

LemTech

Stock Code:4912

Lemtech Holdings Co., Limited

2025 Sustainability Report



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About This Report

This is the second Sustainability Report issued by Lemtech Holdings Co., Limited (“LH” , the “Group” , the “Company” , or “we”). The report presents LH's sustainability management approaches, performance, and future initiatives across environmental, social, and governance (ESG) topics, demonstrating our commitment to sustainable development, risk management, and corporate responsibility. In 2025, LH continued to strengthen the sustainability governance framework and integrate ESG principles into business operations. Through initiatives including greenhouse gas inventory and verification, energy management, employee engagement, supply chain communication, and community participation, LH enhanced its sustainability performance and disclosure transparency while creating long-term value for stakeholders.

Reporting Period

This report covers the period from January 1, 2025, to December 31, 2025. Significant events occurring outside the reporting period are disclosed in the relevant sections where appropriate. This is the Company's second Sustainability Report and is published annually. The publication date of this report is August 21, 2026. Following the disposal of certain subsidiaries in 2025, selected 2024 economic performance data have been restated based on the revised financial statements to ensure consistency and comparability. Except for these economic performance disclosures, no material restatements have been made to the information presented in this report.

Reporting Scope

This report has been prepared with reference to the GRI Standards and covers the Company's material topics across the economic, environmental, and social dimensions. The reporting scope includes Lemtech Holdings Co., Limited and its Taiwan Branch, as well as subsidiaries under its control, including LDC, LGI, LES, LGS, LTL, LIS, LIL, LPM(CN), LPM(TJ), and LST. These entities represent the Group's principal operating and manufacturing locations and form the primary reporting boundary of this report. Certain subsidiaries primarily serve investment holding or administrative functions and do not engage in substantive business operations. Relevant information has been disclosed based on the principle of materiality.

The sustainability reporting boundary differs slightly from that of the consolidated financial statements. Certain subsidiaries are not yet included due to the current status of data collection systems or their relatively small scale of operations. The Company will continue to expand the reporting scope to improve the completeness and consistency of sustainability disclosures. Financial information in this report is based on the consolidated financial statements. Methodologies and calculation bases for non-financial information are disclosed in the relevant sections. Any differences in reporting boundaries for specific topics are clearly identified where applicable.

The abbreviations used throughout this report are listed below:

Abbreviation	Entity Name
LH	Lemtech Holdings Co., Limited
LGS	Lemtech Global Solution Co. Ltd.
LIS	Lemtech Industrial Services Ltd
LIL	Lemtech International Limited
LTL	Lemtech Technology Limited
LDC	LDC Precision Engineering Co., Ltd
LGI	Lemtech Global Industries
LES	Lemtech Energy Solutions Corporation
LPM(CN)	Lemtech Precision Material (China) Co., Ltd.
LPM(TJ)	Lemtech Precision Engineering (Tianjin) Co., Ltd
LST	Kunshan Lemtech Slide Technology Co., Ltd

Reporting Principles

This report has been prepared with reference to the GRI Standards 2021 and follows the reporting principles and disclosures set forth in GRI 1: Foundation. The report discloses the Company's sustainability performance and material topics across the economic, environmental, and social dimensions.

In addition, this report references the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and considers the Sustainability Accounting Standards Board (SASB) Standards to enhance the completeness and relevance of disclosures.

External Assurance

Lemtech recognizes the importance of external assurance in enhancing the credibility of sustainability disclosures and stakeholder confidence. The introduction of external assurance has been incorporated into the Company's long-term sustainability reporting plan. The preparation and review of this report are overseen by the Sustainability Committee. The Board of Directors regularly reviews sustainability-related performance and implementation progress, while senior management participates in the review of material topics and key data to ensure the accuracy and consistency of disclosures.

This report has not been externally assured by an independent third party. The Company will continue to improve reporting quality and evaluate the introduction of external assurance in the future to further strengthen transparency and sustainability governance.

Feedback

If you have any questions or suggestions regarding this report, please contact us:

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Message from Management

Message from the Chairman

In 2025, the global business environment continued to evolve rapidly. Geopolitical developments, supply chain restructuring, the energy transition, and advances in artificial intelligence continued to reshape the competitive landscape and operating models of the manufacturing industry. Amid an increasingly uncertain market environment, Lemtech remained focused on strengthening corporate resilience and creating long-term value through the steady advancement of its global footprint, manufacturing capabilities, and organizational transformation, further enhancing its competitiveness in global markets.

Over the past year, the Group continued to strengthen regional manufacturing and operational integration. Through close coordination among global production sites, we enhanced supply chain flexibility and operational efficiency. At the same time, we continued to invest in automation, smart manufacturing, and production management optimization to meet customers' expectations for quality, delivery performance, and operational resilience. As overseas facilities gradually expand their operations and production capacity, Lemtech is building a more flexible and diversified global manufacturing network to improve its ability to respond to external risks and changing market conditions.

While pursuing business growth, we have also become increasingly aware of the importance of sustainability in supporting long-term competitiveness. In 2025, Lemtech continued to institutionalize sustainability governance by strengthening the oversight and management of sustainability-related issues at both the Board of Directors and management levels. Key areas including risk management, regulatory compliance, talent development, and operational management have

been progressively integrated into the Company's sustainability governance framework to establish a more comprehensive and sustainable management system.

We recognize that long-term corporate value is built not only on business performance, but also on our commitment to the environment, employees, society, and stakeholders. Accordingly, the Group continues to focus on important sustainability topics, including low-carbon transition, energy efficiency, workplace safety, talent development, and business integrity. Through sound governance mechanisms and day-to-day management practices, we continue to embed sustainability into our operations.

Looking ahead, Lemtech will continue to respond to changes in the global market with a pragmatic and disciplined approach. We will further strengthen our global presence and core technological capabilities while continuing to integrate ESG principles into business operations and decision-making. We believe that sustainable value can only be achieved by balancing business growth, environmental stewardship, and social responsibility. Together with our stakeholders, we will continue working toward a more resilient and sustainable future.

Chairman
Michael Hsu



Message from the Group General Manager and Chair of the Sustainability Committee

In 2025, the global business environment continued to evolve rapidly. Geopolitical risks, supply chain restructuring, energy transition, and emerging technologies are reshaping the competitive landscape of the manufacturing industry. In response to changing market conditions and increasing customer expectations, Lemtech continued to strengthen its global operations and manufacturing capabilities, with a focus on enhancing operational resilience, improving management efficiency, and advancing sustainable development.

Over the past year, the Group continued to integrate its global operations and upgrade manufacturing capabilities through smart manufacturing, automation, and operational optimization. During 2025, Lemtech further expanded its manufacturing capacity in Southeast Asia and the Americas. With several overseas facilities commencing operations, the Group enhanced its global supply capabilities and regional support network. We believe that our global footprint and operational optimization efforts will further strengthen the Group's ability to respond to market changes and support long-term sustainable growth.

In terms of sustainability development, 2025 marked an important milestone in strengthening Lemtech's sustainability governance and management framework. ESG principles have been integrated into daily operations and management processes, while awareness and engagement on environmental, social, and governance issues have continued to grow across the Group's operating locations. During the year, Taiwan Headquarters and its subsidiaries completed their 2025 greenhouse gas inventories and third-party verification ahead of the timeline required by regulatory authorities, demonstrating the Group's commitment to enhancing sustainability management and proactively addressing climate-related risks. Moving forward, we plan to gradually expand the scope of greenhouse gas inventories and third-party verification to further strengthen greenhouse gas management and disclosure transparency.

From an environmental perspective, we continued to promote energy management and conservation initiatives, including solar power adoption, process optimization, full implementation of LED lighting, paperless management, resource recycling, and local procurement. These efforts have contributed to reducing the environmental impact of our operations. In recognition of its achievements in solar power utilization and energy management, our major manufacturing site in China was awarded National Green Factory certification, reflecting the Group's progress toward low-carbon and sustainable manufacturing. In addition, Taiwan Headquarters organized a beach cleanup activity to encourage employee participation in environmental protection and strengthen environmental awareness throughout the organization.

Regarding our people and social responsibilities, we remain committed to employee safety, workplace health, and talent development. Through training programs, safety inspections, hazard reporting, and continuous improvement mechanisms, we continue to strengthen our occupational health and safety management. To better understand employee needs and enhance organizational engagement, the Group also introduced an employee satisfaction survey program to gather feedback and improve the work environment, communication channels, and employee care initiatives. In Taiwan, we further launched a massage service provided by visually impaired therapists as part of our employee wellness program, helping create a healthier and more inclusive workplace. We also continued to support community engagement initiatives, including rural education programs, industry-academia collaboration, summer childcare programs for employees' children, and various community service activities. Through these efforts, we aim to create a positive impact on society and contribute to sustainable community development.

In the area of corporate governance, we continued to strengthen ethical business conduct and deepen sustainability engagement with suppliers and business partners. In 2025, our major manufacturing operation in China held its first supplier conference, providing a platform for communication on quality management, supply chain collaboration, and ESG initiatives. Through ongoing engagement, we aim to enhance sustainability awareness among supply chain partners and jointly strengthen supply chain resilience and long-term competitiveness.

Looking ahead, Lemtech will continue to pursue business growth and sustainable development with a pragmatic and steady approach. We will further strengthen our core competitiveness and global operational resilience while working closely with employees, customers, suppliers, and stakeholders to build a more responsible, resilient, and sustainable future.

Group General Manager
Chair of the Sustainability Committee
Ricky Eu



01

Company Profile and Vision

1.1 COMPANY OVERVIEW

1.2 DEVELOPMENT HISTORY

1.3 VISION AND MISSION

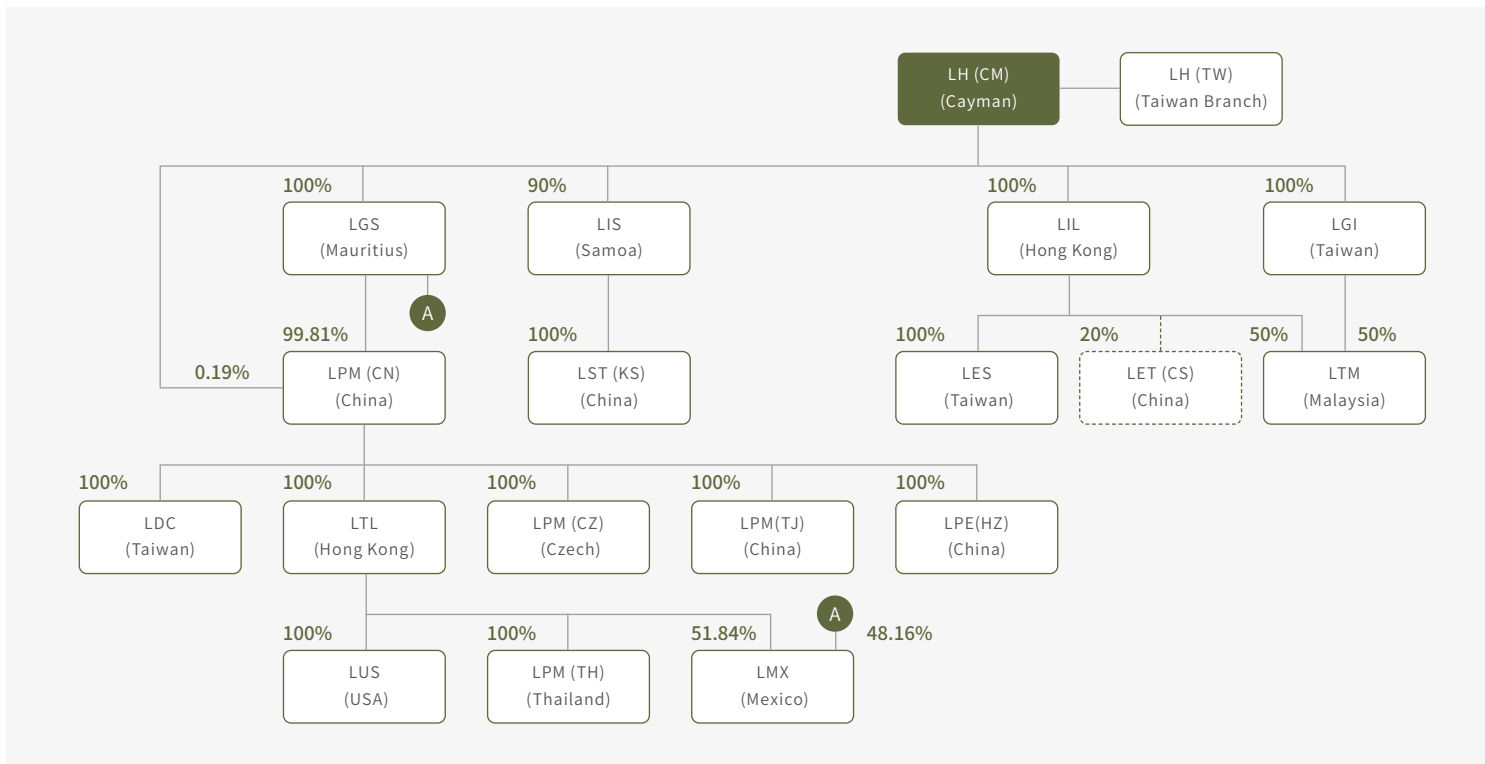
1.4 SUSTAINABILITY HIGHLIGHTS



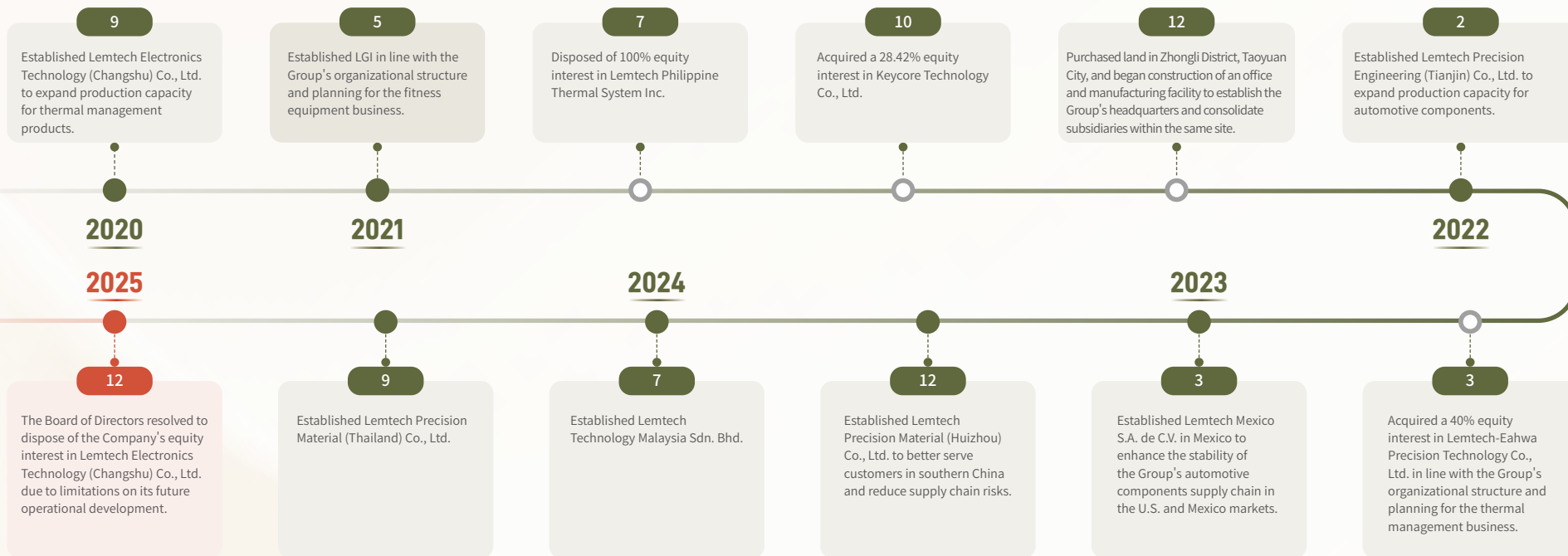
1.1 Company Overview

Lemtech Holdings Co., Limited ("LH", "Lemtech", the "Company", or the "Group") is a publicly listed company on the Taiwan Stock Exchange (TWSE: 4912). The Group specializes in precision metal stamping, tooling design, and manufacturing, and operates in accordance with applicable laws and regulations as well as corporate governance requirements.

To meet evolving market trends and customer demands, LH continues to expand its global footprint and manufacturing capacity, strengthening its operational capabilities and international competitiveness. Headquartered in Taiwan, the Group has established subsidiaries and operating locations in China, Hong Kong, Thailand, Malaysia, the Czech Republic, and Mexico, as well as a representative office in the United States to enhance customer service and regional operational support. Each operating entity is legally established and managed in accordance with local regulations while operating independently under the oversight and management of the parent company. Through its global manufacturing network and regional presence, LH continues to strengthen supply chain responsiveness and provide comprehensive support to customers worldwide.



1.2 Development History



● Strategic Expansion / New Establishments

○ Operational Milestones

● Key Decisions in 2025

1.3 Vision and Mission

Guided by the spirit of “Working Together with Shared Commitment,” LH is dedicated to strengthening its global presence and manufacturing capabilities, with precision manufacturing and engineering expertise at the core of its business. The Group strives to become a globally competitive enterprise recognized for its technical excellence, product quality, and sustainable development. We believe that sustainable growth is built on integrity, people, and continuous improvement. By fostering innovation and responsible business practices, we aim to create long-term value for our stakeholders while responding effectively to an evolving global marketplace.

To support the achievement of our vision and sustainable development goals, LH upholds the following six core values as the foundation of its management philosophy and employee conduct:

 People First	 Integrity	 Shared Growth	 Continuous Innovation	 Pursuit of Excellence	 Commitment
We value talent development, teamwork, and employee well-being, and are committed to providing a safe, healthy, and growth-oriented workplace.	We conduct business with honesty, fairness, transparency, and accountability, fostering trusted relationships with stakeholders.	We build long-term partnerships with customers, suppliers, employees, and other stakeholders to create sustainable value together.	We promote technological advancement, process improvement, and management excellence to enhance competitiveness and operational efficiency.	We continuously improve quality, efficiency, and service standards to deliver superior products and professional services.	We honor our responsibilities and commitments through reliable execution and mutual trust, establishing lasting relationships with stakeholders.

1.4 Sustainability Highlights

Category	Highlights	Description
 Environment	Increasing the Use of Renewable Energy	Since 2023, the Group has progressively installed rooftop solar power systems at its largest manufacturing site in China. The project was fully completed in 2025, with solar power generation covering approximately 18.09% of the site's annual electricity consumption.
	National Green Factory Certification	LPM(CN) obtained the National Green Factory certification in 2025 and was officially listed in February 2026, recognizing its achievements in energy conservation, carbon reduction, resource management, pollution prevention, and green manufacturing.
	ISO 14064-1 Verification Completed in Taiwan	Taiwan Headquarters and LES completed the implementation of the ISO 14064-1 greenhouse gas inventory system and successfully passed third-party verification in 2025. This milestone strengthens greenhouse gas management and enhances the transparency and credibility of emissions data.
	Beach Cleanup Activity	In November 2025, Taiwan Headquarters and its subsidiaries jointly organized a beach cleanup activity near the National Museum of Marine Science and Technology in Keelung, demonstrating the Group's commitment to environmental protection and ocean conservation.

Category	Highlights	Description
 Social	Summer Childcare Program for Employees' Children	LPM(CN) launched a summer childcare program for employees' children, providing a safe and enriching environment during school holidays while supporting employees in balancing work and family responsibilities.
	Increased Local Procurement	The Group continued to promote local sourcing and supplier collaboration by prioritizing local suppliers where feasible. The local procurement ratio increased compared with the previous year, reflecting LH's commitment to sustainable procurement and local economic development.
	Massage Services Provided by Visually Impaired Therapists	Taiwan Headquarters and its subsidiaries introduced regular massage services provided by professionally trained visually impaired therapists. The initiative supports employee well-being while promoting employment opportunities and social inclusion for people with visual impairments.
	Group-wide Employee Satisfaction Survey	In 2025, LH formally launched a standardized employee satisfaction survey mechanism across the Group. Through a unified survey framework, the Company aims to better understand employee feedback and continuously improve employee engagement, workplace practices, and organizational cohesion.
 Governance	First Supplier Conference	LPM(CN) held its first supplier conference in 2025, bringing together key suppliers to discuss quality management, supply chain collaboration, and sustainability initiatives. The event strengthened supplier engagement and supported the development of a more resilient supply chain.
	Strengthening Integrity and Ethical Governance	LH introduced a series of Group-wide governance policies, including the Global Supplier Integrity Agreement, Global Employee Integrity and Code of Ethics Agreement, and Stakeholder Grievance and Whistleblowing Procedures. These initiatives reinforce ethical business conduct, stakeholder engagement, and sustainable governance across the Group.

02

Sustainability Governance and Strategy

2.1 SUSTAINABILITY STRATEGY
AND KEY PILLARS

2.2 SUSTAINABILITY GOVERNANCE
STRUCTURE

2.3 STAKEHOLDERS AND MATERIAL
TOPICS



2.1 Sustainability Strategy and Key Pillars

Lemtech Group is committed to becoming a globally competitive and resilient enterprise. The Group's core businesses include automotive and precision stamping solutions, advanced thermal management solutions, and assembly and system integration services. Through the development of diverse business segments, LH continues to strengthen its operational capabilities and competitive advantages.

As part of its business operations and long-term development strategy, the Group actively considers the impacts of environmental, social, and governance (ESG) issues on both the Company and its stakeholders. Sustainability principles are progressively integrated into management practices and business decision-making processes.

In manufacturing operations, LH continues to promote technology upgrades, automation, and process optimization to reduce environmental impacts. In the areas of governance and human rights, the Group strengthens responsible supply chain management, labor rights protection, and ethical business practices to safeguard the interests and well-being of employees and stakeholders.

In addition, LH continues to invest in the development and application of high-performance thermal management modules and precision manufacturing technologies. Through its products and technical capabilities, the Group supports energy efficiency improvements in industries such as servers, telecommunications equipment, and electric vehicles, creating long-term value for industrial development and sustainable transformation.

Sustainability Vision and Roadmap:

Time Horizon	Vision and Strategy
Short-term (1–3 years)	Complete greenhouse gas inventories and third-party verification across the Group, promote sustainable supply chain management and sustainability training, and establish a solid ESG governance framework.
Medium-term (3–5 years)	Implement carbon management and emissions reduction initiatives, strengthen information security management, and deepen responsible supply chain management and community engagement.
Long-term (Beyond 5 years)	Advance toward net-zero emissions, expand the Group's sustainability initiatives globally, and strengthen human rights due diligence and climate risk management capabilities.

Key Achievements in 2025

During the reporting period, Lemtech continued to advance its sustainability initiatives and achieved several important milestones:

- Taiwan Headquarters and LES completed ISO 14064-1 greenhouse gas inventories and third-party verification for 2025.
- LPM(CN) completed the installation of rooftop solar panels across its facilities, further increasing the use of renewable electricity.
- Taiwan Headquarters and LPM(CN) completed the full replacement of lighting systems with LED energy-efficient equipment.
- LPM(CN) received National Green Factory certification in recognition of its achievements in energy management and green manufacturing.

While advancing sustainability initiatives, the Group also continued to address challenges arising from changes in the global economy, supply chain management, climate change, and carbon management requirements. Lemtech will continue to strengthen related management mechanisms and response capabilities to enhance operational resilience and sustainability maturity.

Future Outlook (2026–2030)

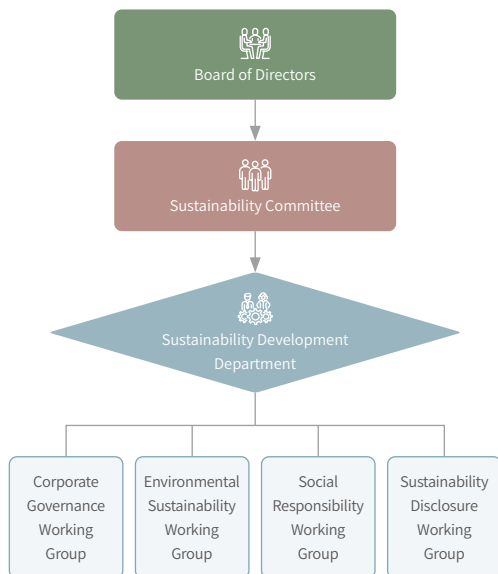
Looking ahead, Lemtech will continue to strengthen its sustainability governance framework and focus on the following priorities:

- Establish a more comprehensive carbon management system and decarbonization roadmap.
- Further strengthen sustainable supply chain management and responsible sourcing practices.
- Enhance human rights risk identification, labor rights protection, and related management measures.
- Improve the transparency of sustainability disclosures in alignment with international frameworks such as GRI and SASB.
- Continue to promote energy management, resource efficiency, and low-carbon transformation initiatives.

Guided by the principle of balancing business growth with sustainable development, Lemtech will continue integrating ESG considerations into its operations and management practices while working closely with stakeholders to build a more resilient, responsible, and sustainable future.

2.2 Sustainability Governance Structure

Lemtech formally established the Sustainability Committee in 2024 as a committee under the Board of Directors, demonstrating the Company's commitment to sustainable development at the highest level of governance. Chaired by the Group General Manager, the Sustainability Committee serves as the central body responsible for planning and overseeing the Group's sustainability strategy, objectives, and initiatives across environmental, social, and governance (ESG) dimensions.



The Sustainability Committee consists of three members and is supervised by a director. Committee members possess relevant expertise and management experience in sustainability-related matters. Key responsibilities of the Committee include: Establishing sustainability policies, objectives, and action plans; Monitoring the implementation of sustainability initiatives; Reviewing and approving sustainability-related management systems and disclosures; Reviewing the Sustainability Report; and Reporting sustainability performance and progress to the Board of Directors on a regular basis.

To enhance execution efficiency and cross-functional collaboration, Lemtech has established a Sustainability Development Department as the dedicated unit responsible for coordinating ESG initiatives and implementation plans across the Group. To support sustainability management, four Sustainability Working Groups have been established:

Corporate Governance Working Group Responsible for regulatory compliance, ethical business conduct, compensation systems, talent development, and stakeholder engagement.	Environmental Sustainability Working Group Responsible for environmental management, climate change response, energy management, and resource efficiency initiatives.
Social Responsibility Working Group Responsible for human rights protection, employee care, community engagement, and value chain communication.	Sustainability Disclosure Working Group Responsible for sustainability data collection, information management, and external disclosures to enhance transparency and reporting quality.

