect the Company's stock price or reputation damage, occurrence of major information security incidents, etc.	<ul style="list-style-type: none"> <li>Comply with laws and regulations and the Company's internal control systems.</li> <li>Construction units shall comply with and conduct drills for the "Emergency Response Management Procedure."</li> <li>In response to natural disasters or major incidental events, an emergency response team shall be immediately established. Processing results shall be reported level by level. If there is any matter involving notification to competent authorities, the Finance and Accounting Department shall be immediately notified to issue a material information announcement in accordance with the law, and relevant handling reports shall be compiled for review by the Chairman and General Manager before reporting to the Board of Directors.</li> </ul>
Compliance Risk	Legal Risk	Failure to comply with relevant regulations constituting a violation, as well as contracts lacking legal effect, having omitted clauses, or inadequate provisions, leading to contract invalidity and potential losses.	<ul style="list-style-type: none"> <li>Comply with laws and regulations. All functional units shall regulate contracts in accordance with legal provisions and orders issued by competent authorities: Contract Review Operating Procedures.</li> </ul>

# 3 Sustainable Environment

Green Engineering Practices  
Energy Management  
Water and Effluent  
Emissions Management  
Waste Management

## ■ Corporate Ethos

Technological innovation and environmental protection are mutually reinforcing, serving as key drivers of social progress.

## ■ Cultural Structure

Emphasize environmental awareness and promote green operations.

## ■ Energy Management

Energy Emission Intensity  
Scope 1 reduction of 65%  
Scope 2 reduction of 56%





## Green Engineering Practices

### [Professionalism, Innovation, Leadership, Waste Reduction, Responsibility]

From project undertaking and design planning to raw material acquisition, engineering construction, transportation and delivery, and completion to acceptance, L&K responds to local government green procurement measures, reduces energy consumption during the engineering service process, and requires vendors to prioritize providing eco-friendly products that are low-polluting, recyclable, and reusable, thereby implementing actions to reduce waste volume.

"Drawings Identifying and Material Counting" "image recognition and material counting is a fundamental skill that L&K engineering personnel must possess, rooted in the foundational aspects of design, processes, materials, and construction. This skill contributes to the green engineering practice strategy, increasing the Company's profits and enhancing its reputation.

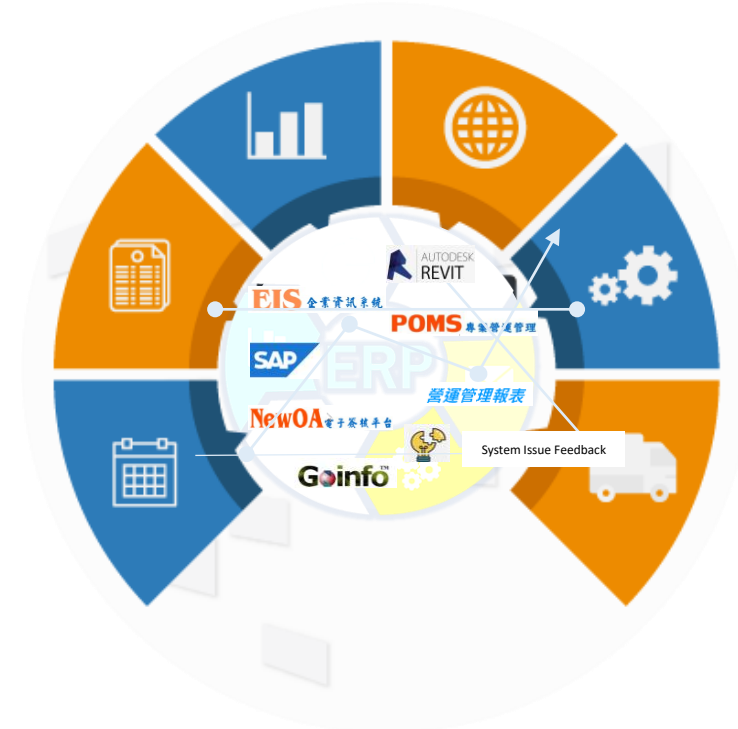


## Technology Management System

L&K's core operational chain begins with economic input, encompassing processes from human resources, design planning, procurement and subcontracting, and construction management, as well as administrative and project operational management systems. It adopts electronic management for repetitive work processes, reducing manual hours, synchronously transmitting information, enhancing internal work efficiency while reducing inter-departmental friction, and more smoothly gaining competitive advantages through teamwork.

Upholding its commitment to continuous development, L&K integrates REVIT technology as its core with point cloud scanning, pipe prefabrication, and CFD (Computational Fluid Dynamics) fluid analysis technologies. This has enhanced design efficiency and construction standards, continuously and effectively reducing environmental impacts on air, water resources, electrical energy, and carbon emissions.

L&K plans to develop an international version of its ERP system, bringing a high degree of automation and intelligence to project engineering management. This will enhance efficiency, reduce costs, optimize resource allocation, and ensure the Company's competitiveness in the global market. Particularly for multinational projects, cloud support features are crucial, enabling the Company to more effectively manage and coordinate resources across different locations, ensuring smooth project execution.





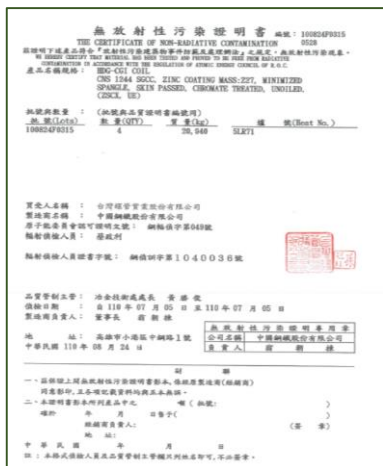
## Green Procurement and Subcontracting

In all stages of project execution, L&K must comply with local laws and regulations, energy-saving policies, and client specifications. For suppliers, this involves pre-project planning, pre-construction consensus, valuing workers, and ensuring strict execution during the construction phase. Furthermore, L&K uses environmental assessment indicators as a guiding standard, prioritizes the selection of equipment with eco-friendly and energy-saving labels, and through communication and coordination, recommends to clients the use of equipment with good operational efficiency that also achieves energy-saving effects, enabling clients' operational activities to meet energy-saving goals.

L&K prioritizes the use of eco-friendly materials for raw materials and construction materials that have green building material labels, non-radioactive contamination certificates, and relevant product inspection certifications. This also includes the office's adoption of Ministry of Environment's green energy-saving labels, FSC™ forest certification, and Taiwan Carbon Footprint Label trademark certified recycled paper products, etc.



Green Building Material Label



Non-Radioactive Contamination Certificate

## Engineering Technology Sharing and Legacy

L&K places great importance on the legacy of engineering experience. Since 2008, it has published a quarterly journal, hoping to share engineering experience and new technical knowledge through diverse channels with all Group members as a resource for learning and advancement, while also preserving valuable historical records. Furthermore, the quarterly journal is also donated to universities, colleges, and relevant organizations to promote academic exchange and practical experience, providing a specific yet detailed contribution.



### Energy Saving and New Technical Knowledge Sharing

Seminar Topics
Let's Learn About Solar Energy
"Carbon Dioxide" – An Emerging Focus of Study
The Commercial Value and Materials of Solar Energy
The Commercial Value and Materials of Solar Energy
Installation of Solar Power Systems – Everyone Might Have the Opportunity to Do It Themselves
Green Building Material Indicators Under the Perspective of Sustainable Development
Introduction to Smart Buildings and Their Future Potential
Imagine If Tomorrow Were the End of the World
Energy Saving and Carbon Reduction – My Thoughts
Opinions and Suggestions on the Company's Energy Saving and Carbon Reduction Efforts
Enhancing Mental Well-being – My Views on Energy Conservation and Carbon Reduction

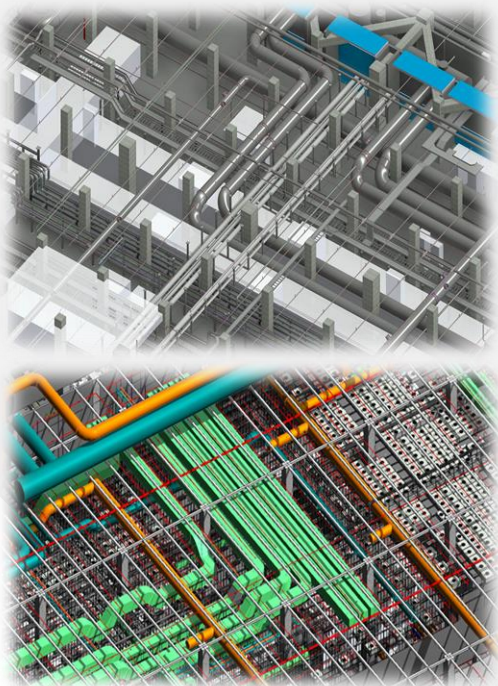
Note: Due to limited space, only selected topics from the quarterly publication are listed.

Seminar Topics
Can Raising Chilled Water Temperature Save Energy?
Trends in Increasing Chiller Temperature Difference
Selection of Cooling Towers and System Technologies
Minimum Cooling Water Temperature for Chillers
The Energy Killer → Traditional Fan Coil Units
Energy-Saving Control of Dual-Compressors Chillers Under Low Load Conditions
Should You Choose VAV Air Conditioners or Chiller Systems?
Indoor Air Quality from the Perspective of HVAC Energy Saving
Performance and Energy Efficiency of Constant Temperature and Humidity Air Conditioning
Should the Secondary Chilled Water Pump Be Eliminated?
A Casual Talk on Energy Saving and Carbon Reduction
A Casual Talk on Environmental Control
Another Talk on Energy Saving and Carbon Reduction

Seminar Topics
Why Does a Low Chilled Water Temperature Difference at FCUs Increase Chiller Power Consumption?
How to Properly Balance the Water Circuit in FCU Systems?
How to Design and Install Duct Elbows Effectively?
How to Design Air Inlets for Ductwork?
Should You Use Split Air Ducts with Deflectors or Curved Branches?
Key Considerations for Selecting Parallel Pumps in HVAC Water Systems
How to Determine the Proper Size of Control Valves?
Is Installing a Bypass Control Valve for Secondary Chilled Water Pumps Really Necessary?
Bypass Applications and Energy Saving in Cleanroom Air Handling Units (AHUs)
HVAC and Ventilation Design for Shopping Malls
How to Achieve Water Circuit Balance in HVAC Systems?
Application of Heat Pumps in Hot Water Systems

## BIM Technology Application

Upholding its commitment to continuous development, L&K integrates BIM technology as its core, which has significantly enhanced design efficiency and construction standards, continuously and effectively reducing environmental impacts on air, water resources, electrical energy, and carbon emissions, thereby achieving a greener environment and sustainable development.



Note: Image courtesy of L&K Engineering (Suzhou)

## BIM Extended Applications

### Extension

Utilizing BIM technology to precisely extract engineering quantities, calculate material requirements, reduce waste, and improve construction efficiency, while simultaneously lowering energy consumption. Through material quantity take-offs, procurement accuracy is ensured, preventing excess inventory and on-site waste. Through BIM Clash Detection, it is ensured that electromechanical pipelines, structures, and architectural interiors do not conflict, thereby avoiding construction changes and rework. Reducing material waste and project delays caused by design errors, thus enhancing overall project benefits. °

## Visualization and Walkthrough Simulation Applications

### Visual walkthrough simulation

Utilizing information such as project progress scheduling and construction plans, combined with walkthrough simulation technology, assists clients in quickly grasping the design or engineering appearance. Simultaneously, virtual simulations are conducted before construction to proactively identify potential safety risks, reduce accident rates, and ensure compliance with universal design specifications.

## Integrated Application of Modular Component Libraries

### Integrating modular family library

To improve construction accuracy and efficiency, L&K has established a standardized modular component library that ensures consistency between dimensions and supplier-standard products. This approach optimizes the prefabrication design of piping systems and reduces material waste.

By leveraging Building Information Modeling (BIM) technology, we ensure precise coordination of pipe dimensions, fittings, and bracket layouts. This minimizes on-site cutting and installation errors, reduces construction waste and extra material consumption, and ultimately lowers carbon emissions—achieving a more environmentally friendly construction method.

From the BIM application perspective, we emphasize the accuracy and practicality of information. All components in the standard library are modeled based on actual product catalogs and meet real-world construction requirements, ensuring that contractors can execute according to the drawings and maintain consistency during installation.

To prevent performance issues caused by improper use of component families, we have also optimized the working environment. Functional enhancements were added based on the needs of drafting personnel, significantly improving drafting efficiency and user experience.

## BIM Point Cloud Scanning Application

### Point Cloud

#### 1. Digital Management of Existing Building Electromechanical Equipment

Through point cloud scanning technology, the layout of existing building electromechanical equipment (e.g., pipelines, distribution panels, HVAC systems, etc.) is precisely recorded to establish a complete BIM model, facilitating subsequent renovation and maintenance. This reduces traditional surveying and mapping errors, lowers carbon emissions from on-site surveying and demolition work, and improves renovation efficiency.

#### 2. Renovation and Smart Management of Old Buildings

Applied to the digital twin establishment of existing buildings, BIM modeling can be used to analyze building energy consumption, optimizing future maintenance plans. This helps old buildings undergo green renovation, such as improving insulation materials and replacing high-efficiency equipment, to reduce overall energy consumption.

#### 3. Accurate Prediction of Renovation Costs and Resource Allocation

In electromechanical renovation projects, establishing digital twin models through point cloud scanning allows for precise assessment of equipment replacement needs, preventing excessive demolition and material waste. Through BIM platform and supply chain integration, the procurement and transportation of electromechanical materials can be optimized, reducing the carbon footprint.

## BIM Pipe Prefabrication Application

### Prefabrication of piping spools

#### 1. Precise Prefabrication of Electromechanical Pipelines, Reducing On-site Waste

Through BIM-based prefabrication design for pipelines, accurate dimensions, joints, and bracket configurations are ensured, reducing on-site cutting and installation errors. Prefabricated pipelines can reduce construction waste and additional material loss, thereby improving construction efficiency.

#### 2. Prevention of Pipeline Conflicts and Reduction of Rework Rate

Through BIM Clash Detection, it is ensured that electromechanical pipelines, structures, and architectural interiors do not conflict, thereby avoiding changes and rework during the construction phase. Reducing material waste and project delays caused by erroneous design, thus enhancing overall project efficiency.

#### 3. Integrated Modular Construction, Enhancing Construction Efficiency

Applied to the design and installation of electromechanical modules (e.g., prefabricated plant rooms, modular pipe supports, etc.), this can accelerate construction speed, reduce on-site labor requirements, and decrease carbon emissions during the construction process. Combined with digital monitoring, this ensures construction precision, enhances quality, and improves maintenance convenience.

## CFD Fluid Analysis Application

### CFD

#### 1. Optimization of HVAC Air Conditioning and Ventilation Systems

Through CFD analysis of internal airflow distribution within buildings, it is ensured that HVAC system designs meet energy efficiency optimization requirements, thereby reducing energy waste. This aids in designing low-carbon HVAC systems (e.g., Variable Air Volume (VAV), natural ventilation, underfloor air distribution systems, etc.), enhancing overall indoor environmental quality and comfort.

#### 2. Fire Smoke Exhaust and Emergency Ventilation Design

CFD can simulate smoke flow paths during a fire, optimizing the layout of fire smoke exhaust systems and enhancing safety. This helps control pollutant concentrations, especially in high-traffic areas such as medical facilities and commercial buildings. It can optimize ventilation and airflow design, reducing the risk of disease transmission.

#### 3. Water Supply/Drainage and Rainwater Management System Optimization

Through CFD simulation of rainwater discharge and waterlogging risks, the design of rainwater harvesting systems can be optimized, increasing water resource reuse rates and aligning with ESG goals. Within large buildings or industrial parks, CFD can analyze the impact of cooling towers and airflow, optimizing electromechanical cooling systems, improving equipment efficiency, and reducing energy consumption.



## Engineering Performance

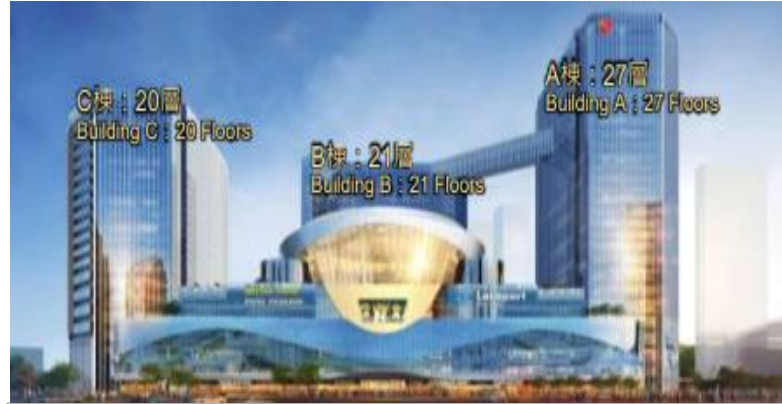
L&K, based on client requirements and pre-requisites related to green building and smart building specifications, provides services from detailed design, submission for approval, procurement, construction, qualification/validation, and acceptance to operation, enabling clients to achieve energy-saving goals.



Taipei Dome Complex - Large Indoor Stadium Construction Project (Plumbing and Electrical Engineering)



United Microelectronics Corporation (UMC) FAB12A P6 Cleanroom + MEP Turnkey Project



Taiwan Life Insurance C3 New Construction Project - Electromechanical Engineering



TAIWAN PHOTONICS DNP MASK CORPORATION - 1D Fab Phase II Plant Construction Project (Turnkey)



Powerchip Semiconductor Manufacturing Corporation (PSMC) - 12-inch Wafer Fab Cleanroom Turnkey Project (20K, 25K)



Kaohsiung Main Station Section Underground (Cut-and-Cover) Project and Canopy Project - Electromechanical Engineering



## Undertaking Projects to Achieve Green Building Certification

When undertaking client plant construction projects, the Company executes construction in accordance with contractual performance specifications, and projects cooperate in participating and assisting clients in obtaining certifications. Projects involved include those with LEED certification and Taiwan EEWH green building certification.

Client	Project Name
National Health Research Institutes (NHRI)	National Health Research Institutes (NHRI) Biopharmaceutical Pilot Plant (Vaccine Research and Development Center) New Construction Project
Nanya Technology Corporation	Nanya Technology 3A Plant Cleanroom Phase 3.1 Expansion Project
United Microelectronics Corporation (UMC)	United Microelectronics Corporation (UMC) FAB12A P3 & P4 Factory New Construction Project
CTBC Bank Corporation	CTBC Bank New Headquarters Building New Construction Project - Main Works and MEP & HVAC Designated Subcontract Works
Hanmin Technology Co., Ltd.	Hanmin Technology Nanke Plant Phase II Factory Office Building MEP, Fire Protection, and Cleanroom General Contracting Project
Weiwuying Center for the Arts and Culture	Weiwuying Center for the Arts and Culture Special Equipment Project
National Yang Ming University Hospital	National Yang Ming University Hospital Construction, Renovation, and MEP General Contracting Project
Academia Sinica	National Biotechnology Research Park Construction Project (General Contracting)
aiwan Semiconductor Manufacturing Company (TSMC)	TSMC Nanke F14P7 MEP Project
GlobalWafers Co., Ltd. (Germany Branch)	Zhongde Electronics EPI Expansion Project (Phase I)
Taipei Art Welfare Center	CZ207 Taipei Arts Center Construction Project - Theater Specialty Equipment Phase I (TP4)
Nanya Technology Corporation	Nanya Technology FAB-3AN Cleanroom Expansion Project
Taiwan Takasago, Far Eastern, and Japanese Takasago Construction Joint Venture	Taipei Cultural and Sports Park - Large Indoor Sports Stadium Development Plan - Electrical and Plumbing Works for the Egg Zone and Mall Area
Taiwan Semiconductor Manufacturing Company (TSMC)	TSMC Chungshan F15P7 MEP Project
Apple Inc. Taiwan Branch	Apple Inc. LY3 Factory New Construction Project
United Microelectronics Corporation (UMC)	UMC 12A P6 Cleanroom + MEP General Contracting Project
United Microelectronics Corporation (UMC)	UMC 8F Cleanroom Expansion and Utility MEP Works
Nanya Technology Corporation	Nanya Technology FAB-3A-N Cleanroom Expansion Project

Source: LEED Certification, Taiwan EEWH Green Building Certification Official Website



CTBC Bank - New Headquarters Building Construction Project



### Product Development and Design Incorporating Environmental Elements

The Company undertakes engineering contracts with customized services, submitting detailed designs and proposals for approval according to contractual specifications. The design incorporates environmental elements in directions such as water resource recycling and reuse, system optimization to increase load demand, selection of energy-saving and high-efficiency equipment, prioritizing the use of detachable or reusable materials for construction methods and temporary works, optimizing the selection of equipment and materials for HVAC and lighting systems for efficiency and functionality, and choosing durable materials for pipeline layouts that reduce carbon dioxide, etc.

### Adoption of Energy Use Recording and Monitoring System

As an engineering service contractor, the design and construction must follow and comply with client requirements and specifications. Regarding energy use recording and monitoring, in addition to the unified supply meters that should be installed by water, gas, electricity, and wastewater treatment companies, independent system meters will also be installed at each end-use point. This allows clients to further subdivide and record the actual consumption of each independent end-use point.



## Ongoing Public Works Projects— Kaohsiung Station

In the execution of its construction contracting and EPC (Engineering, Procurement, and Construction) turnkey contracts, if L&K discovers items that can achieve greater energy-saving effects than stipulated in the contract, it will communicate these to clients to make them aware of the benefits; Turnkey contracts begin with design planning, followed by design simulation, communication and coordination meetings, submission for approval, then procurement and subcontracting, construction management, quality inspection, audit and acceptance, validation, etc. L&K's first step is "All-staff ESG" and the goal of realizing net-zero EPC. During the bid preparation period, the focus is on resource saving. In addition to continuous professional development, L&K pays attention to new green energy product releases to internalize and apply them.