To strengthen sustainability governance and disclosure practices, the Company has established the Sustainability Information Management Procedures and the Sustainability Report Preparation and Verification Procedures. These management systems support ESG risk management, sustainability disclosures, and stakeholder communication across the Group.

The Board of Directors regularly reviews sustainability performance and related management objectives and oversees the implementation of material sustainability initiatives. In 2025, LH held two sustainability-related meetings to review sustainability progress, greenhouse gas inventory results, and carbon management initiatives. Follow-up actions and implementation effectiveness of material topics were also monitored and evaluated on a regular basis. Through this governance structure, sustainability management has been formally integrated into the Board's oversight responsibilities, while management is responsible for implementation and execution.

The Board of Directors holds ultimate responsibility for approving the Sustainability Report and reviewing the appropriateness of material topics, as well as the completeness and relevance of disclosed information. The Sustainability Committee is responsible for the ongoing review and oversight of sustainability matters. The Sustainability Development Department coordinates material topic identification, materiality assessment, ESG data collection, and report consolidation as the basis for report preparation.

The Sustainability Report preparation process includes the following steps:

Data Collection and Draft Preparation	The Sustainability Development Department collects environmental, social, and governance information from operating units and prepares the initial draft based on the results of the materiality assessment.
Review by the Sustainability Committee	The Sustainability Committee reviews material topics and disclosure content and provides recommendations for revision and enhancement.
Final Approval by the Board of Directors	The final report is submitted to the Board of Directors for review and approval to ensure alignment with corporate governance principles and stakeholder expectations.

Through this review and approval process, LH continues to enhance the transparency, accuracy, and responsiveness of sustainability disclosures, strengthening stakeholder trust and supporting effective stakeholder communication.

2.3 Stakeholders and Material Topics

2.3.1 Stakeholder Identification and Communication

Lemtech values ongoing dialogue and engagement with stakeholders and regards them as important partners in achieving sustainable development. With reference to the GRI Standards and the AA1000 Stakeholder Engagement Standard, the Company has established a stakeholder engagement mechanism to systematically identify key stakeholder groups and maintain multiple communication channels. Stakeholder feedback serves as an important input for sustainability management and material topic assessment.

Stakeholders are identified based on the five AA1000 SES principles: responsibility, influence, tension, diverse perspectives, and dependency. Considering the nature of the Group's operations and stakeholder interactions, LH has identified five key stakeholder groups: employees, shareholders and investors, customers, suppliers, and non-profit organizations/community groups. These stakeholder groups are reviewed periodically by the Sustainability Committee to reflect changes in the operating environment and stakeholder expectations.

The purpose of stakeholder engagement is to better understand stakeholder concerns and expectations regarding business operations, governance, products, and sustainability-related topics. The results are incorporated into material topic identification, sustainability strategy development, and risk management processes while strengthening transparency and stakeholder trust.

To facilitate effective engagement, Lemtech maintains a variety of communication channels, including employee interviews and meetings, supplier audits and assessments, customer feedback mechanisms, participation in industry associations and regulatory activities, as well as industry-academia collaboration programs. Stakeholder feedback is also incorporated into materiality assessments, sustainability reporting, and policy development processes.

Stakeholder Group	Key Concerns	Communication Channels and Frequency	Engagement Outcomes
 Employees	• Labor relations • Occupational health and safety • Talent development and employee benefits	• Employee satisfaction surveys (1–2 times annually) • Employee interviews and training programs (as needed) • Quarterly labor-management meetings • Annual health examinations	• Regular labor-management meetings conducted • 100% health examination completion rate for employees eligible for occupational health screening • Employee feedback incorporated into employee care initiatives and policy improvements

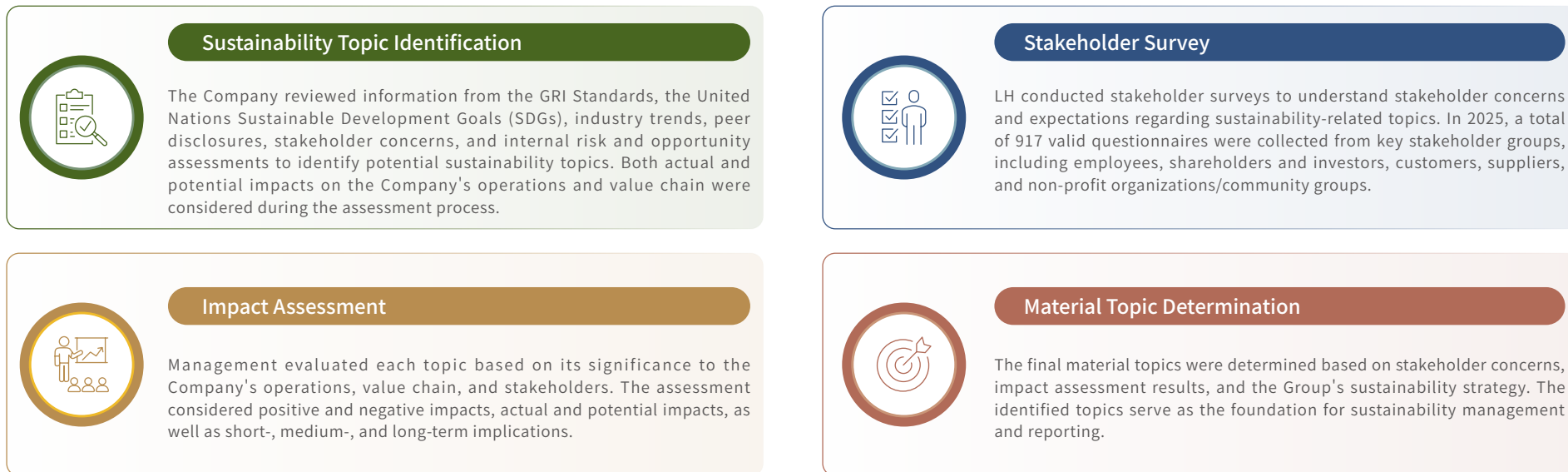
Stakeholder Group	Key Concerns	Communication Channels and Frequency	Engagement Outcomes
 Shareholders and Investors	- Financial performance - Corporate governance - Business strategy and innovation	- Annual shareholders' meeting - Investor conferences (as needed) - Investor communication through meetings, calls, and virtual conferences - Investor contact channel on the Company website	- One annual shareholders' meeting held in 2025 - Four investor conferences conducted 57 material announcements disclosed - Continued enhancement of investor communication and disclosure transparency
 Customers	- Customer service and satisfaction - Corporate governance - Product quality - Information security management	- Regular customer meetings and visits - Annual customer satisfaction surveys - Daily communication via telephone, email, and virtual meetings - Ongoing technical and quality support	- Average customer satisfaction rate reached 94% in 2025 - Long-term relationships maintained with major customers - No material customer complaints or information security incidents reported
 Suppliers	- Sustainable supply chain management - Corporate governance - Product quality and partnerships - Technical and R&D capabilities	- Supplier audits and assessments (as needed) - Daily communication through meetings, email, and telephone - Monthly and annual supplier evaluations - Supplier engagement activities and sustainability awareness programs	824 suppliers evaluated through risk assessment and audit procedures 507 suppliers signed the Supplier Code of Conduct, Integrity Commitment, or RBA-related documents - LPM(CN) held its first supplier conference to strengthen sustainability engagement across the supply chain
 Non-profit Organizations / Communities	- Community engagement and social contribution - Education support and talent development - Community care	- Industry-academia collaboration programs conducted annually - Ongoing communication to understand community needs - Participation in community and charitable activities	- LPM(CN) continued its annual internship program - Ongoing donations to local social welfare organizations, schools, and educational institutions - Taiwan Headquarters organized community activities, including a beach cleanup event, to promote environmental awareness

2.3.2 Material Topic Identification and Impact Assessment

Lemtech follows the framework set forth in GRI 3: Material Topics 2021 and applies an impact-based materiality assessment process to identify and prioritize material topics. The assessment serves as an important basis for sustainability management and reporting. Through the collection of internal and external information, stakeholder engagement, and management evaluation, the Company assesses the actual and potential impacts of its operations and value chain on the economy, environment, and people. The results are used to identify and prioritize material topics for sustainability management and disclosure.

For the 2025 assessment, LH considered industry characteristics, business development priorities, stakeholder concerns, global sustainability trends, and peer disclosures. A total of 25 potential sustainability topics were identified and evaluated based on their impact significance and stakeholder interest. Following the assessment process, 13 material topics were identified as the focus of this report. The results were reviewed and approved by the Sustainability Committee and senior management.

Material Topic Identification Process



2025 Material Topics

A total of 13 material topics were identified in 2025:

- Corporate Governance
- Product Safety and Quality
- Customer Relationship Management
- Sustainable Supply Chain Management
- Technology and Innovation
- Talent Development and Training
- Occupational Health and Safety
- Energy Management
- Talent Attraction and Retention
- Human Rights and Labor Relations
- Waste Management
- Community Engagement
- Diversity and Inclusion

These topics were assessed and prioritized based on their impacts on the economy, environment, and people, as well as their significance across the value chain.

Compared with the previous year, LH continued to prioritize core topics such as corporate governance, product quality, talent development, and occupational health and safety. In response to climate change, carbon management, and sustainable supply chain trends, Energy Management and Sustainable Supply Chain Management received increased stakeholder attention and remained key focus areas in 2025. No significant changes were identified in the overall composition of material topics compared with the previous year. LH will continue to review and update its materiality assessment results based on changes in business strategy, regulatory requirements, industry developments, and stakeholder expectations to ensure that sustainability disclosures remain relevant, complete, and responsive.

Rank	Material Topic	Corresponding GRI Topic Standards
1	Corporate Governance	Economic Performance (201) / Anti-corruption (205) / Anti-competitive Behavior (206)
2	Product Safety and Quality	Customer Health and Safety (416) / Marketing and Labeling (417) / Customer Privacy (418)
3	Customer Relationship Management	Customer Health and Safety (416) / Marketing and Labeling (417) / Customer Privacy (418)
4	Sustainable Supply Chain Management	Procurement Practices (204) / Supplier Environmental Assessment (308) / Supplier Social Assessment (414)
5	Technology and Innovation	Lemtech-defined Topic
6	Talent Development and Training	Training and Education (404)
7	Occupational Health and Safety	Occupational Health and Safety (403)
8	Energy Management	Energy (302) / Emissions (305)
9	Talent Attraction and Retention	Market Presence (202) / Employment (401) / Labor/Management Relations (402)
10	Human Rights and Labor Relations	Non-discrimination (406) / Freedom of Association and Collective Bargaining (407) / Child Labor (408) / Forced or Compulsory Labor (409)
11	Waste Management	Waste (306)
12	Community Engagement	Local Communities (413)
13	Diversity and Inclusion	Diversity and Equal Opportunity (405)

2.3.3 Management of Material Topics

For the 13 material topics identified in 2025, LH has established corresponding management approaches and implementation measures based on the actual and potential impacts of each topic on the economy, environment, and people, including human rights. The Company is committed to enhancing positive impacts while preventing or mitigating potential negative impacts.

Each material topic is assigned to a responsible management unit with clearly defined roles and responsibilities. Through the integration of corporate policies, management systems, and annual objectives, LH implements relevant action plans and performance monitoring mechanisms to ensure effective management of material topics.

Stakeholder concerns and feedback are also incorporated into the management process to support the continuous review and improvement of related management measures.

Detailed information on the impacts, management approaches, and performance management for each material topic is provided in the corresponding Management Approach sections of this report.

03

Corporate Governance and Business Resilience

3.1 UNDERSTANDING LEMTECH

3.2 CORPORATE GOVERNANCE PRACTICES

3.3 RISK MANAGEMENT

3.4 BUSINESS PERFORMANCE



Management Approach

Material Topic	Potential Impacts	Management Commitment	Key Actions	Performance Monitoring and Stakeholder Engagement
Corporate Governance	- Ineffective Board oversight (e.g., resignation of independent directors or low Board attendance) - Financial performance below stakeholder expectations - Geopolitical and global supply chain risks - Regulatory compliance and disclosure risks	LH continuously strengthens its corporate governance framework and risk management mechanisms to safeguard shareholders' interests, enhance Board effectiveness and disclosure transparency, and improve corporate governance quality and business resilience through sound governance practices and stakeholder engagement.	- Strengthen the operation of the Board and functional committees - Continue to enhance the Sustainability Committee governance mechanism - Conduct regular internal audits and risk management activities - Advance global operations and localized supply chain management - Strengthen information security and regulatory compliance	- Internal audit results are regularly reported to the Board of Directors - Board performance evaluation results were satisfactory - No material findings were identified in the independent auditors' review of the financial statements - Expanded operations in Southeast Asia and North America in 2025 to enhance global business resilience
Customer Relationship Management	- Inability to respond promptly to customer needs - Customer service below expectations - Ineffective customer communication	Guided by the principle of "Quality First, Service Foremost," LH continuously enhances customer service quality and communication efficiency while conducting business with integrity and fairness to build long-term customer relationships.	- Establish customer service and feedback mechanisms - Conduct annual customer satisfaction surveys - Maintain regular visits and communication with key customers - Strengthen customer support through routine meetings and timely communication	Achieved an average customer satisfaction rate of 94% in 2025
Product Safety and Quality	- Products fail to meet customer expectations - Increased product returns due to quality issues - Customer confidence affected by quality incidents	LH is committed to maintaining rigorous quality and manufacturing management systems to ensure product quality, safety, and reliability while strengthening customer confidence and product competitiveness.	- Implement QC management and multi-point inspection procedures - Maintain product traceability and incident reporting mechanisms - Operate quality management systems in accordance with ISO 9001 and IATF 16949 - Conduct regular quality improvement and customer complaint analyses	- All customer complaints received in 2025 were resolved and closed - Product quality performance and customer feedback are reviewed regularly

Material Topic	Potential Impacts	Management Commitment	Key Actions	Performance Monitoring and Stakeholder Engagement
Technology and Innovation	- Technology development fails to meet market demand - Insufficient innovation capability - Inefficient R&D investment	LH continues to invest in technology development and manufacturing upgrades to enhance product value and market competitiveness through innovation and advanced manufacturing technologies.	- Allocate annual R&D budgets - Continue mold development, automation integration, and thermal management technology R&D - Collaborate with customers on product development and optimization - Introduce advanced manufacturing technologies and continue patent applications - Participate in industry-academia collaboration platforms, including the Suzhou Innovation Consortium	- Invested approximately NT\$217 million in precision manufacturing, automation, and thermal management R&D in 2025 - LPM(CN) participated in the Suzhou Innovation Consortium to strengthen technology exchange and innovation capabilities
Sustainable Supply Chain Management	- Suppliers fail to meet ESG requirements - Supply chain disruption risks - Inadequate environmental and human rights management by suppliers - Lack of supplier decarbonization initiatives	LH promotes sustainable supply chain management by encouraging suppliers to comply with requirements related to labor and human rights, environmental protection, occupational health and safety, and ethical business conduct. ESG considerations are progressively integrated into supplier evaluation and management processes.	- Maintain supplier qualification and management systems and promote supplier commitments to corporate social responsibility - Conduct document reviews and on-site audits of key suppliers with follow-up improvement mechanisms - Gradually incorporate ESG performance into supplier evaluations - Organize supplier engagement activities and sustainability awareness programs	- Evaluated 824 suppliers in 2025 507 suppliers signed the Supplier Code of Conduct, Integrity Commitment, or RBA-related documents - LPM(CN) held its first supplier conference to strengthen sustainable supply chain engagement

3.1 Understanding Lemtech

3.1.1 Products and Services

LH currently employs more than 1,000 employees and operates across Taiwan, China, Thailand, Malaysia, the Czech Republic, Mexico, and the United States. Through its global manufacturing and service network, the Group continues to strengthen its manufacturing capabilities and enhance customer service efficiency. The Group is principally engaged in the research and development, manufacturing, and sales of precision metal stamping components. Its products are widely applied in the automotive, electronics, and telecommunications industries. Major products include automotive stamping components, electronic components, thermal management modules, and assembly components for connected fitness equipment. In addition, LH provides supporting services such as stamping die design and manufacturing to meet diverse customer needs while enhancing product quality, production efficiency, and supply chain integration. Compared with the previous reporting period, there were no significant changes in the Company's principal business activities, industry classification, or business relationships.



Global Presence
Across Asia, Europe, and
North America



Strong Connectivity
Enhancing Local Service
and Support



Creating Shared Value
Partnering for a
Sustainable Future

- **Taiwan**
Taipei (Headquarters) Taoyuan
- **China**
Kunshan Huizhou
Tianjin
- **Czech Republic** Jihlava
- **Mexico** Querétaro
- **Thailand** Chonburi
- **Malaysia** Nilai
- **United States** San Jose



Lemtech's Three Core Business Divisions

LH operates through three core business divisions: Automotive and Precision Stamping (APS), Advanced Thermal Solutions (ATS), and Assembly and Integration (A&I). Each division leverages its specialized technologies and manufacturing capabilities to serve customers across a wide range of industries while strengthening the Group's global competitiveness.

APS

Automotive and Precision Stamping

The Automotive and Precision Stamping Division provides precision metal stamping solutions for both conventional and new energy vehicles. Its products are widely used in automotive safety systems, steering systems, braking systems, battery modules, and sunroof systems. The division possesses comprehensive capabilities in die design, automated manufacturing, and mass production management. It has implemented the IATF 16949 Quality Management System together with SAP and MES digital management systems to enhance process stability, product traceability, and manufacturing efficiency. Manufacturing and service locations are established across China, the Czech Republic, Mexico, and Thailand, enabling the division to strengthen its global manufacturing footprint and customer support capabilities.

ATS

Advanced Thermal Solutions

The Advanced Thermal Solutions Division provides thermal management products and solutions for computers, servers, automotive electronics, and telecommunications equipment. Its product portfolio includes heat pipes, vapor chambers, heat sinks, and related thermal modules. The division maintains integrated capabilities covering research and development, manufacturing, and product testing, while continuously investing in advanced manufacturing technologies and quality management improvements. In response to growing demand driven by high-performance computing (HPC), artificial intelligence (AI), and new energy vehicles, the division continues to develop new materials and innovative technologies to deliver high-efficiency thermal management solutions.

A&I

Assembly and Integration

The Assembly and Integration Division specializes in the development and manufacturing of high-performance server rail systems, structural components, and intelligent assembly modules. Its products are widely applied in data centers, AI servers, telecommunications equipment, and consumer electronics. By integrating in-house engineering expertise with smart manufacturing processes, the division applies stringent quality management controls throughout product design, testing, and mass production to ensure product reliability and manufacturing excellence. Its primary manufacturing base is in Kunshan, China, while continuing to expand its global market presence and customer service capabilities.

Product Quality

LH specializes in the design and manufacture of precision metal stamping components and tooling. Its products are widely used in servers, telecommunications equipment, automotive applications, thermal management systems, and electronic devices. Although these products are primarily intermediate components rather than end-user products, their quality and reliability are essential to customers' product performance, operational safety, and equipment reliability. Inadequate quality management may affect customer confidence, supply chain stability, and the Company's reputation. In addition, ineffective raw material management or process control may result in resource waste and increased environmental impacts.

To ensure consistent product quality and reduce operational risks, LH has established quality management systems certified to IATF 16949 and ISO 9001 standards. Guided by the quality policy of Customer Focus, Continuous Improvement, People First, and Pursuit of Excellence, the Company has implemented quality control procedures covering incoming materials, manufacturing processes, product shipment, and nonconformance management. LH also continues to strengthen employee training, product traceability, and preventive improvement measures to enhance product quality and customer satisfaction.

In 2025, LH conducted product health and safety risk assessments covering all major product categories and implemented corresponding control measures in accordance with customer requirements and its quality management system. The assessment and control measures achieved 100% coverage. Key practices included:



- Incorporating product safety, manufacturing stability, and assembly reliability into product development and die design to minimize potential risks.
- Implementing process controls in accordance with customer specifications and quality standards, including sharp-edge treatment, precision machining, and protective packaging.
- Performing full inspections or sampling inspections before shipment based on product characteristics to verify appearance, dimensions, functionality, and structural integrity.
- Providing Production Part Approval Process (PPAP) documentation and other required quality records for automotive structural components and other products subject to stringent customer requirements.
- Strengthening product traceability, nonconformance response, and corrective action mechanisms to reduce quality risks and enhance customer satisfaction.

As of the end of 2025, LH had not identified any material incidents of non-compliance with health and safety laws, regulations, or voluntary standards relating to its products and services. Looking ahead, LH will continue working with customers to strengthen safety risk assessments and evaluate alternative materials during product design and development. The Company will further enhance product safety and environmental performance throughout manufacturing and end-use applications while reducing lifecycle risks and environmental impacts, supporting the development of high-quality, low-risk, and sustainable products.

Quality Inspection and Testing

To meet customer requirements for product quality and reliability, all LH products undergo quality verification and testing prior to mass production to ensure compliance with product specifications and customer standards. LH has established a comprehensive quality management system covering incoming material inspection, in-process inspection, final inspection, nonconformance management, and quality performance monitoring to ensure consistent product quality and effective process control.



Incoming Material Management

- Manage suppliers in accordance with criteria and specifications
- Inspect incoming materials and components
- Ensure nonconforming materials are returned or properly handled



In-Process Inspection

- Perform First/Last Piece Inspection and process control
- Monitor product quality in real time to reduce abnormal risks



Final Inspection

- Conduct full or sampling inspections based on product characteristics
- Verify compliance with specifications and customer requirements



Corrective Action & Improvement

- Analyze root causes of nonconformities
- Implement corrective and preventive actions
- Track effectiveness and drive continuous improvement



Quality Objectives & Monitoring

- Define objectives, review performance, and drive continuous improvement

LH continuously strengthens its quality management system through regular internal audits and third-party certification. The Company also applies a range of quality management tools, including First Article Inspection (FAI), First/Last Piece Inspection, Production Part Approval Process (PPAP), Measurement System Analysis (MSA), and Process Capability Analysis (Cp/Cpk), to improve process stability, verification efficiency, and preventive quality management.

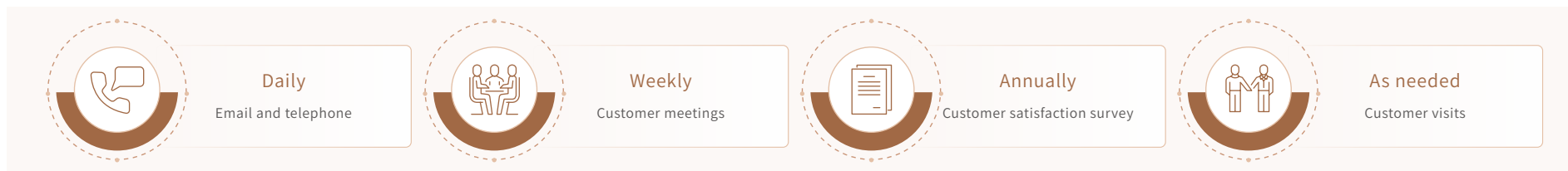
To enhance customer communication and quality feedback, LPM(CN) regularly provides quality reports, nonconformance analyses, and corrective action updates. Through its 8D problem-solving process and customer complaint management mechanism, the Company responds promptly to customer concerns and quality issues. Standardized complaint handling procedures require an initial response within 24 hours, followed by root cause analysis and cross-functional coordination. Corrective actions are generally completed within 14 days. For projects with stringent product safety and quality requirements, dedicated project teams are assigned to coordinate cross-functional activities and ensure timely issue resolution and customer support.

No material product quality incidents occurred during 2025, and LH continued to receive positive recognition from major customers for product quality and supply reliability. Looking ahead, LH will continue to strengthen its quality management system, manufacturing process improvement, and quality risk management to further enhance product quality, customer satisfaction, and market competitiveness.

3.1.2 Customer Relationship Management

LH values long-term partnerships built on trust and collaboration. Through structured customer relationship management and regular communication, the Company continuously enhances product quality, service efficiency, and customer satisfaction. LH has established a customer feedback and complaint management system to systematically collect, track, and respond to customer requests, feedback, and complaints. Continuous improvement measures are implemented to strengthen product quality and service performance.

Customer Communication Channels



Customer Satisfaction

LH maintains a comprehensive customer communication and quality response mechanism. Quality performance data, nonconformance statistics, and customer complaint analyses are regularly reviewed to support product and service improvements. For quality-related issues, the Company follows an 8D problem-solving process, including root cause analysis, corrective actions, and effectiveness verification to minimize recurrence. Dedicated project teams are assigned to projects with stringent quality or safety requirements to ensure timely responses and effective cross-functional coordination.

In 2025, LH continued to conduct customer satisfaction surveys covering product quality, delivery performance, technical support, and customer service. The survey results are used to drive continuous improvement and strengthen customer relationships. The Group's overall customer satisfaction score reached 94% in 2025.

Company	LES	LGI	LPM(CN)	LPM(TJ)	LST
Customer Satisfaction	97%	84%	98.36%	100%	89.41%

Customer Recognition and Partnership Achievements

In addition to achieving high customer satisfaction, LH continued to receive recognition for its product quality, delivery performance, and customer service. In 2025, LPM(CN) received supplier awards from key customers, reflecting the Group's strong capabilities in quality management, manufacturing excellence, and long-term customer partnerships. LH will continue to strengthen customer relationship management and quality improvement initiatives to enhance customer satisfaction and create long-term value with its customers.

BorgWarner Globalization Pioneer Award

In 2025, LPM(CN) received the Globalization Pioneer Award at the *BorgWarner Turbo & Thermal Technologies Supplier Day*. The award recognizes LH's global manufacturing footprint and its ability to provide flexible and responsive manufacturing support through production and service locations across North America, Europe, Asia, and Southeast Asia, further strengthening global supply chain collaboration.

ZF Lifetec Excellent Collaboration Award

At the *ZF Lifetec Supplier Day 2025*, LPM(CN) received the Excellent Collaboration Award in recognition of its product quality, delivery performance, and long-term partnership with the customer. The award reflects the close collaboration between both companies in continuously enhancing product quality, technical cooperation, and supply chain performance.



BorgWarner Globalization Pioneer Award



ZF Lifetec Excellent Collaboration Award

Privacy Protection

LH is committed to protecting the privacy and confidential information of its customers, employees, suppliers, and business partners. The Company continuously strengthens its information security management system and data protection measures to reduce the risks of data breaches, unauthorized access, and disclosure of confidential information. Internal policies strictly prohibit the unauthorized use, reproduction, or disclosure of confidential information.