Taking the electromechanical engineering for the Kaohsiung Main Station Section Underground and Canopy Project as an example, to implement sustainable environmental design concepts such as "Ecology, Energy Saving, Waste Reduction, and Health" and the nine major evaluation indicators including "Biodiversity, Greenery Ratio, Site Water Retention, Daily Energy Saving, CO<sub>2</sub> Reduction, Waste Reduction, Indoor Environment Quality Index, Water Resources Index, and Wastewater & Waste Index," the Southern Region Engineering Branch Office of the Railway Bureau convened and established the "Kaohsiung Main Station Green Building 'Diamond' Rating Working Group." The Southern Region Engineering Branch Office convenes various relevant units to jointly promote related implementation work and holds regular committee meetings. It is expected to obtain two Diamond-rated green building certifications: one for the station + commercial building (label 1) and one for the general hotel (label 2). Candidate certificates were obtained in February and May 2021, respectively. Multiple data collection review meetings have been held to monitor the progress of obtaining the Diamond-rated green building certification. Submission is planned for May 2025, with control in place to obtain the certification by the end of September 2025.

Relevant plans, including procurement, subcontracting, construction management, and EHS (Safety, Health, and Environment) management, are executed based on the evaluation indicators of the green building certification implementation plan.



Kaohsiung Main Station Section Underground (Cut-and-Cover) Project and Canopy Project - Electromechanical Engineering

評估指標	施工注意事項
室內環境指標	<p>通風換氣環境：所有居室空間設有新鮮外氣供應系統（需提出外氣引入風管系統圖說）。</p> <p>室內建材裝修：綠建材使用率 50% (如：油漆...等)。</p> <p>室內生態建材裝修：1. 50%以上接著劑數量採用綠建材。↓ 2. 50%以上填縫劑數量採用天然材料。↓ 3. 50%以上管線以非 PVC 材料製品替代 (如金屬管、陶管) 或具有綠建材標章、或環保標章認可之管線。↓ 4. 50%以上隔熱材及管路環型保溫材料數量採用天然或再生材料。</p>

Green Building Standards



Green Building Label Application Criteria



Review Meeting



鑽石級

Planned Green Building Certifications  
 • Train Station + Commercial Building: Green Building Label – Type 1  
 • Standard Hotel: Green Building Label – Type 2  
 • Target Certification Level: Diamond Grade Green Building

## Ongoing EPC High-Tech Plant Expansion Project — UMC (Singapore)

Promoting a sustainable ecological environment is currently an important issue for countries and enterprises worldwide. Not only are there relevant regulatory standards for buildings, but also for engineering aspects such as energy consumption in HVAC and power systems, there are regulatory standards and specifications. In the client planning phase, L&K applies its rich practical experience, proposing various measures for system design, construction, and operation & maintenance tailored to project characteristics, assisting in planning key execution objectives, and achieving cost savings for client plant construction.

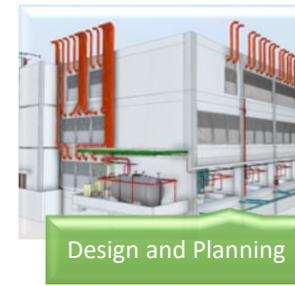
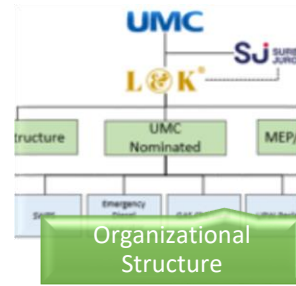
EPC (Engineering, Procurement, and Construction) turnkey contracts adhere to contractual agreements, integrating international energy-saving standards during the design phase, and undertaking the entire process and all stages of engineering construction projects, including design, procurement, construction, and commissioning; under lump-sum contract conditions, being responsible for the quality, safety, cost, and schedule of the contracted project; In the EPC model, this includes the overall planning of the entire construction project content, as well as the planning and specific work of implementing organizational management for the entire construction project; it more specifically refers to the procurement of specialized equipment and materials, subcontracting, construction, installation, testing, and technical training, etc.

The 12-inch plant in Singapore has been operational for over 20 years, with processes ranging from 0.13 μm to 40 nm. The new plant (Fab12i P3) is one of Singapore's most advanced semiconductor wafer foundries, offering 22/28 nm processes. The project is expected to be completed in May 2024.



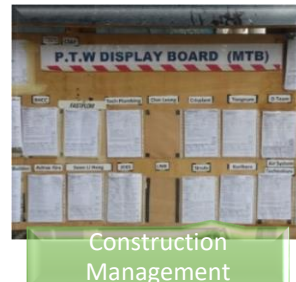
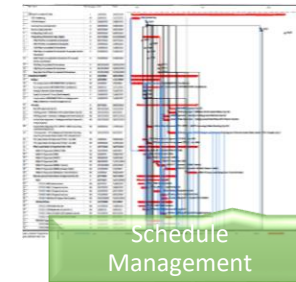
Plan to obtain Singapore Green Mark certification.

### ◆ Pre-project planning Pre-construction consensus Valuing workers Strict execution



Rare (1)	Unlikely (2)	Possible (3)
Medium	Medium	High
Medium	Medium	Medium
Low	Medium	Medium
Low	Medium	Medium

Risk Management



Material	Material	Material	Material	Material
Material	Material	Material	Material	Material
Material	Material	Material	Material	Material
Material	Material	Material	Material	Material
Material	Material	Material	Material	Material

Quality Management





### Green Engineering Technology Applications

As L&K undertakes projects in the engineering industry, the equipment and materials used in plant construction are often non-recyclable. Therefore, in demolition and temporary works, with safety as the highest principle, the Company evaluates the use of recyclable products. These action plans may potentially increase carbon emissions in terms of cost, labor deployment, and transportation. Thus, contingency plans are required to respond to government-initiated environmental issues.

Technical Scope		Approach	Practical Applications or Outcomes
Water Resources	Water Resource Recycling and Reuse		<ul style="list-style-type: none"> <li>Selection of Cooling Towers with Low Splash Loss</li> <li>Condensate Water Recovery and Reuse from HVAC and Steam Systems</li> <li>Rainwater Harvesting for Green Space Irrigation and Other Uses</li> <li>Reclaimed Water can be Used for Cooling Tower Makeup Water</li> </ul>
System Optimization	<ul style="list-style-type: none"> <li>Calculation of Reasonable Load Demand</li> <li>System Optimal Configuration Design</li> <li>Selection of High-Efficiency Equipment</li> </ul>		<ul style="list-style-type: none"> <li>Effective Saving of Equipment Energy Consumption</li> <li>Reduction in Piping Material Consumption</li> <li>Reduction in Plant Construction Costs</li> </ul>
Interior Partitions	Use of [Column-Panel Type Cleanroom Panel] Construction Method paired with Demountable and Reusable Materials		To meet the process environmental requirements of high-tech cleanrooms, equipment partitions may need to be dismantled and changed due to process alterations or equipment replacement. This construction method allows for environmentally friendly reuse.
REVIT Technology Application	3D Modeling		<p>Precisely calculates required materials, reduces the risk of piping collisions during construction, and minimizes material waste.</p> <p>Disassembling pipe isometric drawings for vendor prefabrication.</p> <p>Utilizing 3C technology for remote collaboration with on-site engineers, improving work efficiency and reducing travel-related carbon emissions.</p>
HVAC System	<p>Central HVAC System Section: This project reviews the HVAC heat load calculation report. Each building's design includes heat source systems, air supply systems, water supply systems, cooling towers, etc., utilizing equipment logic strategies, energy-saving equipment, and optimized control management functions. The energy-saving design value <math>EAC = 0.71</math>.</p> <p>Individual HVAC System Section: Individual HVAC units possess energy-saving labels. The project adopts a Tier 1 energy-saving label HVAC area ratio and a Tier 2 energy-saving label HVAC area ratio. The HVAC energy-saving design value <math>EAC'' = 0.60</math>.</p> <p>EAC is calculated based on the weighted floor area of each HVAC system in the building. The heat load HVAC calculation report is confirmed by a professional engineer's certification.</p>		<p>Daily Energy Saving</p> <p>Central HVAC energy-saving design value <math>EAC = 0.71 \leq</math> Energy Saving Benchmark Value <math>EACc = 0.80</math></p> <p>Individual HVAC energy-saving design value <math>EAC'' = 0.60 \leq</math> Energy Saving Benchmark Value <math>EACc = 0.80</math></p>

Technical Scope	Approach	Practical Applications or Outcomes
Interior Systems HVAC System	Recently, there have been numerous domestic projects involving the acquisition of existing plants for renovation. Previous cases typically adopted a complete demolition and new construction approach. Recently, in two instances, the Company has, in conjunction with the client, simultaneously reviewed whether existing facilities or equipment had value for refurbishment and reuse, and these were substantially adopted and applied.	2025 Project A: Post-Renovation Reuse Effectiveness: 1. Ceiling grids: 2,449 m². 2. Ceiling blanking panels: 2,039 pieces. 3. Door leaves: 120. 4. Raised floor panels: 3,764 pieces. 5. Dry coils: 111 pieces. 6. FFU (Fan Filter Units): 664 sets. 7. Others
HVAC System	The filters (HEPA or ULPA) of cleanroom indoor recirculation fan filter units (FFU) are generally not equipped with surface protection or only have single-sided protection. Both sides of HEPA or ULPA filters are equipped with protective nets.	The filter surface is very fragile and easily damaged by external forces. Installing protective nets on both sides can significantly reduce external collision damage during construction and operation. If damage still occurs, it is easier to identify compared to traditional unprotected filters, which can reduce situations where damage is only discovered during the testing phase and requires rework.
HVAC System	Ventilation and Air Exchange Environment: For the all-year air-conditioned portion, which primarily consists of split-type, VRV (Variable Refrigerant Volume), or central air conditioning, the occupied spaces are equipped with fresh outdoor air supply systems. Indoor Building Materials and Decoration: Moderate renovation volume, with green building material ratio $R_g = 62.54\% > R_{gc} + 15\%$ . Indoor Ecological Building Materials and Decoration: Over 50% of pipelines are replaced with non-PVC materials. The indoor environment design value for this project, encompassing sound environment, light environment, ventilation and air exchange environment, indoor building materials and decoration, and indoor ecological building materials and decoration, is $IE = 82.29$ .	Indoor Environment Index Qualification: Indoor Environment Design Value $IE = 82.29 \geq$ Indoor Environment Benchmark Value $IE_c = 60.00$
	Cooling Tower Operation with Inverter	Cooling tower heat dissipation fan motors are equipped with inverters, automatically changing operating speeds according to environmental conditions to reduce energy consumption.
Lighting System	For general buildings, the basic structural renovation of primary occupied spaces is fully implemented with a simple lighting system; for artificial lighting, all occupied space lighting sources are equipped with anti-glare louvers, lampshades, or similar facilities; the project does not utilize renewable energy sources such as cogeneration or wind power; it does not adopt energy monitoring and management systems such as natural daylight utilization, lighting monitoring, or power load management; nor does it employ other special lighting energy-saving features like light pipes or fiber optic light collecting devices, etc. The lighting system energy efficiency $EL = 0.65$ .	Daily energy-saving design value $EL = 0.65 \leq$ Energy Saving Benchmark Value $EL_c = 0.80$

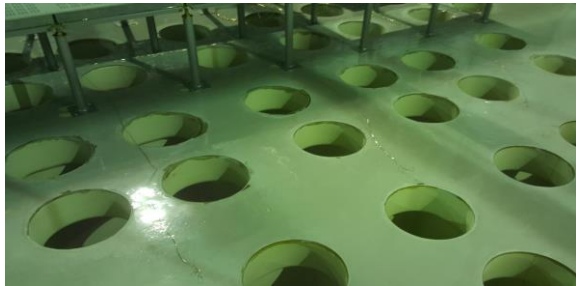
Technical Scope	Approach	Practical Applications or Outcomes
Piping Layout	The durability and maintainability index for carbon dioxide reduction: all piping for HVAC equipment is designed as exposed piping, ensuring no damage to the structural body during equipment upgrades. Most piping for water supply, drainage, and sanitary systems is designed as exposed piping, ensuring no damage to the structural body during equipment upgrades. Electrical and communication lines are designed with maintainability in mind, with a durability coefficient D = 0.06~0.20 for each building.	Carbon dioxide reduction design value CCO2 = 0.53 ≤ Reduction Benchmark Value CCO2c = 0.82
Temporary Works	Procurement of Green Building Materials or Sustainable Recyclable Consumables: During the construction phase, the floor often has numerous openings, and there are significant fall risks during truss layer construction. Previous measures involved laying overlapping wooden planks. This method not only required the procurement of a large quantity of consumables but also posed safety concerns for construction personnel due to the low durability and easy breakage of wooden planks. The adoption of circular iron hole covers instead of wooden planks reduces the risk of stepping through due to breakage, significantly enhancing site construction safety. Iron hole covers can also be reused, improving the consumption of wooden planks used in old methods and saving the issue of handling large amounts of construction waste.	Reduction in Setup Costs: Based on a 30,000 m <sup>2</sup> cleanroom area, the cutting loss for on-site wooden plank laying using traditional methods is approximately 20%, with a recyclability rate of about 50%. If steel plates are used, the recyclability rate can be as high as over 97%.
Provisional Works	Conversion of Traditional Work Area Warning Lights to LED for Warning Area Marking	LED energy-saving light bulbs are currently common energy-saving facilities in various areas. L&K further utilizes LED's multi-color light characteristics, using red, yellow, and white markings respectively to distinguish the hazard levels of areas, thereby not only saving energy but also reducing industrial safety risks.
Equipment Noise Control	Control noise within the plant to an acceptable range, providing a healthy and comfortable working environment.	<ul style="list-style-type: none"> <li>Installation of Silencers and Soundproof Enclosures</li> <li>Airflow design simulation to select appropriate air outlet forms</li> <li>Selection of Low-Noise Equipment</li> </ul>



Temporary Works - Green Net



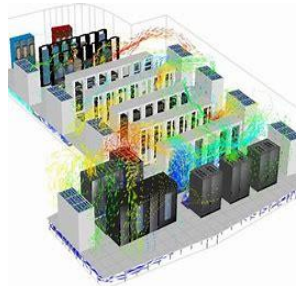
LED Warning Flashing Lights



Circular Iron Hole Covers Replacing Wooden Planks



Energy-Saving Lighting Equipment



Plant HVAC Airflow Energy-Saving Design



## Green Engineering Representative Projects and Expected Benefits

Project Name	General / Traditional / Original Practice	L&K's Approach	Target Information (Standards/Methodologies Used)	Estimated Energy Savings Unit: kWh/year	Estimated Carbon Emission Reduction Unit: Metric Tons CO2e/year
A Project	Analyze the tonnage and equipment efficiency specifications of the original design for chillers.	Through operational strategy analysis of chillers, adjust the combination of equipment quantity and tonnage capacity.	Re-select equipment based on the project's cooling load requirements and analyze operational strategies. Equipment meets original design specifications and LEED certification requirements (ASHRAE Std. 90.1). Annual Chiller Energy Savings: Approximately 2.09 million kWh.	2,093,640	1036
A Project	The original design for toilet exhaust systems involved exhaust fans configured on each floor, with centralized exhaust by a rooftop central fan.	Eliminate exhaust fans on each floor, allowing centralized exhaust by rooftop fans. Rooftop fan outlet backdraft dampers (BDD) are replaced with motorized dampers (MD).	<ol style="list-style-type: none"> <li>1. Eliminating in-floor toilet exhaust fans (approximately 86 units) can reduce equipment noise (fan noise approx. 56-60 dB(A)) and shorten maintenance time and labor.</li> <li>2. The elimination of rooftop fan outlet backdraft dampers (BDD) and replacement with motorized dampers (MD) can reduce fan pressure loss, achieving energy-saving benefits.</li> <li>3. Optimization Plan Energy Saving Rate: 43%</li> </ol>	281,003	139.1
B Project	Procure and install equipment based on the capacity specified by the owner or design consulting firm.	L&K re-verifies equipment specifications and capacity, and adjusts selection parameters based on actual site conditions to achieve optimal equipment operating conditions.	<ol style="list-style-type: none"> <li>1. Optimized a total of 161 fans, maintaining operating conditions at their optimal operating point.</li> <li>2. Optimization Plan Energy Saving Rate: 20%</li> </ol>	7,577,400	3750

Project Name	General / Traditional / Original Practice	L&K's Approach	Target Information (Standards/Methodologies Used)	Estimated Energy Savings Unit: kWh/year
The original design for Cooling Load was based on a uniform design of 229W/m <sup>2</sup> . As this project's external walls are glass curtain walls and the individual unit area is relatively large, there was a concern of some rooms being either too cold or not cold enough.	HVAC load review determined room usage requirements and personnel/equipment loads, and calculated reasonable heat generation. Compared to the original design, the total project Cooling Load was recalculated based on ASHRAE Handbook Fundamental 2017 guidelines.	<ol style="list-style-type: none"> <li>Deficient areas were brought to meet demand, and rooms with excessive cooling capacity were rationalized in design, resulting in a total reduction of 73 FCU (Fan Coil Units) compared to the original design.</li> <li>Compared to the original design, the Air Side energy saving rate reached 15%.</li> </ol>	54,137	27.6
Original Design Solution: Adopted RCU + Duct form.	Air Handling Units (AHU) + Ducts were replaced with FFU + DCC form. The system was changed to FFU + DCC, providing sufficient maintenance space above the ceiling.	<ol style="list-style-type: none"> <li>Air Side energy saving efficiency: 19.3%</li> <li>Water Side energy saving efficiency: 0.08%</li> <li>Total Energy Saving Benefits: 11.3%</li> </ol>	544	139
The chilled water plant system adopted a Primary-Secondary variable chilled water flow system.	The chilled water plant system was changed to a Primary chilled water system design, and the chilled water system temperature difference was changed from 5°C to 7°C.	<ol style="list-style-type: none"> <li>Space saving in plant room.</li> <li>Reduced equipment and piping construction costs.</li> <li>Chiller re-selection, choosing high-efficiency chillers.</li> <li>Chilled water system temperature difference changed from 5°C to 7°C, with reasonable adjustment of piping sizes, re-evaluation of system head, and selection of high-efficiency water pumps.</li> <li>The original design's Water Side overall COP (Coefficient of Performance) was 4.1. After optimization, the overall COP increased to 4.25.</li> <li>Compared to the original design, the total energy saving rate reached 4.5%.</li> </ol>	1,233,408	627.8
The original design solution for the compressed air system adopted a CDA + intercooler design. The CDA system required cooling water and chilled water.	The compressed air system replaced high-grade energy with lower-grade energy for cooling air compressors.	<ol style="list-style-type: none"> <li>Selected a single cold source air compressor, using only cooling water to cool the air compressor, which reduced HVAC system energy consumption and electricity costs.</li> <li>Increased plant room space utilization.</li> </ol>	244,356	124.4

Project Name	General / Traditional / Original Practice	L&K's Approach	Target Information (Standards/Methodologies Used)	Estimated Energy Savings Unit: kWh/year
Fluorescent lamp, ceiling-mounted, electronic ballast, 220V, T5, 28Wx2.	Ceiling-mounted LED I-beam luminaires 220V 20Wx2.	A. T5-2 feet x 2 tubes = 56W (5,600lm). B. LED luminaire = 40W (4,000lm). C. This project's design adopted 8,007 sets of LED luminaires. D. Calculated with 12 hours of lighting per day.	400,801	201
Non-energy-saving cooling tower models.	Energy-saving cooling tower models adopted.	A. Full load demand is 4,750 RT. (Calculated at 40% of full-year average operation) B. Non-energy-saving model: 0.0485 kW/RT. C. Energy-saving model: 0.032 kW/RT.	274,626	138

Note 1: Water-side Integrated COP (Coefficient of Performance) refers to the heat exchange efficiency involving the chiller, pump, and cooling tower. It is calculated by dividing the cooling or heating capacity (kW) by the total power consumption (kW). A higher COP value indicates greater heat exchange efficiency and better energy savings.

Note 2: Carbon emissions are calculated based on the electricity emission factor announced by the Bureau of Energy, Ministry of Economic Affairs for the year 2021, which is 0.509 kg CO<sub>2</sub>e/kWh.

Note 3: Equipment energy performance values are referenced from: ANSI/ASHRAE/IES Standard 90.1-2019 (Energy Standard for Buildings Except Low-Rise Residential Buildings), and ANSI/ASHRAE/ICC/USGBC/IES Standard 189.1-2020 (Standard for the Design of High-Performance Green Buildings Except Low-Rise Residential Buildings).



Total Carbon Emission  
Reduction in 2023

6,183<sub>metric tons CO<sub>2</sub>e</sub> = The equivalent of the annual CO<sub>2</sub>e absorption of 16 Da' an Forest Parks.

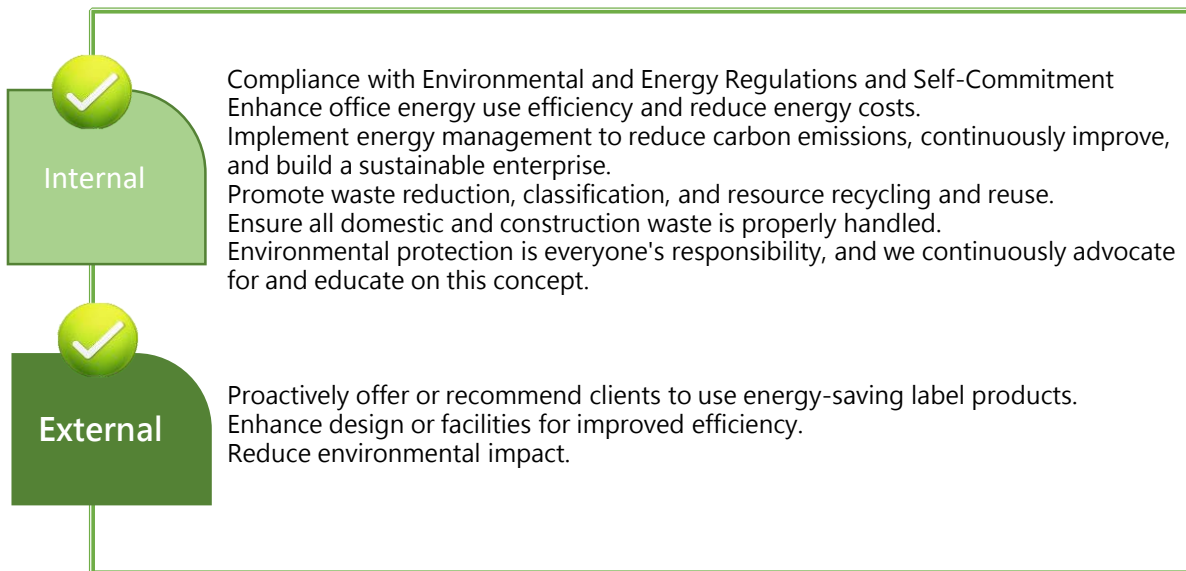
Note: One Da' an Forest Park absorbs approximately 389 metric tons CO<sub>2</sub>e annually.

## Energy Management 302

### Policy and Commitments

L&K complies with environmental laws and standards such as the "Environmental Protection Law," "Law on the Prevention and Control of Atmospheric Pollution," "Water Pollution Control Act," and "Law on the Prevention and Control of Environmental Pollution by Solid Waste." Having obtained ISO 14001 environmental management system certification in 2000 and continuously promoting it, L&K places high importance on the environmental impact and resource consumption of its daily office and construction activities. The Company is committed to undertaking green operations and green development through practical actions, building an environmentally protective enterprise, and achieving its vision of carbon peaking and carbon neutrality.

To fulfill its responsibility as a global citizen, L&K complies with relevant regulations for pollution prevention, promotes energy-saving and carbon reduction concepts and actions, aiming to achieve social responsibility and sustainable operation goals, and continuously implements energy-saving performance and improvement work.



Comply with regulatory self-requirements and use energy-saving label products.

Promote knowledge of environmental protection and energy management.

Integrate relevant resources and implement environmental and energy management programs.

Continuous environmental and energy improvement.  
Regular review to achieve management goals.

### Reduce Energy Demand for Products and Services 302-5

As an engineering service provider, L&K conducts operations at project sites, and its offices are solely for administrative functions. Since it does not manufacture products, there is no plan to reduce energy demand for products and services.

## Energy Management Goals

Given the limited reserves of traditional energy and the increasingly severe climate change issues caused by global warming, relevant energy-saving and carbon reduction strategies will be prioritized. By strengthening employee energy-saving awareness, promoting various energy-saving measures, improving energy use efficiency, and fostering operational energy management, we aim to contribute to establishing a sustainable low-carbon society and ensuring environmental, economic, and social sustainable development.

L&K conducts energy inventories based on fuel, paper, refrigerants, electricity, water, and waste generated from its operationally controlled activities. As energy consumption varies with the demand of ongoing projects, in addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. Referencing the Ministry of Environment's advocacy for energy-saving and carbon reduction living, energy-saving indicators are estimated, and energy-saving and carbon reduction efforts are promoted through various action plans, gradually realizing a green workplace environment. Internal advocacy methods utilize the Company's electronic bulletin board platform to disseminate information such as initiatives, promotions, and announcements. All regions can simultaneously receive the information, with the hope that colleagues will internalize energy-saving and carbon reduction concepts, translate them into actions, popularize them at individual and family levels, and thus influence the social environment.

Strategy	Action	Key Objectives	Goal for 2024	2024 Implementation Results	Target by 2030
Building Consensus	<ul style="list-style-type: none"> <li>Use when necessary, save when possible.</li> <li>Encourage colleagues to bring eco-friendly utensils.</li> <li>Acknowledge the social responsibility of energy saving and carbon reduction.</li> </ul>	24 Promotion Campaigns	24 campaigns	3124 campaigns · Reach the goal	1224 campaigns/Year
Energy Saving and Carbon Reduction	<ul style="list-style-type: none"> <li>Reduce waste, and ensure proper waste classification.</li> <li>100% harmless treatment of waste.</li> <li>Save electricity, water, paper, and fuel.</li> </ul>	Waste Reduction Electricity Consumption Reduction Water Consumption Reduction Paper Reduction Fuel Reduction	Reduction of 0.3% Reduction of 0.5% Reduction of 0.5% Reduction of 0.5% Reduction of 1%	Increased by 68%, target not met; density decreased by 30% Increased by 1.4%, target not met; density decreased by 56% Increased by 4.5%, target not met; density decreased by 55.7% Decreased by 39%, target met; density decreased by 73% Decreased by 10%, target met; density decreased by 64%	Reduction of 0.3% per year Reduction of 0.5% per year Reduction of 0.5% per year Reduction of 0.5% per year Reduction of 1% per year
Enhance Efficiency	<ul style="list-style-type: none"> <li>Replace with energy-efficient products.</li> <li>Install water-saving appliances and equipment.</li> <li>HVAC Equipment and Maintenance</li> </ul>				
Renewable Energy	<ul style="list-style-type: none"> <li>Water Resource Reuse - Rainwater Harvesting, Graywater Recycling.</li> <li>Hsinchu Office: Cooling tower drain pipe connected to fire pond for overflow recovery.</li> </ul>	Reduce Water Intake	Incorporated into the water consumption reduction target	Together with the water consumption reduction target	Combined with the water consumption reduction target

Note: The implementation effectiveness is compared based on carbon emissions; the 2024 operating revenue increased by 142% compared to the baseline year.



## Non-Renewable Fuel Consumption 302-1、302-2、302-3

L&K's greenhouse gas inventory for fuel covers gasoline and diesel consumption under operational control, calculated by referencing conversion factors from the Bureau of Energy, Ministry of Economic Affairs. Energy consumption fluctuates with the demand of ongoing projects. In addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. In 2024, fuel carbon emissions decreased by 12% compared to the 2022 base year, achieving the target. Intensity, calculated based on operating revenue, decreased by 64%. During this period, leases for company vehicles expired and were replaced with energy-efficient vehicles. Energy-saving driving methods are posted inside the vehicles to remind colleagues to develop carbon-reducing driving habits.

Quantitative Indicator	Unit	2022			2023			2024		
		Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan
Gasoline	Liters	18,295	18,332	79	12,356	18,678	4	12,549	19,294	0
Diesel	Liters	0	143	18	0	1,530	0	118	1,220	0
Total Consumption	Megajoules (MJ)	597,338	603,590	3,194	403,433	663,650	131	413,881	672,853	0
CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	55	56	0.3	37	61	0.01	37	60	0
Emission Intensity	t CO <sub>2</sub> e / Million NTD	0.00510	0.00515	0.00003	0.00128	0.00211	0.0000004	0.00142	0.00231	0

- Notes:
- The boundary for fuel consumption under operational control is defined as fuel expenses reimbursed by the Company, including company vehicles, subsidized fuel vehicles, and quantities required for operational activities.
  - Gasoline to million Joules = (Gasoline liters \* 7,800 kcal \* 4,186 Joules) / 1,000,000
  - Diesel to million Joules = (Diesel liters \* 8,400 kcal \* 4,186 Joules) / 1,000,000
  - Fuel greenhouse gas emission factors reference the Ministry of Economic Affairs Energy Administration's announcements: Vehicle gasoline (for mobile source use, 2021): 2.92 kg CO<sub>2</sub>e, Diesel (for road transport mobile source use, 2021): 3.32 kg CO<sub>2</sub>e.
  - Fuel carbon emission reduction target: 1%.

### Purchased Energy Consumption 302-1、302-2、302-3

L&K's greenhouse gas inventory for electricity covers consumption under operational control. Electricity is 100% purchased from external sources. Energy consumption fluctuates with the demand of bidding projects and ongoing construction projects. In addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. In 2024, carbon emissions from electricity consumption increased by 6.3% compared to 2022, missing the target. Intensity, calculated based on operating revenue, decreased by 56.1%. As office electricity consumption is not considered high-volume for the Company, L&K still values and conserves electricity, urging colleagues to self-manage electricity usage details and simultaneously develop energy-saving habits through awareness campaigns, contributing to global environmental protection.

Quantitative Indicator	Unit	2022			2023			2024		
		Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan
Electricity	Kilowatt-hours (kWh)	227,988	419,760	63,575	237,056	397,040	78,160	223,907	416,800	80,500
Total Consumption	Megajoules (MJ)	820,757	1,511,136	288,870	853,402	1,429,344	281,376	806,064	1,500,480	289,800
CO <sub>2</sub> Emissions	t CO <sub>2</sub> e	116	214	32	117	197	39	111	206	40
Emission Intensity	t CO <sub>2</sub> e / Million NTD	0.011	0.020	0.003	0.004	0.007	0.001	0.004	0.008	0.002

Notes:  
 1. Data Source: Calculated based on electricity consumption (kWh) details from Taiwan Power Company bills.  
 2. Purchased electricity greenhouse gas emission factors reference the Ministry of Economic Affairs Energy Administration's announcements: 2022 adopted 0.509 kgCO2e/kWh announced for 2021; 2023 adopted 0.495 kgCO2e/kWh announced for 2022; 2024 adopted 0.494 kgCO2e/kWh announced for 2023.  
 3. Electricity carbon emission reduction target: 0.5%.  
 4. Number of regular employees in the three offices: 115 in 2022, 128 in 2023, and 136 in 2024. During this period, project personnel were recalled to the offices.

Paper Consumption 302-1、302-2、302-3

L&K's greenhouse gas inventory for paper covers consumption under operational control. Energy consumption fluctuates with the demand of bidding projects and ongoing construction projects. In addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. In 2024, the total weight of paper procured decreased by 39% compared to 2022, procurement costs decreased by 47%, and carbon emissions decreased by 36%, achieving the target. Intensity, calculated based on operating revenue, decreased by 73%. During this period, energy-saving methods for paper use and photocopying were posted and promoted, and the digitalization of procurement documents was optimized, reducing paper consumption.

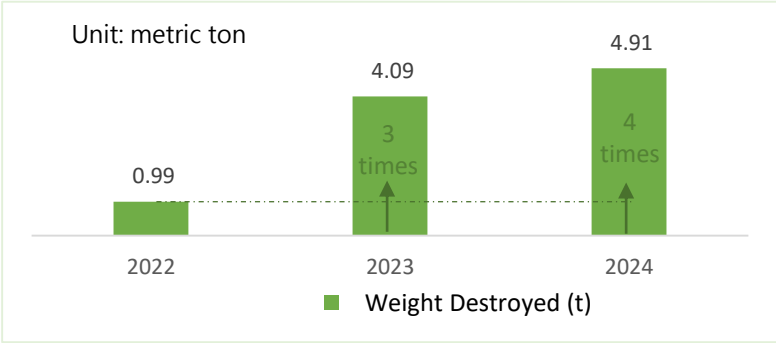
Quantitative Indicator	Unit	2022		2023		2024	
		Amount	Total Weight	Amount	Total Weight	Amount	Total Weight
Copy Paper	kg	90,675	5,640	89,788	1,913	41,560	3,276
Eco-Friendly Interfold Hand Towels	kg	36,940	357	22,818	323	26,273	383
Total Consumption	t		6.0		2.2		3.7
CO <sub>2</sub> Emissions	t CO <sub>2</sub> e		20.0		8.3		12.9
Emission Intensity	t CO <sub>2</sub> e / Million NTD		0.00185		0.00028		0.00049

Notes:  
According to the emission factors announced by the Environmental Protection Administration (EPA) of the Executive Yuan: Copy paper (virgin paper): 3.08 kg CO<sub>2</sub>e Dandelion brand eco-friendly interfold paper towels: 7.39 kg CO<sub>2</sub>e Carbon emission reduction target for paper products: 0.5%

Expired Document Recycling

Documents that have passed their retention period are entrusted to qualified vendors for pulping and recycling. In 2024, the weight of pulped documents increased by 5 times compared to the 2022 base year. Timely disposal of expired documents ensures a safe office environment, frees up space for effective organization, and allows for the recycling of document folders and stationery. This achieves waste reduction in document processing, promotes paper recycling, and optimizes water resource reuse, thereby reducing carbon emissions through resource circularity.

Year	Weight of Disposed Materials (tons)
2022	0.99
2023	4.09
2024	4.91

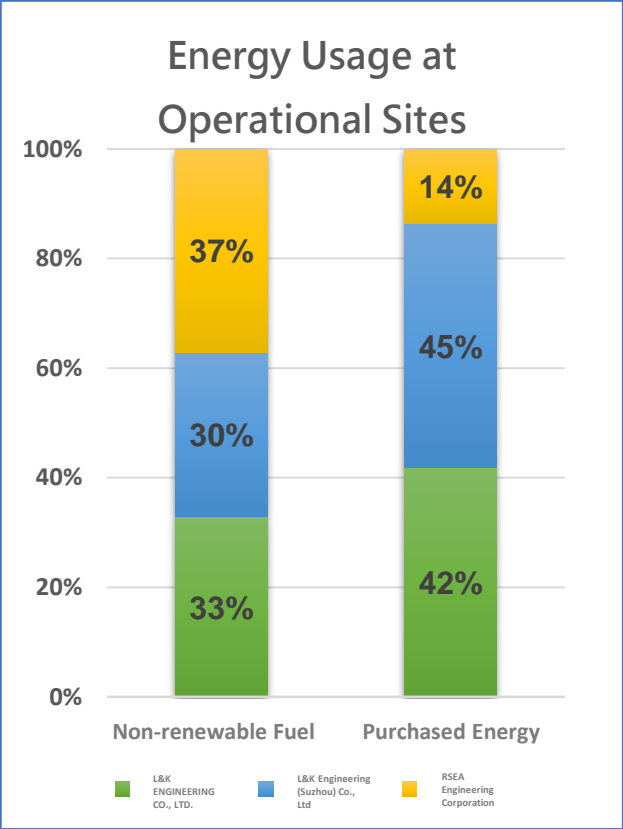


## Total Energy Consumption at Operational Sites

In accordance with its sustainable development roadmap, L&K will include its subsidiaries in the greenhouse gas inventory starting from 2026. L&K first included its subsidiaries in the GHG inventory in 2024. Conducting the inventory early not only ensures regulatory compliance but also brings multiple advantages in finance, operations, and market competitiveness. As global carbon emission management becomes stricter, the earlier the inventory is conducted, the more it can help enterprises reduce risks, control costs, and enhance brand value and market competitiveness. Therefore, for subsidiaries, early planning for greenhouse gas inventory is a strategic decision with long-term value.

In 2024, L&K's total energy consumption was 9,509,595 million Joules. The primary consumption was from purchased electricity, accounting for 65% of the overall energy consumption. The next largest was fuel oil for vehicles and machinery used by local personnel under operational control, accounting for 35% of the overall energy consumption. L&K will continue to track the usage and trends of various energy types and devise energy-saving solutions in the future.

Type of Energy			2024			
			Taiwan L&K	L&K	Ronggong Engineering	Total
Non-renewable fuel	Gasoline	Liters (L)	31,843	30,324	22,551	84,718
		Megajoules (MJ)	1,039,693	990,103	736,315	2,766,112
	Diesel	Liters (L)	1,338	0	13,875	15,213
		Megajoules (MJ)	47,041	0	487,873	534,914
Purchased Energy	Electricity	Kilowatt-hours (kWh)	721,207	767,481	235,915	1,724,603
		Megajoules (MJ)	2,596,344	2,762,932	849,295	6,208,570
Total Energy Consumption (Heating Value)			Megajoules (MJ)		9,509,595	
Total Energy Intensity			Megajoules (MJ) /Revenue (Million)		0.017	



Notes:

1. The scope of energy consumption calculation for 2024 covers operational sites: L&K Taiwan (Xizhi Office, Hsinchu Office, Tainan Office), and the offices of L&K Engineering (Suzhou) Co., Ltd. and RSEA ENGINEERING CORPORATION.
2. Data Source: Gasoline and diesel consumption are primarily based on actual dispensed quantities; electricity consumption is calculated by summing the monthly electricity bill data from each operational site.
3. Energy heat value conversion factors for various energy types: Electricity adopted 0.494 kgCO2e/kWh announced for 2023; Gasoline to million Joules = (Gasoline liters \* 7,800 kcal \* 4,186 Joules) / 1,000,000; Diesel to million Joules = (Diesel liters \* 8,400 kcal \* 4,186 Joules) / 1,000,000.

## Water and Effluent 303-3

### Water Resources Management

L&K's inventoried water is directly supplied by government tap water, with no additional water sources extracted from other water bodies. All wastewater is discharged into the public sewage system. Statistics are based on the water consumption (cubic meters) recorded on tap water bills. Total water withdrawal equals total water consumption. Energy consumption fluctuates with the demand of ongoing projects. In addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. During this period, reduction measures included improving cooling tower drain water reuse at the Hsinchu office, replacing water-saving equipment and installing water-saving valves in all offices, and simultaneously promoting water-saving campaigns and slogans to remind colleagues to conserve water.

Year	Total Water Withdrawal (tonnes)	Achievement Status	Emission Intensity t CO <sub>2</sub> e /Million NTD	Amount Per Person
2022	3,791	Base Year	0.053	0.00046
2023	3,532	Reduced by 4%, Target Met	0.019	0.00015
2024	3,962	Increased by 4.5%, Target Missed	0.024	0.00017

#### Water withdrawal of the three offices under operational control

Quantitative Indicator	Unit	2022			2023			2024		
		Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan	Xizhi	Hsinchu	Tainan
Water Withdrawal	t	1,139	1,821	831	880	1,707	945	1,011	1,893	1,058
Carbon Emissions	t CO <sub>2</sub> e	173	277	126	137	266	147	158	295	165
Energy Intensity	t CO <sub>2</sub> e /Million NTD	0.016	0.026	0.012	0.005	0.009	0.005	0.006	0.011	0.006

Notes:

1. Tap water greenhouse gas emission factors are based on announcements by Taiwan Water Corporation: 0.152 kgCO<sub>2</sub>e/cubic meter for 2021; 0.156 kgCO<sub>2</sub>e/cubic meter for 2022-2023. Since the factor for 2024 has not yet been announced, the 2023 factor of 0.156 kgCO<sub>2</sub>e/cubic meter is extended for use.
2. Water withdrawal volume reduction target: 0.5%.
3. Number of regular employees in the three offices: 115 in 2022, 128 in 2023, and 136 in 2024. During this period, project personnel were recalled to the offices.
4. Water intensity = Total water withdrawal / (Million) Operating Revenue.
5. The scope of water consumption inventory covers operational sites: L&K Taiwan (Xizhi Office, Hsinchu Office, Tainan Office), and the offices of L&K Engineering (Suzhou) Co., Ltd. and RSEA ENGINEERING CORPORATION.

#### Total Water Usage at Operational Sites

In accordance with its sustainable development roadmap, L&K will include its subsidiaries in the greenhouse gas inventory starting from 2026. L&K first included its subsidiaries in the GHG inventory in 2024.

Operating Location(s)	Taiwan L&K	L&K	Ronggong Engineering	Total	Water Intensity (m <sup>3</sup> per million revenue)
2024	3,962.48	5,662.12	1,843.97	11,468.57	0.027



## Action Effectiveness

- ✓ **Replacement of Water-Saving Equipment**  
Traditional toilets at the Hsinchu office were replaced with water-saving certified equipment.
- ✓ "Conserve Water" promotional slogans are posted at all faucet switches to reduce water consumption.
- ✓ Installation of water-saving devices on faucets.
- ✓ Dual-flush slogans posted on toilets.
- ✓ Reduce flush volume.
- ✓ Water dispensers are equipped with timers to stop operation after work hours, reducing water and electricity consumption.
- ✓ Regularly inspect water supply equipment such as faucets, water tanks, and toilets for leaks, and report for immediate repair.



Faucet water-saving devices and slogans installed.



Dual-flush slogans posted on toilets.



Water dispensers equipped with timers.

## Emissions Management<sub>305-1~5</sub>

L&K's greenhouse gas emissions, as mentioned in energy management, include Scope 1 fuels, paper, and refrigerants, and Scope 2 electricity. The total greenhouse gas emissions for both years are disclosed by referencing the greenhouse gas calculation methodology.

Energy consumption fluctuates with the demand of ongoing projects. In addition to calculating increases/decreases in energy use by carbon emissions, the changes in intensity must also be used to measure whether management goals are met. Comparing carbon emissions in 2024 to 2022, Scope 1 decreased by 14%, and Scope 2 increased by 6%. Simultaneously, through intensity calculated based on operating revenue, Scope 1 decreased by 65%, and Scope 2 decreased by 56%.

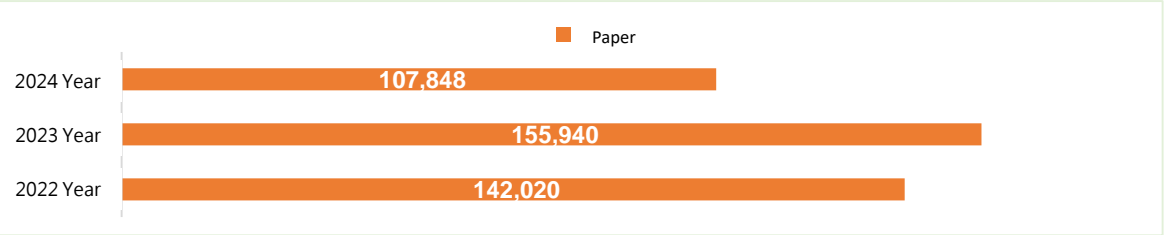
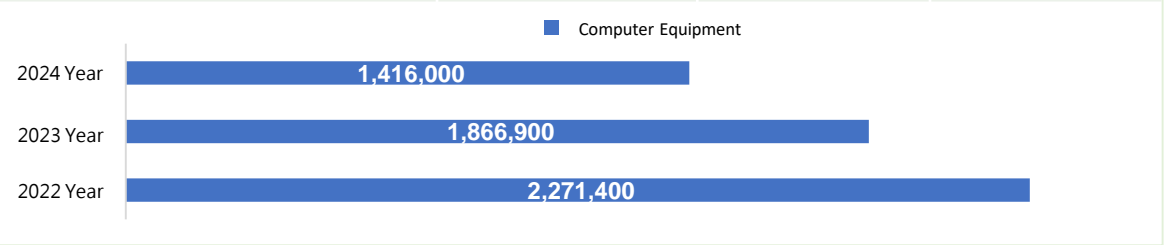
Year	Scope 1 Total Carbon Emissions (metric tons CO2e)	Scope 2 Total Carbon Emissions (metric tons CO2e)
2022 Base Year	416	335
2023	362	353
2024	356	356

Year	Scope 1 Intensity (metric tons CO2e per million NTD)	Scope 2 Intensity (metric tons CO2e/million NTD)
2022 Base Year	0.0385	0.0310
2023	0.0124	0.0121
2024	0.0136	0.0136

## Green Procurement

L&K's green procurement for activities under operational control includes computer equipment and paper. Procurement is conducted based on demand and is non-periodic/non-quantitative, while also changing with the demand of ongoing construction projects.