To safeguard customer information and trade secrets, LH's automotive and precision stamping subsidiaries have obtained TISAX information security certification and ISO/IEC 27001 certification. In addition, confidentiality agreements are executed with customers, employees, and suppliers in accordance with the Company's information security management requirements, clearly defining responsibilities for protecting technical, operational, and confidential information.

LH continues to enhance information security through systematic management and digital access controls. Customer drawings, technical documents, and other confidential information are protected through document classification, encryption, and access control mechanisms. Access is restricted to authorized personnel within designated secure environments to safeguard confidential information throughout the design, manufacturing, and delivery processes.

As of the end of 2025, LH had not received any substantiated complaints concerning customer privacy, nor had it been subject to any regulatory investigations or penalties related to customer privacy. There were also no confirmed incidents involving personal data breaches, data loss, or unauthorized access.

Responsible Marketing

LH is committed to conducting its marketing and customer communications with integrity, transparency, and fairness. All operating units are required to comply with applicable laws, customer requirements, and internal policies to ensure that product promotion, quotations, and business communications are conducted in accordance with ethical business practices and fair competition principles.

LH's automotive and precision stamping subsidiaries have established standardized quotation and customer management procedures. Quotation processes are subject to compliance reviews, and relevant employees receive regular training to minimize the risk of misleading information, inaccurate representations, or practices that may adversely affect customer interests.

Product and Service Information

LH primarily manufactures customer-specific metal components, tooling, and thermal management products for industrial applications. As these products are intermediate industrial products rather than consumer goods, they are generally not subject to consumer product labeling requirements. Nevertheless, LH provides product information and quality documentation in accordance with applicable regulations and customer specifications to ensure compliance with contractual and regulatory requirements.

Product and service information provided by LH includes:



Material and Supplier Information

Material traceability and supplier information are provided upon customer request, including compliance with conflict minerals and other material requirements.



Restricted Substance Compliance

Test reports, material declarations, and product compliance documents are provided in accordance with regulatory and customer requirements.



Product Safety Information

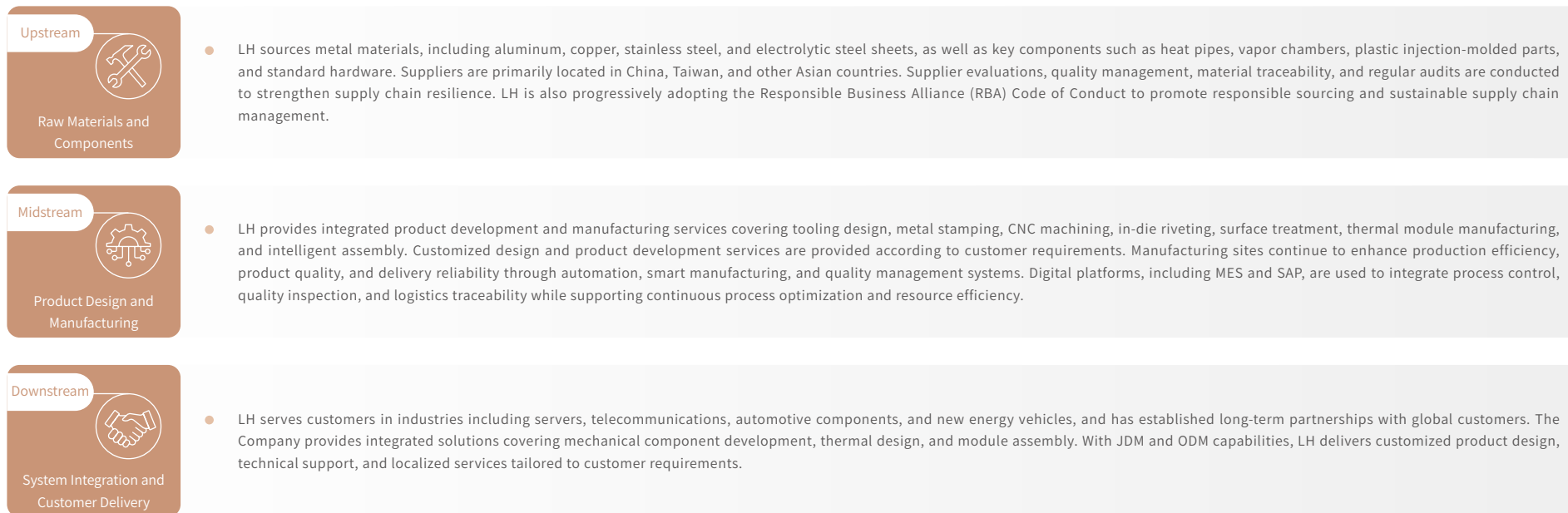
Product design and development incorporate safety and assembly risk assessments, supported by technical recommendations and product information where applicable.

As of the end of 2025, LH had not identified any material incidents of non-compliance with laws, regulations, or voluntary standards relating to product and service information, marketing communications (including advertising, promotion, and sponsorship), or labeling.

3.1.3 Supply Chain and Value Chain Management

LH's core manufacturing capabilities include tooling development, precision metal stamping, mechanical assembly, and thermal management modules. The Group has established a vertically integrated manufacturing system covering product development, raw material procurement, manufacturing, and product delivery. Its products are widely used in servers, telecommunications, automotive electronics, new energy vehicles, and electronic equipment.

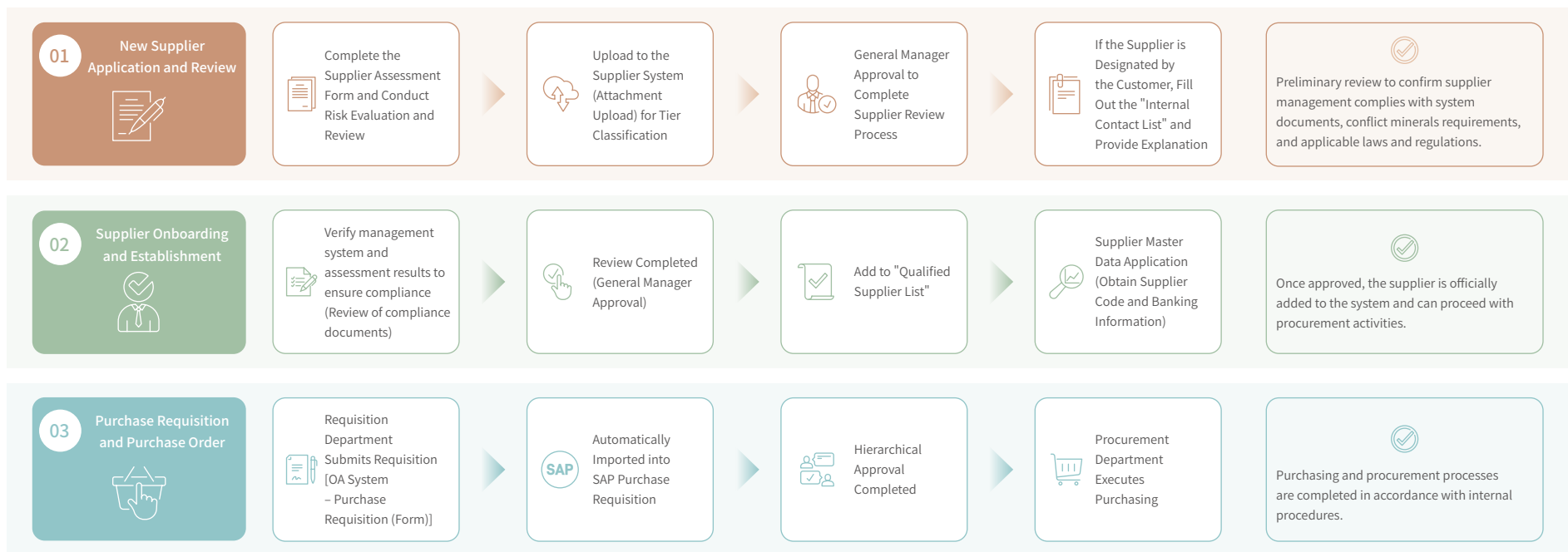
As customer expectations for sustainable supply chain management continue to grow, LH is strengthening supply chain management and global operational collaboration while progressively integrating responsible supply chain practices into its operations. The Company works closely with suppliers and business partners to enhance product quality, supply stability, transparency, and sustainability performance. Based on its product lifecycle and operating model, LH's value chain is divided into three stages: upstream, midstream, and downstream. This framework enables the Company to systematically manage business activities and assess their sustainability impacts throughout the value chain. Compared with the previous reporting period, there were no significant changes to the Company's value chain structure.



Supplier Management

LH is committed to maintaining a resilient and sustainable supply chain through a comprehensive supplier management framework. The Company has established supplier selection, qualification, pricing, and periodic evaluation mechanisms to strengthen supply chain resilience, improve supplier performance, and enhance procurement efficiency. LH's major suppliers include providers of metal materials, tooling materials, electronic components, machined parts, and manufacturing equipment. Suppliers are evaluated based on product quality, delivery performance, cost competitiveness, technical capability, and sustainability performance to support responsible procurement and long-term partnerships.

Supplier Management Process

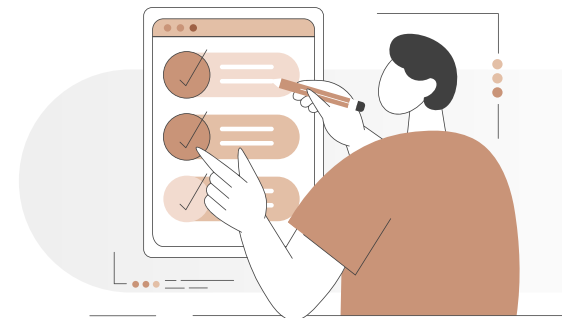




New Supplier Qualification

LH has established a standardized supplier qualification process. Prospective suppliers undergo market research, qualification reviews, and management approval before being included in the Qualified Supplier List. Supplier evaluations are conducted based on supplier type, product characteristics, and risk level. On-site audits are performed when necessary to verify suppliers' manufacturing capabilities, quality management systems, and supply reliability.

Assessment Area	Key Review Items
Corporate Qualification	Business registration, required licenses, regulatory compliance, and operational capability
Quality Management System	Quality certifications, special process capabilities, and management systems that meet customer and Company requirements
Risk Assessment	Supply capacity, delivery performance, regulatory compliance, quality risks, and business operations
Sustainability Management	Compliance with LH's supplier requirements, including business integrity, conflict minerals management, and responsible supply chain practices



Supplier Qualification and Ongoing Evaluation

LH places strong emphasis on supplier quality and supply reliability. The Procurement Department is responsible for supplier sourcing and preliminary qualification, while the Quality Assurance Department evaluates suppliers' quality management capabilities, product quality, and management systems before approving them as qualified suppliers.

To maintain consistent supplier performance, LH applies incoming process quality control (IPQC) to monitor incoming materials and manufacturing quality. Inspection frequency is increased for high-risk materials, with certain items subject to 100% inspection. When quality issues are identified, suppliers are required to conduct root cause analysis and implement corrective actions. The effectiveness of these actions is monitored to minimize production risks. Any nonconforming materials are reviewed by the Quality Assurance Department and handled through established procedures, including rework, re-inspection, or disposal, to ensure product quality and delivery reliability.

Responsible Supply Chain Management

LH is committed to building a responsible and resilient supply chain by integrating sustainability and risk management into supplier management processes. The Company progressively adopts the Responsible Business Alliance (RBA) Code of Conduct throughout supplier qualification, evaluation, and engagement. Suppliers are expected to comply with requirements relating to labor and human rights, occupational health and safety, environmental protection, and business ethics. Supplier commitments, performance evaluations, and risk management mechanisms are implemented to strengthen sustainable supply chain management.

As of the end of 2025, LH worked with 824 suppliers within the reporting boundary, of which 507 suppliers (61.5%) had signed the Supplier Code of Conduct or equivalent responsible sourcing commitments, demonstrating continued progress in responsible procurement.

In addition, many suppliers have obtained internationally recognized management system certifications, including:

ISO 14001 (Environmental Management)

126 suppliers (15.3%)

ISO 45001 (Occupational Health and Safety)

68 suppliers (8.3%)

ISO 9001 (Quality Management)

180 suppliers (21.9%)

Monthly Performance Evaluation and Risk Assessment

LH conducts monthly supplier performance evaluations as part of its supplier management program. Suppliers are assessed on product quality, delivery performance, cost competitiveness, responsiveness, and environmental management. The evaluation results serve as the basis for supplier management, continuous improvement, and future business decisions. Suppliers with unsatisfactory performance or recurring quality issues are required to implement corrective actions and submit improvement reports when necessary. In addition, the Materials Management Department performs an annual supplier risk assessment based on performance results, quality and environmental management certifications, regulatory compliance, and supply risk. Suppliers are classified as high-, medium-, or low-risk.

- High-risk suppliers are subject to on-site audits at least once every six months.
- Medium-risk suppliers undergo periodic document reviews or on-site audits.
- Audit frequency and follow-up activities are adjusted according to the supplier's risk profile to strengthen supply chain risk management.

To strengthen supply chain risk management, LH conducts regular supplier assessments covering quality management, delivery performance, regulatory compliance, environmental management, and supply continuity. Depending on the level of risk, suppliers may be subject to document reviews, on-site audits, and follow-up improvement activities. Suppliers with unsatisfactory performance or elevated risks are required to implement corrective action plans and may be subject to enhanced monitoring or supplier replacement when necessary.

LH also incorporates EHS (Environment, Health and Safety) and responsible sourcing requirements into supplier management. Supplier evaluations include environmental management, occupational health and safety, labor and human rights, business ethics, and conflict minerals compliance. Suppliers of metal materials are required to support conflict minerals due diligence, while key suppliers are requested to sign confidentiality agreements, integrity commitments, and corporate social responsibility declarations.

To further strengthen supplier engagement, LPM(CN) held its first Supplier Conference in 2025. The event focused on quality management, supply chain collaboration, sustainability, and ESG initiatives, providing a platform to communicate LH's expectations regarding product quality, delivery performance, regulatory compliance, and responsible supply chain management.



LPM(CN) held its first Supplier Conference in 2025

Local Procurement

LH continues to promote local procurement by prioritizing suppliers located in the same country or region as each operating site. This approach helps reduce transportation-related environmental impacts, improve supply chain resilience, and support local economic development. Local procurement rates are calculated based on each entity's annual procurement expenditure.

Company	LES	LGI	LPM(CN)	LPM(TJ)	LST
Local Procurement Rate	24%	99.50%	99.43%	100%	92%

During 2025, 50 new suppliers were added within the reporting boundary, and all completed LH's supplier qualification and risk assessment procedures. Going forward, LH will continue to strengthen responsible sourcing practices, expand supplier sustainability engagement, increase Supplier Code of Conduct coverage, and enhance supply chain transparency, resilience, and long-term sustainability performance.

Supply Chain Risk Management

LH continuously monitors potential supply chain risks related to environmental management, occupational health and safety, labor practices, and regulatory compliance. The Company has established a supply chain risk management framework to identify and assess supplier risks. For selected high-risk suppliers, environmental and regulatory compliance reviews have been implemented, covering areas such as environmental permits, pollution prevention, and waste management. Review results are incorporated into ongoing monitoring and audit activities based on the level of risk.

LH also manages supply chain risks through supplier performance evaluations, process quality monitoring, and nonconformance feedback mechanisms to reduce potential quality and delivery risks. Where suppliers are identified as having elevated risk, LH may conduct follow-up assessments and require corrective actions. Depending on the results, suppliers may be subject to improvement plans, enhanced monitoring, or adjustments to the business relationship.

As of the end of 2025, LH had not terminated any supplier due to material environmental or social non-compliance. Going forward, LH will continue to strengthen its supply chain risk management and corrective action mechanisms to enhance supply chain resilience and sustainability performance.

3.1.4 Innovation and Research & Development

Innovation and technological advancement are key drivers of LH's long-term competitiveness. In 2025, LPM(CN), the Group's principal automotive and precision stamping subsidiary, joined forces with Soochow University, the Kunshan Industrial Technology Research Institute, industry associations, and strategic partners to establish the Suzhou Innovation Consortium for Automotive Safety Components Based on Die Forming Technology. The project runs from May 2025 to April 2028 and aims to advance key technologies for automotive safety components through industry-academia collaboration.

As the lead enterprise of the consortium, LPM(CN) is responsible for project coordination, technology integration, and commercialization. The project focuses on high-precision die design, precision manufacturing, and intelligent inspection technologies for automotive safety components, with the objective of strengthening in-house development capabilities and reducing reliance on imported high-end tooling technologies.

By the end of 2025, the project had secured RMB 500,000 in government funding and had applied for designation as a Suzhou Innovation Consortium Key Project. Upon successful approval and completion of the project, an additional RMB 2 million in government incentives is expected. Commercialization of the related technologies has already generated approximately RMB 15 million in revenue, demonstrating the successful application of research outcomes.

LH continues to regard innovation as a cornerstone of its long-term growth strategy. LPM(CN) is committed to investing more than 4.5% of annual sales revenue in research and development, focusing on tooling technologies, manufacturing automation, intelligent inspection, and automotive safety components. Through industry-academia collaboration and cross-disciplinary innovation, LH continues to develop high-value-added products, advance smart manufacturing, and strengthen its long-term competitiveness and sustainable growth.

Several of LH's subsidiaries in China have also been recognized as High and New Technology Enterprises, enabling them to benefit from preferential tax policies while reinforcing the Group's long-term commitment to innovation and technology development.



Launch Ceremony of the Suzhou Innovation Consortium



Production Facility Tour with Consortium Partners

3.2 Corporate Governance Practices

3.2.1 Board of Directors and Functional Committees

Board Composition and Operation

LH believes that sound corporate governance is the foundation of sustainable business development. The Company is committed to maintaining an effective governance framework that safeguards shareholders' interests, strengthens Board effectiveness, protects stakeholder rights, and enhances information transparency. Through continuous improvements to its governance framework and internal policies, LH strives to enhance corporate governance performance and support long-term sustainable growth.

The Board of Directors is the Company's highest governing body and is responsible for overseeing business strategy, risk management, sustainability, and other material matters. Senior management regularly reports to the Board and its functional committees on key business and sustainability issues, including strategic planning, risk management, sustainability initiatives, and the management of material topics, ensuring effective oversight and communication. Further information on the Company's governance practices and Board engagement is available in the Corporate Governance and Sustainability Governance sections of the Annual Report.

	2025	2024
Board meetings held	6	6
Average Board attendance rate	97.62%	95.45%

Board Nomination and Selection

The nomination and election of LH's directors are conducted in accordance with the Company's Articles of Incorporation and the Procedures for Election of Directors. A candidate nomination system is adopted to ensure a fair, transparent, and well-governed election process in compliance with applicable laws and regulations. Director candidates are reviewed by the Board of Directors and major shareholders before being submitted to the shareholders' meeting for election.

In accordance with the Articles of Incorporation, the Board consists of five to ten directors, each serving a three-year term. The Company has established the Procedures for Election of Directors and adopted a Board Diversity Policy under its Corporate Governance Best Practice Principles. Board composition is determined based on the Company's business needs and long-term development strategy, taking into consideration professional expertise, industry experience, gender, age, nationality, and other diversity factors.

LH places strong emphasis on Board diversity, independence, and professional competence throughout the nomination and selection process. Director candidates may be nominated by major shareholders, the Board of Directors, or qualified external recommenders, and are evaluated in accordance with the Company's governance policies and applicable regulations. Independent directors are appointed in compliance with regulatory requirements to strengthen the Board's oversight and governance effectiveness.

At the Annual General Meeting held on 18 June 2024, shareholders elected the Sixth Board of Directors for a three-year term ending on 17 June 2027. The current Board consists of seven directors, including three independent directors. Collectively, Board members possess expertise in precision tooling and electronic components, as well as technology, strategic management, finance and accounting, legal affairs, and international business.

Among the current Board members, three directors (42.86%) also serve as employees or members of senior management, while three directors (42.86%) are independent directors. The Board comprises six male directors (85.71%) and one female director (14.29%), achieving the Company's objective of maintaining at least one female director. In terms of age diversity, one director is between 30 and 50 years old, while the remaining six directors are over the age of 50, providing the Board with extensive industry experience and professional expertise.

The Chairman is elected by the Board of Directors in accordance with applicable regulations and is responsible for leading the Board and presiding over Board meetings. The Chairman works closely with the General Manager to align strategic direction with operational execution and support effective corporate governance. Further information regarding the Board Diversity Policy, Board independence, governance objectives, and implementation status is available in the Company's Annual Report.

Conflict of Interest Management

LH has established the Integrity Management Procedures and Code of Conduct and the Rules of Procedure for Board Meetings to prevent conflicts of interest involving directors, senior management, and employees. In accordance with Article 15 of the Rules of Procedure for Board Meetings, any director who has a personal interest, or represents a legal entity with an interest in a matter under consideration, is required to disclose the nature of the conflict to the Board. Where such conflict may prejudice the interests of the Company, the director shall abstain from discussion and voting on the relevant agenda item and may not exercise voting rights on behalf of another director. A conflict of interest is also deemed to exist where the matter involves a director's spouse, relatives within the second degree of kinship, or an entity controlled by or affiliated with the director.

To strengthen Board independence and ensure effective oversight, the Company has appointed three independent directors, representing 42.86% of the Board. The conflict-of-interest policy is strictly implemented for all relevant Board resolutions. Details of directors' recusals in 2025 are disclosed in the Company's Annual Report.

Continuing Education for Directors

LH provides continuing education programs for directors to strengthen their knowledge and oversight capabilities in areas including regulatory developments, economic trends, environmental and social issues, and risk management.

In 2025, directors attended training programs covering topics such as the Cathay Sustainable Finance and Climate Change Summit 2025, Toward a Global Circular Economy: The GCP Framework and Taiwan's Circular Economy Practices, and Trends in Sustainability Disclosure – IFRS S1 and S2: Requirements, Impacts, and Responses. The average continuing education completed by each director in 2025 was 6 hours.

Board, Director, and Functional Committee Performance Evaluation

To strengthen the effectiveness of the Board of Directors and its functional committees in corporate governance and sustainability oversight, LH conducts annual performance evaluations in accordance with the Board of Directors and Functional Committee Performance Evaluation Policy. The evaluations cover the overall performance of the Board, the performance of individual directors, and the effectiveness of each functional committee, including their oversight of corporate strategy, business operations, risk management, sustainability, and internal controls.

Internal evaluations are conducted annually by an independent internal unit with no conflict of interest. In accordance with the Company's policy, LH also assesses the need to engage an independent external organization or qualified experts to conduct Board performance evaluations at least once every three years, thereby enhancing the objectivity and credibility of the evaluation process. Evaluation results are reported to the Board in the first quarter of the following year and disclosed in the Company's Annual Report.

For 2025, individual directors completed self-assessments, while the performance of the Board and its functional committees was evaluated by the Finance and Accounting Department in accordance with the Company's evaluation procedures. The evaluation covered the overall performance of the Board, the Audit Committee, and the Remuneration Committee.

Evaluation Item	Evaluation Method	Score (100-point scale)
Individual Directors	Director self-assessment	96.57
Board of Directors		96.05
Audit Committee	Evaluated by the Finance and Accounting Department	93.03
Remuneration Committee		92.89

The evaluation results indicate that the Company's corporate governance framework is operating effectively, with the Board of Directors and its functional committees performing their duties and oversight responsibilities effectively. Further information on the Board and functional committee performance evaluation process is available in the Company's Annual Report.

Remuneration Policy for Directors and Senior Management

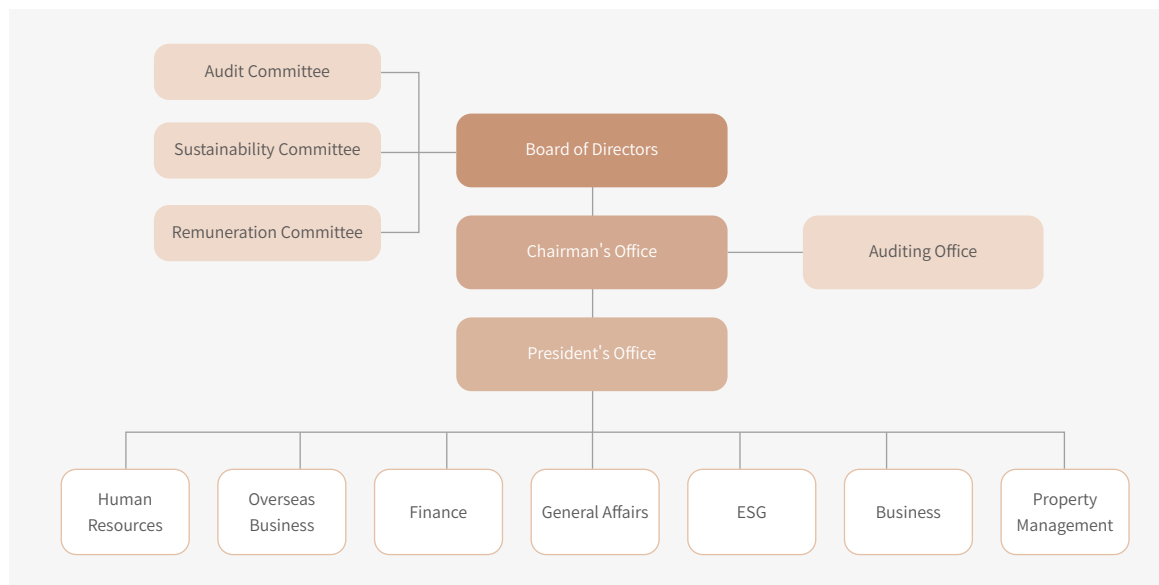
In accordance with the Company's Articles of Incorporation, the applicable laws of the Cayman Islands, and Taiwan's corporate governance regulations, LH may allocate up to 2% of annual profits as directors' remuneration. The allocation is determined based on the Company's operating performance and each director's contribution. The proposal is reviewed and approved by the Board of Directors, submitted to the shareholders at the Annual General Meeting for approval, and the timing of distribution is authorized by the Chairman.

The remuneration of senior management comprises fixed salaries, compensation for concurrent employee positions where applicable, annual bonuses, employee profit-sharing, and statutory insurance and retirement benefits. Senior executives who also serve as directors may receive directors' remuneration in accordance with the Articles of Incorporation. The overall remuneration package is reviewed by the Remuneration Committee based on individual performance, responsibilities, market benchmarks, and approved by the Board of Directors. The Company currently does not provide sign-on bonuses or recruitment incentives, nor has it established a clawback policy. LH will continue to monitor evolving corporate governance practices and assess the feasibility of introducing such mechanisms in the future.