Year Total Amount	2022	2023	2024
Green Label Products	2,344,391	1,996,995	1,523,848
Computer Equipment	2,271,400	1,866,900	1,416,000
Paper - PEFC Sustainable Forest Management Certification - FSC Forest Stewardship Council Certification	142,020	155,940	107,848



## Reduction Actions<sup>302-4、305</sup>

### Fuel Reduction Targets and Measures



- Policy Target: For offices, with 2022 as the base year, a 1% fuel reduction.
- Procure or lease eco-friendly and energy-efficient vehicles.
- If permitted, hold video conferences to reduce the use of transportation.
- Encourage commuting with low-energy-consuming vehicles, using public transportation, and carpooling for official business.
- Drive at a constant speed as much as possible.
- Before driving, open all car doors to cool down the interior. After starting the car, adjust the air conditioning to a moderate temperature to save fuel.
- When parking, it is best to choose a covered parking lot or a shady spot to prevent excessive cabin temperature, reducing cooling time and air conditioning fuel consumption.
- If weather and environmental conditions permit, one can choose to open car windows for ventilation instead of using air conditioning. Even without opening windows, one can just turn on the fan without engaging the AC compressor to save gasoline.
- Avoid placing too many miscellaneous items in the car, as this can reduce fuel consumption.
- Regularly maintain vehicles to keep them in optimal operating condition, ensuring smoother driving and reduced fuel consumption.

### Electricity Saving and Cost Reduction Targets and Measures



- Policy Target: For offices, with 2022 as the base year, an electricity saving target of 0.5%.
- Use energy-saving label products.
- Post "Conserve Energy" slogans at all power switches to foster the habit of turning off lights when not needed.
- Implement responsible zonal management, and turn off unnecessary lighting when not in use.
- In areas with low lighting requirements, reduce the number of light tubes without compromising safety.
- Office machines, electronic products, etc., automatically enter power-saving mode after a period of inactivity.
- Computers are set to enter "sleep mode" after 10 consecutive minutes of inactivity.
- Regular maintenance and daily upkeep of HVAC equipment to maintain high-efficiency operation.
- Use blinds on office windows to reduce solar radiation heat entry into the interior, lowering HVAC electricity consumption.
- Office air conditioning is set at 26~28°C, paired with fan circulation and convection, to achieve comfortable cooling.
- Chiller integration can save energy.



Posting Slogans



Replacement of Office Lighting with Motion Sensor Lights



Posting Promotional Materials on Official Vehicles



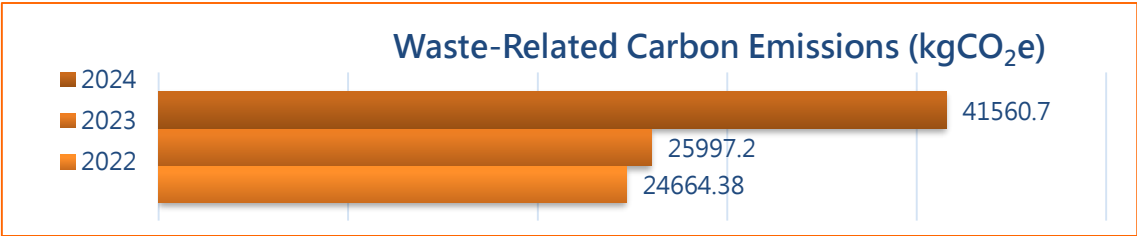
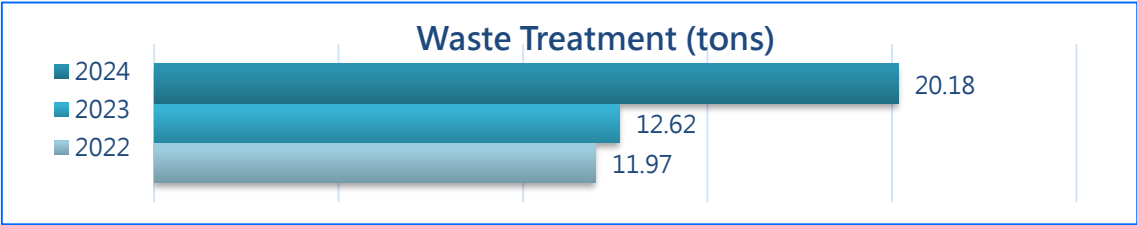
Computer Set to Enter "Sleep Mode" When Idle

Waste Management 306

L&K follows the operating regulations of relevant government agencies, establishing a centralized temporary waste storage area, implementing resource recycling and classification, and ensuring 100% of waste is cleared by entrusted legal and qualified contractors, with the final disposal procedure being incineration. Waste generation, recycling, and disposal records are maintained to ensure proper waste handling and sustainable resource utilization. Domestic waste generated primarily consists of office household garbage and a portion of waste returned from construction sites supported by the Industrial Services Department. In the past three years, there have been no records of significant environmental pollution incidents leading to hefty fines. In 2024, no hazardous waste was generated, and no fines were incurred.

Waste Disposal 306-5

In 2024, the total weight of waste generated and cleared by the Hsinchu and Tainan offices was 20.18 metric tons. Waste from the Xizhi office is handled uniformly by the building's management committee. During this period, the increase in waste clearance volume was attributed to the obsolescence and damage of office equipment in the Hsinchu and Tainan offices, the relocation of project personnel into the Tainan office, and environmental cleanup and reorganization efforts. The 2024 waste carbon emission reduction target was 0.3%. Compared to 2022, emissions increased by 68.5%, missing the target. Intensity, calculated based on operating revenue, increased by 78%. Direct recycling categories include PET bottles, aluminum cans, and paper. With the assistance of neighbors in the industrial park, 9.55 metric tons of resources were recycled. The recycling rate increased by 7.5 times compared to the base year and by 2.8 times compared to the previous period.



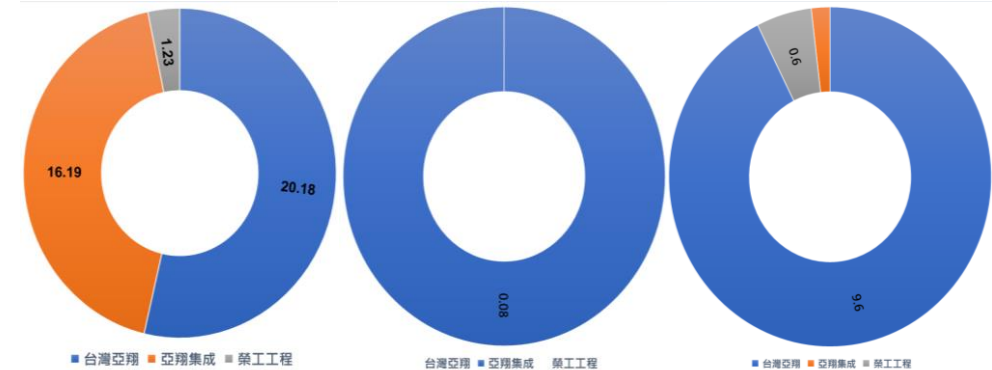
Year	Total Weight Generated (tons)	Waste Disposal(tons)	Direct Recycling(tons)	Direct Recycling Rate	Hazardous Waste
2022 Base Year	13.25	11.97	1.28	9.7%	0%
2023	16.03	12.62	3.40	21.2%	0%
2024	29.73	20.18	9.55	32.1%	0%
Year	Reduction Target	Waste Disposal	Performance Outcome		
2022	Base Year	11.97	-		
2023	0.3%	12.62	Carbon emissions increased by 5.4%, target not achieved. Intensity reduced by 61%.		
2024	0.3%	20.18	Carbon emissions increased by 60%, target not achieved. Emission intensity increased by 78%.		

Note: Disposing 1 kg of waste generates 2.06 kg CO<sub>2</sub>e in carbon emissions (source: Ministry of Environment – National CO<sub>2</sub> Reduction Information).

Overall Waste Management Status at Operational Sites

In 2024, subsidiaries were first included in the greenhouse gas inventory. The inventory scope covers operational sites: L&K Taiwan (Xizhi Office, Hsinchu Office, Tainan Office), and the offices of L&K Engineering (Suzhou) Co., Ltd. and RSEA ENGINEERING CORPORATION.

Year	Total General Industrial Waste (tons)	Total Hazardous Waste (tons)	Total Recycled Waste (tons)
2024	37.59	0.08	10.32





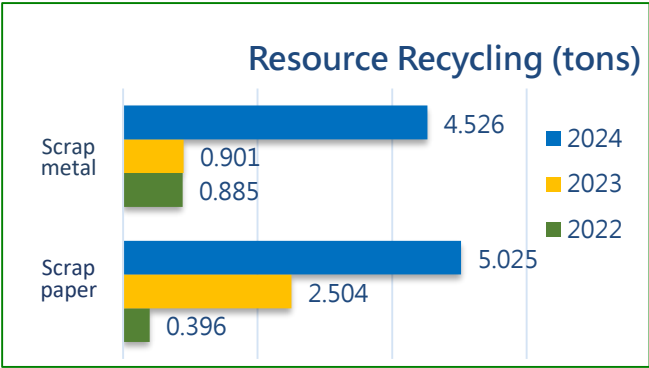
# Waste Reduction Actions 302-4、305

Resource Waste Reduction Targets and Measures

- Policy Target: With 2022 as the base year, reduce domestic waste by 0.3%.
- Office furniture is handed over to recycling vendors for reuse.
- Respond to government waste classification policies by setting up recycling bins.
- Encourage employees to bring their own personal cups, and the employee cafeteria provides eco-friendly utensils.
- Make good use of electronic documents and paperless operations to reduce paper and toner consumption.
- Before photocopying, consider carefully the number of copies needed to avoid excessive printing.
- Promote double-sided printing and collect recycled paper for other uses.
- Scrapped IT equipment and toner cartridges are recycled by vendors.
- Use recycled paper products certified with the Ministry of Environment's green energy-saving label,
- FSC™ forest certification, and Taiwan Carbon Footprint Label trademark.
- Recycled paper products

After sorting office domestic waste, L&K's directly recyclable categories include PET bottles, aluminum cans, and paper. To reduce waste disposal costs, recycling and reuse may be more cost-effective than direct disposal or incineration. In 2024, 9.55 metric tons of resources were recycled. The recycling rate increased by 7.5 times compared to the base year and by 2.8 times compared to the previous period, indicating a significant increase in implementation performance.

L&K has a plan to hand over office furniture, office machines, and other items to recycling vendors for reuse, extending their lifespan and reducing resource waste. Furniture replaced during 2024 was sent to recycling plants, accounting for 4.5 metric tons, or 47% of the total recycled volume. Through these measures, the Company not only reduces environmental impact but also demonstrates its commitment to Sustainable Development Goals (SDGs) while practicing circular economy initiatives.



塑料減少  
47%  
回收空間增加  
70%以上  
碳排放減少  
69.5gCO<sub>2</sub>e

Office Procurement of Environmentally Friendly Packaged Water Image from TaiSun official website



Office Procurement of Pugongying Eco-friendly Toilet Paper, Certified with FSC, Carbon Reduction, and Environmental Labels Image from Pugongying official website

## Equipment Reuse

Obsolete office equipment is donated to the ASUS Foundation. Through the recycling and refurbishment of discarded products, they are transformed into refurbished equipment and donated to disadvantaged groups, helping them enhance their digital learning capabilities and promoting resource recycling and reuse to foster environmental protection.

Year	Item Name	Quantity	Carbon Reduction (metric tons CO <sub>2</sub> e)
2024	Projector	1	0.013

- ◆ For computer equipment within its normal depreciation period, the planned replacement quantity for computer hosts and laptops reflects execution performance; Other computer peripherals that are damaged or scrapped before reaching their depreciation period are not included in the execution target statistics. Scrapped computer equipment and peripheral items are handled for recycling by qualified professional vendors.



Year	Desktop Computer		Laptop Computer		Other Peripherals	Total Quantity
	Planning	Execution	Planning	Execution		
2024	56	52	31	24	220	296
2023	30	76	30	15	346	437
2022	68	51	72	6	61	118

# 4 Sustainable Society

Employee Relations  
Labor-Management Relations  
Occupational Safety and Health  
Training and Education  
Employee Diversity and Equality  
Customer Privacy Management  
Ethics and Human Rights  
Community Engagement



- **Occupational Safety and Health**

No major occupational disasters.

- **Training and Education**

Diverse Learning Channels and Career Development.

- **Employee Diversity and Equality**

Presentation of employee age structure and cultural background diversity.

- **Customer Privacy Management**

No personal data leakage incidents.

- **Ethics and Human Rights**

Advocate for the integration of international human rights conventions into internal governance regulations.

Establish Equal Employment Opportunity (EEO) policies and grievance mechanisms.

- **Community Engagement**

Industry-academia collaborations with domestic and international universities, establishing specialized Southeast Asian programs at St. John's University to cultivate industrial talent.

## Employee Relations 401

### New Hires and Resignations

According to L&K's new hire statistics for the past three years, the proportion of employees under 30 has consistently been the highest, demonstrating the Company's strong appeal to young talent and its commitment to their development. This group of young employees not only injects new blood into the enterprise but also brings innovative thinking and vitality, driving the Company's continuous growth and transformation. As of 2024, the total number of new hires under 30 was 210, out of a total of 305 new hires, accounting for 69%. These data indicate that L&K actively recruits new generation talent and provides comprehensive training and growth opportunities, ensuring new employees and the Company jointly advance towards a more outstanding future.

### Recruitment and Retention

L&K attracts outstanding talent through diverse recruitment channels such as job banks, industry-academia collaborations, and vocational training agencies. In the recruitment process, L&K adheres to the principles of fairness and justice, employing impartial recruitment procedures regardless of race, class, language, ideology, religion, political stance, native place, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, constellation, blood type, etc., in compliance with legal and regulatory requirements.

Since 2015, L&K has actively promoted campus industry-academia collaborations, establishing close partnerships with universities and colleges to provide internship opportunities for enrolled students. Concurrently, the Company has designed comprehensive graduation incentive programs to ensure outstanding talent can smoothly transition into career development, injecting a stable new force into the enterprise. Starting from 2019, an internal referral bonus system has been implemented to encourage employees to recommend excellent engineering talent to join the team. This not only strengthens the internal talent network but also enhances recruitment efficiency, continuously building a highly efficient and competitive talent pool.

New hire ratio									
Year		Female	Male	Female	Male	Female	Male	Number of new hires	Total number of employees
		Under 30 years old		31 to 50 years old		Over 50 years old			
2024	Number of new hires	5	40	6	12	0	3	66	485
	New hire rate	8	61	9	18	0	4	14	
2023	Number of new hires	13	57	8	14	0	3	95	484
	New hire rate	36	51	9	9	0	5	20	
2022	Number of new hires	23	72	14	24	3	8	144	493
	New hire rate	64	64	15	14	15	13	29	

New Hire Rate (%) = Number of new hires in that category for the current year / Total number of employees in that category at year-end for the current year.

Turnover ratio									
Year		Female	Male	Female	Male	Female	Male	Number of resignations	Total number of employees
		Under 30 years old		31 to 50 years old		Over 50 years old			
2024	Number of resignations	5	24	6	17	2	8	62	485
	Turnover rate	8	39	9	28	3	13	13	
2023	Number of resignations	6	43	9	23	2	11	94	484
	Turnover rate	17	39	10	14	8	18	19	
2022	Number of resignations	14	52	10	38	3	12	129	493
	Turnover rate	39	46	10	22	15	19	26	

Resignation Rate (%) = Number of resignations in that category for the current year / Total number of employees in that category at year-end for the current year.

## Employee Compensation and Benefits 2-7、2-21、202、207-3、405-2

L&K complies with relevant laws and regulations. Its Articles of Incorporation stipulate employee salary payment methods, with income tax withheld in accordance with the Income Tax Act. Employee compensation distribution methods are also stipulated in the Articles of Incorporation. If the Company generates profit annually, 3-5% of it shall be set aside as employee compensation. In 2024, there were no instances of penalties imposed by competent authorities.

### Compensation and Proportions

Female to Male Overall Compensation Ratio

Employee Category / Gender		Male	Female
Management Positions	Senior Management (Division Level and Above)	1.1	1
	Middle Management (Department Level and Above)	1.3	1
	First-line Supervisors (Supervisor Level and Above)	1.0	1
Non-management Positions	General Staff	1.0	1

Note: Overall compensation ratio is calculated based on the number of employees on duty as of December 31, 2024.

Proportion of Local Residents Employed in Senior Management

Employment	Number	Percentage
Senior Management	21	57%
Senior Management Hired from the Local Community	12	

Ratio of Standard Wages for Grassroots Personnel of Different Genders to Local Minimum Wage

Pay Ratio Items / Compensation Ratio Items	Ratio of Standard Entry-Level Wage to Local Minimum Wage		Base Salary Ratio			
	General Staff		Non-Managerial Employees		Managerial Employees	
Operating Location / Gender	Female	Male	Female	Male	Female	Male
Xizhi Office	1.5	1.4	1	1.0	1	1.5
Hsinchu Office	1.3	1.3	1	1.0	1	1.0
Tainan Office	1.1	1.5	1	1.4	-	-
Other Projects	1.3	1.4	1	1.1	1	1.2

Number and Average Salary of Full-Time Employees Not Holding Supervisory Positions

Item / Year	2022	2023	2024	Comparison with Previous Year
Total Employee Compensation (NT\$ thousands)	378,395	498,145	447,590	-10.15%
Average Number of Employees (Persons)	464	478	467	-0.02%
Average Salary per Employee (NT\$ thousands / person)	816	1042	958	-0.08%
Median Salary per Employee (NT\$ thousands / person)	676	762	880	+0.15%

Note: Number of Full-time Non-managerial Employees and Their Average Compensation Data source: Excerpts from the Market Observation System regarding compensation information for full-time non-managerial employees.

### Annual Total Compensation Ratio

Indicator / Year	2022	2023	2024
Annual Total Compensation Ratio (Note 1)	6.78	4.86	5.25
Percentage Increase in Annual Total Compensation Ratio (Note 2)	0	-1.4	1.5

Note1: Annual Total Compensation Ratio = Annual total compensation of the highest-paid individual / Ratio of the median annual total compensation of other employees.

Note2: Percentage Increase in Annual Total Compensation Ratio = Percentage increase in annual total compensation of the highest-paid individual / Percentage increase in the median annual total compensation of all employees (excluding the highest-paid individual).

Note1: Local Minimum Wage: Basic wage of NT\$27,470 in 2024.

Note2: Calculate the ratio by gender: Local minimum wage ratio = Company's minimum gender-based salary standard / Local minimum wage.

Note3: The definition of grassroots personnel is non-managerial staff.

Note4: Basic salary refers to regular compensation (excluding bonuses).



## Welfare System

	Labor Insurance, National Health Insurance, Group Health Insurance, Labor Pension, Statutory Holidays.
	Dragon Boat Festival, Mid-Autumn Festival, Year-End Bonus, and Dividend Distribution.
	Birthday gift certificates, Labor Day gift certificates, wedding gratuities, childbirth gratuities, travel subsidies, children's education scholarships, long-service employee incentives, retirement employee commemorative gifts, disability subsidies for children, emergency relief and loans, funeral subsidies.
	Health Check-ups
	Establishment of Lactation Room
	The sports center is equipped with treadmills, exercise bikes, massage chairs, table tennis, and other facilities.
	Free dormitory provided for cross-regional employees.
	Provide uniforms and EHS (Environment, Health, and Safety) supplies required for the workplace.
	Designated parking spaces for disabled persons and pregnant women.
	Contracted merchants include kindergartens, hotels, restaurants, travel agencies, medical clinics, etc.
	Flexible meal provision or meal subsidies.



Year-End Banquet.



Awarded the Happy Enterprise Silver Award.

## Welfare Benefit Items and Number of Applicants

Welfare Item	2022	2023	2024
Total Welfare Expenditure (NT\$ Thousands)	11,102	22,250	19,644
Per Capita Welfare (NT\$)	22,380	45,970	40,500
Wedding and Funeral Subsidies	10 participants 、 7 participants	27 participants 、 87 participants	47 participants 、 97 participants
Childbirth Gratuities	3 participants	117 participants	77 participants
Children's Education Scholarships	16 participants	707 participants	1027 participants
Birthday, May 1st Gift Certificates, Employee Travel.	All employees	All employees	All employees

## Labor-Management Relations 402

### Labor-Management Policy

L&K complies with labor laws and regulations such as the Labor Standards Act and the Act of Gender Equality in Employment, respects employees' basic human rights, and protects employee personal data, ensuring that employee rights are duly safeguarded. The Company values employee rights and provides fair treatment, complying with relevant laws and regulations. Every employee enjoys equal treatment in terms of labor conditions such as compensation and benefits, without discrimination based on race, religion, political affiliation, gender, age, marital status, constellation, or other factors.

L&K strictly adheres to labor laws and regulations when employing staff. Through open recruitment channels, it upholds the principle of equal opportunity regardless of race, gender, age, religion, or nationality, selecting suitable personnel for appropriate positions to build an organizational structure that aligns with the Company's development, and strictly prohibits forced labor and the employment of child labor. Upon onboarding, all new employees are required to sign an employment contract to safeguard the rights and interests of both labor and management. To ensure the implementation of integrity management, a "Code of Integrity Management" has been established. This is timely promoted through meetings or ERP platforms, allowing employees to fully understand the Company's commitment, policies, prevention plans, and consequences of violating integrity principles. For specific reports of illegal and unethical conduct, L&K's official website provides a whistleblowing mailbox, and each construction site is equipped with a complaint mailbox. The identity of whistleblowers and the content of their reports are kept strictly confidential. To date, there have been no registered complaints regarding human rights (including indigenous rights) or labor rights, such as discrimination based on race, gender, or disability.