LH's remuneration framework is designed to remain competitive while supporting employee motivation and business performance. At present, remuneration is primarily linked to the Company's operating results and individual performance. Although environmental, social, and governance (ESG) performance has not yet been formally incorporated into the remuneration formula for directors and senior management, the Company is evaluating the integration of sustainability-related performance indicators and key performance indicators (KPIs) into annual performance assessments. LH will continue to explore mechanisms to strengthen the linkage between remuneration and sustainability performance, taking into consideration the material topics and stakeholder expectations identified in this Sustainability Report.

Remuneration Determination Process

The remuneration of directors and senior management is governed by the Regulations Governing Director Remuneration and Profit Distribution and the Articles of Incorporation. Proposals are reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. The Remuneration Committee consists of three independent directors, ensuring an independent and objective review process. In 2025, the Committee convened four meetings to review and periodically assess the remuneration framework for directors and senior management. The Committee evaluates remuneration structure, performance criteria, incentive mechanisms, and their alignment with risk management and the Company's sustainability strategy. Key evaluation factors include individual performance, industry benchmarking, the Company's operating results, and long-term risk considerations.



Functional Committees

The Board of Directors has established three functional committees: the Remuneration Committee, the Audit Committee, and the Sustainability Committee. The responsibilities, composition, attendance, and key resolutions of each committee are summarized below. Further information is available in the Company's Annual Report.

Committee	Key Responsibilities	Members	Attendance Rate	Key Resolutions in 2025
 Remuneration Committee	- Review and periodically assess the remuneration policy and performance evaluation system for directors and senior management. - Review the reasonableness of remuneration based on individual performance, Company performance, future risks, and market practices. - Ensure remuneration arrangements do not encourage excessive risk-taking.	Mr. Jih-Hsin Cheng, Independent Director Mr. Chi-Chuan Wang, Independent Director Ms. Yi-Ting Hsieh (formerly Yi-Lin Hsieh), Independent Director	100%	- Distribution of employee and director remuneration - Appointment of new personnel - Annual bonus proposal for senior management
 Audit Committee	- Review the integrity of the Company's financial statements. - Oversee the effectiveness of the internal control system. - Oversee regulatory compliance and risk management.	Mr. Jih-Hsin Cheng, Independent Director Mr. Chi-Chuan Wang, Independent Director Ms. Yi-Ting Hsieh (formerly Yi-Lin Hsieh), Independent Director	94.44%	- Annual and quarterly financial statements - Significant investment proposals - Internal audit plan - Amendments to internal control policies
 Sustainability Committee	- Formulate the Company's sustainability strategy, objectives, and policies. - Review sustainability initiatives and monitor implementation progress and performance.	Mr. Chi-Feng Hsu, Chairman Mr. Han-Huat Eu, Group General Manager Ms. Yi-Ling Chien, Senior Finance Manager	100%	Sustainability initiatives and implementation progress

3.2.2 Ethical Business Conduct and Regulatory Compliance

Ethical Business Conduct and Anti-Corruption

LH is committed to conducting business with fairness, integrity, honesty, and transparency. The Company has established policies and management mechanisms at both the corporate headquarters and subsidiary levels to prevent fraud, promote ethical conduct, and support its sustainability governance objectives.

At the corporate level, LH has adopted the Corporate Governance Best Practice Principles and the Integrity Management Procedures and Code of Conduct, which require directors, senior management, and all employees to comply with anti-corruption requirements, prohibit improper benefits, disclose conflicts of interest, and follow policies governing political contributions and charitable donations. These policies are supported by internal control procedures, supplier management practices, and stakeholder engagement mechanisms. Directors and senior management also receive periodic training to strengthen their awareness of ethical business conduct and regulatory compliance.

Subsidiaries have established additional internal procedures, including Business Ethics Control Procedures and Business Integrity Control Procedures, which prohibit kickbacks, improper gifts, and other unethical business practices. Employees are required to comply with the Company's integrity standards, while China subsidiaries have incorporated integrity management into internal control procedures for higher-risk business activities and continue to communicate relevant policies through meetings, emails, and employee declarations.

To further strengthen ethical governance, LH introduced the Global Employee Integrity and Code of Ethics Agreement and the Global Supplier Integrity Agreement in 2025. These agreements were initially implemented across the Taiwan operations and will be progressively expanded throughout the Group. They cover anti-bribery and anti-corruption, labor and human rights, confidentiality and data protection, conflicts of interest, and regulatory compliance.

In 2025, LH also established the Stakeholder Complaint and Whistleblowing Policy, providing confidential reporting channels for employees, customers, suppliers, and other stakeholders. The policy defines procedures for case handling, investigation, whistleblower protection, and follow-up actions. In addition to the whistleblowing mailbox available on the Company's website, China subsidiaries maintain dedicated reporting channels, including email and telephone hotlines. Similar reporting mechanisms will be progressively introduced across other operating locations to further strengthen governance consistency throughout the Group.

LH has not yet established a Group-wide anti-corruption risk assessment framework. The Company plans to progressively strengthen its governance framework by integrating anti-corruption risk assessment, employee training, and monitoring mechanisms across all operating locations. As of the end of 2025, LH had not identified any material incidents of corruption, fraud, or non-compliance with applicable anti-corruption laws and regulations.



Regulatory Compliance

LH is committed to conducting its business in compliance with applicable laws and regulations. The Company's Corporate Governance function oversees the Group's compliance management system and continuously strengthens compliance capabilities through internal audits, management training, and periodic reviews of internal policies and procedures. During 2025, LH did not incur any material violations of laws or regulations, nor was it subject to any material monetary fines or non-monetary sanctions imposed by regulatory authorities. The Company also did not pay any material fines relating to the current or prior reporting periods. Material violations are assessed in accordance with the Company's compliance and risk management framework, taking into consideration whether the incident involves significant regulatory matters, including environmental protection, occupational health and safety, ethical business conduct, human rights, or financial disclosure, as well as its potential impact on the Company's operations, financial performance, or reputation.

During the reporting period, several overseas subsidiaries incurred minor administrative penalties. These included an administrative fine of approximately RMB 11,500 imposed on a China subsidiary for an administrative compliance matter, and a customs-related administrative penalty incurred by the Mexico subsidiary due to delayed cargo clearance. These cases did not have a material impact on the Group's operations, financial performance, or reputation, and appropriate corrective actions have been completed.

As of the end of the reporting period, LH was not involved in any material legal proceedings related to anti-competitive behavior, anti-monopoly, or antitrust laws, nor had any such cases been concluded during the reporting period. The Group remains committed to conducting business in accordance with applicable competition laws and strictly prohibits market allocation, price-fixing, or any other anti-competitive practices. Through internal policies and employee training, LH continues to strengthen its compliance culture and promote fair and lawful market competition.

Grievance, Remediation, and Complaint Mechanisms

LH recognizes that its operations may have actual or potential impacts on the environment, society, and human rights. The Company is committed to providing appropriate remediation, corrective actions, and preventive measures for adverse impacts that it has caused or contributed to. Where issues involving employee rights, occupational safety, supply chain management, environmental impacts, or other stakeholder interests are identified, LH initiates investigations, implements corrective actions, and conducts follow-up reviews. Where appropriate, the Company provides reasonable remediation or corrective measures and reviews relevant policies and operating procedures to reduce the risk of similar incidents recurring.

LH has established internal grievance, whistleblowing, and reporting mechanisms. Employees may raise concerns through Human Resources, email, suggestion boxes, or other internal communication channels. External stakeholders may also submit complaints or provide feedback through the contact channels available on the Company's website. All reported cases are reviewed and handled by the responsible departments and, where appropriate, escalated to senior management or the Sustainability Committee for further review and oversight.

In addition to its formal grievance procedures, LH continuously strengthens preventive and corrective management through labor-management meetings, supplier evaluations, on-site assessments, and cross-functional risk reviews. Where suppliers fail to comply with labor standards, the Responsible Business Alliance (RBA) Code of Conduct, or other management requirements, the Company requires corrective actions within a specified timeframe and may implement follow-up reviews, improvement programs, or adjustments to the business relationship where necessary.

As of the end of 2025, LH had not identified any material cases involving human rights violations, significant environmental pollution, or serious supply chain misconduct requiring formal remediation. During the reporting period, the Company received several employee suggestions regarding work arrangements and process improvements through its labor-management communication and internal grievance mechanisms. All cases were addressed through communication and appropriate corrective actions, and the related management systems and operating procedures were further improved.

Looking ahead, LH will continue to strengthen its grievance, whistleblowing, and remediation mechanisms, enhance transparency and responsiveness in case management, and further deepen stakeholder engagement to reinforce responsible corporate governance and sustainable management.



3.3 Risk Management

3.3.1 Risk Management and Governance

LH is committed to prudent management and sustainable development and continues to strengthen its risk management framework to systematically identify, assess, and manage risks that may arise from its operations. Through regular risk assessments and reviews, the Company identifies, prioritizes, and monitors material risks that may affect business continuity and stakeholder interests, including regulatory compliance, environmental and occupational safety, information security, business continuity, human resources, and supply chain management.

The Board of Directors serves as the highest oversight body for risk management and is responsible for overseeing the Company's risk management policies, framework, and implementation. The Board has delegated the Audit Committee to assist in overseeing the effectiveness of the risk management framework and internal control system. An independent Internal Audit function conducts audits in accordance with the annual audit plan to evaluate the adequacy and effectiveness of internal controls, operating procedures, and management systems. Audit results are reported regularly to the Audit Committee and the Board of Directors. For any identified deficiencies, the responsible departments are required to implement corrective actions within the prescribed timeframe, and follow-up reviews are conducted by the Internal Audit function to verify the effectiveness of those actions.

In addition, LH promotes self-assessment and risk management practices across all departments. Through day-to-day management, internal controls, and cross-functional communication, the Company strengthens frontline risk identification and prevention capabilities while continuously enhancing operational efficiency and organizational resilience.

Risk Category	Risk Scenario	Responsible Function	Risk Mitigation and Response
Operational Risk	Raw Material Price Volatility and Supply Chain Risk - Environmental policies affecting suppliers may reduce raw material availability and increase procurement costs. - Geopolitical instability may result in raw material price fluctuations.	Supply Chain Department	- Diversify sourcing and establish alternative suppliers. - Maintain appropriate safety stock levels and monitor market conditions to enhance procurement flexibility. - Utilize multiple logistics providers to improve supply flexibility.
	Human Resources Risk - Labor disputes may increase employee turnover and affect corporate reputation. - Labor shortages and declining workforce competitiveness due to demographic changes.	Human Resources Department Administration Department Business Units	- Ensure HR practices comply with international human rights standards and local regulations. - Maintain effective labor-management communication. - Increase production automation to optimize workforce utilization. - Provide competitive compensation, benefits, and career development opportunities.
	Environmental and Occupational Health & Safety Risk - Emergency incidents such as fire or explosions. - Environmental impacts arising from industrial waste. - Workplace injuries resulting from inadequate operational controls.	Administration Department Business Units	- Implement ISO 14001 and ISO 45001 management systems. - Promote energy saving, waste reduction, and hazard prevention. - Provide EHS training, professional certification programs, and workplace health promotion activities.

Risk Category	Risk Scenario	Responsible Function	Risk Mitigation and Response
Financial Risk	Foreign Exchange Risk Exchange rate fluctuations resulting from changes in global monetary policies.	Finance Department	- Monitor foreign exchange markets and adjust foreign currency positions as appropriate. - Apply hedging strategies, including forward exchange contracts, where necessary.
Information Risk	Information Security Risk Cybersecurity threats arising from inadequate system design, network protection, or data management.	Information Management Department	- Implement the ISO 27001 Information Security Management System. - Conduct cybersecurity awareness training and incident response drills. - Assign dedicated information security personnel.
Compliance and Ethics Risk	Regulatory Compliance Risks arising from non-compliance with applicable laws and regulations, including labor, corporate, and securities laws.	Administration Department Business Units	- Establish internal policies, internal controls, and whistleblowing mechanisms. - Monitor regulatory developments and provide compliance training. - Promote ethical business conduct and intellectual property protection through employee training and compliance commitments.
Climate-related Risk	Climate Change Risk - Transition risks associated with carbon reduction policies and carbon pricing mechanisms. - Greenhouse gas inventory and assurance requirements. - Physical risks arising from extreme weather events that may disrupt operations and supply chains.	Sustainability Committee Business Units	- Strengthen operational and supply chain resilience against climate-related impacts. - Implement the Group's greenhouse gas inventory and third-party assurance plan, and progressively establish carbon management systems. - Set water conservation, energy efficiency, renewable energy, and waste reduction targets to support the Group's low-carbon transition.

3.3.2 Information Security Management

Information Security Policy

LH recognizes information security and customer data protection as essential to its business operations. The Company is committed to maintaining a comprehensive information security management system to safeguard information throughout the product and service lifecycle, including research and development, manufacturing, operations, and delivery. Through effective security controls, LH seeks to prevent unauthorized access, disclosure, alteration, or destruction of information assets and to mitigate cybersecurity risks arising from system failures, cyberattacks, or natural disasters.

In accordance with its Information Security Management System and customer requirements, LH continuously strengthens the confidentiality, integrity, and availability of its information assets while progressively adopting internationally recognized information security standards and management practices to enhance cybersecurity governance and business resilience.

During 2025, LH did not experience any material information security incidents, nor were there any confirmed cases involving customer data breaches, data loss, or violations of customer privacy.

Several operating locations have implemented the ISO/IEC 27001 Information Security Management System (ISMS). Through periodic internal audits, third-party certification, and continuous improvement, LH ensures the effectiveness of its information security management framework. In addition, the Group's major manufacturing operations in China have obtained TISAX certification, further strengthening information security management within the automotive supply chain.

TISAX Assessment Status

Company	Assessment Scope ID	Assessment Publication Date	Valid Until
Lemtech Precision Material (China) Co., Ltd.	S9FM7L	2025/12/15	2028/11/07
Lemtech Precision Machinery (Tianjin) Co., Ltd.	S9FM7L	2025/12/15	2028/11/07

Note: TISAX (Trusted Information Security Assessment Exchange) is an information security assessment and exchange mechanism for the automotive industry administered by the ENX Association. The above assessment results are valid through November 7, 2028.

ISO/IEC 27001 Certification Status

Company	Certification Date	Valid Until
Lemtech Holdings Co., Ltd.	2023/04/11	2026/04/10
Lemtech Precision Material (China) Co., Ltd.	2024/10/23	2027/10/22
Kunshan Lemtech Slide Technology Co., Ltd.	2024/03/13	2027/03/12



Information Security Governance and Management

LH's Information Management Department is responsible for planning, implementing, and maintaining the Company's information security management framework. An Information Security Management Committee, chaired by the General Manager, oversees the implementation of information security policies, technical standards, and operational management. LH has established a comprehensive information security governance framework through a series of internal policies and procedures, including the Information Security Management Procedure, Information Security Incident Management Procedure, and Business Continuity Management Procedure. These management systems support the protection of information assets and the continuous enhancement of cybersecurity risk management.

Based on operational requirements and cybersecurity risk assessments, each operating location implements appropriate security controls, including access control, data protection, network security, asset management, and information security incident response, to strengthen cybersecurity governance and enhance business resilience.

In 2025, LH continued to strengthen its information security management through the following initiatives:



Information Security Culture and Training

LH is committed to fostering a strong information security culture by enhancing employees' cybersecurity awareness through new employee orientation, information security training, personal data protection awareness programs, and phishing prevention campaigns.

In 2025, a total of 574 employees completed information security training across the Group, with 1,000 training hours delivered. No disciplinary cases related to violations of information security policies were reported during the year.

Item	Unit	2025	2024
Information Security Training Participants	Persons	574	440
Information Security Training Hours	Hours	1,000	634
Information Security Policy Violations	Cases	0	0



Information Security Training

LH conducts regular information security training to strengthen employees' cybersecurity awareness and risk identification capabilities while reinforcing the protection of information assets and data security.

Information Security Incident Management and Business Continuity

LH has established an information security incident management process that defines procedures for incident reporting, classification, response, investigation, and corrective actions. When an information security incident occurs, the responsible personnel follow established procedures to assess the incident, implement response measures, and carry out follow-up actions based on its severity. No material information security incidents occurred during 2025. During the reporting period, a temporary power outage at the Taiwan headquarters caused a brief interruption to certain information systems. Services were fully restored after power resumed, with no data loss, data corruption, or material impact on business operations.

To enhance operational resilience, LH regularly conducts disaster recovery and cybersecurity incident response exercises across its operating locations. In 2025, the Group's China subsidiaries completed local area network (LAN) and wide area network (WAN) outage drills, while the Taiwan operations conducted cybersecurity incident response exercises simulating malware attacks, together with business continuity drills, to verify the effectiveness of system backup capabilities and incident response procedures.

Looking ahead, LH will continue to strengthen its information security governance, data protection, and business continuity management while further enhancing the maturity of its cybersecurity management framework to address the evolving challenges of digital transformation and cybersecurity risks.



3.4 Business Performance

3.4.1 Financial Performance

In 2025, LH reported consolidated revenue of NT\$6,275,379 thousand, representing an increase of 10.4% compared with NT\$5,682,176 thousand in 2024 (restated). Revenue growth was primarily driven by the recovery of customer demand, expansion in overseas markets, and improved production efficiency and manufacturing flexibility across the Group. LH continues to optimize its product portfolio by focusing on higher value-added products, strengthening strategic customer relationships, and maintaining prudent financial management.

Item (NT\$ thousand)	2025	2024 (Restated)	2024 (Before Restatement)
Revenue	6,275,379	5,682,176	5,799,711
Operating Profit	403,335	547,129	560,084
Net Profit	128,985	401,977	401,977

Unit: NT\$ thousand

Note: Certain economic performance data for 2024 have been restated to align with the restated 2024 consolidated financial statements and ensure consistency throughout this report. Please refer to the Company's 2025 Consolidated Financial Statements for complete financial information.

LH is committed to creating sustainable economic value while sharing business success with employees, shareholders, governments, and society. The Group's direct economic value generated and distributed in 2025 is summarized below.

Item	2025 (NT\$ thousand)	Description
Revenue	6,275,379	Revenue generated from tooling design, precision metal stamping, thermal management products, and structural components.
Operating Costs	4,925,968	Including raw materials, subcontracting, labor, and operating expenses.
Employee Wages and Benefits	Refer to the Financial Statements	Salaries, bonuses, insurance, and pension contributions.
Income Tax Expense	93,616	Including current and deferred income tax expenses.
Cash Dividends	59,874	Cash dividends proposed by the Board of Directors.
Community Investment	155	Donations supporting education, social welfare, and community care programs. Refer to Chapter 5.4 for details.
Retained Economic Value (Net Profit)	128,985	Net profit attributable to owners of the parent company.

During 2025, LH received government financial assistance to support local operations and research and development activities. The Group's subsidiaries in China recognized NT\$15,130 thousand in government grants as other income in accordance with applicable local regulations. These grants were primarily provided to support business development and regional industrial policies. No material government financial assistance was received by operations in other countries during the reporting period.

As of the end of the reporting period, LH was not owned, controlled, or significantly influenced by any national or local government entity.

3.4.2 Tax Policy

LH strictly complies with the tax laws and regulations applicable in each jurisdiction where it operates and is committed to maintaining sound tax compliance practices in support of sustainable business development and socioeconomic prosperity. The Company has established tax governance and reporting procedures to ensure the accuracy and timeliness of tax filings. Guided by the principles of integrity and transparency, LH regularly reviews and assesses tax-related risks and fully cooperates with tax authorities during audits and regulatory reviews. Applicable tax incentives are carefully evaluated and claimed in accordance with relevant regulations, with appropriate disclosures made to ensure regulatory compliance while supporting the Company's long-term development.

1

Tax considerations are incorporated into major business decisions to ensure regulatory compliance, effective tax risk management, and long-term financial sustainability.

2

Tax information is reported accurately and transparently in accordance with applicable accounting standards and tax regulations to ensure the integrity of financial and tax reporting.

3

LH maintains open, transparent, and constructive relationships with tax authorities in all jurisdictions where it operates, based on mutual trust and good governance.

Tax Information for the Past Two Years

The table below summarizes LH's income tax information for the past two reporting years. Certain 2024 figures have been restated to align with the restated consolidated financial statements and ensure consistency throughout this report.

Item (NT\$ thousand)	2025	2024 (Restated)	2024 (Before Restatement)
Profit Before Tax	306,761	518,699	534,012
Income Tax Expense	93,616	104,517	104,867
Effective Tax Rate (%)	30.52	20.15	19.63
Income Tax Paid	85,517	60,410	60,410
Cash Tax Rate (%)	27.88	11.65	11.31

Unit: NT\$ thousand

Note: Certain economic performance data for 2024 have been restated following the restatement of the 2024 consolidated financial statements to ensure consistency and accuracy throughout this report. For complete financial information, please refer to the Company's 2025 Consolidated Financial Statements.

3.4.3 Public Policy Engagement

LH actively engages with government agencies, industry associations, and professional organizations to strengthen industry collaboration and stay informed of regulatory developments, market trends, and sustainability issues. These engagements support the Company's strategic planning, risk management, and sustainable development initiatives while promoting technological innovation, talent development, industrial upgrading, and responsible business practices.

Major Industry Associations and Organizations (2025)

Category	Organization
Technology and Industrial Development	Taiwan Electrical and Electronic Manufacturers' Association (TEEMA)
	Taipei Computer Association (TCA)
	Suzhou Mechanical Engineering Society
	Kunshan Young Scientists and Technologists Association
Corporate Management and Industry Networking	Taiwan Listed Companies Association
	San San Institute
Industry Promotion and Market Development	Taiwan Electric Intelligent Bicycle Association

Through participation in these organizations, LH continues to strengthen collaboration with industry partners and supports initiatives related to digital transformation, low-carbon manufacturing, technological innovation, talent development, and responsible supply chain management. During 2025, LH did not make political contributions, engage in lobbying activities, or participate in any significant public policy advocacy initiatives. The Company's participation in industry organizations was solely for the purposes of professional exchange, industry cooperation, and sustainable industrial development.

Looking ahead, LH will continue to collaborate with industry, government, academia, and research institutions through professional organizations and industry platforms to support sustainable industrial development while enhancing its long-term competitiveness and creating shared value for society.



04

Environmental Management and Climate Action

4.1 ENVIRONMENTAL POLICY

4.2 CLIMATE RISK MANAGEMENT

4.3 ENERGY MANAGEMENT AND
GREENHOUSE GAS EMISSIONS

4.4 WATER RESOURCE MANAGEMENT

4.5 WASTE MANAGEMENT



Management Approach

Material Topic	Potential Impacts	Management Commitment	Key Actions	Performance Monitoring and Stakeholder Engagement
Energy Management	- Increased energy consumption from energy-intensive operations - Insufficient use of renewable energy - Increased greenhouse gas emissions - Climate-related regulatory risks	LH is committed to improving energy efficiency, expanding the use of renewable energy, and strengthening greenhouse gas management. The Company continues to build its carbon management capabilities to reduce environmental impacts and support the transition toward low-carbon operations.	- Progressively implement ISO 50001 Energy Management Systems and ISO 14064-1 greenhouse gas inventory and verification. - Complete the installation of rooftop solar photovoltaic systems at LPM(CN) to increase renewable energy use. - Complete the replacement of lighting systems with LED fixtures at the Taiwan headquarters and LPM(CN). - Continue environmental investments to improve energy efficiency (see the Environmental Investment section for details).	- Monitor energy consumption and greenhouse gas emissions annually and track improvement performance. - Regularly report energy and carbon management performance to management. - Disclose environmental performance through the Sustainability Report to respond to stakeholder expectations.
Waste Management	- Environmental pollution resulting from improper waste management - Non-compliance with waste management regulations - Inefficient use of resources	LH is committed to responsible waste management and resource efficiency through pollution prevention, regulatory compliance, and proper waste treatment to minimize environmental impacts.	- Conduct regular environmental protection and waste management training. - Progressively implement ISO 14001 Environmental Management Systems. - Manage waste classification, storage, transportation, and reporting in accordance with applicable regulations. - Conduct hazardous waste spill response drills and environmental risk management activities. - Work with qualified waste collection and treatment contractors to ensure proper disposal.	- Regularly monitor waste generation, recycling performance, and disposal methods. - Conduct quarterly wastewater testing and environmental monitoring. - Establish annual waste reduction and recycling targets and review progress regularly. - Disclose environmental performance through the Sustainability Report.

4.1 Environmental Policy

LH is committed to environmental protection and sustainable development by complying with applicable environmental, energy, and climate-related regulations in all operating locations. Environmental management is integrated into the Company's business operations and decision-making processes. Through continuous efforts in energy conservation, carbon reduction, pollution prevention, resource efficiency, and greenhouse gas management, LH strives to minimize the environmental impacts of its operations and advance its transition toward low-carbon and sustainable development.

Environmental Management Policy

LH's environmental management is guided by the principles of regulatory compliance, pollution prevention, continual improvement, and resource efficiency. To fulfill these commitments, the Company implements the following initiatives:

- Regularly review compliance with applicable environmental regulations to ensure that operations meet legal requirements and customer expectations.
- Strengthen the effectiveness of the environmental management system through internal audits, management reviews, and third-party verification.
- Progressively implement ISO 14001 Environmental Management Systems and ISO 14064-1 greenhouse gas inventory and verification across operating locations to enhance environmental and climate management.
- Improve energy efficiency and expand the use of renewable energy through initiatives such as rooftop solar photovoltaic systems, LED lighting upgrades, and energy efficiency improvement projects.
- Strengthen waste management, pollution prevention, and resource efficiency to minimize the environmental impacts of operations.
- Monitor climate-related risks and emerging sustainability trends while continuously improving environmental performance and long-term sustainability competitiveness.

Implementation of ISO 14001 Environmental Management Systems

LH continues to strengthen its environmental management performance by progressively implementing ISO 14001 Environmental Management Systems across its operating locations. Through a systematic management approach, the Company enhances regulatory compliance, pollution prevention, and continual improvement while maintaining the effectiveness of its environmental management systems through independent third-party certification.