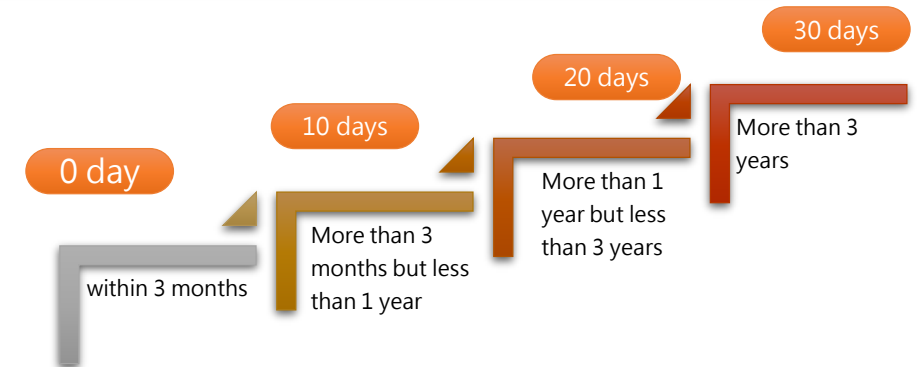
### Notice Period for Operational Changes

L&K values labor-management and industrial safety relations, holding regular quarterly labor-management and industrial safety meetings. In addition to participating in meetings, employees can provide feedback at any time via suggestion boxes. The Company accepts all employee opinions on management aspects and the compensation and benefits system, to facilitate consensus building and promote harmonious labor-management progress.

L&K complies with Article 16 of the "Labor Standards Act." When the Company's operations encounter the following changes:

- Business closure or transfer.
- Losses or business contraction.
- Suspension of work due to force majeure for more than one month.
- Changes in business nature necessitating a reduction in workforce, and no suitable work is available for placement.
- When the employee is demonstrably incompetent for the assigned work.

#### Notice period for employee resignation based on Labor Standards Act.



## Occupational Safety and Health 403

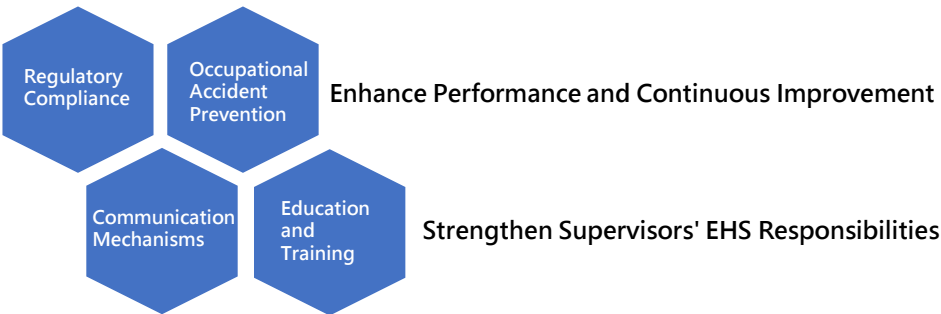
### EHS (Safety, Health, and Environment) Policy 403-1

L&K Engineering, as a design and construction enterprise providing engineering services, has always been people-oriented, upholding the belief that employees are the Company's greatest asset. In addition to complying with environmental and occupational safety & health regulations and other relevant requirements, we continuously improve and reduce engineering hazards and risks, fulfilling our responsibility to safeguard employee rights.

**Do our utmost for pollution control and disaster prevention!  
Comprehensive safety and health management, with safety first and prevention as priority!  
All staff shall lead by example through practical action, taking safety and environmental protection as guiding principles for action!**

This is our EHS policy, used to establish and maintain an environmentally friendly and safe working environment. We promote pollution prevention and environmental protection, zero tolerance for workplace violence, and prevention of overwork, ensuring the physical and mental health of employees.

We require all colleagues and cooperating vendors to uphold the Company's beliefs and unreservedly comply with the following commitments:



### EHS Management System 403-1

L&K has integrated ISO 14001:2015 Environmental Management System, ISO 45001:2018 Occupational Safety and Health Management System, and CNS 45001 Taiwan Occupational Safety and Health Management System into a unified EHS Management System. This ensures consistent practices in business management and practical execution, aiming for supply chain partners to jointly advance towards sustainable development.

### Occupational Safety and Health Management Committee 403-1

The Occupational Safety and Health Management Committee is established in accordance with the law. The Committee is composed of Chairman and General Manager Jiang, heads of various departments, representatives of safety and health engineering technical personnel, EHS personnel representatives, and labor representatives. The Occupational Safety and Health Management Committee holds regular quarterly meetings to conduct EHS management reports, deliberate on safety and health proposals, and receive improvement suggestions from labor representatives. This facilitates communication on issues, identification and evaluation, review, coordination, and recommendations on safety and health-related matters between labor and management, implementing EHS management and jointly creating a safe and friendly workplace environment.

Occupational Safety and Health Management Committee	2024 Year
Number of Meetings	4
Number of Employer Representatives	6
Number of Employee Representatives	6
Proportion of Employee Representatives	50%
Proportion of Employee Representatives to All Employees	1.5%

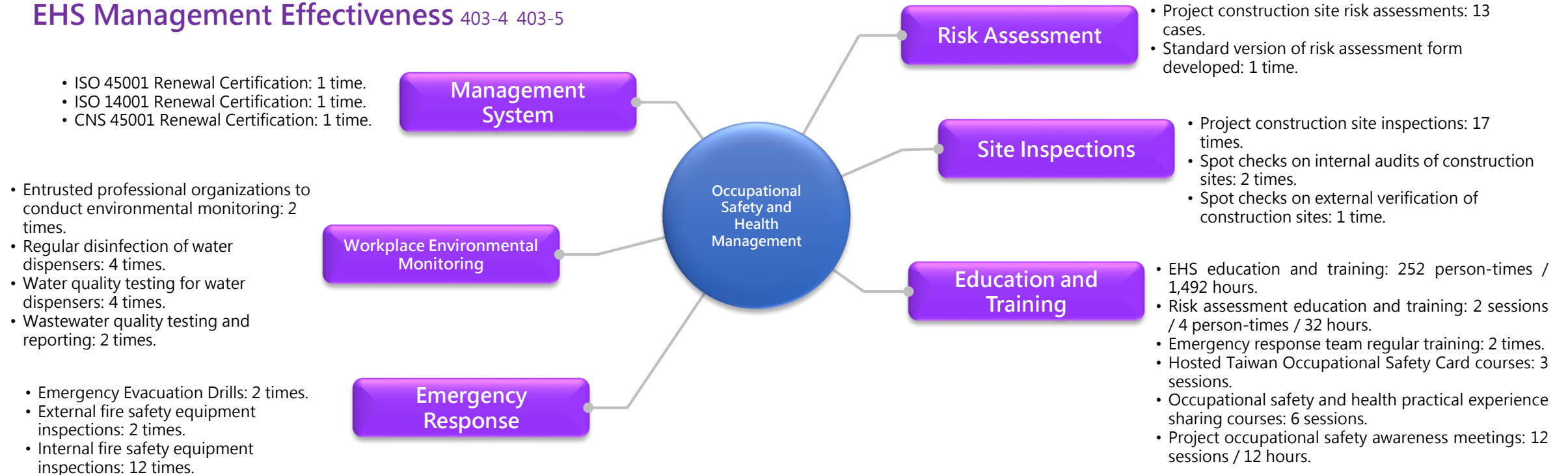
HEALTH  
SAFETY  
ENVIRONMENT

## Occupational Safety and Health 403

### EHS Organization

The Information Security and Quality Assurance Center is established as a first-level unit, responsible for formulating, planning, promoting, and overseeing the Company's safety, health, and environmental management matters. It guides various departments and projects in implementation, regularly inspects EHS management performance, and supervises the execution effectiveness of EHS management in each unit, aiming to reduce occupational disasters, ensure worker safety and health, and protect environmental resources.

### EHS Management Effectiveness 403-4 403-5





## Hazard Identification, Risk Assessment, and Incident Investigation 403-2

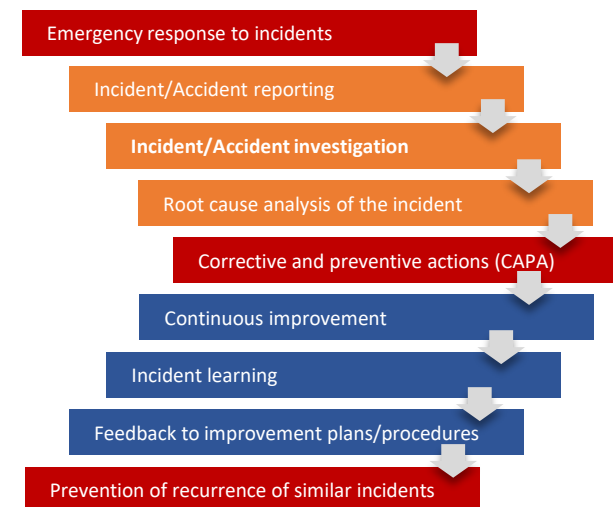
### Hazard Identification and Risk Assessment

For each project site, hazard identification of the work environment is conducted upon project establishment. Environmental factors such as air pollution, water pollution, and waste, along with physical, chemical, biological, and ergonomic hazard factors, are assessed. Specific hazard control plans and measures are formulated and regularly reviewed semi-annually. Reassessment and identification are required when construction methods or equipment, operational procedures change, or when EHS abnormalities or major incidents occur.



### Incident Response and Prevention

When an incident occurs, in addition to the project immediately and actively implementing improvements and reviewing the incident's causes, a comprehensive review of the system is conducted based on the incident investigation results. Job safety analysis is implemented, and effective preventive measures are adopted to put safety and health management into practice, improve unsafe environments, and simultaneously issue event learnings and corrective/preventive actions to other projects. This aims to strengthen hazard awareness, establish good safety habits, and thereby foster a corporate safety culture, reducing occupational disasters and implementing safety management.



### All-Staff Industrial Safety

L&K adheres to the principle that "everyone is responsible for industrial safety" and values workers. In addition to complying with legally mandated occupational safety and health requirements, it irregularly provides courses and information to strengthen awareness and promote new knowledge in occupational safety and health. The goal is to protect oneself and others, and jointly maintain a safe working environment.

Supervisors, employees, and contractors collectively promote "zero disasters, zero incidents," enhancing EHS performance through continuous review and improvement, and fulfilling corporate social responsibility.

### EHS Certifications

- Occupational Safety and Health Managers: 14 persons.
- Occupational Safety and Health Administrators: 37 persons.
- Type A Occupational Safety and Health Business Supervisors (Construction Industry): 75 persons.
- First Aid Personnel: 78 persons.



## Occupational Injury Statistics 403-9 403-10

In 2024, no major occupational injuries occurred. Occupational diseases are recognized upon obtaining a physician's diagnosis certificate for occupational disease, and none occurred this year.

Occupational Injury Statistics	2024	
	Employee(s)	Contractor(s)
Total Work Hours (Total Exposure Hours)	925,912	1,061,712
Number of Disabling Injuries	2	6
Number of Lost Days due to Disabling Injuries	1	9
FR Disabling Injury Frequency Rate	2.16	5.65
SR Disabling Injury Severity Rate	1	8
FSI Comprehensive Injury Index	0.05	0.22
Occupational Disease Rate	0	-

Notes:

1. Excludes commuting accidents of employees.

2. FR Disabling Injury Frequency Rate = (Number of disabling injuries \* 1,000,000 / Total exposure hours)

3. SR Disabling Injury Severity Rate = (Total lost days due to disabling injuries \* 1,000,000 / Total exposure hours)

4. FSI Comprehensive Injury Index = ( $\sqrt{\text{FR} * \text{SR} / 1,000}$ )

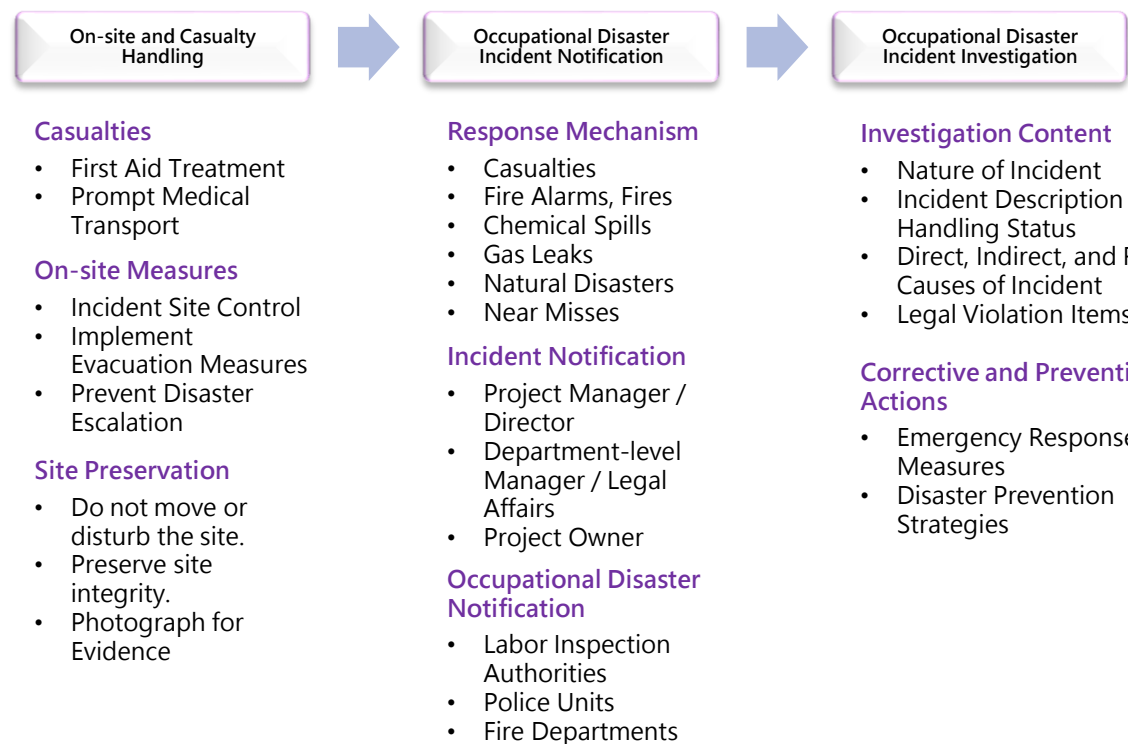
5. Occupational Disease Rate = (Number of occupational disease cases \* 1,000,000 / Total exposure hours)

Types of Occupational Injuries (Number of Cases)	Employee(s)	Contractor(s)
Falls, Rolling Falls	1	0
Collisions / Impacts	0	1
Falling Objects	0	1
Cuts, Lacerations, Abrasions	1	3
Improper Movements	0	1

## Occupational Disaster and Incident Management 2-8、2-25、403-7

To prevent occupational disasters, safeguard worker safety and health, enhance operational efficiency, and implement safety and health management, the Company formulates a project-specific safety and health management plan based on the environment, engineering characteristics, and operational procedures of the project site. This plan serves as the guideline for safety and health management during the construction of the project, in accordance with engineering contract clauses, ISO & TOSHMS standard procedures, the Occupational Safety and Health Act, and the Occupational Safety and Health Organization Management and Self-Inspection Regulations, etc.

**"Safety First" is the primary prerequisite for achieving professionalism!**



## Contractor EHS Management 403-5

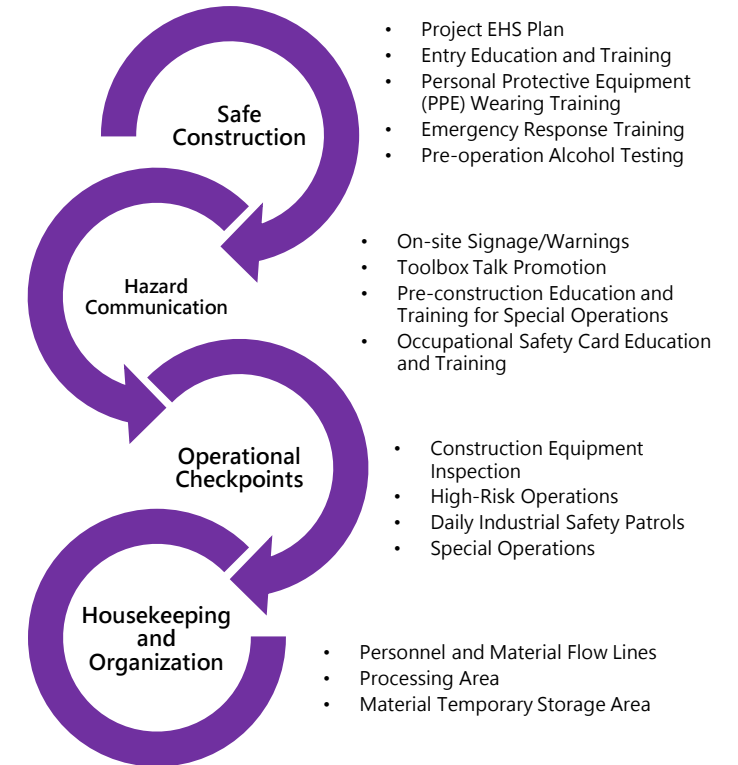
**"Zero disasters, zero incidents" is our goal! Cooperating vendors are L&K's important work partners!**

To urge cooperating vendors to comply with EHS regulations and L&K's and clients' relevant requirements, various EHS management regulations and requirements to be observed during the project execution phase are stipulated already in the early procurement and subcontracting stage. When undertaking projects, cooperating vendors (including their sub-contractors) shall legally insure their employed construction personnel with labor insurance, national health insurance, and employer's liability insurance. They also need to purchase "Construction (Installation) Project All Risks Insurance" to enable workers to work and develop in a more dignified and safer operational environment.

During the project period, cooperating vendors must comply with project-related entry management procedures, EHS management requirements, toolbox talks, and engineer and industrial safety inspection operations, etc., to ensure that cooperating vendors understand and adhere to L&K's required "EHS Management Regulations."

To ensure L&K's EHS requirements are met and to enhance cooperating vendors' safety awareness and vigilance, the EHS performance of cooperating vendors during the project period will be quantitatively converted into evaluation criteria. The evaluation results of their implementation effectiveness will serve as a reference for future procurement and subcontracting vendor selection.

Before cooperating, vendors entered project sites in 2024, entry EHS education and training were conducted, totaling 17,700 person-times and 177,00 hours.



# Holistic Workplace Health and Care 403-3 403-6

Employees are the Company's most important assets. L&K is committed to creating a comfortable, safe, and healthy workplace environment, comprehensively promoting the concepts of health management and preventive healthcare. We aim to foster a "secure" and "considerate" friendly work atmosphere, and through "attentive" and "caring" actions, ensure employees deeply feel the Company's "enthusiastic" concern and support. Through these efforts, we are dedicated to enhancing employees' sense of identification, fostering cohesion, and jointly creating an outstanding work team.

## Health Risk Management Classification

Based on annual employee health examination reports, employee health issues are analyzed, and management classification and high-risk group identification are performed. In 2024, a total of 438 employees underwent health examinations. Among those with abnormal health examination results, 38 persons were classified as Level 4, 123 as Level 3, 212 as Level 2, and 65 as Level 1. The top three abnormal examination rates were for systolic/diastolic blood pressure, total cholesterol, and fasting blood glucose.

Leveling	Management Description	Management Measures
Level 1	Results of special health examinations or health tracking examinations indicate that all items are normal or some items are abnormal, but the physician's comprehensive judgment is no abnormality.	Regular follow-up is sufficient.
Level 2	Results of special health examinations or health tracking examinations indicate that some or all items are abnormal, and the physician's comprehensive judgment is abnormal, but not work-related.	Provide health guidance to workers.
Level 3	Results of special health examinations or health tracking examinations indicate that some or all items are abnormal, and the physician's comprehensive judgment is abnormal, but the correlation between this abnormality and work cannot be confirmed. These cases require further evaluation by an occupational medicine specialist.	Please request the occupational medicine specialist to conduct health tracking examinations. When necessary, on-site evaluations for suspected work-related diseases should be conducted. The grading should be re-evaluated based on the assessment results, and the grading results and adopted measures should be reported in the manner announced by the central competent authority.
Level 4	Results of special health examinations or health tracking examinations indicate that some or all items are abnormal, and the physician's comprehensive judgment is abnormal, and work-related.	For those who are assessed by a physician to still have exposure to workplace hazard factors, hazard control and relevant management measures should be implemented.

## Health Examination

General health examinations for employees are conducted in accordance with the "Labor Health Protection Rules." The Company's practice exceeds legal requirements: employees under 65 years old receive an examination every two years, while those aged 65 or older receive one annually. In addition to legally mandated items, the health examination budget was increased in 2024. Examination items now cover abdominal ultrasound, cancer index tests, and multi-option instrumental examinations (carotid artery ultrasound, fundus photography, thyroid ultrasound, Helicobacter pylori test). Furthermore, self-paid add-on items are also provided for employees to choose from.

Employee Health Examination Statistics	2022	2023	2024
◆ Number of Employees Completing Health Examinations			
Employees under 65 years old (health check-up once every 2 years)	400		430
Employees under 65 years old (health check-up once every 1 years)	6	6	8
◆ Health Examination Coverage Rate			
Employees under 65 years old (health check-up once every 2 years)	88.9%		97%
Employees under 65 years old (health check-up once every 1 years)	100.0%	0.86	80%

## Working Environment

In accordance with Article 17, Paragraph 2, Subparagraphs 1 to 3 of the Enforcement Rules of the Regulations for Labor Operations Environment Monitoring, employers shall implement workplace environmental monitoring according to the following provisions for relevant workplaces.

- For indoor workplaces in buildings equipped with centrally managed air conditioning systems, carbon dioxide concentrations shall be monitored at least once every six months.
- For workplaces where workers are exposed to noise at an eight-hour time-weighted average sound pressure level of 85 decibels or more, noise shall be monitored at least once every six months.

Work Environment Monitoring	2022	2023	2024
◆ Carbon Dioxide (CO <sub>2</sub> ) Concentration: < 5000 ppm Area: Office Area (Once every six months)			
First Half of the Year	416~866	488~830	451~972
Second Half of the Year	484~667	535~788	556~868
◆ Daily Equivalent Continuous Sound Level (LAeq,8h): < 90.0 dBA Aluminum Cutting Area (Once every six months)			
First Half of the Year	79.4	85.6	84.7
Second Half of the Year	80.1	85.7	78.7



## Workplace Illegitimate Harassment Prevention Program

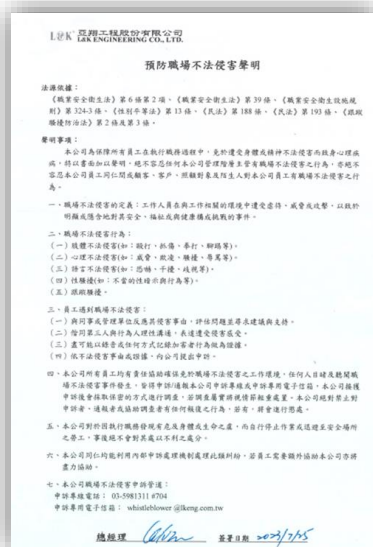
Company senior executives signed a statement declaring zero tolerance for workplace illegitimate harassment, promoting a friendly workplace environment, and establishing a safe, dignified, non-discriminatory, and mutually respectful environment. In 2024, there were no reported cases of workplace illegitimate harassment.

## Abnormal Workload-Induced Disease Prevention Program

Through the results of the 2024 employee health examinations, questionnaire scales, work patterns, and overtime hours, 12 individuals (27%) were screened as high-risk for abnormal workload, and 87 individuals (20%) were identified as medium-risk. These individuals were arranged for consultations with on-site physicians, who provided health guidance and medical advice. For the remaining employees, the company nurses regularly provided relevant health information for the prevention of sudden overload-induced illnesses.

## Ergonomic Hazard Prevention Program

Through musculoskeletal questionnaires, 51 individuals (12%) were screened and received professional consultations with on-site physicians. They were also provided with adjustments to computer desk posture and health education.



Company senior executives signed a statement for the prevention of workplace illegitimate harassment and announced it to the public.

## Maternal Health Protection Program

L&K has 119 female employees (24%) of childbearing age. To prevent female colleagues from being exposed to hazardous work environments during their maternal health protection period, if the workplace environment and operations pose a risk to maternal health, further arrangements are made for on-site physicians to complete work suitability assessments. Appropriate hazard control measures are then taken based on professional advice to ensure the health of female employees. In 2024, there were 3 individuals in the maternal health protection program group, and their hazard assessments were all classified as Level 1 management. Additionally, to create a more friendly workplace environment, a breastfeeding room is also provided for female colleagues.

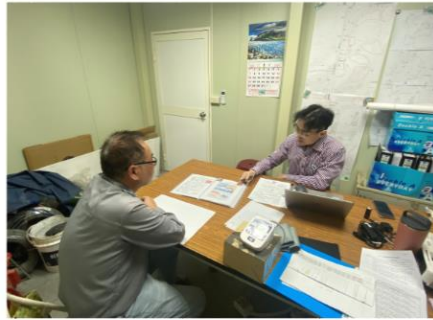
附表一、作業場所危害評估及母性健康保護措施表		
母性對象 姓名	不適用	案件號 (市、區、縣、鄉、鎮、村、里)
母性對象 工號	不適用	
一、作業場所基本資料		
部門名稱	(P-T23001)工程處-新產品研發專案	
作業地點 (彈指、輪班、其他)	無	
二、作業場所危害類別 (物理、化學、生物、人因、其他)		
物理性危害:	無	
化學性危害:	無	
生物性危害:	無	
人因性危害:	無	
工作壓力/極端暴力:	無	
其他危害特性:	無	
補充說明	無	
三、風險等級 ▼		
第一級管理(無危害)		
四、改善管理措施		
1.工程控制 (物理、化學、生物)		
製程改善, 請敘明:	無	
設置通風排氣設備, 請敘明:	工廠內所有設置空調通風系統。	
工程控制其他, 請敘明:	無	
2.行政控制 (物理、化學、生物)		
工時調整, 請敘明:	可視母性健康適當調整上下班工時。	
職務異工作調整, 請敘明:	可視母性健康隨時調整工作。	
行政管理其他, 請敘明:	無	
3.使用防護具 (物理、化學、生物)		
防護具使用情形, 請敘明:	N/A	
4.其他控制措施 (物理、化學、生物)		
其他控制措施, 請敘明:	N/A	
五、執行人員及日期 (僅當首次實施執行者填寫)		
執行部門	(P-T23001)工程處-新產品研發專案	
執行人員職稱	專案經理	
執行人員姓名	翁英貴	
執行日期 (西元年, YYYY/MM/DD)	2024/02/27	



Lactation Room

## Labor Health Service Physician On-site Services

- ✓ Labor Health Service Physician On-site Services
- ✓ Medical Advice, Health Education, and Guidance for High-Risk Groups: Providing specialized care and preventive measures
- ✓ Ergonomic Musculoskeletal Improvement and Guidance
- ✓ Work Suitability and Maternal Protection Assessment
- ✓ Work-Adaptability Counseling for Middle-Aged and Elderly Workers
- ✓ Workplace Hazard Identification and Evaluation
- ✓ Medical Professional Consultation and Health Education
- ✓ Workplace Hazard Assessment
- ✓ Occupational Injury and Illness Rehabilitation and Reassignment



On-site Service Status in Northern, Central, and Southern Regions

## Health Examination Report Interpretation

- ✓ Following the annual health examination, professional physicians from the health management center are arranged to interpret reports, offering individualized health recommendations based on personal examination results.

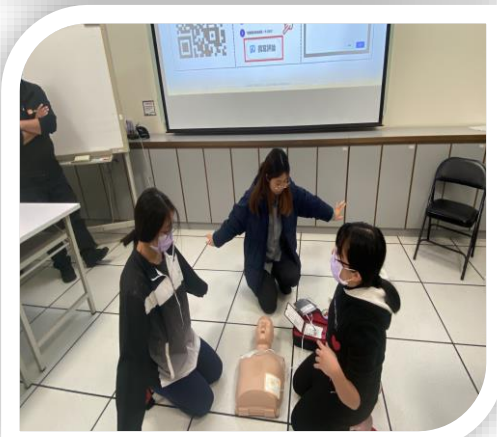


On-site Service Status in Northern, Central, and Southern Regions



## ➤ AED Placement and First Aid Training

Heart disease is among the top three leading causes of death. For cases of sudden cardiac arrest due to arrhythmia, providing defibrillation within one minute can achieve a resuscitation success rate as high as 90%. This success rate decreases by 7-10% for every minute of delay. In 2023, an AED (Automated External Defibrillator) was installed in the Hsinchu office, with annual CPR (Cardiopulmonary Resuscitation) and AED first aid training sessions conducted. In 2024, additional AED emergency equipment was added to the Xizhi (L&K/RSEA ENGINEERING CORPORATION) offices, enhancing a safer and healthier workplace environment for all colleagues.



On-site Practices of AED Placement and First Aid Training

## ➤ Employee Health Management and Health Promotion Programs

Our company upholds its Corporate Social Responsibility (ESG) principles, committed to providing a safe and healthy working environment, and enhancing employee health literacy and well-being through diverse health promotion programs.

### ➤ Autonomous Health Monitoring and Screening Program

1. To strengthen employee health management, the company promotes the "722 Blood Pressure Autonomous Monitoring Activity" based on health examination data analysis. This helps employees manage their daily blood pressure and raises awareness for cardiovascular disease prevention.
2. For eligible employees, referrals for oral mucosal screening are provided for early detection and treatment.

### ➤ Nutrition and Health Support Program

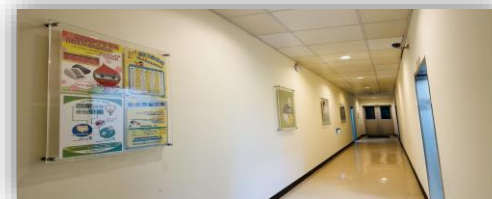
L&K has signed a contract with a nutrition counseling center to offer professional guidance to employees with dietary needs. This program assists employees in establishing balanced eating habits to improve their health and enhance their quality of life.

### ➤ Health Education and Lecture Promotion

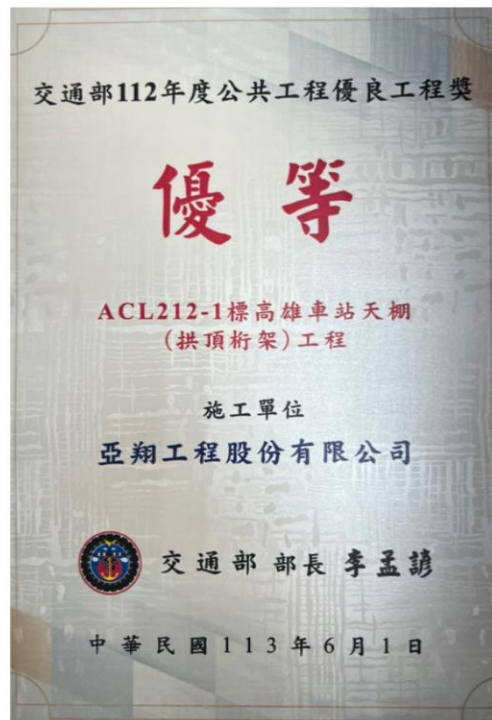
To promote employee physical and mental health and enhance health literacy, the Quality and Safety Center annually invites professional medical and nursing personnel to conduct health lectures. In 2024, two lectures were held, available for both in-person and online viewing. Lecture topics included: "How to Prevent and Manage Metabolic Syndrome – Three Highs Prevention" and "Debunking Weight Loss Myths."

### ➤ Health and Hygiene Promotion

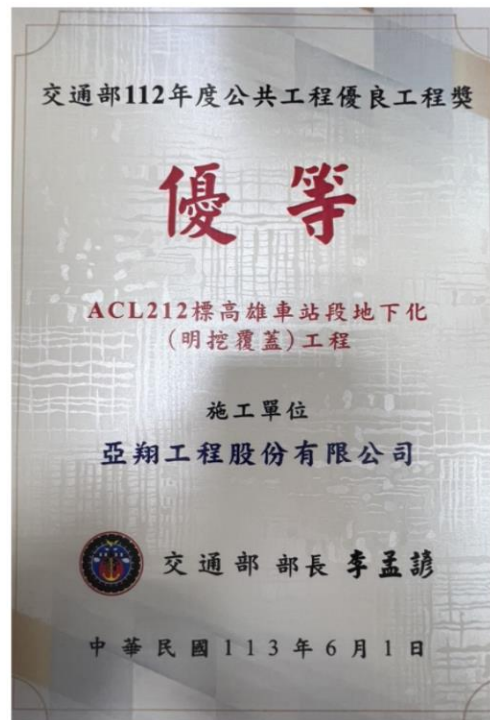
1. The company disseminates relevant health and hygiene information monthly via its ERP (Enterprise Resource Planning) system. Content covers tobacco hazard prevention, epidemic trends, musculoskeletal issues, cardiovascular diseases, cancer screening, healthy eating, and health education.
2. Additionally, health promotion posters are displayed on bulletin boards in the employee cafeteria and corridors, utilizing multiple channels to promote health knowledge and increase employees' attention to and management of their own health.



## Honors and Recognition



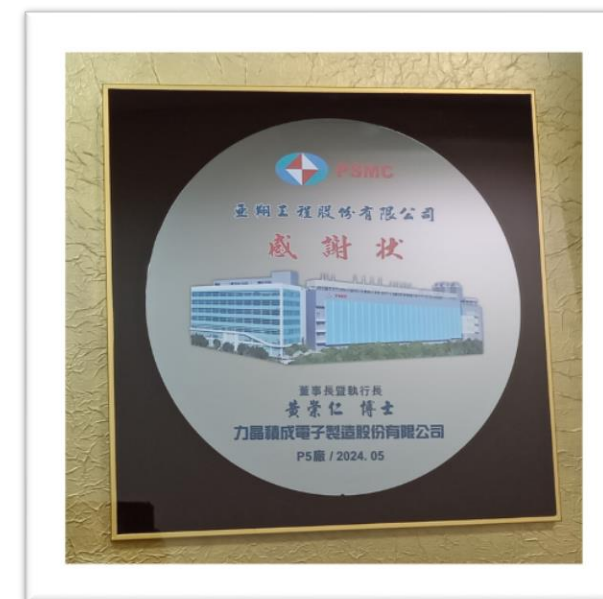
Public Works Superior  
Project Award



Public Works Superior  
Project Award



Happy Enterprise Award



Letter of Appreciation



## Training and Education 404

### Talent Acquisition, Development, and Retention Policy

- We provide employees with a comprehensive education and training program and mechanism. We encourage employees to obtain professional skill certifications and continuously innovate. Through education and training, we aim to enhance the quality of our human resources and boost the company's competitiveness.
- Irregularly held executive and departmental meetings, along with regular labor-management meetings, are conducted to review the appropriateness of various welfare measures and current management practices. These foster communication between employees and the company, promote labor-management cooperation, and enhance work efficiency.
- We've set up physical suggestion boxes at the company and for individual projects, allowing employees' voices and expectations to be directly and promptly conveyed to senior executives, serving as a reference for continuous company improvement.

### Retirement Re-employment Program

In accordance with the Labor Standards Act's "Labor Pension Act," employees meeting retirement conditions can apply for retirement. In addition to contributing labor retirement reserves and making monthly labor pension contributions as required by law, the company also provides commemorative gifts to retirees as a token of our appreciation. Retired employees possess rich and valuable experience, so the company also offers a retirement re-employment program. Through the passing down of experience from senior employees, this program can alleviate professional knowledge gaps within the company while also allowing employees who wish to continue working to contribute in the workplace. In the future, the company will actively advocate for re-employing retirees as professional technicians or consultants, further leveraging their professional value.

### Talent Development System

These programs align with the company's strategic initiatives, cultivating new knowledge and skills among employees. Examples include skill workshops, succession planning for positions at all levels, and presentation skills training.

We offer employees a variety of domestic and international courses for professional development in their specialized fields and various professional competencies, enabling employees to acquire diverse and comprehensive skills.

This program helps new employees fully understand the company culture, management philosophy, and become familiar with their work environment. Senior mentors guide new employees to quickly integrate into the work team.



## Talent Development and Short-to-Mid-Term Growth

L&K firmly believes that talent is the company's most crucial resource. To continuously enhance corporate competitiveness, the company plans and promotes various professional technical and management capability courses across its training systems. This aims to create core value for employees, help them unleash their potential, break free from outdated thinking, improve work skills, and foster self-growth. This approach, combined with a training and performance-based promotion system, ensures a unified strategy for talent selection, utilization, development, and retention, ultimately boosting the overall team's competitiveness.

To ensure a continuous supply of talent, in addition to ongoing academic-industrial collaborations with universities and short-to-mid-term talent development plans, the company has actively donated to St. John's University since 2023 to support educational development and academic-industrial cooperation projects. By combining the strengths of the board of directors and alumni enterprises from the alumni association, L&K provides diverse resources such as "employment upon enrollment" programs, various scholarships and grants, and corporate internship opportunities. The goal is to help students apply their knowledge effectively, find suitable positions, and simultaneously address the shortage of engineering talent. This ensures the continuous transfer of the company's technology and experience, enhancing overall competitiveness, fostering mutual benefit, and achieving a win-win outcome.



- Collaborated with Japan's SINKO on the development of FFU DC motors.
- Invested in the development of cleanroom ceiling systems with fire sprinkler flexible connectors and obtained FM certification to comply with NFPA (National Fire Protection Association) standards.
- Completed cleanroom fire and smoke control system design analysis in collaboration with National Sun Yat-sen University.
- Completed research on cleanroom airflow field simulation analysis and FFU (Filter Fan Unit) diffuser mesh design analysis in collaboration with National Taipei University of Technology.
- Completed inorganic gas sampling analysis and ion chromatography analysis technology in collaboration with National Chiao Tung University.
- Completed the development and production of top-hinged luminaires specifically for cleanrooms.
- Collaborated with Nippon Inorganic Color & Chemical Co., Ltd. on the measurement and analysis of material outgassing properties.
- Signed a five-year technical cooperation project with the Safety and Health Technology Center (SAHTECH) and the Industrial Technology Research Institute, including technology transfer for smoke control, fire protection, exhaust systems, BSL3/BSL4 (Biosafety Level 3/4) biotechnology safety, and other knowledge services.
- Engaged in academic-industrial cooperation with numerous institutions including Cheng Shiu University, St. John's University, Tungnan University, National Chin-Yi University of Technology, Chang Jung Christian University, Southern Taiwan University of Science and Technology, Chien Hsin University of Science and Technology, and Kun Shan University, and Lung Hwa University of Science and Technology.
- Regularly donated to St. John's University since 2023, supporting their "employment upon enrollment" program for students.

## Industry Association Exchange

L&K continuously leverages its core engineering professional capabilities to contribute engineering knowledge and services to various engineering projects. Concurrently, it actively participates in professional associations and organizations, jointly promoting the development of association affairs and opportunities for cross-border economic and cultural exchange and cooperation. L&K also continuously invests in professional talent training, thereby exerting engineering influence, fostering sustainable industry growth, and enhancing L&K's competitiveness.

Year	2023	2024
Total amount	195,000	165,900
Unit	Institute of Internal Auditors, Republic of China	Civil Engineers Association
	Chinese Association of Sterile Preparations	Institute of Internal Auditors, Republic of China
	Chinese Cleanroom Technology Association	Chinese Arbitration Association, Republic of China
	Taipei City Interior Design and Decoration Association	Chinese Occupational Safety and Health Management Association, Republic of China
	Taipei Import and Export Association	Chinese Association of Sterile Preparations
	Taipei City Electrical Industry Association	Taipei Import and Export Association
	Taiwan Society of Engineering Law	Taipei City Electrical Industry Association
	Taiwan Fire Equipment Manufacturers Association	Taiwan Society of Engineering Law
	Taiwan Plumbing Engineering Industry Association	Taiwan Plumbing Engineering Industry Association
	Taiwan Electrical Engineering Industry Association	Taiwan Electrical Engineering Industry Association
	Taiwan Mechanical Industry Association	Taiwan Mechanical Industry Association
	National Association of Small and Medium Enterprises	National Association of Small and Medium Enterprises
	National Bar Association	Refrigeration and Air Conditioning Engineering Industry Association
	Refrigeration and Air Conditioning Engineering Industry Association	Taiwan High-Tech Factory Facility Association (Non-Profit Organization)
	Taipei Bar Association (Non-Profit Organization)	National Bar Association (Non-Profit Organization)
	Taiwan High-Tech Factory Facility Association (Non-Profit Organization)	Keelung Bar Association Membership (Non-Profit Organization)
	Kaohsiung Bar Association (Non-Profit Organization)	Stock Affairs Association
	Keelung Bar Association (Non-Profit Organization)	Foundation of the Chinese Institute of Engineers
	Stock Affairs Association	Specialist Nurses Association
	Hsinchu County Industrial Park Manufacturers Association	Hsinchu County Industrial Park Manufacturers Association
	Hsinchu County Nurses Association	Hsinchu County Nurses Association

➤ In 2024, our company provided a total of 2,121 internal and external employee training courses.

- Total training hours for the year reached 8,000 hours.
- The average training hours per employee was 17 hours.
- The total annual expenditure for education and training amounted to NT\$1,102,595.

Employee Categories	Gender	2022	2023	2024
Senior Management (Deputy Director level and above)	Male	8	25	19
	Female	3	22	16
Middle Management (Deputy Manager level and above)	Male	9	18	16
	Female	30	24	24
First-line Supervisors (Team Leader level and above)	Male	10	14	6
	Female	12	14	26
General Staff (including contract employees)	Male	13	16	10
	Female	12	12	11
Average Training Hours per Employee		12	15	17

Note1: Average annual training hours per employee = Total annual employee training hours / Total number of employees for the year.

Note2: Average training hours are rounded to the nearest whole number.

Training Courses	Gender	2022	2023	2024
Internal Training Courses	Male	60,070	10,008	116,742
	Female	13,786	25,500	32,067
External Training Courses	Male	513,280	723,219	678,155
	Female	245,569	170,617	275,631
Training Budget		832,705	929,344	1,102,595

Course Category	Gender	2022		2023		2024	
		Participants	Hours	Participants	Hours	Participants	Hours
1. Courses for on-site engineering professionals	Male	174	1132	728	3047	1185	3264
	Female	57	398	218	868	303	1158
2. EHS (Environmental, Health, and Safety)/Regulatory compliance courses	Male	139	1174	224	886	158	1064
	Female	78	716	109	411	94	428
3.ISO/ESG (Environmental, Social, and Governance) courses	Male	104	262	112	261	39	118
	Female	94	250	105	230	48	220
4.Other management/professional courses	Male	110	571	81	824	113	610
	Female	82	364	71	301	85	458
5.New employee training	Male	138	828	75	528	76	548
	Female	44	264	21	138	20	132

## ➤ In-Person Education and Training



## ➤ Training Goals and Effectiveness

Year	Total Hours	Total Cost	Participants	Actual Implementation / Execution Status (Average Hours: Total Hours ÷ Number of Participants)	Unachieved Action Plan
2022	6,304	832,705	493	13	Each department assigns training based on employees' job roles and existing plans, with the flexibility to adapt to actual needs to ensure staff acquire specialized skills.
2023	7,492	929,344	484	15	We maintain a goal achievement rate of 100% or higher and will continue to implement relevant training programs.
2024	7,997	1,102,595	485	17	With a goal achievement rate of 100% or higher, all departments persistently carry out training according to annual curriculum plans, further enhancing employee capabilities and professional growth.