As of the end of 2025, the following entities within the reporting boundary had obtained ISO 14001 certification:

Company	Certification Date	Expiry Date
Lemtech Global Industries	2023/09/26	2026/09/25
Lemtech Energy Solutions Corporation	2024/06/01	2027/05/31
Lemtech Precision Material (China) Co., Ltd.	2023/04/29	2026/04/28
Lemtech Precision Engineering (Tianjin) Co., Ltd	2023/05/30	2026/05/29
Kunshan Lemtech Slide Technology Co., Ltd	2025/06/18	2028/06/17



Environmental Awareness Initiatives in 2025

LH promotes environmental awareness through employee training and engagement programs while integrating sustainability into its daily operations. During 2025, the Group continued to display ESG awareness boards and environmental policy notices at its major operating locations. Internal communications, energy conservation initiatives, and environmental campaigns were also conducted to enhance employees' awareness of energy efficiency, resource conservation, circular economy practices, and environmental protection, while encouraging active participation in the Group's sustainability initiatives.

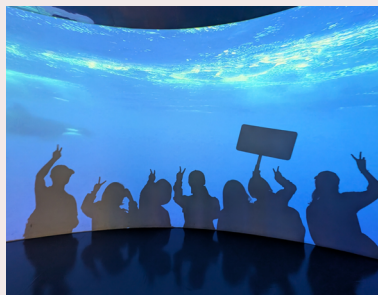
To further strengthen employee engagement in environmental sustainability, LH organized a variety of environmental education and awareness programs throughout 2025, encouraging employees to incorporate sustainable practices into their daily work and personal lives. Key initiatives are summarized below:

Protecting Marine Ecosystems – Coastal Cleanup at National Museum of Marine Science & Technology

To promote environmental awareness and support its corporate sustainability commitment, LH organized a coastal cleanup event in 2025 at the shoreline surrounding the National Museum of Marine Science & Technology in Keelung. A total of 34 employees participated, collecting 212 kg of marine debris to help protect coastal ecosystems and reduce the environmental impact of marine waste.

Prior to the cleanup, participants attended an environmental education session led by museum instructors, covering the local coastal ecosystem, the environmental impacts of marine debris, and safety guidelines for the cleanup activity. The session also introduced waste classification, weighing procedures, and data collection methods, helping participants better understand the sources of marine litter and the importance of proper waste management.

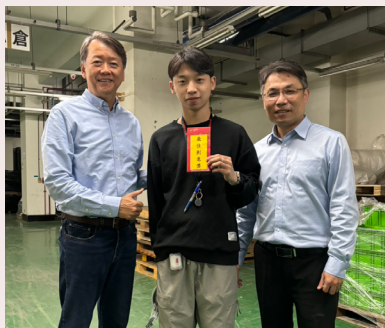
Following the cleanup, collected waste was sorted and weighed by category. Participants were also invited to visit the museum and surrounding facilities, further enhancing their understanding of marine conservation and environmental sustainability while encouraging cross-departmental interaction and team building. Through hands-on environmental initiatives, LH continues to foster a culture of sustainability and encourages employees to incorporate environmentally responsible practices into both their work and daily lives.



Supporting Earth Hour

LH supports global efforts to address climate change and promote energy conservation. In 2025, the Group participated in the global Earth Hour campaign by switching off non-essential lighting and organizing a series of employee engagement activities, including a Green Dress Day and initiatives encouraging the use of reusable tableware and tumblers.

The campaign was promoted across LH's operations in Taiwan to raise employees' awareness of energy conservation and climate change. Through practical initiatives and interactive activities, employees were encouraged to reduce the use of single-use products, adopt more sustainable habits, and integrate environmental responsibility into their daily work and personal lives. These efforts reflect LH's ongoing commitment to fostering a low-carbon corporate culture and supporting sustainable development.



Environmental Investments

Investment	Description	Initial Year	Cumulative Investment	Benefits
Solar Power System	LPM(CN) completed the installation of rooftop solar panels across the entire facility in 2025 to increase renewable energy use and reduce operational carbon emissions.	2023	Rooftop space is leased to a solar energy provider. Electricity generated is repurchased by LPM(CN) at 75% of the prevailing market price under the contractual agreement.	• Installed capacity: 1,888.5 kW • Total solar panel area: 11,860 m² • Estimated annual generation: 2.1 million kWh (cumulative generation: 3.71 million kWh) • Estimated annual reduction of 1,524 tCO₂e
Rainwater Harvesting System	A rainwater harvesting system was installed in LPM(CN) to collect rainwater for landscape irrigation and facility cleaning, reducing dependence on municipal water.	2023	310,000 RMB	• Approximately 500 tonnes of rainwater reused annually • Helps reduce surface runoff and flooding risks during heavy rainfall
Forklift Electrification	Diesel forklifts were progressively replaced with electric forklifts to reduce carbon emissions and improve workplace safety in LPM(CN).	2024	154,000 RMB	• 12 electric forklifts installed • Annual diesel consumption reduced by approximately 3,600 liters
EV Charging Facilities	EV charging stations for cars and electric scooters were installed in LPM(CN) to encourage low-carbon commuting.	2024	94,500 RMB	• 10 EV charging stations • 100 charging points for electric scooters

Investment	Description	Initial Year	Cumulative Investment	Benefits
Solar Street Lighting	Conventional outdoor lighting was replaced with solar-powered street lights in LPM(CN) to improve energy efficiency.	2024	8,280 RMB	• 6 solar street lights installed
LED Lighting Upgrade	Conventional lighting was fully replaced with high-efficiency LED lighting throughout office areas, production workshops, warehouses, and public spaces in LPM(CN).	2025	24,100 RMB	• LED lighting installed across the entire facility • Annual electricity savings of approximately 14,000 kWh • Lower maintenance and replacement costs
Advanced Wastewater Treatment and Washing Line	An advanced wastewater treatment and washing system was installed in LPM(CN) to strengthen wastewater management and ensure compliance with regulatory discharge standards.	2025	400,000 RMB	• One advanced wastewater treatment and washing system installed • Enhanced wastewater treatment capacity and regulatory compliance • Real-time online monitoring system implemented

Environmental Grievance Mechanism

LH values stakeholder feedback on environmental matters and provides communication channels through its corporate website and Sustainability Report for customers, employees, shareholders, suppliers, government authorities, local communities, and other stakeholders. Environmental complaints, concerns, and suggestions received through these channels are reviewed and handled in accordance with the Company's internal procedures. Where appropriate, corrective actions are implemented to address identified issues and support the continual improvement of environmental management.

4.2 Climate Risk Management

LH recognizes that climate change presents both risks and opportunities for its business and incorporates climate-related considerations into its risk management framework and business decision-making processes. The Board of Directors provides oversight of climate-related risk management, while management is responsible for identifying, assessing, and responding to climate-related risks and opportunities, and regularly monitoring the implementation of related actions.

LH continues to monitor international climate trends, regulatory developments, and customers' decarbonization expectations to evaluate their potential impacts on its operations, supply chain, and financial performance. Through initiatives such as energy efficiency improvements, greenhouse gas management, renewable energy adoption, and process optimization, the Company continues to strengthen its climate resilience and long-term sustainable competitiveness.

Climate-Related Risks and Opportunities

Time Horizon	Climate-Related Risk	Potential Impact on Business Strategy	Potential Financial Impact	Response Measures
Short-term	Rising Raw Material Costs	Climate-related policies and the global transition away from fossil fuels may increase raw material prices and affect supply stability.	• Higher raw material procurement costs. • Increased cost volatility.	• Diversify the supplier base to reduce supply concentration. • Strengthen core R&D capabilities and implement strategic sourcing.
Medium-term	Changing Customer Preferences	Growing market awareness of sustainability increases customer demand for low-carbon products and responsible suppliers.	• Additional investment in low-carbon technologies and equipment. • Potential loss of customers during the transition period.	• Develop energy-efficient manufacturing technologies. • Increase the use of low-carbon energy and materials. • Diversify the customer portfolio to reduce business concentration risks.
Medium-term	Increasing Customer Decarbonization and Supply Chain Requirements	Customers increasingly require suppliers to disclose GHG emissions, product carbon footprints, and decarbonization targets. Failure to meet these expectations may affect future business opportunities.	• Increased costs associated with GHG inventories, verification, and product carbon footprint management. • Reduced market competitiveness and customer opportunities.	• Implement ISO 14064-1 greenhouse gas inventories and third-party verification. • Establish carbon management mechanisms. • Improve energy efficiency and carbon reduction performance.
Long-term	Carbon Pricing	The introduction of carbon pricing mechanisms may increase procurement costs across the supply chain.	• Higher component procurement costs resulting from cost pass-through by suppliers subject to carbon pricing.	• Monitor climate-related regulations in operating regions. • Strengthen relationships with Tier 2 and Tier 3 suppliers to enhance supply chain resilience.

Time Horizon	Climate-Related Opportunity	Potential Impact on Business Strategy	Potential Financial Impact
Short-term	Renewable Energy and Energy Efficiency	Expand the use of renewable energy through rooftop solar power generation, energy-efficient equipment, and energy management initiatives to reduce energy consumption and greenhouse gas emissions.	• Lower energy costs and reduced exposure to future carbon pricing. • Enhanced low-carbon competitiveness and customer collaboration opportunities.
Medium-term	Low-Carbon Technologies and Product Innovation	Continue investing in tooling technologies, automated manufacturing, and low-carbon production processes while strengthening product carbon footprint management to meet evolving customer expectations and market trends.	• Increased product value and market competitiveness. • Expanded business opportunities in new energy vehicles, AI servers, and green manufacturing markets.

To address climate-related risks and opportunities, LH completed ISO 14064-1 greenhouse gas verification for its Taiwan Headquarters and LES in 2025. LPM(CN) also completed the installation of a rooftop solar power system across its entire facility and obtained China's National Green Factory certification. In addition, the Taiwan Headquarters and LPM(CN) completed the replacement of conventional lighting with energy-efficient LED lighting throughout their facilities. Moving forward, LH will continue to enhance energy efficiency, expand renewable energy adoption, and strengthen carbon management to improve climate resilience and support the transition to a low-carbon economy.



4.3 Energy Management and Greenhouse Gas Emissions

Energy Policy

Electricity is LH's primary source of energy, supplemented by limited use of diesel and gasoline for certain operational activities. To reduce energy consumption and greenhouse gas (GHG) emissions, LH is committed to improving energy efficiency, expanding the use of renewable energy, and strengthening its carbon management capabilities. Key initiatives include the installation of rooftop solar power systems, the replacement of conventional lighting with energy-efficient LED lighting, and continuous process optimization to reduce energy intensity and carbon emissions. Moving forward, LH will continue to enhance energy efficiency through effective energy management, renewable energy adoption, and energy-saving technologies in support of its low-carbon and sustainable development goals.

To strengthen its energy management framework, LH is progressively implementing the ISO 50001 Energy Management System. Through energy monitoring, energy performance analysis, and energy efficiency improvement projects, the Company continues to improve energy performance across its operations. Operating sites regularly review energy consumption and improvement results while promoting continual improvement and the sharing of best practices. As of the end of 2025, the following entity within the reporting boundary had obtained ISO 50001 certification:

Company	Certification Date	Valid Until
Lemtech Precision Material (China) Co., Ltd. (LPM(CN))	2023/06/25	2026/06/24

LH also continues to strengthen its greenhouse gas management in response to evolving regulatory requirements and customer expectations. Although current regulatory disclosure requirements for listed companies in Taiwan primarily focus on Scope 1 and Scope 2 greenhouse gas emissions, LH has proactively advanced its greenhouse gas inventory and verification efforts. In 2025, in addition to conducting annual energy and GHG inventories, LH successfully completed ISO 14064-1 greenhouse gas verification for its Taiwan Headquarters and LES, further enhancing its carbon data management capabilities. Going forward, LH will continue to expand the scope of its greenhouse gas management in line with regulatory developments and the Group's sustainability strategy, strengthening both energy and carbon management to enhance climate resilience and long-term competitiveness.

Energy Consumption

Energy Source		Unit	2025	2024
Electricity	Purchased Electricity	kWh	11,240,454.37	12,563,501.98
		GJ	40,465.64	45,228.61
	Solar Power Generation	kWh	2,117,326.80	1,603,270.4
		GJ	7,622.38	5,771.77
Gasoline		L	32,793.54	50,828.73
		kWh	289,239.03	483,620
		GJ	1,041.52	1,739.36
		L	4,856.93	8,540.41
Diesel	kWh	48,763.54	91,646	
	GJ	175.58	329.69	
Total Non-renewable Energy Consumption		kWh	11,578,456.94	13,138,767.98
Total Renewable Energy Consumption		kWh	2,117,326.80	1,603,270.4
Share of Renewable Energy (%)		%	15.46	10.88

Note 1: To enhance the transparency and comparability of energy data, all energy consumption has been converted into kilowatt-hours (kWh) and gigajoules (GJ) in accordance with internationally and nationally recognized standards and guidance. The energy data disclosed in this report covers only the entities within the reporting boundary and does not represent the entire Group. The reporting scope will continue to be expanded in future reporting periods.

Note 2: The 2025 energy consumption data were converted using the net calorific values specified in Taiwan's 2025 Greenhouse Gas Emission Factor Management Table published by the Ministry of Environment. The calorific values adopted were 7,586 kcal/L for gasoline and 8,636 kcal/L for diesel fuel. Electricity was converted using a factor of 1 kWh = 0.0036 GJ.

Air Emissions

During 2025, limited sulfur oxides (SOx) emissions were generated from the use of gasoline and diesel fuel for company vehicles and operational equipment. Estimated SOx emissions are presented below.

Air Pollutant	Fuel Type	Fuel Consumption (L)	Emissions (kg)
Sulfur Oxides(SOx)	Gasoline	32,793.54	0.49
	Diesel	4,856.93	0.08
Total SOx Emissions			0.57

The total SOx emissions from gasoline and diesel consumption in 2025 were approximately 0.57 kg. Emissions were estimated based on fuel consumption, fuel density, sulfur content, and the molecular weight conversion from sulfur-to-sulfur dioxide (SO₂). The sulfur content was estimated using the regulatory limit of 10 mg/kg for on-road gasoline and diesel fuel. No emissions data were reported for nitrogen oxides (NOx), persistent organic pollutants (POPs), hazardous air pollutants (HAPs), or particulate matter (PM) during the reporting period.

Emission boundaries were determined using the operational control approach. Calculations were based on fuel consumption records and environmental monitoring data where available. Certain emission values are estimates and have not been independently verified. LH will continue to improve its air emissions inventory methodology in future reporting periods.

Energy Performance Indicators

Performance Indicator	Unit	2025	2024
Electricity Intensity	kWh / million NTD revenue	21.29	24.43
Renewable Electricity Ratio	%	15.85	11.32

Note 1: Energy intensity was calculated by dividing the electricity consumption of entities included within the reporting boundary by LH's consolidated operating revenue. As the reporting boundaries for environmental and financial data are not fully aligned, the intensity indicators are provided for reference only. LH will continue to align reporting boundaries to improve comparability.

Note 2: Certain 2024 financial data were restated following the restatement of the consolidated financial statements. As the impact on the intensity indicators was not material, the 2024 indicators disclosed in this report remain consistent with those reported in the previous Sustainability Report to maintain year-on-year comparability.

Greenhouse Gas Emissions

In response to global climate change and increasingly stringent carbon management regulations worldwide, companies are expected to continuously reduce greenhouse gas (GHG) emissions generated from their operations to minimize environmental impacts and enhance long-term competitiveness. Lemtech serves industries including servers, telecommunications equipment, automotive electronics, and new energy vehicles, where customers are placing increasing emphasis on supply chain carbon management and low-carbon manufacturing capabilities. Rising GHG emissions may not only lead to higher future carbon costs but also affect customer relationships and market competitiveness.

To address climate-related risks and stakeholder expectations, LH continues to implement greenhouse gas inventory and management programs. Based on inventory results, the Company develops short-, medium-, and long-term carbon reduction initiatives, focusing on energy management, renewable energy adoption, and process optimization to reduce the environmental impacts of its operations.

Since 2023, LH has progressively established its greenhouse gas management framework in accordance with ISO 14064-1. In 2025, the Headquarters and LES successfully completed third-party verification of their ISO 14064-1 greenhouse gas inventories, further strengthening the reliability, transparency, and management of GHG emissions data. Going forward, the Company will continue expanding the scope and quality of its greenhouse gas management in line with regulatory developments and the Group's sustainability strategy, thereby enhancing climate resilience and supporting its long-term low-carbon transition.



Scope 1 and Scope 2 Greenhouse Gas Emissions

LH conducts its greenhouse gas (GHG) inventory in accordance with ISO 14064-1, with the inventory boundary defined using the Operational Control Approach. The inventory covers Scope 1 and Scope 2 emission sources from the operating sites included within the reporting boundary of this Sustainability Report.

Scope	Unit	2025	2024
Scope 1	t CO ₂ e	670.25	582.02
Scope 2		5,789.83	6,119.24
Total		6,460.08	6,701.26

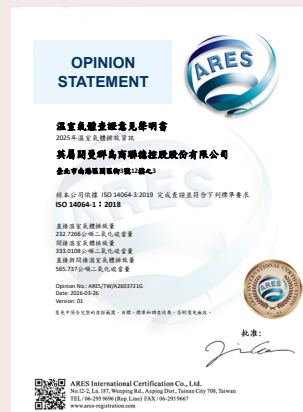
Note 1: The greenhouse gas emissions disclosed above are consolidated based on the operating sites included in this year's inventory. Lemtech Global Industries (LGI) and Lemtech Precision Engineering (Tianjin) Co., Ltd were not included within the 2025 inventory boundary; therefore, their emissions are excluded from the figures presented above.

Note 2: The inventory boundaries for 2024 and 2025 are not fully consistent. Accordingly, the disclosed emissions are intended to present the GHG emissions profile for each reporting year and should not be used for direct year-over-year performance comparisons.

In 2025, Lemtech's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 6,460.08 tCO₂e. As the organizational boundaries of the GHG inventories differed between 2024 and 2025 due to changes in the operating sites included, the reported emissions are not directly comparable between the two reporting periods. The Company will continue to expand the coverage of its greenhouse gas inventory and third-party verification in line with regulatory requirements and the Group's sustainability strategy. Going forward, Lemtech will progressively include additional operating sites to enhance the completeness and comparability of its GHG data while further strengthening its carbon management capabilities through energy efficiency improvements, renewable energy adoption, and process optimization.

Inventory Methodology and Basis

GHGs Covered	Scope 1 emissions primarily comprise fuel combustion and include carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), and hydrofluorocarbons (HFCs). Process-related gases such as perfluorocarbons (PFCs), sulfur hexafluoride (SF ₆), and nitrogen trifluoride (NF ₃) are not included.
Biogenic CO ₂ Emissions	No biomass fuels were used during the reporting period; therefore, no biogenic CO ₂ emissions were generated.
Base Year and Baseline	In 2025, the Headquarters and LES completed third-party verification of their greenhouse gas inventories under ISO 14064-1 for the first time. As the Group is still expanding the coverage of its GHG inventory, a Group-wide base year has not yet been established. A baseline year will be determined as the inventory boundary and management framework become more mature.
Emission Factors and GWP	Emission factors for Taiwan were primarily referenced from the greenhouse gas emission factor tables published by the Ministry of Environment and the electricity emission factor published by Taiwan Power Company. For operations in China, official grid emission factors and other government-issued references were applied. Global Warming Potentials (GWPs) are based on the IPCC Sixth Assessment Report (AR6) using a 100-year time horizon.
Organizational Boundary and Calculation Method	The inventory boundary was defined using the Operational Control Approach, covering facilities and equipment under Lemtech's operational control within the reporting boundary of this Sustainability Report. Lemtech Global Solution Co. Ltd. (LGI) and Lemtech Precision Engineering (Tianjin) Co., Ltd were not included in the 2025 inventory boundary; therefore, their emissions are excluded from this disclosure.
Methodology	Greenhouse gas emissions were quantified in accordance with ISO 14064-1. The inventories for the China operations were prepared with the assistance of an external consultant and internally reviewed but have not yet undergone third-party verification.
Verification	The greenhouse gas inventories for the Headquarters and LES were independently verified in accordance with ISO 14064-1:2018 by ARES International Certification Co., Ltd. The China operations have implemented greenhouse gas inventory and management in accordance with ISO 14064-1 but were not included within the scope of third-party verification during the reporting year.



The Taiwan Headquarters and LES completed third-party verification of their 2025 greenhouse gas inventories in accordance with ISO 14064-1:2018.

Greenhouse Gas Performance Indicator

Performance Indicator	2025	2024
GHG Emissions Intensity (tCO ₂ e / million NTD revenue)	1.03	1.16

Note 1: The intensity indicator was calculated by dividing the total Scope 1 and Scope 2 greenhouse gas emissions of the entities included within the reporting boundary by LH's consolidated operating revenue. As the reporting boundaries for environmental and financial data are not fully aligned, the indicator is provided for reference only. LH will continue to align reporting boundaries to improve data consistency and comparability.

Note 2: Certain 2024 financial data were restated following the restatement of the consolidated financial statements. As the impact on the intensity indicator was not material, the 2024 value disclosed in this report remains consistent with that reported in the previous Sustainability Report to maintain year-on-year comparability.

Calculation References

The calculation of energy consumption, greenhouse gas emissions, and other environmental performance indicators in this report is primarily based on the following references:

- IPCC 2006 Guidelines for National Greenhouse Gas Inventories
- Greenhouse Gas Emission Factor Management Table and related guidance issued by the Taiwan Ministry of Environment
- Taiwan Ministry of Environment Greenhouse Gas Emissions Information Platform
- Electricity emission factors published by Taiwan Power Company
- Official calorific values, emission factors, and other relevant statistics published by the competent authorities in the regions where LH operates

Energy Transition

As the world advances toward a low-carbon economy, LH continues to promote renewable energy adoption and improve energy efficiency as key components of its environmental sustainability strategy. Through enhanced energy management, increased renewable energy use, and greenhouse gas reduction initiatives, the Company is building a more resilient and low-carbon operating model.

LH's renewable energy strategy is centered on self-generation for self-consumption. By leasing rooftop space to renewable energy partners for the installation of solar photovoltaic systems, the Company utilizes idle space to expand renewable electricity generation while increasing the efficiency of renewable energy utilization. As of the end of 2025, the Group's cumulative installed solar capacity reached 1,888.5 kW, covering approximately 11,860 m² of rooftop area. The system is expected to generate approximately 2.1 million kWh of renewable electricity annually. Cumulative electricity generation reached 3.71 million kWh during the reporting period, with most of the electricity consumed by on-site operations, reducing purchased electricity consumption and operational greenhouse gas emissions.

Based on estimated generation performance, the current solar power system is expected to reduce greenhouse gas emissions by approximately 1,524 tCO₂e annually. In addition to mitigating climate impacts, the project enhances LH's energy resilience and low-carbon competitiveness. Going forward, LH will continue to evaluate renewable energy opportunities across its operating sites while further improving energy efficiency through energy management, equipment upgrades, and process optimization to support its long-term low-carbon transition.



Completion of rooftop solar photovoltaic installation across the entire LPM(CN) facility.



4.4 Water Resource Management

LH's primary manufacturing processes consist of metal stamping, tooling production, and assembly operations, resulting in relatively low water demand. Water consumption across operating sites is mainly associated with domestic use, facility operations, and cooling tower make-up water. No significant withdrawals of surface water, groundwater, or seawater are involved. Based on internal assessments, all operating sites within the reporting boundary obtain water exclusively from municipal water supplies and are not located in areas of high-water stress. Consequently, the Company's direct impact on local water resources and surrounding ecosystems is considered limited.

Despite its relatively low water consumption, LH continues to strengthen water resource management by regularly monitoring water consumption across operating sites and improving water use efficiency through equipment maintenance, abnormal water consumption monitoring, and employee water conservation awareness programs.

Water Source	Unit	2025	2024
Municipal Water Supply	m ³	53,309.09	53,303.73

Note 1: Water withdrawal data disclosed in this report are consolidated based on the reporting boundary. Please refer to the Reporting Scope and Boundary section for details of the entities included.

Total water withdrawal in 2025 was 53,309.09 m³, with all water sourced from municipal water supplies. As the reporting boundary differed between 2024 and 2025 due to changes in the operating sites included, the water withdrawal data are presented to reflect annual performance and should not be used for direct year-on-year comparisons.

Water Intensity

Water Withdrawal Intensity (m ³ / million NTD revenue)	2025	2024
Water Withdrawal Intensity (m ³ / million NTD revenue)	8.02	9.19

Note 1: The intensity indicator was calculated by dividing the total water withdrawal of the entities included within the reporting boundary by LH's consolidated operating revenue. As the reporting boundaries for environmental and financial data are not fully aligned, the indicator is provided for reference only.

Note 2: Certain 2024 financial data were restated following the restatement of the consolidated financial statements. As the impact on the intensity indicator was not material, the 2024 value disclosed in this report remains consistent with that reported in the previous Sustainability Report to maintain year-on-year comparability.

Note 3: The reporting boundaries for environmental data were not fully consistent between 2024 and 2025. Accordingly, the intensity indicators are intended to reflect annual performance and should not be used for direct year-on-year comparisons.

LH does not withdraw water from areas of high-water stress and did not experience any significant water leakage, water shortages, or material impacts on local communities or ecosystems resulting from its water withdrawal during the reporting period. Going forward, LH will continue to strengthen its water management practices through routine monitoring, equipment maintenance, and water conservation initiatives to improve water use efficiency and minimize the environmental impacts of its operations.



Wastewater Management and Water Reuse

Wastewater generated at LH's operating sites primarily consists of domestic wastewater from employee activities, together with wastewater from selected manufacturing processes and equipment cleaning. All operating sites manage wastewater treatment and discharge in accordance with applicable local regulations and conduct routine equipment inspections and environmental monitoring to ensure compliance with regulatory discharge standards.

To further enhance wastewater management, LPM(CN) commissioned a high-standard wastewater treatment and washing line system in 2025. The system was designed in accordance with government-approved wastewater discharge standards and integrates process cleaning, wastewater treatment, and pollution control facilities to improve treatment efficiency, reduce environmental impacts, and strengthen regulatory compliance and environmental risk management.

LH also continues to improve water use efficiency and promote water reuse initiatives. At LPM(CN), a closed-loop water recycling system has been implemented for the wire-cut EDM process, reducing water consumption for equipment cleaning and cooling through water recirculation. In addition, a 500 m³ rainwater harvesting tank has been installed to supply reclaimed water for landscape irrigation and other non-potable applications. These water recycling and rainwater harvesting initiatives improve water use efficiency while supporting resource conservation and sustainable operations. In 2025, all LH operating sites managed wastewater in compliance with applicable regulations. No significant water pollution incidents or violations of wastewater discharge regulations were reported during the reporting period.