## Percentage of Employees Subject to Regular Work Performance Reviews 404-3

Performance reviews are conducted according to our Employee Performance Appraisal Management Regulations. The implementation over the past three years is detailed below. Individuals not included in the annual performance appraisal are: new hires who haven't passed their probation (less than three months of service), employees on leave of absence for six months or more (inclusive) during the appraisal year, contract staff, temporary employees, and other non-classified personnel.

Year	Total Number of Employees	Number of Employees Assessed	Percentage of Employees Participating in Performance Appraisal
2022	493	393	80%
2023	484	424	88%
2024	485	441	91%



## Employee Diversity and Equality 405

### Diverse Talent Resources 405-1

As of December 31, 2024, L&K's workforce comprised 485 employees.

- 4 colleagues with disabilities
- 6 Indigenous colleagues
- No child or youth laborers employed from disadvantaged backgrounds

Employee Category	Gender	Number of Employees	Percentage	Total
Full-Time Employees	Female	146	30	485
	Male	317	65	
Contract Employees	Female	1	1	
	Male	21	4	

Note: No dispatched labor.

#### Non-Employee Workers

Employee Category	Gender	Number of Employees	Percentage	Total
Security Personnel	Female	0	0	4
	Male	2	50	
Cleaning Personnel	Female	1	25	
	Male	0	0	
Cafeteria Staff	Female	1	25	
	Male	0	0	

Employee Education Level						
Education Level	High School and Below	Associate Degree	Bachelor's Degree	Master's Degree and Above	Subtotal	Percentage
Female /Person	10	29	91	17	147	30
Male /Person	56	46	193	43	338	70
Subtotal	66	75	284	60	485	100
Percentage	14	15	59	12	100	
Employee Age						
Gender	Under 30	31–50 years old	51 and above	Subtotal	Percentage	
Female /Person	29	94	24	147	30	
Male /Person	118	157	63	338	70	
Subtotal	147	251	87	485	100	
Percentage	30	52	18	100		

## Client Privacy Management 418-1

### Privacy Protection Policy

L&K prioritizes client privacy protection, adhering to the OECD (Organization for Economic Co-operation and Development) Guidelines for Multinational Enterprises and Taiwan's "Personal Data Protection Act". This commitment guides our privacy protection policy, personal data privacy security management, and protective measures. We enforce strict data access controls and data owner review mechanisms, ensuring data access and sharing are properly governed and protected, and that data availability, integrity, and confidentiality are maintained.

Regarding the collection, processing, utilization, and protection of personal data privacy involved in our operations, we comply with relevant government laws and regulations. Data is used strictly within legal limits and will not be arbitrarily exchanged, leased, or otherwise covertly disclosed to third parties. We are dedicated to safeguarding client data security and privacy rights by diligently implementing the company's "Personal Data Protection and Privacy Management" guidelines.

### Data Management Mechanism

L&K ensures that data from its upstream suppliers and downstream clients—encompassing data collection, protection, access, sharing, tools, and maintenance—is regulatable, authorized, traceable, and protected. This guarantees effective data governance, achieving consistency, availability, and security in data asset management.



#### Personal Data Privacy Risk Management

L&K has established a personal data privacy risk management mechanism, defining risk identification, assessment, and prioritization. Management review meetings are held regularly, serving as a crucial basis for privacy policy formulation. Significant risk issues are reported to the Audit Committee or the Board of Directors.

#### Performance Measurement and Reward/Punishment

L&K's privacy protection policy operates under a "zero tolerance" principle. The effectiveness of information security and personal data protection is included in the performance evaluations of all employees, with regular reviews of implementation results and requirements for improvement if targets are not met. Acts of negligence leading to the loss, improper inquiry, acquisition, use, or intentional disclosure of client personal data may result in disciplinary action, including reprimands, and can, in severe cases, lead to the termination of the labor contract, in accordance with management policies.

#### Information Security Management Effectiveness

In 2024, there were no external or internal complaints regarding information leakage, theft, or loss of client data incidents.

Key Objective	KPI	2022 Year	2023 Year	2024 Year	Short/Medium/Long-Term Goals		
					2025	2027	2030
Regulator Complaint Incidents	≤ 3	0	0	0	≤ 3	≤ 1	≤ 0
Confirmed Information Leakage, Theft, or Loss of Client Data Incidents	≤ 1	0	0	0	≤ 1	≤ 1	≤ 0
Internal Unidentified Information Leakage, Theft, or Loss of Client Data Incidents	≤ 1	0	0	0	≤ 1	≤ 1	≤ 0

# Ethics and Human Rights

## Occupational and Social Ethics

To uphold the fundamental human rights of our colleagues, we Compact, and the ILO (International Labor Organization) Conventions. We strictly prohibit any acts that infringe recognize and support international human rights conventions such as the Universal Declaration of Human Rights, the UN Global upon or violate human rights, ensuring all company colleagues receive fair and dignified treatment.

In accordance with our Human Rights Policy, we implement various concrete management programs and measures:

Item	Plans and Measures
Prohibiting Unlawful Discrimination	In personnel recruitment, we adhere to principles of fairness and objectivity, evaluating job applicants' comprehensive performance. We prioritize hiring individuals with disabilities, Indigenous people, or applicants residing in our operational locations.
Diversity and Inclusion, Ensuring Equal Employment Opportunities	In matters of employment, compensation and benefits, training opportunities, promotions, dismissals, or retirement, we do not unfairly treat employees or job applicants based on factors such as race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, or other discriminatory factors.
Compliance with Child Labor Regulations	We do not employ child laborers. Furthermore, based on our responsibility to protect the physical and mental development of children, the working hours and job content for child laborers also comply with legal regulations.
Implementing Human Rights Care	Arrangements for employee labor provision fully comply with legal regulations. Prohibited actions include, but are not limited to, corporal punishment, physiological or psychological abuse or coercion, intimidation or other forms of verbal abuse, withholding identity documents, or other unlawful forced labor practices.
Reasonable Working Hours and Wages	<ul style="list-style-type: none"> <li>Regulations regarding employees' daily and weekly normal working hours, overtime limits, holidays, and other types of leave all comply with legal requirements.</li> <li>Wages paid to employees comply with all wage-related laws, including basic wage and overtime pay, and also meet legal standards. The company strictly prohibits wage deductions as a means of disciplinary action.</li> </ul>

### Management Measures

Item	Management Measures
Healthy and Safe Workplace	In addition to providing a safe and healthy working environment in accordance with the law, we have established a dedicated Occupational Safety and Health Unit and Committee. We regularly conduct relevant education and training in safety, health, and fire prevention, implementing necessary preventive measures to prevent occupational hazards and thereby reduce risk factors in the workplace.
Privacy Protection	To fully safeguard client human rights and privacy, we have established a robust information security management mechanism and adhere to strict control regulations and protective measures.
Harmonious Labor-Management Relations	We have established labor-management meetings, published newsletters, set up suggestion boxes, and created employee forums to ensure effective communication channels.
Complaint System	To ensure that employee complaints are handled fairly, we have established accessible complaint channels, allowing concerns from lower levels to be fully escalated. Employees facing any issues internally can submit complaints to various levels of management and human resources units through these channels.

Onboarding – Human Rights Policy Employee Training	Year	Total Training Hours	Participants	Training Participation Rate
	2022	141	141	100%
	2023	95	95	100%
	2024	66	66	100%

## Workplace Equality

To ensure employees can balance work and family responsibilities, our company fully implements the Act of Gender Equality in Employment. In addition to statutory maternity and paternity leave, we've established employee-friendly measures such as exclusive parking for pregnant employees. Our comprehensive internal leave management policies also allow employees flexibility in using their time off for family care. In special circumstances, employees can also apply for leave without pay to meet urgent family care needs.

In accordance with the Act of Gender Equality in Employment, both female and male employees may apply for parental leave without pay. This leave is available to employees who have worked for six months or more, for each child under three years of age, up until the child reaches three years old, but for a maximum of two years. For employees raising two or more children simultaneously, their parental leave periods should be calculated cumulatively, limited to a maximum of two years for the youngest child.

Gender/Total	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees who actually applied for parental leave without pay during the current year (A)	2	4	6	2	3	5	0	1	1
Number of employees who should have returned from parental leave without pay during the current year (B)	2	3	5	2	1	3	0	0	0
Number of employees who actually returned from parental leave without pay during the current year (C)	1	2	3	2	0	2	0	0	0
Number of employees who actually returned from parental leave without pay in the previous year (D)	0	2	2	2	1	3	0	1	1
Number of employees who continued working for one year after returning from parental leave without pay in the previous year (E)	0	1	1	2	1	3	0	1	1
Parental leave return-to-work rate for the current year (C/B) (%)	50	67	60	100	0	67	0	0	0
Parental leave retention rate for the current year (E/D) (%)	-	50	50	100	100	100	0	100	100





### Communication Platforms and Complaint Channels

To foster excellent interaction between labor and management, and to ensure timely and accurate dissemination of company policies and information, L&K provides diverse opinion exchange platforms within the company and for various projects. These include the Employee Forum, Employee Suggestion Boxes, New Hire Probation Interviews, and Labor-Management Meetings. These platforms enable employees to fully express their opinions, receive responses, and see improvements implemented, thereby mitigating potential labor-management conflicts. Additionally, the company publishes a quarterly periodical that features professional insights, spiritual reflections, and more, which helps bridge the gap between labor and management, promoting stable and harmonious relations.

The L&K/RSEA ENGINEERING CORPORATION Quarterly Periodical offers diverse content, including professional insights, critical thinking, ongoing projects, awarded projects, spiritual reflections, good news announcements, welfare committee updates, new hire introductions, honor rolls, mom's kitchen recipes, local customs, local snacks, healthy living, and life lectures.



Channel	Time	Specific measures
Employee Corner / Employee Section	Not Limited	Messages received via the company website are promptly responded to and handled by the Head of Management.
Email Address	Not Limited	Messages received are responded to and handled by the highest-ranking manager of the responsible unit.
Employee Suggestion Box	Not Limited	Project and company on-site suggestion boxes receive messages that are then promptly responded to and handled by the highest-ranking managers of the project and management departments.
Post-Probation Interview for New Employees	New employee probation period: 3 months	Employee feedback is forwarded to the respective unit heads for prompt response and handling.
Quarterly Newsletter	Quarterly	Professional Insights / Spiritual Reflections.
Labor-Management Meeting	Once every quarter	For various issues raised by employees, L&K undertakes understanding and communication, publishes meeting minutes for general awareness, and ensures follow-up actions and case closure.

## Community Engagement 413

### Social Assistance, Care, and Community Giving



L&K upholds the philosophy of "taking from society, giving back to society," contributing to the sustainable development of society and the environment. We regularly participate in social service initiatives, enhancing L&K's social engagement, contribution, and service. We actively participate in external social emergency relief and community giving. Related activities include:

- Caring for the Disadvantaged: Regularly donating to the Hsinchu Family Support Center to express care for children, promote ethical values, and foster legal education for youth.
- Deep Community Involvement: Regularly donating to the Hsinchu County Friends of Police Association to support collaborative crime prevention and promote police-community cooperation.
- Talent Development: Regularly providing academic grants to support academic research. We engage in industry-academia collaboration with multiple universities to cultivate engineering talent.
- Nurturing Young Students and Corporate Talent: Encouraging young students to undertake workplace internships.
- Deepening Campus Engagement: Bridging the gap between academia and practice by actively cultivating talent and addressing the societal imbalance of supply and demand.
- Supporting Natural Farming Methods: Following nature's laws, respecting the soil as fundamental, and maintaining ecological balance to achieve harmonious prosperity for all life forms.
- Responding to Blood Donation Drives: The company mobilizes colleagues to participate in blood donation.
- Donating Invoices for Charity: Supporting disadvantaged groups through invoice donations.

L&K's Hsinchu office is located on Ren'ai Road, a mixed-use area with industrial, commercial, and residential zones. The road shoulders are often filled with parked vehicles (within the white lines), forcing pedestrians onto the roadway, creating a risk of collisions between people and vehicles. We plan to adopt this section of the road to establish sidewalks, separating pedestrians and vehicles, and improving visibility and traffic flow safety for vehicles entering and exiting. Concurrently, we will maintain the cleanliness and tidiness of the road, enhancing the quality of the road environment.



### Public Welfare Participation

L&K has continuously supported disadvantaged initiatives for over 20 years, including the Family Support Center. Furthermore, with a goal of sustainable operation, we proactively prepare talent reserves by regularly donating to schools for educational purposes, striving to cultivate engineering talent for society and promote human resource development in the engineering industry. In 2024, our talent cultivation efforts accounted for 97% of our focus, taking on our corporate responsibility. We hope that everyone on this land can thrive together, fostering mutual friendship and well-being.

Events per Year	Amount (TWD / NTD)		
	2022	2023	2024
Care for the Underprivileged	260,000	60,000	60,000
Social Organizations	380,000	380,000	676,000
Talent Development	116,825	20,116,825	20,250,000
Total	756,825	20,556,825	20,986,000



Donate to Schools for Managing Education Scholarships

## Participating in Caring for the Disadvantaged and Social Group Activities

Our company encourages employees to fulfill their civic responsibilities, contributing to society through concrete actions and advocating for individual participation in various public welfare or donation activities. To allow colleagues to give back anytime, anywhere without additional burden, and to foster a good habit of charitable giving, we continuously promote invoice donations, blood drives, charity runs, charity sales, environmental education esports competitions, and purchasing meal boxes from Children Are Us Foundation. Both the company and its employees actively contribute, providing hope to disadvantaged groups and embodying the spirit of finding joy in helping others.

L&K cares for natural ecology and environmental pollution, supporting through donations a natural ecological foundation that continuously strives for the balance between nature and land. We continue to research and pursue true human health and happiness, and work towards MOA Natural Farming Method principles to ensure the Earth's ecological environment. We hope to popularize this philosophy and technology to benefit humanity and create a friendly environment together.



Taiwan Fund for Children and Families (TFCF)



International Foundation for Aesthetic Education and Ecological Conservation



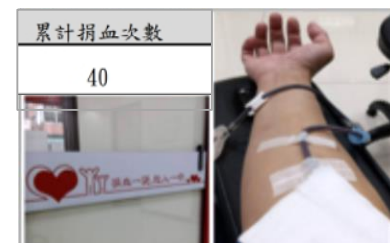
Police Auxiliary Association



Taiwan High-Tech Plant & Facility Association



National Taipei University



Employee Blood Donation Campaign



St. John's University of Science and Technology



National Taipei University of Technology



Xingang Fengtian Temple



喜憨兒基金會  
Children Are Us

The event uses/serves Happy Egg Catering



Participate in the International Environmental Education Esports Championship



## ► Talent Development

### Nurturing Young Students and Cultivating Corporate Talent

Affected by the declining birthrate, Taiwan faces a labor shortage, particularly a scarcity of engineering technical talent, with a growing gap in electromechanical professionals. Since 2015, L&K has actively engaged in industry-academia collaborations with various universities of science and technology. Through practical training, we cultivate students' employment skills and create future job opportunities, fulfilling our corporate social responsibility. We've also established scholarship and retention bonus programs to encourage young students to undertake workplace internships. In the realm of industry-academia collaboration, we are deepening and broadening our efforts to train practical talent in green energy and AI power management systems, ensuring students stay connected with the evolving societal environment and engage in diverse learning to proactively prepare talent reserves for the company's sustainable operations.

Number of Interns	2021	2022	2023	2024
	25	39	36	12

### 合作意向書

龍華科技大學 (以下簡稱甲方)

亞翔工程股份有限公司 (以下簡稱乙方)

甲乙雙方協議為共同培育具有實作力及就業力之優質專業人才為乙方所用，自民國（下同）114年8月1日至115年7月31日共同辦理教育部補助大專校院辦理產業學院計畫綠色能源與AI電力管理系統產業實務人才培育專班(以下簡稱專班)，為此訂定本合作意向書，並約定共同遵循下列事項：

Industry-Academia Collaboration with Schools

### Deepening Campus Engagement and Bridging the Academia-Practice Gap

Building on its foundation of academic-industrial collaboration, L&K (亞翔) further implements deep campus engagement programs. These initiatives aim to bridge the gap between academic learning and industry needs and to align with industry demands in a timely manner. Since 2023, we have collaborated with the Department of Electrical Engineering at St. John's University, actively cultivating electromechanical talent through a recruitment model that offers four years of tuition exemption via scholarships and grants. This aims to address the imbalance between supply and demand in society.





## ► Nurturing Youth, Cultivating Talent, Deepening Campus Roots, and Bridging the Academia-Practice Gap



International Industry Talent Education Program Collaboration: Fostering partnerships for specialized talent development. International Student Learning and Life



Participation in Recruitment Events



## ► Fostering Good Neighborly Relations

L&K's employees are its most valued and precious assets, serving as the strongest pillars in driving its engineering services. Guided by our operational philosophy of professionalism, innovation, leadership, waste reduction, and responsibility, L&K strives to create a diverse and friendly workplace environment that encourages learning, growth, and the full utilization of talent. As L&K expands its operations, we employ various channels for talent selection, including academic-industrial collaborations, recruitment websites, and referrals from friends and family. Our Hsinchu office is situated in a mixed industrial and residential area. We regularly implement pest control measures to maintain a clean and tidy living environment. Recyclable resources from our office are centrally managed and then handed over to nearby residents for sorting and recycling. We hope this initiative serves as an example, encouraging elderly residents to stay active while earning additional income, significantly benefiting their lives.

SDG 1: No Poverty



# **Appendix**

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**Appendix 1: GRI Standards Index Table**

**Appendix 2: Climate-related Financial Disclosures  
Task Force on Climate-related Financial Disclosures  
(TCFD) and TWSE/TPEX Listed Companies Climate-  
related Information Index Table**

**Appendix 3: SASB Standards Content Index Table**

**Appendix 4: Attachment 1-14, Sustainability Disclosure  
Indicators - Other Electronic Industries**

**Appendix 5: Third-Party Assurance**

## Appendix 1 - GRI Standards Index Table

No.	Disclosure Item	Corresponding Chapter	Page
<b>GRI 1 Foundation 2021</b>			
<b>GRI 2 General Disclosures 2021</b>			
2-1	Organization Name	About This Report	2
2-2	Entities Included in the Sustainability Report	About This Report	2
2-3	Reporting Period, Frequency, and Contact Person	About This Report	2
2-4	Restatement of Information	Not Applicable in This Reporting Period	-
2-5	External Assurance / Verification	Appendix – Third-Party Assurance	124
2-6	Activities, Value Chain, and Other Business Relationships	About L&K	5
2-7	Employees	Labor-Management Relations Employee Diversity and Equality	88、106
2-8	Non-Employee Workers	Employee Diversity and Equality	106
2-9	Governance Structure	Corporate Governance	33-34
2-10	Nomination and Selection of the Highest Governance Body	Corporate Governance	34-35
2-11	Chair of the Highest Governance Body	Corporate Governance	34-35
2-12	Role of the Highest Governance Body in Overseeing Impact Management	Sustainability Blueprint Corporate Governance	13-15、36-38
2-13	Responsible Person for Impact Management	Sustainability Blueprint	14
2-14	Role of the Highest Governance Body in Sustainability Reporting	Sustainability Blueprint Corporate Governance	14、34
2-15	Conflicts of Interest	Corporate Governance	36
2-16	Communication of Critical Significant Events	Sustainability Blueprint Corporate Governance	14、39
2-17	Collective Intelligence of the Highest Governance Body	Sustainability Blueprint Corporate Governance	16、36
2-18	Performance Evaluation of the Highest Governance Body	Sustainability Blueprint Corporate Governance	37
2-19	Compensation Policy	Corporate Governance	38

No.	Disclosure Item	Corresponding Chapter	Page
2-20	Process for Determining Remuneration	Corporate Governance	38
2-21	Annual Total Compensation Ratio	Labor-Management Relations	89
2-22	Statement on Sustainable Development Strategy	Sustainability Blueprint	14
2-23	Policy Commitments	About L&K、Sustainable Development、Ethical Business Practices、Economic Performance、Information Security Management、Risk Management、Energy Management、Labor-Management Relations、Occupational Safety and Health (OSH)、Training and Education、Customer Privacy Management、Ethics and Human Rights	12、13、31、40 56-59、76~86、91、92-105、107、108-110
2-24	Embedding Policy Commitments	Climate Change Management、Energy Management	43、76
2-25	Processes for Remediation of Negative Impacts	Sustainable Development Strategy Ethical Business Practices Climate Change Management Indirect Economic Impacts Occupational Safety and Health (OSH) Training and Education Ethics and Human Rights Community Engagement	14、16、30、45 50、92-101、102-105、108-114
2-26	Mechanisms for Seeking Advice and Raising Concerns	Ethical Business Practices	32
2-27	Compliance with Laws and Regulations	Tax Practices、Customer Service Management、Water and Effluent、Waste Management、Labor-Management Relations、Occupational Safety and Health (OSH)、Ethics and Human Rights	40、52、81-82、85-86、88、91、92-101、108-110
2-28	Memberships in Associations	Training and Education – Industry-Academia Collaboration	103
2-29	Approach to Stakeholder Engagement	Materiality and Stakeholder Engagement	18-29
2-30	Collective Bargaining Agreements	The Company Has Not Signed	



No.	Disclosure Item	Corresponding Chapter	Page	No.	Disclosure Item
<b>GRI 3 Material Topics 2021</b>					
3-1	Process for Determining Material Topics	Materiality and Stakeholder Engagement	19		
3-2	List of Material Topics	Materiality and Stakeholder Engagement	21-26		
3-3	Management of Material Topics	Materiality and Stakeholder Engagement	21-26		
<b>GRI Standards: Economic Topics</b>					
<b>GRI 201 Economic Performance 2016</b>					
201-1	Direct Economic Value Generated and Distributed	Economic Performance	40		
201-2	Financial Implications and Other Risks and Opportunities due to Climate Change	Climate Change Management	45-48		
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	Economic Performance	40		
201-4	Financial Assistance Received from Government	Economic Performance	40		
<b>GRI 202 Market Presence 2016</b>					
202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Labor-Management Relations	88		
202-2	Proportion of senior management hired from the local community	Labor-Management Relations	88		
<b>GRI 203 Indirect Economic Impacts 2016</b>					
203-1	Infrastructure Investments and Development of Supported Services and Their Impacts	Indirect Economic Impacts Community Engagement	50-51 、 111-114		
203-2	Significant Indirect Economic Impacts	Indirect Economic Impacts	50-51		
<b>GRI 204 Procurement Practices 2016</b>					
204-1	Proportion of Spending on Local Suppliers	Sustainable Supply Chain	55		
205-1	Operational Sites Assessed for Corruption Risks	Not Applicable	-		
205-2	Communication and Training on Anti-Corruption Policies and Procedures	Not Applicable	-		
205-3	Confirmed Incidents of Corruption and Actions Taken	Business Integrity	32		

No.	Disclosure Item	Corresponding Chapter	Page
<b>Anti-competitive Behavior</b>			
206-1	Legal Actions for Anti-competitive, Antitrust, and Monopoly Practices	Business Integrity	32
<b>GRI 207 Tax-2019</b>			
207-1	Approach to Tax	Economic Performance	40
207-2	Tax Governance, Control, and Risk Management	Economic Performance	40
207-3	Stakeholder Engagement and Management of Concerns Related to Tax	Business Integrity Economic Performance Labor-Management Relations	32 、 40 、 88
207-4	Country-by-country Reporting	The Government of the Republic of China (Taiwan) participates in the Country-by-Country Reporting system developed by the Organization for Economic Co-operation and Development (OECD), which primarily assists tax authorities in their audit selection process. According to the OECD agreement, the reported information is maintained by institutions with tax expertise to understand and assess sensitive business-related data. L&K. ENGINEERING CO., LTD provides the required business information to the Country-by-Country Reporting system, and such information is retained solely by government tax authorities.	