Water Recycling System



Wastewater Treatment Facility

4.5 Waste Management

Waste Management Policy

LH is committed to eliminating the use of prohibited hazardous substances and actively promoting waste reduction, resource circularity, and pollution prevention. Through source reduction, waste segregation, and compliant disposal practices, the Company minimizes the environmental impacts of its operations while improving resource efficiency.

Environmental impacts are considered throughout material selection, manufacturing processes, and supplier management, with continuous efforts to identify lower-impact alternatives and optimize production processes to reduce waste generation. All waste is classified, stored, transported, and disposed of in accordance with applicable local regulations, ensuring compliance with environmental requirements and customer expectations.

Waste Management Practices

LH adopts a dual approach of source reduction and resource circularity in managing both hazardous and non-hazardous waste generated from manufacturing operations and equipment maintenance. Major waste streams include waste lubricating oil, waste engine oil, waste gear oil, spent toner cartridges, fluorescent lamps, and other manufacturing waste. Waste is segregated according to its characteristics and collected for recycling or treatment by licensed waste management contractors. The Company also continues to strengthen waste segregation and recycling programs to improve the recovery of recyclable materials. A waste tracking system has been established to monitor waste generation, handling, transportation, and final treatment, thereby enhancing resource efficiency and reducing environmental impacts.

LH's manufacturing operations primarily involve metal stamping, tooling production, and assembly processes. No ozone-depleting substances (ODS) regulated under the Montreal Protocol are used in its operations, and the Group is not engaged in the production, trading, import, or export of such substances. During 2025, LH did not purchase, import, use, or emit any reportable ODS. Accordingly, ODS emissions were zero, demonstrating compliance with applicable environmental regulations and the Company's environmental commitments.

Waste Management and Environmental Protection Initiatives



LPM(CN) conducts regular air emission monitoring in accordance with applicable regulations to ensure pollutant concentrations comply with regulatory standards and to strengthen pollution prevention and environmental management.



LPM(CN) engages qualified third-party laboratories to perform periodic wastewater quality testing, ensuring discharged wastewater complies with local regulatory requirements and minimizing impacts on the surrounding water environment.



LH regularly conducts hazardous waste spill response drills to strengthen emergency preparedness, including incident reporting, pollution control, and emergency response capabilities, thereby reducing environmental risks.

Waste Generation

LH does not operate on-site waste treatment facilities at any of its operating locations. All hazardous and non-hazardous waste generated during operations is entrusted to licensed waste collection and treatment contractors for recycling, recovery, or final disposal. No waste is treated on-site. All waste management activities are conducted in accordance with applicable environmental regulations, with supporting transportation and treatment documentation maintained to ensure regulatory compliance and traceability.

The waste data disclosed in this report represent off-site treated waste generated within the reporting boundary. As the reporting boundary was adjusted between 2024 and 2025, with certain operating sites being added or excluded, the data are presented to reflect annual waste management performance and should not be used for direct year-on-year comparisons. LH continues to promote waste reduction and resource circularity by prioritizing recycling and recovery over final disposal whenever practicable.

In 2025, total waste generated amounted to 11,485.49 metric tons, of which 6,831.97 metric tons (59.5%) were recycled or recovered, while 4,653.52 metric tons (40.5%) were sent for final disposal.

Waste Type	Recovery / Disposal Operation (Metric Tons)	2025	2024
Hazardous Waste	Preparation for Reuse	-	-
	Recycling	51.81	0.94
	Other Recovery Operations	-	-
	Incineration (with Energy Recovery)	-	-
	Incineration (without Energy Recovery)	17.27	3.38
	Landfill	-	-
	Other Disposal Operations	-	42.6
Subtotal		69.08	46.92
Non-hazardous Waste	Preparation for Reuse	-	-
	Recycling	6,780.16	6,903.47
	Other Recovery Operations	-	-
	Incineration (with Energy Recovery)	-	-
	Incineration (without Energy Recovery)	3,507.86	3,451.74
	Landfill	1,128.40	1,150.58
	Other Disposal Operations	-	-
Subtotal		11,416.42	11,505.79
Total Waste Generated		11,485.49	11,552.71
Total Waste Recycled / Recovered		6,831.97	6,904.41
Total Waste Sent for Final Disposal		4,653.52	4,648.30

Notes:

1. Certain hazardous waste is treated by qualified waste treatment contractors using physico-chemical treatment (D9) to neutralize or stabilize its hazardous characteristics. This treatment is classified as Other Disposal Operations in this report.
2. Waste data disclosed in this report are consolidated based on the reporting boundary. Please refer to the Reporting Scope and Boundary section for details of the entities included.
3. Certain waste treatment contractors did not provide complete information on the final treatment methods for some non-hazardous waste. Accordingly, LH estimated the treatment distribution based on actual waste flows, historical records, and information provided by waste contractors. Approximately 60% was classified as recycling, 30% as incineration, and 10% as landfill. These figures are provided for disclosure purposes only.



Waste Management Performance

Performance Indicator	Unit	2025	2024
Waste Generation Intensity		1.83	1.99
Non-hazardous Waste Generation Intensity	Metric tons / million NTD revenue	1.82	1.98
Hazardous Waste Generation Intensity		0.01	0.01

Note 1: The intensity indicators were calculated by dividing the total waste generated within the reporting boundary by LH's consolidated operating revenue. As the reporting boundaries for environmental and financial data are not fully aligned, these indicators are provided for reference only. LH will continue to align reporting boundaries to improve data consistency and comparability.

Note 2: Certain 2024 financial data were restated following the restatement of the consolidated financial statements. As the impact on the intensity indicators was not material, the 2024 values disclosed in this report remain consistent with those reported in the previous Sustainability Report to maintain year-on-year comparability.



05

People and Workplace

5.1 SOCIAL INCLUSION

5.2 LABOR RELATIONS AND HUMAN
RIGHTS PROTECTION

5.3 WORKPLACE HEALTH AND SAFETY

5.4 COMMUNITY ENGAGEMENT AND
SOCIAL PARTICIPATION



Management Approach

Material Topic	Potential Impacts	Management Commitment	Key Actions	Performance Monitoring and Stakeholder Engagement
Talent Development and Training	- Employees' competencies may not keep pace with industry development and organizational transformation. - Insufficient training programs and career development opportunities. - Inadequate talent development and knowledge transfer mechanisms.	LH is committed to establishing a comprehensive learning and development system by providing diversified training resources aligned with organizational development and competency requirements, enabling employees to continuously enhance their professional capabilities and supporting sustainable business growth through a highly skilled workforce.	- Develop annual training plans based on job levels and competency requirements. - Implement onboarding training programs to facilitate employees' integration into the organization. - Provide professional, managerial, and ESG-related training programs to strengthen employee capabilities.	- Monitor training participation and training hours annually. - Continuously improve training quality through post-training evaluations, supervisor feedback, and employee surveys. - In 2025, 891 employees participated in training, totaling 20,743 training hours.
Talent Attraction and Retention	- Difficulty attracting and retaining talent. - Compensation and benefits may lack market competitiveness. - High employee turnover affecting organizational stability and operational efficiency.	LH is committed to providing an attractive and rewarding workplace through competitive compensation, comprehensive employee benefits, and career development opportunities to enhance employee engagement, improve retention, and attract talented professionals.	- Regularly review compensation and benefits against market trends and industry benchmarks. - Maintain performance evaluation and incentive programs. - Promote talent development and career progression opportunities. - Strengthen university partnerships and recruitment initiatives.	- Regularly analyze employee turnover, retention, and resignation trends. - Collect feedback through employee engagement surveys, exit interviews, and management discussions. - A Group-wide employee engagement survey was conducted in 2025, with results incorporated into management improvement initiatives.
Human Rights and Labor Relations	- Non-compliance with labor regulations. - Inadequate human rights risk management. - Ineffective labor-management communication affecting employee rights and organizational stability.	LH is committed to respecting internationally recognized human rights principles and complying with labor regulations in all operating locations. The Company prohibits discrimination, forced labor, child labor, and all forms of inappropriate treatment while fostering a fair, respectful, and inclusive workplace through effective labor-management communication.	- Gradually establish human rights policies and management systems. - Incorporate equal employment opportunity and non-discrimination principles into recruitment practices. - Hold regular labor-management meetings and employee communication sessions. - Maintain employee grievance and feedback channels.	- Periodically review legal compliance and human rights risks. - Gather employee feedback through labor-management meetings, grievance channels, and interviews. - No material human rights violations were reported in 2025.

Material Topic	Potential Impacts	Management Commitment	Key Actions	Performance Monitoring and Stakeholder Engagement
Occupational Health and Safety	- Failure to effectively implement emergency response procedures. - Non-compliance with environmental, health, and safety regulations.	LH is committed to providing a safe, healthy, and supportive workplace through risk identification, preventive management, and continuous improvement to reduce occupational injury risks, enhance employee well-being, and strive toward zero major occupational accidents.	- Maintain an occupational health and safety management system. - Conduct regular safety training and emergency response drills. - Perform workplace hazard assessments and environmental monitoring. - Provide employee health examinations and wellness programs. - Offer fitness facilities and health care resources.	- Monitor occupational safety incidents and corrective actions on a monthly basis through internal and external audits to strengthen risk management and accident prevention. - In 2025, no major occupational accidents or work-related fatalities occurred, while 10 work-related injuries were recorded. - Employees exposed to occupational health risks received periodic occupational health examinations.
Diversity and Inclusion	- Workplace discrimination or harassment. - Limited opportunities for diverse talent development. - Lack of an equitable and inclusive working environment.	LH is committed to fostering a diverse, equitable, and inclusive workplace where all employees enjoy equal employment and development opportunities, supported by effective prevention and grievance mechanisms against discrimination and harassment.	- Promote equal employment opportunity and anti-discrimination policies. - Maintain sexual harassment prevention and grievance procedures. - Provide family-friendly facilities and employee care programs - Conduct awareness and educational programs on diversity and inclusion.	- Monitor workforce diversity by gender, age, and job level. - Collect employee feedback through surveys and grievance mechanisms. - No material discrimination or harassment cases were reported in 2025.
Community Engagement	- Lack of long-term planning for community investment. - Limited engagement with communities and stakeholders. - Insufficient measurement of social investment outcomes.	LH is committed to integrating community engagement into its sustainability strategy by leveraging corporate resources and employee participation to support charitable initiatives, education, vulnerable groups, and environmental protection, thereby creating shared value for society.	- Support charitable donations and community care initiatives. - Encourage employee volunteerism and community service. - Organize environmental protection and community engagement activities. - Promote employee well-being initiatives, including massage services for visually impaired therapists and family support programs.	- Regularly monitor charitable contributions, community engagement activities, volunteer participation, and beneficiary outreach. Detailed information is provided in the following sections. - Continuously improve programs based on feedback from communities, nonprofit organizations, and employees. - In 2025, charitable contributions totaled approximately NTD 173,229, with continued investment in community initiatives.

5.1 Social Inclusion

5.1.1 Talent Attraction

LH recognizes its people as the foundation of sustainable growth. The Group attracts talented professionals through diversified recruitment channels and structured talent development programs, building a workforce with the expertise, innovation, and global perspective required to support long-term business growth and organizational transformation.

Committed to an inclusive and people-centered workplace, LH provides employees with equal opportunities to develop their capabilities and advance their careers. Through structured learning and development programs, career development pathways, and talent cultivation initiatives, the Group supports employees' professional growth while strengthening local talent pipelines to meet the evolving needs of its operations across different regions.

LH conducts all employment practices in accordance with applicable labor laws and internationally recognized human rights principles. Recruitment, hiring, promotion, and compensation decisions are based solely on qualifications, competence, and performance, without discrimination based on gender, age, race, religion, nationality, marital status, sexual orientation, gender identity, or any other protected characteristic. The Group is committed to maintaining a workplace founded on diversity, inclusion, and equal opportunity.

Talent Attraction

To support business growth and evolving talent needs, LH recruits employees through a variety of channels, including online recruitment platforms, social media, industry-academia partnerships, campus recruitment, internship programs, and employee referrals. Recruitment strategies are tailored to the operational and talent requirements of each region.

In 2025, 212 new employees joined the organizations within the reporting boundary, including 45 employees in Taiwan and 167 employees in China. The distribution of new hires is presented in the tables below. New hire rates are calculated based on the year-end workforce in each region.

New Hires – Taiwan		2025				2024			
		Male	New Hire Rate (%)	Female	New Hire Rate (%)	Male	New Hire Rate (%)	Female	New Hire Rate (%)
Total New Hires		26	24%	19	17%	5	16%	9	29%
Age	Under 30	7	6%	2	2%	0	0%	2	6%
	30-50	14	13%	17	16%	4	13%	7	23%
	Over 50	5	5%	0	0%	1	3%	0	0%

New Hires – China		2025				2024			
		Male	New Hire Rate (%)	Female	New Hire Rate (%)	Male	New Hire Rate (%)	Female	New Hire Rate (%)
Total New Hires		91	11%	76	10%	175	21%	188	23%
Age	Under 30	32	4%	17	2%	80	10%	55	7%
	30-50	53	7%	59	7%	91	11%	132	16%
	Over 50	6	1%	0	0%	4	0.48%	1	0.12%

In 2025, most new hires were between 30 and 50 years of age, reflecting the Group's continued efforts to recruit experienced professionals capable of supporting its operational growth. At the same time, LH continues to strengthen its talent pipeline by attracting young professionals through university partnerships and diversified recruitment channels, supporting long-term organizational sustainability.

To further enhance the onboarding experience, the Human Resources teams at each operating site provide structured onboarding and pre-employment training programs to help new employees quickly become familiar with the Company's culture, working environment, and internal policies. Some operating sites also conduct new employee interviews, onboarding satisfaction surveys, and supervisor coaching sessions to better understand employees' adaptation and development needs, providing valuable input for the continuous improvement of talent management practices.

Industry-Academia Collaboration and Local Talent Development

LH places great importance on cultivating local talent and supporting workforce development. Across its operating locations, the Group actively promotes local hiring and industry-academia collaboration through campus recruitment, internship programs, and professional talent development initiatives. By establishing long-term partnerships with educational institutions, LH helps students transition smoothly from academia to the workplace while developing skilled professionals to meet evolving industry needs.

LPM (CN) serves as a representative example of the Group's long-standing commitment to industry-academia collaboration in China. Since 2004, LPM (CN) has actively participated in cooperative education programs and has been one of the pioneering companies promoting school-enterprise collaboration in Anhui Province. In the early stages of the program, company engineers volunteered to teach technical courses during evenings and weekends, establishing specialized virtual classes in mold engineering to help students develop professional knowledge and practical skills while providing priority employment opportunities.

These initiatives laid the foundation for a sustainable talent development and recruitment pipeline.

In recent years, LPM (CN) has further strengthened its collaboration with local mechanical engineering colleges by jointly establishing an Industry-Education Integration Innovation Center, providing approximately 1,000 square meters of hands-on training facilities and equipment. Company engineers serve as on-site instructors, guiding students through practical technical applications and operational training that effectively bridge academic learning with industrial practice. LPM (CN) has also signed Industry-Education Collaborative Innovation Agreements with several higher education institutions, integrating industry-oriented courses into students' academic programs and offering summer internship opportunities to enhance their understanding of the manufacturing industry and future career development.

As of the end of 2025, LPM has maintained a long-term partnership with Anhui Vocational College of National Defense Technology, with approximately 200 employees—representing more than 30% of its workforce—being graduates of the institution. The Company also maintains ongoing collaboration with Anhui Science and Technology University, Soochow University, and other academic

institutions. Through its long-term and systematic talent development initiatives, LH has established a stable talent pipeline while strengthening partnerships with local educational institutions, supporting youth employment, regional industrial development, and shared sustainable value for business, academia, and society.



30%+ employees are graduates of partner institutions.

Industry-academia collaboration has been promoted since **2004**.

Approximately **200** employees graduated from Anhui Vocational College of National Defense Technology.

Established an integrated talent development pathway from campus to career.

Local Employment and Localization of Management Talent

Guided by the philosophy of "selecting talent based on merit while creating shared value with local communities," LH continues to advance its talent localization strategy by developing and appointing management personnel who possess in-depth knowledge of local markets, cultures, and regulatory environments. This approach enhances decision-making efficiency, strengthens organizational resilience, and deepens the Group's connections with the communities in which it operates.

Across all operating locations, LH prioritizes the appointment of locally recruited management personnel. Even during the establishment of new facilities or plant expansions, the Group gives priority to qualified local professionals with leadership potential. By empowering local management teams to participate in operational decision-making and business management, LH is better positioned to respond to customer needs, market dynamics, and regional development trends.

At the same time, the Group Headquarters supports all operating sites through unified talent management policies, training systems, and key position management frameworks, ensuring consistency in corporate governance while maintaining operational flexibility at the local level. By combining local talent advantages with Group-wide management resources, LH continues to build management teams with both global perspectives and strong local expertise, supporting sustainable development and long-term competitiveness.

In 2025, more than 90% of management positions in both Taiwan and China were held by local employees, demonstrating the effectiveness of the Group's long-term localization strategy. The proportion of local managers in Taiwan increased from 88.8% in 2024 to 94.12% in 2025, while China maintained a consistently high level of over 93%, reflecting the Group's continued success in developing and retaining local management talent.

Local Managers by Region (%)

Region	2025	2024
Taiwan	94.12	88.8
China	93.44	96.5

Note: Other overseas operations (including Southeast Asia, the Americas, and Europe) are currently outside the reporting boundary for this disclosure. The scope of reporting will be gradually expanded as data availability improves to further enhance transparency and management effectiveness.

5.1.2 Talent Retention

Compensation Policy

Guided by its people-centered philosophy and commitment to creating shared value, LH has established a compensation system that balances market competitiveness with internal equity. The Group is committed to providing fair and attractive remuneration packages that support employees' long-term career development while enabling them to share in the Company's growth.

All operating locations comply with applicable local labor laws and regulations to safeguard employees' statutory rights. Compensation is determined based on job responsibilities, professional competencies, scope of responsibilities, and prevailing market salary levels, ensuring a remuneration system that supports employee development while providing appropriate incentives.

LH adheres to the principle of equal pay for equal work and strictly prohibits compensation discrimination based on region, race, ethnicity, social background, ancestry, religion, disability, gender, sexual orientation, pregnancy, marital status, union membership, political affiliation, age, or any other personal characteristic. The Group's compensation structure consists of both fixed and variable components. Fixed compensation includes base salary, holiday bonuses, and statutory benefits, while variable compensation includes performance bonuses and project-based incentives linked to the Company's operating results and individual performance.

Performance evaluations incorporate multiple dimensions, including business performance, customer relationship management, organizational development, and talent cultivation. Evaluation criteria are reviewed and updated annually to ensure alignment with the Group's strategic objectives while maintaining fairness and consistency.

LH also regularly reviews the effectiveness and market competitiveness of its compensation system by considering local labor market conditions, industry salary trends, and business performance. Through periodic adjustments, the Group seeks to maintain both external competitiveness and internal equity, thereby strengthening its ability to attract, retain, and motivate talented employees.



Entry-level Employee Compensation Compared with Local Minimum Wage

To ensure employees receive competitive compensation, LH regularly reviews salary levels across its operating locations and compares them with the applicable statutory minimum wages. In 2025, the average salaries of entry-level employees at all reporting entities exceeded the respective local statutory minimum wage, demonstrating the Group's commitment to providing competitive remuneration that supports talent attraction and retention.

Company	LH	LES	LGI	LPM(CN)	LPM (TJ)	LST
Male ratios	1.98	1.07	1.00	1.67	1.49	1.49
Female ratios	1.40	1.00	1.14	1.32	1.48	1.15

Notes:

1. Local statutory minimum wage rates are based on the regulations effective January 1, 2025 in each operating location.
2. The ratios represent the average monthly salary of entry-level employees divided by the applicable statutory minimum wage at each reporting entity.
3. Entry-level employee compensation refers to the fixed monthly salary of employees at the lowest job grade within each operating entity.
4. These ratios are calculated based on the average salaries of entry-level employees. Differences in job functions, workforce composition, and sample sizes between male and female employees may exist; therefore, these ratios should not be interpreted as indicators of gender pay equality.



Female-to-Male Salary and Compensation Ratio

LH is committed to the principles of equal pay for equal work and equal employment opportunity. Throughout its human resource management practices—including recruitment, promotion, compensation, and career development—the Group does not discriminate on the basis of gender. To monitor compensation equity across its operations, LH regularly reviews the salary and total compensation ratios of female and male employees at different organizational levels. The results serve as an important reference for optimizing compensation policies and supporting talent development initiatives.

The female-to-male salary and compensation ratios for 2025 are presented below.

Category	Position Level	LH	LES	LGI	LPM(CN)	LPM (TJ)	LST
Fixed Salary	Senior Management	0.32:1	NA	NA	0.83:1	NA	NA
	Management	0.71:1	0.94:1	0.80:1	0.74:1	NA	0.95:1
	Non-management	0.93:1	0.99:1	1.16:1	0.73:1	0.77:1	0.84:1
Annual Compensation	Senior Management	0.32:1	NA	NA	0.83:1	NA	NA
	Management	0.68:1	1.01:1	0.82:1	0.76:1	NA	1.17:1
	Non-management	0.93:1	0.86:1	1.23:1	0.80:1	0.78:1	0.93:1

Note: "N/A" indicates that no female employees were employed at the corresponding organizational level within the reporting entity; therefore, the ratio is not applicable.

The ratios presented above are calculated based on the average salary and average annual compensation of female and male employees within each job level at each reporting entity. Differences in job functions, organizational structures, years of service, professional expertise, and individual performance may influence the results. Accordingly, these ratios should not be interpreted as direct indicators of gender pay inequality.

LH will continue to review its compensation structure and talent development practices across all operating locations and job levels. Through fair performance management, equal promotion opportunities, and inclusive talent development programs, the Group remains committed to enhancing career development opportunities for women while fostering pay equity and an inclusive workplace.

Employee Satisfaction Survey

LH values employee feedback and workplace experience, recognizing employees as key partners in the Group's sustainable development. To better understand employees' perceptions of the work environment, management practices, and corporate culture, LH regularly conducts employee satisfaction surveys. Feedback collected through these surveys serves as an important basis for improving management practices and enhancing employee well-being.

Taiwan Employee Satisfaction Survey

In 2025, employees from LH, LGI, and LES jointly participated in the Taiwan Employee Satisfaction Survey. A total of 79 valid anonymous questionnaires were collected. The survey covered a wide range of topics, including employee engagement, organizational culture and leadership, career development, learning and development, compensation and benefits, health and safety, diversity and inclusion, and ethical business conduct. The results provide valuable insights into employees' perceptions of the workplace and organizational management, serving as an important reference for future improvements and policy enhancements.

Overall, employees expressed positive views regarding the Group's efforts in business integrity, diversity and inclusion, and workplace safety. In particular, awareness of the Global Employee Integrity and Code of Ethics Agreement and the Company's ethical culture received particularly favorable ratings, demonstrating growing employee recognition of LH's commitment to ethical business practices. Employees also expressed positive perceptions of the communication and support provided by their direct supervisors, indicating that managers play an important role in work coordination, team leadership, and day-to-day communication.

Open-ended survey responses further indicated strong appreciation for employee engagement initiatives, including the beach cleanup activity, visually

impaired massage program, employee travel subsidy, and various employee networking activities. These initiatives have contributed to improving employee participation, well-being, and organizational engagement.

The survey also identified several areas receiving greater employee attention, including cross-functional collaboration, career development opportunities, performance evaluation, and compensation and benefits. These topics have been incorporated into the Group's 2026 human resources priorities, with planned initiatives including strengthening internal communication, enhancing career development programs, optimizing performance management, and continuously reviewing employee benefit programs.

Taiwan Employee Satisfaction Survey Results

Survey Dimension	Score	Assessment
Diversity, Inclusion and Ethics	78.9	High
Health, Safety and Well-being	74.8	High
Managerial Support and Teamwork	74.0	Good
Employee Engagement	73.0	Good
Learning and Development	72.9	Good
Career Development	68.7	Opportunities for Improvement
Compensation and Benefits	66.4	Opportunities for Improvement

China Employee Engagement Survey

The Group's subsidiaries in China conduct regular Employee Engagement Surveys to assess employees' perceptions of their work environment and organizational culture. The survey covers areas including work expectations, team support, individual contribution, career growth, and organizational commitment. In 2025, LPM(CN) reported employee satisfaction scores of 88.58% for the first half of the year and 87.59% for the second half, maintaining a consistently high level of employee engagement. The results indicate positive employee perceptions regarding work objectives, teamwork, personal growth, and learning opportunities, reflecting the Company's ongoing efforts in talent development, organizational management, and employee care.

Future Initiatives

Currently, employee satisfaction surveys are designed by each operating location according to local management needs and organizational characteristics. To enhance consistency in human resource management and improve cross-regional comparability, LH plans to gradually integrate its employee satisfaction survey framework across the Group.

Moving forward, the Group intends to establish a common set of core survey questions and standardized performance indicators, while allowing individual operating locations to include supplementary questions tailored to local business needs. Through this approach, LH aims to better understand the needs of its global workforce, strengthen talent management practices, enhance the employee experience, and foster a more engaged and competitive organizational culture.

Employee Turnover

LH continuously monitors employee turnover across its operating locations as an important indicator of organizational stability and the effectiveness of its talent management practices. By regularly analyzing turnover trends by region, gender, and age group, the Group gains insights into workforce mobility and uses the findings to strengthen talent development, employee retention, and employee care initiatives, thereby enhancing organizational stability and long-term competitiveness.

In 2025, there were 33 employee separations in Taiwan within the reporting boundary, comprising 15 male and 18 female employees. In China, there were 181 employee separations, including 85 male and 96 female employees. Overall, employee turnover was concentrated among employees aged 30–50, reflecting that this age group represents the core workforce of the Group and, consequently, the largest proportion of employee movement. The turnover rates presented in this report are calculated by dividing the number of employees who left during the reporting period by the total number of employees at year-end. The data are further categorized by gender, age group, and geographic region, as shown below.

Employee Turnover – Taiwan		2025				2024			
		Male	Turnover Rate (%)	Female	Turnover Rate (%)	Male	Turnover Rate (%)	Female	Turnover Rate (%)
Total Separations		15	14%	18	17%	2	6%	6	19%
Age	Under 30	4	4%	1	1%	0	0%	0	0%
	30-50	8	7%	15	14%	2	6%	6	19%
	Over 50	3	3%	2	2%	0	0%	0	0%
Employee Turnover – China		2025				2024			
		Male	Turnover Rate (%)	Female	Turnover Rate (%)	Male	Turnover Rate (%)	Female	Turnover Rate (%)
Total Separations		85	11%	96	12%	164	20%	155	19%
Age	Under 30	31	4%	15	2%	76	9%	41	5%
	30-50	51	6%	81	10%	85	10%	114	14%
	Over 50	3	0%	1	0%	3	0.36%	0	0%

Compared with 2024, employee turnover rates in China declined for both male and female employees. The turnover rate for male employees decreased from 20% to 11%, while the rate for female employees declined from 19% to 12%. These results indicate that the Group's ongoing efforts in talent development, employee engagement, and management enhancement have gradually contributed to improving employee retention. In Taiwan, turnover remained within a reasonable range, and the Group will continue to monitor workforce mobility and regularly review the effectiveness of its talent management initiatives.

To further strengthen workforce stability and reduce the risk of losing key talent, LH continues to enhance its internal promotion system, learning and development programs, and employee care initiatives. Some operating locations have implemented exit interviews, during which supervisors and human resources personnel conduct face-to-face discussions with departing employees to better understand the reasons for resignation and gather suggestions for improvement. The feedback collected is incorporated into human resource management improvement plans and serves as an important reference for continuously enhancing talent management practices and improving employee retention.

5.1.3 Diversity and Inclusion

LH respects the diverse backgrounds and individual differences of every employee and is committed to fostering a fair, respectful, and inclusive workplace. Throughout all human resource management practices—including recruitment, hiring, promotion, compensation, and learning and development—the Group adheres to the principle of equal opportunity and does not discriminate on the basis of gender, age, nationality, race, religion, marital status, sexual orientation, or any other personal characteristic. LH is committed to ensuring that all employees enjoy equal employment opportunities and fair treatment throughout their careers.

To cultivate an inclusive workplace culture, LH continues to promote diversity and inclusion through employee training, sexual harassment prevention programs, employee grievance mechanisms, and ethical business conduct policies. Although the Group has not yet established formal diversity targets or gender representation quotas, its human resource information system is capable of distinguishing employees by management level and job category, providing a solid foundation for future diversity monitoring and reporting. Going forward, LH will continue to institutionalize diversity and inclusion initiatives, including sexual harassment prevention training, confidential grievance mechanisms, and the enhancement of employee-friendly workplace facilities, to foster a safe, respectful, and inclusive working environment.

Results from the 2025 Taiwan Employee Satisfaction Survey indicate positive employee perceptions regarding diversity, inclusion, and human rights, demonstrating growing recognition of the Group's efforts to promote workplace equality and a culture of mutual respect.

Workforce Profile

As of December 31, 2025, the reporting entities employed a total of 904 employees, including 109 employees in Taiwan and 795 employees in China. LH allocates its workforce according to the operational requirements of manufacturing, engineering, research and development, and administrative functions across its operating locations. Through local hiring and talent development initiatives, the Group continues to build a stable and diverse workforce. The workforce profile by gender, employment type, age, job category, and geographic location is presented below.

Workforce by Gender

	2025			2024		
Region	Male	Female	Total	Male	Female	Total
Taiwan	58	51	109	15	16	31
China	448	347	795	455	370	825
Total	506	398	904	470	386	856

Note: The proportion of male employees is relatively higher in China due to the greater number of manufacturing and technical positions. In Taiwan, where management, sales, and administrative support functions represent a larger share of the workforce, the gender distribution is comparatively balanced.

Employment Type

Employment Type	2025		2024	
	Taiwan (M/F)	China (M/F)	Taiwan (M/F)	China (M/F)
Permanent Employees	58/51	81/53	15/16	77/42
Temporary Employees	0/0	367/294	0/0	378/328
Employees Without Guaranteed Hours	0/0	0/0	0/0	60/54
Full-time Employees	58/51	448/347	15/16	455/370
Part-time Employees	0/0	0/0	0/0	0/0

Notes:

1. Temporary employees are primarily employed under fixed-term employment contracts in accordance with local labor regulations and the Group's workforce strategy. These positions provide flexibility in meeting production demand and may also serve as a pathway to permanent employment.
2. In previous years, certain employees in China were engaged under employment arrangements without guaranteed working hours to accommodate seasonal or project-based production requirements.
3. All employment arrangements comply with applicable labor laws and regulations, and employees receive the corresponding statutory rights and protections.



Workforce by Age, Job Category, and Region

		2025		2024	
Category		Number of Employees	%	Number of Employees	%
Age	Under 30	170	18.8	185	21.6
	30-50	680	75.2	624	72.9
	Over 50	54	6.0	47	5.5
Job Category	Senior Management	22	2.4	22	2.52
	Middle Management	144	15.9	76	8.88
	Technical and Professional Employees	738	81.7	758	88.6
Region	Taiwan	109	12.1	31	3.6
	China	795	87.9	825	96.4

Basis of Comparison

The reporting boundary for employee data disclosed in 2025 differs from that of 2024. As a result, the statistical basis and reporting scope for certain indicators are not fully consistent between the two reporting periods. Accordingly, the data are primarily intended to present the workforce profile for each reporting year and should not be used as the sole basis for year-on-year trend comparisons. The current reporting scope does not yet include employee data from all overseas subsidiaries. Going forward, LH will continue to strengthen its human resource data management practices, gradually expand the reporting boundary, and establish standardized data collection methodologies to improve data completeness, transparency, and year-to-year comparability.

Non-Employee Workers

To support production scheduling, facility operations, and specialized technical requirements, certain operating locations of LH engage non-employee workers based on business needs. In 2025, LH and its major operating subsidiaries engaged approximately 140 non-employee workers whose work activities were substantially controlled by the Group. These individuals are primarily engaged through third-party staffing agencies or service providers and are not directly employed by LH. However, their work activities, operating procedures, and workplaces are managed and supervised by the relevant departments of the Group and are therefore considered to be under the operational control of the organization.

Non-employee workers primarily include:

- **Security, cleaning, and administrative support personnel:** Dispatched by external service providers to perform security services, facility cleaning, and administrative support.
- **Production support and technical service personnel:** Assigned by staffing agencies or contractors to support manufacturing operations, equipment maintenance, and technical services based on production or project requirements.
- **Professional service providers:** Including consultants, equipment maintenance specialists, and engineering professionals who provide specialized services on a short-term or project basis.

LH requires all contractors and staffing agencies to comply with applicable labor laws and the Group's management requirements. Through contractor management procedures, safety training, and site access control measures, the Group seeks to provide non-employee workers with a safe, healthy, and compliant working environment. Compared with the previous reporting period, there were no significant changes in either the categories of non-employee workers or the Group's management approach.

Methodology and Assumptions for Employee and Non-Employee Worker Data

Category	Methodology and Assumptions
Employees	Employee data are reported based on headcount and are not calculated using full-time equivalent (FTE) methodology. Unless otherwise specified, all data are based on employees actively employed as of the end of the reporting period. Information is obtained from the official human resource information systems maintained by each operating location and is consolidated and verified internally. Regional classifications are based on the employees' primary place of employment.
Non-Employee Workers	The reported figures represent the actual number of non-employee workers on-site as of December 31, 2025, and are not calculated on an FTE basis. The data are provided by the departments responsible for workforce coordination at each subsidiary and operating site. They exclude personnel whose presence is irregular, such as visiting engineers, short-term consultants engaged on a project basis, and one-time equipment maintenance contractors. Because working arrangements for outsourced personnel vary according to local contracts and operational requirements, actual working hours may differ among individuals.

Female Representation and Women in Management

LH is committed to promoting gender diversity and equal opportunities by fostering a fair, respectful, and inclusive workplace. Throughout all human resource management practices—including recruitment, hiring, training, promotion, and compensation—the Group applies consistent standards regardless of gender, ensuring that all employees have equal opportunities for career development and advancement. At the governance level, LH continues to enhance women's participation in corporate leadership and decision-making. In 2025, women accounted for 14.29% of the Board of Directors, while female employees represented 44.0% of the Group's total workforce (398 employees), demonstrating the significant contribution of women across the Group's operations.

From the perspective of workforce composition, women are well represented not only in administrative and professional positions but are also increasingly assuming management responsibilities. In 2025, women represented 31% of management positions in Taiwan and 23% in China. Among non-management employees, women accounted for 58% and 47% of the workforce in Taiwan and China, respectively, highlighting the important role women play across different organizational levels.

Going forward, LH will continue to promote equal employment opportunities and an inclusive workplace culture through talent development, learning and development programs, and fair promotion practices. The Group will also continue to monitor the representation of women in management positions and encourage diverse perspectives in corporate leadership and decision-making.

Workforce Distribution by Gender and Job Level

2025					
Region	Job Level	Male	Male	Total	Female Representation (%)
Taiwan	Management	31	14	45	31%
	Non-management	27	37	64	58%
China	Management	93	28	121	23%
	Non-management	356	318	674	47%
2024					
Region	Job Level	Male	Male	Total	Female Representation (%)
Taiwan	Management	6	5	11	45%
	Non-management	9	11	20	55%
China	Management	61	25	86	29%
	Non-management	394	345	739	47%

Note: The reporting boundary for employee data in 2025 differs from that of 2024. Accordingly, the data are intended to present the workforce profile for each reporting year and should not be used as the sole basis for year-on-year trend comparisons.



5.1.4 Human Capital Development

LH regards its employees as the foundation of sustainable business growth. Through talent development, career planning, performance management, and learning and development programs, the Group supports employees in continuously enhancing their professional capabilities and competencies while building a highly competitive workforce capable of sustainable growth. Guided by its people-centered philosophy, LH is committed to creating a workplace that fosters continuous learning, career development, and a strong sense of organizational belonging. Through a comprehensive human resource management framework, the Group seeks to promote the long-term growth of both its employees and the organization.

Each operating location develops annual training plans in accordance with the Group's human resource policies. These plans cover new employee orientation, professional and technical training, management development programs, and external learning opportunities. Combined with the Group's performance evaluation and career development systems, these initiatives provide employees with clear career pathways while supporting both professional and management career tracks.

Talent Development Framework

To establish a consistent and transparent talent management framework, LH continues to enhance its human resource management systems. In 2025, the Group introduced a job grading system and a job description framework, providing clearly defined job levels, responsibilities, and competency requirements. These initiatives help employees better understand their current roles and future career development opportunities while supporting a more systematic approach to talent development.

The Group also continues to refine its performance management system by developing differentiated evaluation criteria based on job functions and responsibilities. Performance evaluation results serve as important references for salary adjustments, incentive compensation, promotions, succession planning, and employee development, thereby enhancing both fairness and management effectiveness.

Learning and Development

Through its annual learning and development programs, LH continues to strengthen employees' professional expertise and leadership capabilities. Training programs cover a broad range of topics, including new employee orientation, professional skills development, occupational safety and health, regulatory compliance, leadership development, and continuing professional education. Training content is designed according to employees' job functions and organizational levels.

In addition to regular professional training, the Group Headquarters organized a Management Alignment Workshop in 2025. Facilitated by external consultants through interactive learning sessions, the program focused on strengthening leadership capabilities, cross-functional communication, teamwork, and organizational alignment, thereby enhancing collaboration and overall management effectiveness. The Company also conducted Workplace Sexual Harassment Prevention Training to strengthen employees' awareness of gender equality, workplace respect, and relevant legal requirements, contributing to the development of a safe, respectful, and inclusive working environment.

Across the Group, operating locations also provide professional skills training, technical knowledge-sharing activities, and experience transfer programs tailored to local business needs. Through internal instructors, hands-on practical training, and external learning resources, employees are encouraged to continuously develop their professional capabilities and respond effectively to technological advancements and evolving market demands.



Management Alignment Workshop

External consultants facilitated an interactive workshop for the management team, strengthening cross-functional communication, teamwork, and leadership capabilities while fostering shared goals and organizational alignment.

Talent Development Case: LPM (CN)

To strengthen succession planning and leadership development, LPM (CN) has established a structured talent development framework based on employees' career stages and competency requirements. The framework consists of three progressive development programs—Rookie Program, Eagle Program, and Elite Program—covering new graduate development, middle management capability enhancement, and senior leadership development.



The Rookie Program helps new employees integrate into the workplace through corporate culture orientation, professional skills training, on-the-job practice, and team-building activities. The Eagle Program focuses on strengthening managerial competencies by developing organizational coordination and management capabilities among middle managers. The Elite Program emphasizes strategic thinking and leadership development for senior executives while providing qualified employees with financial support for MBA/EMBA programs to encourage continuous learning and professional growth. Through this structured and competency-based development framework, LPM (CN) has established a comprehensive talent pipeline that supports leadership succession and long-term organizational sustainability.

Retirement and Career Transition Support

LH recognizes employees' career development needs throughout every stage of their professional journey. Employees who meet retirement eligibility requirements receive guidance from the Human Resources Department regarding retirement policies, pension benefits, and administrative procedures to facilitate a smooth retirement transition. Looking ahead, the Group will continue to strengthen retirement and career transition support by evaluating initiatives such as flexible retirement arrangements, re-employment assistance, and career planning services, helping employees achieve successful transitions at different stages of their careers.

Employee Training

LH continues to institutionalize its talent development programs by conducting annual training needs assessments and aligning training initiatives with operational requirements across each business location. Training programs cover general competencies, functional capability enhancement, professional skills, and leadership development, with learning opportunities tailored according to employees' job functions, grades, and responsibilities to continuously strengthen professional capabilities and job performance.

In accordance with the Group's training management framework, each operating location develops annual training plans covering new employee orientation, job transfer training, occupational safety and health education, professional skills development, leadership development, and external continuing education. Certification and qualification management mechanisms have also been established for employees engaged in specialized occupations and technical positions to ensure that professional qualifications remain valid and operational requirements are met.

In addition to technical and professional training, the Group places strong emphasis on developing employees' soft skills, promoting mental well-being, and facilitating knowledge sharing. Through diversified learning opportunities and practical knowledge exchange, employees are encouraged to continuously enhance both professional expertise and leadership capabilities, thereby strengthening the Group's competitiveness and long-term sustainability. Within the reporting boundary of this report, LH invested NT\$3.97 million in employee training during 2025. A total of 891 training participations were recorded, with cumulative training hours reaching 20,744 hours. The training results are summarized below.

Training Performance			2025	2024
Total training expenses (NT\$)			3,969,289	4,199,830
Average training expense per employee (NT\$)			4,455	5,103
Number of Employee Training Participations	By Gender	Male	496	453
		Female	395	370
		Total	891	823
	By Employee Level	Non-management Employees	735	730
		Middle Management	136	74
		Senior Management	20	19
Total Training Hours	By Gender	Male	11,834	16,657
		Female	8,910	14,952
		Total	20,744	31,609
	By Employee Level	Non-management Employees	17,094	28,366
		Middle Management	3,230	2,565
		Senior Management	420	678
Average Training Hours per Employee	By Gender	Male	23.86	36.77
		Female	22.56	40.41
		Total	23.26	38.86
	By Employee Level	Non-management Employees	23.26	38.86
		Middle Management	23.75	34.66
		Senior Management	20.97	35.68

Note: Training expenses are presented in New Taiwan Dollars (NT\$).

ISO 14064-1 Greenhouse Gas Inventory Training

Employees received training on the ISO 14064-1 standard, greenhouse gas emission source identification, and inventory methodologies to strengthen the Group's carbon management capabilities and support climate action initiatives.



Communication Skills Training

Communication skills training enhanced employees' abilities in expression, active listening, and coordination, promoting more effective cross-functional collaboration and teamwork.



Personal Data Protection Act Training

Training on the Personal Data Protection Act strengthened employees' understanding of personal data collection, processing, usage, and protection requirements, enhancing data security awareness, reducing information leakage risks, and safeguarding stakeholder rights.



Employee Performance Evaluation and Career Development

LH recognizes performance management as a key driver of talent development and organizational success. The Group has established a transparent and consistent performance management framework that supports salary adjustments, incentive awards, promotions, and talent development. Through regular performance reviews and manager feedback, employees gain a clear understanding of their performance, development priorities, and future career opportunities, helping align individual growth with the Group's business objectives.

Each operating location conducts performance evaluations based on local management practices and job requirements. Performance reviews include annual evaluations, semi-annual reviews, promotion assessments, and probationary evaluations. Upon completion of the review process, managers

conduct performance discussions and provide development feedback to support employees' career planning and professional growth. Evaluation results are also incorporated into learning and development programs, succession planning, and other talent management initiatives.

In addition to the Group's performance management framework, LPM (CN) has established a comprehensive performance evaluation and promotion system. Performance assessments are jointly conducted by the Performance Evaluation Committee and department managers, covering work performance, KPI achievement, professional competencies, and overall performance. Individual feedback sessions are conducted following each evaluation to ensure employees clearly understand their results and identify opportunities for further development.

To support career progression, LPM (CN) has implemented dual career paths for both management and professional roles, enabling employees to pursue career opportunities aligned with their expertise and aspirations. The promotion process includes eligibility reviews, training programs, written examinations, and interviews to ensure fairness and transparency. Employees who are promoted are formally recognized through promotion ceremonies, appointment letters, and letters of appreciation to their families, reinforcing employee engagement and organizational commitment.

Within the reporting boundary, 886 employees completed both performance evaluations and career development reviews in 2025, including 492 male and 394 female employees. By employee category, the total comprised 727 non-management employees, 139 middle managers, and 20 senior managers. All eligible permanent employees (100%) within the reporting scope completed at least one performance evaluation and career development review during the reporting period, demonstrating the effectiveness of the Group's performance management and talent development framework in supporting employee growth through regular reviews and continuous feedback.

Employees Receiving Performance Evaluations and Career Development Reviews

Year			2025	2024
Employees Receiving Performance Evaluations and Career Development Reviews	By Gender	Male	492	470
		Female	394	381
		Total	886	851
	By Employee Level	Non-management Employees	727	754
		Middle Management	139	75
		Senior Management	20	21

Note: The reporting boundary for employee statistics in 2025 differs from that of 2024. Therefore, the data are intended to present the management profile for each reporting year and should not be used as a direct basis for year-over-year comparisons.

5.2 Labor Relations and Human Rights Protection

5.2.1 Human Rights Risks and Response Actions

LH is committed to responsible business conduct by integrating human rights, ethical business practices, environmental stewardship, and social responsibility into its governance framework. The Group has established relevant policies and management systems to support responsible business conduct and aligns its practices with internationally recognized standards, including the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGPs), and the ILO Declaration on Fundamental Principles and Rights at Work.

LH complies with applicable labor laws and human rights regulations in every jurisdiction where it operates. The Group safeguards employees' legal rights, promotes equal treatment, and provides a safe and healthy working environment. Child labor, forced labor, discrimination, harassment, and other forms of inappropriate workplace conduct are strictly prohibited. Through training programs, communication channels, and management systems, LH continues to strengthen its human rights culture across the organization. The Group also pays particular attention to stakeholder groups that may face heightened human rights risks, including production-line employees, workers within the supply chain, migrant workers, and gender minorities. LH seeks to ensure that the rights of these groups are respected and protected throughout its operations and value chain.

Non-discrimination and Equal Treatment

LH is committed to maintaining a workplace that is fair, respectful, and inclusive. Employment decisions are made without discrimination based on gender, age, race, religion, nationality, marital status, political affiliation, or any other personal characteristic. In 2025, LH received no substantiated cases of discrimination, harassment, or other significant human rights violations.

Employees may raise concerns through their supervisors, Human Resources, employee feedback channels, or formal grievance mechanisms. All reported cases are handled confidentially and fairly, and the Group prohibits retaliation against individuals who raise concerns in good faith. Appropriate workplace support is also provided for expatriate employees, foreign employees, and interns to help ensure a safe, respectful, and supportive working environment.

Freedom of Association and Labor-Management Communication

LH respects employees' rights to freedom of association, collective bargaining, and open communication in accordance with applicable laws and regulations. Although the Group has not established a Group-wide labor union or collective bargaining agreement, each operating location maintains formal communication channels between employees and management through Human Resources representatives, department managers, regular meetings, and employee feedback mechanisms.

In Taiwan, both LH and LGI hold quarterly labor-management meetings in accordance with legal requirements. Employee and management representatives participate in discussions covering working conditions, employee welfare, labor issues, and other workplace matters. In China, LPM (CN) has established a labor union and an Employee Representative Congress in accordance with local regulations. Through regular meetings, employee representatives participate in discussions regarding compensation and benefits, policy changes, working conditions, and employee well-being, helping strengthen labor-management communication and employee participation.

Labor-Management Communication Mechanisms

Communication Mechanism	Entity	2025 Status
Labor-management meetings	LH, LGI	Held quarterly in accordance with applicable regulations
Employee Representative Congress	LPM (CN)	Conducted on a regular basis
Employee grievance channels	Group-wide	Continuously available
Human Resources communication channels	Group-wide	Continuously available

Prevention of Child Labor and Forced Labor

LH maintains a zero-tolerance policy toward child labor and forced labor. The Group verifies employees' identities and ages during the recruitment and hiring process to ensure compliance with the minimum legal working age in each jurisdiction where it operates. LH strictly prohibits all forms of forced labor, bonded labor, human trafficking, and any other form of involuntary labor. Employees are not subject to document retention, restrictions on personal freedom, threats, coercion, or any other unlawful employment practices. All employees are employed under legally compliant employment contracts that clearly define job responsibilities, working hours, compensation, and employment rights and obligations. In 2025, LH recorded no confirmed cases of child labor, forced labor, or significant violations of labor or human rights.

Human Rights Governance and Implementation

LH integrates human rights and responsible business conduct into its corporate governance framework and day-to-day operations. Oversight is provided through a governance structure involving the Board of Directors, senior management, the Sustainability Committee, and the Human Resources function, which are responsible for implementing human rights initiatives, overseeing related policies, and monitoring implementation across the Group.

In 2025, LH formally introduced the Global Employee Integrity and Code of Ethics Agreement and the Global Supplier Integrity Agreement, establishing a common framework for business ethics, human rights protection, and responsible business conduct. These agreements address regulatory compliance, anti-corruption, conflict of interest management, labor and human rights, non-discrimination, data protection, occupational health and safety, and whistleblowing mechanisms. Implementation is supported through employee communications, training programs, and supplier engagement activities.

Human rights principles are embedded throughout the employee lifecycle, including recruitment, compensation and benefits, performance management, learning and development, and employee communications. The Group also maintains employee feedback channels, grievance mechanisms, and whistleblowing channels to ensure concerns can be raised confidentially and without fear of retaliation.

Within its supply chain, LH continues to promote the principles of the Responsible Business Alliance (RBA) Code of Conduct. Major suppliers are required to sign the Supplier RBA Commitment and the Global Supplier Integrity Agreement, incorporating labor rights, occupational health and safety, environmental protection, business ethics, and human rights considerations into supplier management and risk assessment processes.

The Group also gathers employee feedback through labor-management meetings, Employee Representative Congress meetings, employee satisfaction surveys, and routine communication channels. Feedback is incorporated into workplace improvements and management initiatives, strengthening employee engagement, mutual trust, and the Group's human rights culture.

The principles of responsible business conduct apply throughout LH's operations, major subsidiaries, and business relationships, including suppliers, contractors, and outsourced service providers. While these requirements are currently implemented through internal management systems and supplier management processes rather than a standalone public policy, LH plans to consolidate the relevant requirements into a formal public policy as its sustainability program continues to evolve.



5.2.2 Communication and Grievance Mechanisms

LH values open and transparent communication with employees. Employee feedback is collected through regular departmental meetings, performance discussions, internal communication channels, and the human resources information system. Significant organizational changes, including revisions to performance management systems, workforce adjustments, and compensation changes, are communicated by management and implemented only after appropriate employee communication and acknowledgment. As of December 31, 2025, LH and its major operating entities had not established a formal labor union or entered into collective bargaining agreements, although employee representatives are maintained at certain subsidiaries in China. Employee participation is supported through labor-management meetings, Employee Representative Congress meetings, employee satisfaction surveys, and other structured communication mechanisms.

In Taiwan, LH and LGI hold statutory labor-management meetings on a regular basis. Employee and management representatives discuss topics including compensation, working hours, attendance policies, employee benefits, workplace safety, and employee suggestions. Employee representatives are nominated by their respective departments and serve as an important communication bridge between employees and management. Meeting outcomes are formally documented and incorporated into subsequent policy improvements and management initiatives.

Major topics discussed during labor-management meetings in 2025 included the review and enhancement of employee welfare programs, workforce updates, and staffing changes. All agenda items were successfully discussed and agreed upon, with follow-up actions incorporated into continuous improvement plans. LH respects employees' rights to collective dialogue and will continue strengthening formal communication mechanisms. The Group will also assess the need for more comprehensive collective bargaining arrangements as organizational development and business needs evolve.

Stakeholder Grievance and Whistleblowing Policy

To strengthen stakeholder engagement and accountability, LH formally introduced its Stakeholder Grievance and Whistleblowing Policy in 2025. The policy applies to employees, investors, customers, suppliers, and other stakeholders. Reportable matters include workplace misconduct, legal or regulatory violations, breaches of corporate governance or business ethics requirements, and any other conduct that may adversely affect stakeholders' rights or interests.

The Group maintains a dedicated whistleblowing mailbox (whistleblower@lemtech.com) and written reporting channels, both of which accept anonymous reports. All reported cases are coordinated by the Group General Manager and the Corporate Governance function. Cross-functional investigation teams may be established when necessary. LH is committed to protecting the confidentiality of whistleblowers and strictly prohibits retaliation, discrimination, or unfair treatment against individuals who report concerns or participate in investigations. A standardized investigation process has been established covering case intake, preliminary assessment, investigation, corrective actions, and case closure. The effectiveness of the process is reviewed periodically to strengthen corporate governance and risk management. No material human rights, labor rights, business ethics, or other significant whistleblowing cases were reported during 2025.

Employee Notification and Change Management

LH complies with applicable labor laws when implementing organizational changes that may materially affect employees. Appropriate advance notice and communication are provided to ensure employees are informed and have opportunities to raise questions or provide feedback. In accordance with the Taiwan Labor Standards Act and the PRC Labor Contract Law, employees are provided with the legally required notice period before workforce adjustments, significant organizational restructuring, or transformation initiatives are implemented. Where applicable, payment in lieu of notice is provided in accordance with legal requirements. In practice, depending on the nature and scale of the organizational change, internal communication is generally conducted 30 to 60 days in advance.