No.	Disclosure Item	Corresponding Chapter	Page
<b>GRI 300 Environmental Specific Topics</b>			
<b>GRI 301 Materials 2016</b>			
301-1	Weight or volume of materials used	Non-material topics	-
301-2	Use of recycled and reused materials	Non-material topics	-
301-3	Recycled products and their packaging materials	Non-material topics	-
<b>GRI 302 Energy 2016</b>			
302-1	Energy consumption within the organization	Energy management	75-82
302-2	Energy consumption outside the organization	Scope 3 voluntary disclosure, not audited	-
302-3	Energy intensity	Emission management	83-86
302-4	Reduction of energy consumption	Emission management	83-86
302-5	Reduction of energy demand of products and services	Emission management	83-86



No.	Disclosure Item	Corresponding Chapter	Page
GRI 303 Water and Effluents-2018			
303-1	Interactions related to shared water resources	Not applicable	
303-2	Management of impacts related to water discharge	Not applicable	
303-3	Water withdrawal	Water and Effluents	81-82
303-4	Water and wastewater	Not applicable	
303-5	Water consumption	Not applicable	
GRI 305Emissions 2016			
305-1	Direct (Scope 1) greenhouse gas emissions	Emission management	83-86
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Emission management	83-86
305-3	Other indirect (Scope 3) greenhouse gas emissions	Emission management	83-86
305-4	Greenhouse gas emission intensity	Emission management	83-86
305-5	Greenhouse gas emission reductions	Emission management	83-86
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	
305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not applicable	
GRI 306 Waste-2020			
306-1	Waste generation and significant waste-related impacts	Waste management	85-86
306-2	Management of significant waste-related impacts	Waste management	85-86
306-3	Waste generated	Waste management	85-86
306-4	Waste disposal and transfer	Waste management	85-86
306-5	Direct waste disposal	Not applicable	

No.	Disclosure Item	Corresponding Chapter	Page
<b>GRI 400 Social Topics</b>			
<b>GRI 401 Employment 2016</b>			
401-1	New employee hires and employee turnover	Employment Relationship	88
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Relationship Occupational Health and Safety Training and Education Human Rights and Ethics	88、92-101、 102-105、 108-110
401-3	Parental leave	Human Rights and Ethics	108

No.	Disclosure Item	Corresponding Chapter	Page
<b>GRI 402 Employee–Employer Relations 2016</b>			
402-1	Minimum notice periods regarding operational changes	Employee–Employer Relations	91
<b>GRI 403 Occupational Health and Safety -2018</b>			
403-1	Occupational health and safety management system	Occupational Health and Safety	92-101
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	92-101
403-3	Occupational health services	Occupational Health and Safety	97-101
403-4	Worker participation, consultation, and communication on OSH	Occupational Health and Safety	92-101
403-5	Worker training on occupational health and safety	Occupational Health and Safety	92-101
403-6	Promotion of worker health	Occupational Health and Safety	97-101
403-7	Prevention and mitigation of OSH impacts directly linked to business	Occupational Health and Safety	97-101
403-8	Workers covered by the OSH management system	Occupational Health and Safety	97-101
403-9	Work-related injuries	Occupational Health and Safety	95
403-10	Work-related ill health	Occupational Health and Safety	95
<b>GRI 404 Training and Education 2016</b>			
404-1	Average hours of training per year per employee	Training and Education	104
404-2	Programs for upgrading employee skills and transition assistance	Training and Education	104-105
404-3	Percentage of employees receiving regular performance and career development reviews	Training and Education	105
<b>GRI 405 Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	Diversity and Equal Opportunity	106
405-2	Ratio of basic salary and remuneration of women to men	Employee–Employer Relations	89
<b>GRI 413 Local Communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Participation	111
<b>GRI 418 Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy	107

# Appendix II – Climate-related Financial Disclosures

## Task Force on Climate-related Financial Disclosures (TCFD) and TWSE/TPEX Listed Companies Climate-related Information Index Table

TCFD Recommended Disclosures	Implementation Status
1. Describe the board’s and management’s oversight and governance of climate-related risks and opportunities.	<p>To demonstrate its commitment to net-zero and climate action, the Sustainable Development Committee is led by the Chairman of the Board as the highest responsible authority. The Chief Sustainability Officer (CSO) acts as the overall coordinator and reports climate-related policies and their promotion to the Board in accordance with defined roles and responsibilities.</p> <p>The Committee operates through dedicated task forces under five areas: Sustainability Strategy, Environment, Governance, Social, and Economy. Each group is responsible for driving initiatives and reporting progress and outcomes to the Board.</p> <p>Recognizing the importance of climate-related expertise for sustainable corporate operations, the company emphasizes enhancing management's practical experience and knowledge on climate issues. To better manage climate-related risks and opportunities that may impact financial performance, the company has assessed their magnitude, likelihood, mitigation actions, and oversight mechanisms, and reports these findings to the Board.</p>
2. Describe how identified climate-related risks and opportunities affect the organization’s businesses, strategy, and financial planning (in the short, medium, and long term).	<p>The company has identified the following material climate-related risks and opportunities across the short, medium, and long term:</p> <ul style="list-style-type: none"> <li>Short-Term Risks: Cybersecurity threats 、 Labor shortages 、 Rising costs of raw materials and labor</li> <li>Short-Term Opportunities: Strengthening of information security infrastructure 、 Technical collaboration with suppliers</li> <li>Medium-Term Risks: Business limitations 、 Shortage of skilled technical personnel 、 Environmental impacts 、 Occupational incidents</li> <li>Medium-Term Opportunities: Business expansion and international market development 、 Enhanced reputation through turnkey engineering project performance 、 Promotion of diversified employee learning and career development 、 Support of government environmental initiatives 、 Promotion of a zero-accident, low-risk, and safe workplace</li> <li>Long-Term Risks: Challenges to maintaining core values and competitiveness</li> <li>Long-Term Opportunities: Establishment of standardized operating procedures 、 Adoption of modular components and mechanized lifting methods to reduce on-site labor and associated risks</li> </ul> <p>Financial Impacts: Risks may lead to increased operating costs and impact revenue. Opportunities involve enhanced institutional management, improved technical capabilities, and potential revenue growth.</p> <p>Strategic and Business Direction: : The company is shifting its business model toward contracting green engineering projects. It aims to design energy-saving and carbon-reducing systems for clients, building a strong project track record to capture market opportunities and generate revenue.</p>
3. Describe the financial impacts of extreme climate events and transition actions.	<p>Extreme climate events: Under a 4°C warming scenario, some construction sites are located in low-lying areas and face moderate to low risks from droughts, floods, rising average temperatures, sea level rise, and severe typhoons. The probability of financial losses from these events is assessed as moderate to low.</p> <p>Transition actions: The company is transforming its business toward green engineering projects, strengthening its expertise in energy-saving and carbon reduction technologies. This transition results in a moderate to low financial impact due to increased costs.</p>
4. Describe how the identification, assessment, and management of climate-related risks are integrated into the overall risk management framework.	<p>Our company has established relevant management systems within the scope of its operational activities. The risk scope covers operational risks, compliance, and environmental aspects, taking into account environmental protection, social responsibility, and corporate governance. We identify and assess the impact and financial implications of climate-related risks and opportunities, complete short-, medium-, and long-term matrix charts along with response strategies, submit them to the Management Review Committee for approval, and supervise the effectiveness of their implementation.</p>

TCFD Recommended Disclosures

Implementation Status

5. When using scenario analysis to assess resilience to climate change risks, the scenarios, parameters, assumptions, analytical factors, and key financial impacts used should be clearly explained.

As the importance of climate change issues continues to rise both domestically and internationally, our company, being in the engineering services industry without manufacturing operations, continuously monitors climate change scenario analyses and related stress test reports from various industries. We reference regulatory requirements from competent authorities to conduct stress testing. The scenario analyses developed by different industries vary in data sources, methodologies, and analysis results, and their outcomes are expected to directly influence our own operational strategy goals and risk management policies. Based on this, we formulate scenario analyses to identify company-specific impact factors and assess their financial impact magnitude.

6. If there are transition plans to manage climate-related risks, describe the content of the plans, as well as the metrics and targets used to identify and manage physical risks and transition risks.

None

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.

As an engineering service company, in light of the Ministry of Environment's plan to impose carbon fees on major annual carbon emitters, the company will handle the procurement of materials such as steel, pipes, and cables after the carbon fee is finalized. The company will then assess the financial impact and gradually plan to adjust the cost structure in response to carbon fees and carbon tax regulations.

8. If climate-related targets have been set, the company should disclose the activities covered, the scopes of greenhouse gas emissions, the planned timeline, and the annual progress achieved. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, the company should also explain the sources and quantities of the carbon offsets or the number of RECs utilized.

The company operates three regional offices under operational control and uses fuel for project service vehicles. Its greenhouse gas emissions include Scope 1, Scope 2, water, and waste. Energy consumption varies with the demand of ongoing construction projects. Carbon emission intensity is calculated based on revenue. Using 2022 as the base year, the total emissions in 2024 were 1,372 tons CO<sub>2</sub>e, an increase of 1.48%, while emission intensity decreased by 58%.

Year	Goal	2022	2023	2024	Annual increase/decrease (%)
Carbon emissions (t CO <sub>2</sub> e)	≤1%	1,352	1,292	1,372	Increase1.48%
Carbon intensity (t CO <sub>2</sub> e per million NT\$)		0.12	0.04	0.05	Decrease58%

9. Greenhouse Gas Inventory and Assurance Status, Reduction Targets, Strategies, and Concrete Action Plans.

The company's greenhouse gas inventory and targets cover Scope 1 and Scope 2 energy consumption from daily operations in three office locations under operational control, as well as water and waste. Using 2022 as the base year, the company plans a 1% reduction, with a 58% decrease in carbon emission intensity achieved by 2024.

Year	2022	2023	2024	Increase/Decrease(+-)%	Achieved
Scope 1 - Fuel, Paper, Refrigerants	416	362	356	-14%	Yes
Scope 2 - Electricity	335	353	356	+6%	No
Water Consumption	576	551	618	+7%	No
Waste	25	26	42	+68%	No
Total Emissions (t CO <sub>2</sub> e)	1352	1292	1372	+1.5%	No
Carbon Intensity (t CO <sub>2</sub> e per million NT\$)	0.12	0.04	0.05	-58%	Yes

TCFD Recommended Disclosures		Implementation Status	
<p>(Continued from previous page)</p> <p>9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans.</p>	The greenhouse gas inventory data has not been verified by a third-party organization. The strategies and action plans are as follows:		
	Items	Strategy	Action Plan
	Category 1 – Fuel	1. Support government initiatives and comply with relevant energy reduction policies.  2. Start with daily office habits, aiming to inspire changes in employee behavior that extend to their homes and influence those around them, thereby reducing carbon emissions and fostering a shared, sustainable living environment.	1.Reduce non-essential travel 2.Procure energy-efficient vehicles 3.Promote shared transportation and carpooling
	Category 1 – Paper		1. Go paperless with digital documentation
	Category 2 – Electricity		1.Use energy-efficient products 2.Set office equipment and electronics to enter power-saving mode after periods of inactivity 3.Perform regular maintenance and upkeep of air conditioning systems to ensure high-efficiency operation 4.Use blinds on office windows to reduce solar heat gain and lower air conditioning energy consumption
	Water and Energy Resources		1. Use energy-efficient products2. Install water-saving devices 3Post signage to promote water and energy conservation
	Waste		1. Practice waste sorting2. Reduce waste at the source and minimize single-use products3. Purchase eco-friendly products4. Promote resource reuse and recycling initiatives

### Greenhouse Gas Inventory and Verification Status

Company Profile	In accordance with the Sustainability Development Roadmap for TWSE/TPEX-Listed Companies, the following disclosures are required at a minimum
<input type="checkbox"/> Companies with capital of over NT\$10 billion, steel industry, and cement industry  <input type="checkbox"/> Companies with capital of over NT\$5 billion but less than NT\$10 billion  <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion	<input checked="" type="checkbox"/> GHG Inventory for Parent Company (Standalone Basis) <input type="checkbox"/> GHG Inventory for Subsidiaries under Consolidated Financial Statements <input type="checkbox"/> Verification for Parent Company (Standalone Basis) <input type="checkbox"/> Verification for Subsidiaries under Consolidated Financial Statements

Scope 1	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e / million NT\$)	Verification Body	Verification Status Description
L&K ENGINEERING CO., LTD.	356	0.01361	None	-
Scope 2	Total Emissions (metric tons CO2e)	Emission Intensity (metric tons CO2e / million NT\$)	Verification Body	Verification Status Description
L&K ENGINEERING CO., LTD.	356	0.01362	None	-
Scope 3 (Voluntary Disclosure)	None	None		





Appendix 3: SASB Standards Content Index Table


Disclosure Item	Indicator Number	Accounting Metric	Category	Unit	Chapter	Page
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Quantify	0 cases	Waste Management	85
	IF-EN-160a.2	Discussion of processes for assessing and managing environmental risks related to project design, siting, and construction	Discussion and Analysis	Not applicable	-	
Structural Integrity and Safety	IF-EN-250a.1	Rework costs related to deficiencies and safety issues	Quantify	411,500 NTD	Customer Service Management	52
	IF-EN-250a.2	Total monetary losses from legal proceedings related to deficiencies and safety-related incidents	Quantify	0 NTD	Customer Service Management	52
Labor Health and Safety	IF-EN-320a.1	1. Injury and fatality rates for employees	Quantify	0 cases	Occupational Safety and Health (OSH)	92
		2. Injury and fatality rates for contractors	Quantify	0 cases	Occupational Safety and Health (OSH)	92
		3. Total Recordable Incident Rate (TRIR) for contract workers	Quantify	0 cases	Occupational Safety and Health (OSH)	92
Lifecycle Impacts of Buildings and Infrastructure	IF-EN-410a.1	1. Number of commissioned projects certified to a third-party multi-attribute sustainability standard 2. Number of active projects pursuing such certification	Quantify	0 cases	Green Engineering Practices	61
	IF-EN-410a.2	Discussion of processes for integrating operational-phase energy and water efficiency into project planning and design	Discussion and Analysis	According to customer specifications	Green Engineering Practices	61-68
Climate Impacts of Business Portfolio	IF-EN-410b.1	1. Backlog value of hydrocarbon-related projects 2. Backlog value of renewable energy projects	Quantify	0 cases	-	-
	IF-EN-410b.2	Value of cancellations from hydrocarbon-related project backlog	Quantify	0 cases	-	-
	IF-EN-410b.3	Backlog value of non-energy projects related to climate change mitigation	Quantify	0 cases	-	
Business Ethics	IF-EN-510a.1	In the 20 countries ranked lowest on Transparency International's Corruption Perceptions Index: 1.Number of active projects2.Number of projects in backlog	Quantify	Not applicable	-	-
	IF-EN-510a.2	Total monetary losses resulting from allegations related to 1. bribery or corruption and 2. anti-competitive behavior	Quantify	0 cases	Integrity Management	31
	IF-EN-510a.3	Description of policies and practices to prevent 1. bribery or corruption and 2. anti-competitive behavior during the project bidding process	Discussion and Analysis	Relevant management systems are in place	Integrity Management Sustainable Supply Chain	31 53
Activity Metrics	IF-EN-000.A	Number of projects under construction	Quantify	410 cases	Economic Performance	40
	IF-EN-000.B	Number of completed projects	Quantify	230 cases	Economic Performance	40
	IF-EN-000.C	Backlog Value	Quantify	343.15billion NTD	Economic Performance	40

## Appendix 4 – Attachment 1-14, Sustainability Disclosure Indicators - Other Electronic Industries

Number	Indicator	Indicator Type	Annual Disclosure Status
1	Total Energy Consumption, Percentage of Purchased Electricity, and Renewable Energy Usage Rate	Quantitative	<ol style="list-style-type: none"> <li>1. The percentage of purchased electricity is disclosed as 100%. Please refer to page 78.</li> <li>2. Renewable energy usage rate is disclosed as follows: Please refer to page 76 – Strategy, Item 4: Renewable Energy. Water resource reuse includes rainwater harvesting and greywater recycling. At the Hsinchu office, overflow water from the cooling tower drainage system is redirected to the firewater tank for reuse. Please refer to page 82 – Actions &amp; Results: Recycled Water Reuse.</li> </ol>
2	Total Water Withdrawal and Consumption	Quantitative	<b>Disclosure of Total Water Consumption:</b> Taiwan L&K's water usage is supplied directly from the government's tap water system, with no additional withdrawal from other water sources. Therefore, total water withdrawal equals total water consumption. The statistics are based on the water meter readings on the tap water bills. The total water consumption for 2024 is 3,962 tons. Please refer to page 81.
3	Weight of Hazardous Waste Generated and Recycling Rate	Quantitative	Taiwan L&K discloses a 0% percentage of hazardous waste. Please refer to page 85.
4	Description of Occupational Injury Types, Number of Cases, and Incident Rate	Quantitative	Disclosure of occupational injury types: Please refer to page 95.
5	Disclosure of Product Life Cycle Management: Including the Weight of Discarded Products and E-Waste, and Recycling Rate (Note 1)	Quantitative	Our company is an engineering service provider and does not manufacture products.
6	Description of Risk Management Related to the Use of Critical Materials	Qualitative Description	Our company is an engineering service provider and does not use critical materials.

Note 1: Includes the sale of scrap materials or other recycling processes. Relevant explanations should be provided.

## Appendix 5: Third-Party Assurance



### Independent Assurance Statement

**L&K ENGINEERING CO., LTD. 2024 SUSTAINABILITY REPORT**

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and L&K ENGINEERING CO., LTD. (hereinafter referred to as L&K) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA LTD. is not involved in the preparation process of the sustainability report of L&K.

#### RESPONSIBILITIES


L&K is responsible for reporting its economic (financial information including overseas locations), environmental, and social operating activities and performance in Taiwan operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.


AFNOR ASIA is responsible for providing an independent assurance statement to L&K and its stakeholders in accordance with the described scope and method. This statement is for L&K use only and is not responsible for any other purpose.

#### SCOPE AND CRITERIA

The assurance scope of the agreement between L&K and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the 「L&K ENGINEERING CO., LTD. 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating L&K's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating L&K's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
  - GRI Standards.
  - Task Force on Climate-related Financial Disclosures
  - Sustainability Accounting Standards Board Standards





### METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

#### CONCLUSION

##### ◆ AA1000 Accountability Principles

#### Inclusivity


L&K has continued to seek stakeholder engagement and establish material sustainability topics to develop and achieve responsible and strategic responses to sustainability. The Report fairly reporting and discloses environmental, social and governance information, sufficient to support appropriate planning and target setting. Overall, the Report has fully demonstrated its concrete practice of inclusivity.

#### Materiality


L&K has established an effective process to identify stakeholders whose issues are critical to operational performance. Stakeholders are identified through a formal review, and for each material topics, the organization reflects the importance and priority of these stakeholders.

#### Responsiveness

L&K has demonstrated its response to stakeholders' expectations and opinions in the Report, and included reporting on stakeholder participation and channels for their feedback. In general, the Report can provide timely responses to issues of concern to stakeholders.



## Appendix 5: Third-Party Assurance



**Impact**

L&K presents a process for identifying and fairly assessing impacts that include a range of environmental, social and governance topics from a wide range of sources. The impact of its operational activities is measured and evaluated through a combination of qualitative and quantitative objectives.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. Overall, the Report complies with the GRI standards for information quality and reporting content, and demonstrates progress and commitment to sustainable governance. In the future, the organization can continue to introduce and integrate other international disclosure requirements to demonstrate the organization's active response and communication on sustainable issues.

◆ **Task Force on Climate-related Financial Disclosures**



Based on the results of the review, the Report has revealed the impact of climate change on the company's operations, as well as measures to respond to risks and opportunities. In the future, the organization can consider the positive and negative impacts of different climate scenarios on the company's operations and respond appropriately.

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB standards. In the future, the organization can continue to collect, monitor and disclose information required by the indicators, and integrate it with overseas locations information to make its reporting more complete.

**ASSURANCE OPINION**


AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by L&K and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by L&K provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in L&K in 2024 are well represented.


**ASSURANCE LEVEL**

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.


For and on behalf of AFNOR :



Steven Huang  
The Director for Certification and Assessment  
Jun.05.2025  
Verification team: Kuan Hsiung Huang (Lead Verifier).



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