Although the Group has not entered into formal collective bargaining agreements, LH maintains employee communication channels, Human Resources representatives, and regular departmental meetings to facilitate communication regarding organizational policies and workforce changes. Should labor unions or collective bargaining agreements be established in the future, the Group will incorporate the relevant notification and consultation requirements into those agreements.



5.3 Workplace Health and Safety

5.3.1 Employee Care and Well-being

LH believes that employees are the foundation of sustainable business success. In addition to providing competitive compensation and career development opportunities, the Group promotes a wide range of employee well-being initiatives that support physical and mental health, work-life balance, and family well-being. Through these efforts, LH strives to create a safe, supportive, and engaging workplace where employees can thrive.

Employee Benefits

LH is committed to enhancing employee well-being through a comprehensive benefits program that supports employees throughout different stages of their careers and personal lives. In addition to statutory social insurance and retirement benefits, the Group provides a variety of supplementary benefits tailored to local regulations and workforce needs across its operating locations, helping improve employees' quality of life, job satisfaction, and long-term engagement.

In China, subsidiaries provide employees with statutory Five Social Insurances and One Housing Fund, including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and the housing provident fund. Employees also receive annual health examinations, occupational health examinations where applicable, group insurance, overtime allowances, employee dining facilities, employee assistance resources, and subsidies for employee activities to support both physical and mental well-being.

In Taiwan, we provide statutory labor insurance, national health insurance, labor pension contributions, group accident insurance, and subsidies for annual health examinations. Additional benefits include marriage, maternity, and bereavement allowances, as well as holiday and birthday gifts. The Company also offers monthly team-building subsidies and year-end celebrations to encourage employee engagement and cross-functional collaboration. These benefits support employees' work, family, and personal well-being while demonstrating the Group's commitment to employee care.

By combining locally tailored benefit programs with consistent Group-wide principles, LH provides full-time employees with a stable, safe, and supportive working environment. The Group believes that comprehensive employee benefits not only enhance employee engagement and job satisfaction but also strengthen its ability to attract and retain talent. LH will continue to review and enhance its benefit programs in response to employee needs and business development.

Defined Benefit Obligations and Other Retirement Plans

LH provides retirement benefits in accordance with applicable laws and regulations in each jurisdiction where it operates. Retirement programs primarily consist of defined benefit and defined contribution plans, depending on local regulatory requirements.

Taiwan

Employees who joined the Company before implementation of the Labor Pension Act in 2005 remain covered by the defined benefit pension plan, under which retirement benefits are calculated based on years of service and salary. Pension funds are contributed to a designated pension reserve account in accordance with applicable regulations. Employees covered under the Labor Pension Act participate in a defined contribution plan, under which the Company makes monthly contributions to individual pension accounts. Retirement obligations and pension assets are periodically evaluated in accordance with applicable accounting standards and actuarial principles.

Overseas Operations

Overseas subsidiaries participate in mandatory retirement or social security programs as required by local laws. Certain jurisdictions also provide supplementary corporate pension or voluntary retirement savings programs. Employer contribution rates vary according to local regulatory requirements and are generally calculated as a percentage of employees' eligible compensation.

All retirement programs are administered in accordance with applicable legal requirements, and the Company fulfills its funding obligations through the required contribution and account management mechanisms. As of the end of 2025, LH had no material pension funding deficiencies. Should future actuarial evaluations identify any funding shortfall, the Company will make additional contributions in accordance with applicable regulations to safeguard employees' retirement benefits.

Employee Care and Well-being

LH is committed to promoting employee well-being by fostering a healthy, safe, and supportive workplace. In addition to providing comprehensive employee benefits and retirement programs, the Group promotes various well-being initiatives, including health promotion, mental wellness support, and family-friendly programs, to enhance employees' quality of life and workplace experience. Recognizing that employees are fundamental to sustainable business success, LH continues to support employees throughout different stages of their careers through health management, employee care initiatives, and family support programs. These efforts help employees achieve a healthy work-life balance while strengthening organizational engagement and a positive workplace culture.

01. Health Promotion and Well-being

a. Health Management

LH promotes a systematic employee health management program focused on health risk prevention, health promotion, employee care, and continuous health monitoring. The program is designed to help employees maintain their physical and mental well-being while supporting a healthier workforce.

Subsidiaries in China conduct annual health examinations in accordance with employees' job responsibilities and occupational health risks. Health examination items are tailored to different job categories, enabling employees to better understand their health conditions. Where abnormal examination results are identified, the Company provides medical referral recommendations, health consultations, and follow-up management to support timely intervention and reduce potential health risks.

b. Mental Health Counseling and Wellness Facilities

To promote mental well-being and emotional health, LPM (CN) introduced an employee mental wellness program in 2020 and established a dedicated counseling room in 2024 with support from external professional counselors. Qualified psychologists provide confidential one-on-one counseling services to help employees manage stress, regulate emotions, and maintain psychological well-being. The counseling room is located alongside the nursing room and employee reading area within the employee wellness center, providing a private and comfortable environment that supports a healthy and employee-friendly workplace.



c. Visually Impaired Massage Program

To promote employee well-being while supporting employment opportunities for people with disabilities, LH partnered with the Hand-in-Hand Association for the Visually Impaired to launch a Visually Impaired Massage Program in June 2025. The program is jointly organized by the Group's three Taiwan entities and is held every two months. Professional visually impaired massage therapists provide 15-minute massage sessions to employees, helping relieve physical fatigue and workplace stress. Each session accommodates up to 18 participants, offering employees an opportunity to relax and recharge during the workday.

Beyond enhancing employee well-being, the program also demonstrates LH's commitment to supporting employment opportunities for visually impaired individuals and promoting social inclusion through meaningful community engagement.

Program Results	2025
Number of sessions	4
Employee participations	64
Total employee wellness hours	16 hours
Service hours provided by massage therapists	24 hours



02. Work-Life Balance

a. Employee Engagement and Corporate Culture

LH is committed to fostering a positive, inclusive, and engaging workplace culture. Across its operating locations, the Group organizes a variety of employee engagement activities that reflect local cultures and employee interests, providing opportunities for employees to interact beyond the workplace, strengthen teamwork, and enhance organizational cohesion. These activities include celebrations of cultural festivals, employee recognition events, sports competitions, team-building activities, and social gatherings designed to strengthen employee engagement and reinforce a collaborative workplace culture.



International Women's Day Celebration

Flowers are presented to female employees in recognition of their contributions at work and in their families, reinforcing the Group's commitment to diversity, equality, and an inclusive workplace.



Monthly Birthday Celebration

Monthly birthday gatherings recognize employees' contributions and strengthen employees' sense of belonging and organizational engagement.



Mid-Autumn Festival Celebration

Employees participate in barbecue gatherings and festive activities that encourage cross-functional interaction and strengthen team relationships.



Sports Day

Sports competitions promote teamwork, employee interaction, and a healthy workplace culture.



Team-building Activities

Regular team-building programs encourage collaboration, communication, and stronger relationships across departments.



Sports and Board Game Competitions

Recreational competitions promote employee interaction, teamwork, and workplace vitality.



Christmas Celebration

Year-end Christmas gatherings provide opportunities for employees to celebrate together, strengthen interpersonal connections, and enhance employee engagement.

b. Employee Activity Center

To promote employee health and well-being, LPM (CN) officially opened its Employee Activity Center in 2024. The facility covers approximately 3,150 square meters, with an investment of approximately RMB 1.9 million in construction and facilities. The activity center includes an indoor basketball court, badminton courts, a fitness center, and other recreational facilities that encourage employees to maintain healthy lifestyles and enjoy quality leisure time. A rooftop solar photovoltaic system has also been installed, providing renewable electricity while helping reduce indoor temperatures and improve overall building comfort. The facility reflects LH's commitment to enhancing employee well-being while integrating environmental sustainability into workplace infrastructure.

c. Flexible Working Arrangements

LH provides flexible working arrangements where appropriate, considering the nature of each position and operational requirements to support employees in achieving a healthy work-life balance. For indirect employees, including managers and administrative personnel, certain operating locations have implemented flexible working hours. Subject to business needs and managerial approval, employees may adjust their starting and finishing times within designated time windows to accommodate commuting, family responsibilities, and personal needs. For production employees, working schedules are arranged according to production plans and operational requirements through structured shift systems and workforce planning to maintain both operational efficiency and stable working conditions. Some overseas operations also provide flexible working arrangements in accordance with local regulations and business practices. These arrangements support employees in balancing work and family responsibilities while contributing to employee retention and workforce diversity, particularly by encouraging greater workforce participation among women.

03.Family-Friendly Programs

a. Summer Childcare Program

To support employees in balancing work and family responsibilities, LPM (CN) organizes a Summer Childcare Program for employees' children, providing a safe, engaging, and educational environment during the summer vacation. In 2025, the program was jointly organized with the Kunshan Federation of Trade Unions and the Zhangpu Town Federation of Trade Unions, with participation from 38 employees' children. The program was conducted over 30 days in two sessions.

Professional instructors designed and delivered a wide range of activities, including academic tutoring, life education, group activities, and enrichment courses, enabling children to continue learning while developing teamwork and independent learning skills. LPM (CN) also provided facilities and supporting resources to facilitate program implementation, helping employees reduce childcare burdens during school holidays.



b. Family-Friendly Policies and Childcare Support

LH is committed to creating a family-friendly workplace by supporting employees in balancing their professional and family responsibilities. In accordance with applicable labor regulations in each operating location, the Group provides maternity leave, paternity leave, prenatal check-up leave, parental leave without pays, and other family-related leave entitlements. In China, subsidiaries also provide statutory childcare leave and other family support measures in accordance with local regulations. Certain operating locations additionally offer leave for employees to care for elderly parents under local family care policies, reflecting the Group's commitment to supporting diverse family needs.

LPM (CN) has also established an Overseas Assignment Support Program, providing pre-departure training, relocation assistance, and ongoing support for expatriate employees and their families to facilitate international assignments. For long-term expatriates, additional support such as health examinations, family activities, and related resources is provided to strengthen family well-being throughout overseas assignments.

To create a more supportive environment for working parents, LPM (CN) has established dedicated nursing rooms for breastfeeding and milk expression. Employees at the Taiwan headquarters also have access to a shared nursing room within the office building, providing appropriate facilities for nursing mothers and supporting employees in balancing childcare responsibilities with work.

Parental Leave

LH provides parental leave and related childcare support in accordance with applicable labor laws and regulations in each operating location. As parental leave arrangements in China generally consist of short-term statutory leave rather than long-term unpaid parental leave, no standardized mechanism currently exists for tracking reinstatement or long-term employee retention following parental leave. Accordingly, this report discloses parental leave, return-to-work, and retention data only for eligible employees in Taiwan.

Item	2025		
	Male	Female	Total
Employees eligible for parental leave	1	2	3
Employees who took parental leave	1	2	3
Employees returned to work	0	1	1
Employees retained 12 months after returning	N/A	N/A	N/A
Return-to-work rate	0%	50%	33.3%
Retention rate	N/A	N/A	N/A

Note: No employees applied for parental leave in 2024; therefore, no return-to-work or retention data are available for that year. Although employees returned from parental leave during 2025, none had reached the 12-month observation period as of December 31, 2025. Accordingly, the retention rate is not applicable for the reporting year and will be disclosed once sufficient tracking data become available.

5.3.2 Occupational Health and Safety

Occupational Health and Safety Policy and Objectives

LH is committed to providing a safe, healthy, and injury-free workplace, recognizing occupational health and safety (OHS) as a fundamental element of sustainable business operations. The Group implements its OHS policy through dedicated health and safety personnel at each operating location, who are responsible for daily management and oversight. Preventive measures focus on hazard prevention, risk control, and health promotion to minimize workplace risks and occupational injuries.

In 2025, LH continued to strengthen its occupational health and safety management system while expanding its focus to employee well-being through health examinations, mental health support, wellness initiatives, and workplace improvements. These efforts aim to enhance workplace resilience, prevent serious occupational incidents, and continuously improve employee well-being.

Occupational Health and Safety Management System

The reporting boundary covers the Group Headquarters and its principal manufacturing sites. The Group Headquarters is located in a commercial office building and primarily conducts administrative, finance, human resources, and management functions. As no high-risk manufacturing activities are performed at this location, it is not included within the scope of ISO 45001 certification. Nevertheless, the headquarters implements internal occupational safety measures, including fire safety management, emergency response drills, and office safety inspections.

As of the end of 2025, LPM (CN) and LST have obtained ISO 45001 Occupational Health and Safety Management System certification. The certification covers manufacturing operations, equipment maintenance, warehousing, logistics, and related support activities, while also including contractor and dispatched personnel working within certified operational areas. Each certified site conducts regular risk assessments, internal audits, and management reviews to continuously improve occupational health and safety performance.

Two additional manufacturing sites included within the reporting boundary are currently implementing ISO 45001 management systems. Although certification has not yet been completed, these sites have already established hazard identification and risk control procedures in accordance with the Group's internal management requirements and will continue progressing toward external certification. The two ISO 45001-certified manufacturing sites represent approximately 86.2% of employees within the reporting boundary. The Group has not yet established a systematic methodology to separately quantify the coverage of external contractors under the management system. Going forward, LH will continue expanding management system coverage and increasing certification rates based on operational characteristics and workplace risk levels.

ISO 45001 Certification Status

Company / Site	Certification Date	Valid Until
Lemtech Precision Material (China) Co., Ltd.	2024/5/10	2027/5/9
Kunshan Lemtech Slide Technology Co., Ltd	2025/06/18	2028/06/17

Occupational Health and Safety Management Practices

Management Area	Key Measures
Risk Assessment and Hazard Identification	Conduct regular hazard identification and risk assessments, maintain risk registers, and monitor the implementation of corrective actions.
Employee Participation and Communication	Collect employee feedback through labor-management meetings, employee representative meetings, safety meetings, and incident reporting mechanisms.
Health Protection	Provide periodic health examinations, occupational health examinations for high-risk work, workplace environmental monitoring, and mental health support.
Training and Awareness	Deliver occupational safety orientation for new employees, fire safety training, emergency response drills, and specialized safety training for high-risk operations.
Emergency Preparedness and Response	Conduct regular fire drills, evacuation exercises, and emergency response training.
Protective Measures	Provide appropriate personal protective equipment (PPE) and ensure its proper use while strengthening controls for high-risk operations.
Contractor Management	Require long-term contractors to participate in at least one safety training session annually, complete site-specific safety orientation, sign safety agreements, and undergo on-site safety inspections.
Internal Audits	Perform regular occupational health and safety audits and monitor corrective actions to ensure continuous improvement.

Risk Assessment and Hazard Identification

LH has established a hazard identification and risk assessment process to systematically identify, evaluate, and control occupational health and safety risks. Each operating location conducts regular risk assessments based on workplace conditions, equipment, facilities, and job activities. Risks are prioritized according to their severity and likelihood, with corresponding control measures and corrective action plans implemented to mitigate potential impacts.

In 2025, the Group identified several key occupational safety risks, including confined space operations, lifting and material handling, hazardous chemical management, hot work, electrical equipment operation, and machinery operation. These activities may result in incidents such as fire, explosion, electric shock, struck-by injuries, machinery-related injuries, or falls from height.

To reduce these risks, LH implements engineering controls, preventive equipment maintenance, permit-to-work procedures for high-risk operations, employee safety training, and appropriate personal protective equipment (PPE). Regular workplace inspections and follow-up reviews are conducted to verify the effectiveness of risk control measures. Emergency response procedures and drills are also established according to the specific risk profile of each operating location to strengthen emergency preparedness and workplace safety performance.

Employees who identify an imminent danger during work are authorized to stop work or remove themselves from unsafe conditions without fear of retaliation. LH is committed to ensuring that employees are not subject to disciplinary action or unfavorable treatment for reporting safety concerns or exercising their right to refuse unsafe work.

To strengthen employee participation in occupational health and safety management, LPM (CN) has implemented the "Hidden Hazard Photo Reporting Program." Employees are encouraged to proactively identify and report potential safety hazards by photographing unsafe conditions, equipment abnormalities, or unsafe behaviors encountered during daily operations. Reported cases are reviewed by the safety management team, followed by risk assessment, corrective actions, and effectiveness tracking. The program emphasizes prevention and continuous improvement rather than disciplinary action. However, cases involving serious violations or significant safety risks are handled in accordance with the Group's relevant management procedures.

Consistent with the principles of ISO 45001, LH extends its occupational health and safety management beyond direct employees to include contractors, temporary workers, and visitors entering operational areas. Potential risks associated with these personnel are assessed, and appropriate safety orientation and training are provided to ensure that everyone working at or visiting LH facilities can do so in a safe and protected environment.

Consultation and Communication

The Group's Administration Department is responsible for coordinating occupational health and safety management across the organization. Regular meetings are held with department managers and safety personnel to review workplace inspections, monitor corrective actions, and facilitate cross-functional communication on health and safety matters.

Individual departments also conduct routine safety meetings and pre-job safety briefings, with frontline supervisors responsible for reinforcing safety awareness and monitoring compliance with workplace safety requirements during daily operations. Although the Group has not yet established a formal Occupational Safety and Health Committee, LH maintains multiple communication channels that encourage employee participation in health and safety management. The Company will continue to evaluate the establishment of a formal committee in accordance with future operational needs and applicable regulatory requirements.

Occupational Health and Safety Training

LH provides a structured occupational health and safety training program tailored to different job functions and workplace risks. All new employees are required to complete mandatory safety orientation before commencing work. Training covers occupational health and safety requirements, emergency response procedures, fire safety, and the proper use of personal protective equipment (PPE).

To continuously strengthen workplace safety awareness, LH conducts regular occupational safety training covering confined space operations, emergency evacuation drills, hazard communication, incident reporting simulations, and post-incident recovery exercises. Training programs are coordinated by the Administration Department or designated safety personnel and are incorporated into the Group's annual training plan and performance management process.

Employees engaged in high-risk activities—including cleaning operations, welding, and working at height—receive additional job-specific training and practical exercises. Safety information boards displaying key hazards and emergency procedures are installed at relevant workplaces to reinforce hazard awareness and emergency response capabilities. Personnel performing regulated high-risk work are required to hold valid professional certifications and complete periodic refresher training in accordance with applicable regulations. Training records are maintained and reviewed as part of the Group's occupational health and safety management system.



Gas Leak Emergency Drill

Simulated gas leak scenarios are conducted to practice evacuation, emergency notification, access control, and emergency response procedures, improving employees' emergency preparedness and team coordination.



Confined Space Rescue Drill

Practical rescue exercises simulate confined space incidents, strengthening employees' capabilities in rescue operations, ventilation monitoring, hazard recognition, and emergency response for high-risk work.

Safety Culture Promotion

To strengthen safety awareness and proactive risk management, LPM (CN) organized a series of workplace safety initiatives during the 2025 Work Safety Month campaign. Under the theme "Everyone Values Safety, Everyone Responds Effectively," the program combined safety knowledge competitions, the Hidden Hazard Photo Reporting Program, safety awareness campaigns, and visits to industrial safety education centers. These activities encouraged employees to actively participate in occupational health and safety management while strengthening their understanding of hazard identification, risk prevention, and emergency preparedness. Through continuous employee engagement, LH aims to foster a proactive safety culture in which every employee contributes to maintaining a safe workplace.



Safety Knowledge Competition

Interactive competitions encourage employees to strengthen their knowledge of occupational health and safety requirements, hazard identification, and accident prevention through quizzes and incentive programs.



Hidden Hazard Photo Reporting Program

Employees are encouraged to proactively identify and report unsafe conditions or behaviors through photo-based reporting. Timely reporting, corrective actions, and recognition programs promote a preventive safety culture and continuous workplace improvement.



Industrial Safety Education Center Visit

Employees participate in guided visits featuring accident case studies, interactive exhibits, and scenario-based learning to strengthen hazard awareness, emergency response capabilities, and independent safety management.

Contractor and External Personnel Management

LH has established occupational health and safety management procedures for contractors, subcontractors, service providers, and construction personnel whose work is directly related to the Group's operations, facilities, or equipment. Before entering operational areas, all external personnel are required to complete site-specific safety orientation and, where applicable, obtain work permits and complete risk assessments appropriate to the activities being performed. In accordance with the Group's Safety Inspection and Hazard Investigation Procedures, any third-party work involving the use, maintenance, or construction of company facilities or equipment requires the execution of a safety management agreement that clearly defines the occupational health and safety responsibilities of both parties.

Contractors are also required to comply with site safety requirements, including safety orientation, certification requirements for regulated work, permit-to-work procedures, and on-site safety inspections. Contractor activities are incorporated into the Group's risk assessment and internal audit processes. Through systematic supervision and contractor management, LH seeks to minimize health and safety risks associated with outsourced operations and to protect both employees and external personnel working at its facilities.

Occupational Injuries and Occupational Diseases

LH monitors occupational injury performance and analyzes incident causes to identify workplace safety risks and implement preventive measures. Occupational injury statistics are collected regularly across operating locations and reviewed by the Group's occupational health and safety management function to monitor trends and continuously improve safety performance. Injury statistics are prepared in accordance with applicable local regulatory requirements and include all recordable occupational injuries within the reporting scope.

During 2025, a total of 10 recordable occupational injuries occurred within the reporting boundary. The primary incident types included traffic accidents, injuries related to equipment installation and maintenance, struck-by incidents involving falling objects, and injuries associated with the improper use of personal protective equipment (PPE). Incident investigations indicated that several cases were associated with safety awareness, hazard identification, and contractor or equipment installation management. Although none of the incidents resulted in permanent disability, the total number of occupational injuries increased compared with the previous year. In response, LH implemented corrective actions, including strengthening pre-job risk assessments, reinforcing PPE compliance, improving safety controls for equipment installation and construction activities, enhancing preventive maintenance programs, and expanding occupational safety training.

During the reporting period, no work-related fatalities or confirmed occupational disease cases were recorded. Employees engaged in high-risk work continue to receive specialized health examinations, workplace environmental monitoring, and health management support. Exposure to physical, chemical, and ergonomic hazards is controlled through engineering safeguards, personal protective equipment, and occupational health and safety training.

Although the number of occupational injuries increased in 2025, the Lost Day Rate (LDR) decreased slightly compared with 2024, indicating that the overall severity of workplace injuries remained relatively stable. LH will continue strengthening accident prevention, hazard identification, and workplace safety culture to reduce occupational injuries and progress toward the goal of zero serious workplace accidents.

For non-employees, including contractors and outsourced personnel, safety management is implemented through contractor qualification reviews, safety agreements, site safety orientation, and on-site inspections. No significant contractor safety violations were reported during the reporting period. Occupational injury statistics presented below cover permanent employees within the reporting boundary, including the Group's principal operations in Taiwan and China. As the reporting boundary differs slightly between reporting periods, year-on-year comparisons should be interpreted with caution.

Indicator	2025	2024
Total hours worked	1,955,501	1,751,955
Main types of occupational injuries	Traffic accidents, equipment installation-related injuries, struck-by incidents	Traffic accidents, machinery-related injuries
Recordable occupational injuries	10	6
Injury Rate (IR)	5.11	3.42
Occupational Disease Rate (ODR)	0	0
Lost workdays	181	165
Lost Day Rate (LDR)	92.56	94.2
Work-related fatalities	0	0

Notes:

1. Injury Rate (IR) = (Number of recordable occupational injuries ÷ Total hours worked) × 1,000,000.
2. Occupational Disease Rate (ODR) = (Number of occupational disease cases ÷ Total hours worked) × 1,000,000.
3. Lost Day Rate (LDR) = (Lost workdays due to occupational injuries ÷ Total hours worked) × 1,000,000.
4. Occupational health and safety statistics disclosed in this report cover permanent employees within the reporting boundary. Working hours and occupational injury data for contractors and other non-employees are not yet collected through a comprehensive reporting system and are therefore excluded from the current reporting scope. LH will continue strengthening contractor safety management and data collection to enhance the completeness and transparency of future disclosures.



5.4 Community Engagement and Social Participation

LH is committed to creating long-term value for the communities where it operates by integrating community engagement into its sustainability strategy. Guided by the principle of giving back to society, the Group leverages its resources and employee participation to support education, vulnerable communities, and local charitable initiatives while fostering positive relationships with stakeholders.

In 2025, LH participated in six community engagement initiatives, with 166 employee participations and 760 volunteer service hours. These activities focused on educational support, community development, charitable donations, and assistance for disadvantaged groups, reflecting the Group's commitment to generating positive social impact.



Community Impact Assessment

LH's principal operations are located within established industrial parks, science parks, and commercial facilities, where activities primarily involve manufacturing, assembly, and office operations. As a result, the Group's operations generally have limited direct impacts on surrounding communities and do not involve large-scale land development or significant environmental alterations. Nevertheless, LH recognizes that business activities may affect local communities and other stakeholders. Community considerations are therefore incorporated into environmental management, stakeholder engagement, and operational risk management processes.

During the reporting period, no projects required formal social or environmental impact assessments under applicable environmental impact assessment regulations. However, the Group implemented the following management practices across its operating locations.

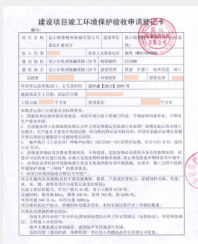
Community Impact Management

Area	Management Practices
Community and environmental impact management	Operating locations comply with applicable environmental regulations and regulatory reporting requirements. Environmental assessment and permitting procedures are implemented for new facilities, expansion projects, or major facility modifications where required by local regulations.
Community investment	LH supports education, community development, and disadvantaged groups through charitable donations, volunteer activities, and community partnerships. LPM (CN) also organizes annual sports events involving employees and local communities while providing financial support for nearby schools and educational development.
Stakeholder engagement	Operating locations maintain designated contact channels to collect feedback from employees, local communities, government authorities, and other stakeholders. Significant issues are reviewed and addressed through the Group's management processes.
Grievance mechanisms	Multiple communication and grievance channels are available for community members and stakeholders to raise concerns regarding the Group's operations. Reported issues are investigated, addressed, and tracked in accordance with internal procedures.

By the end of 2025, 100% of the Group's operating locations had incorporated community and environmental considerations into their routine operational management and risk assessment processes. During the reporting period, LH recorded no significant community disputes, environmental controversies, or material negative social impacts arising from its operations.

Community investment activities during the year were primarily implemented by the Taiwan headquarters and the Group's major manufacturing operations in China, focusing on education, charitable giving, and community support.

While LH has not established a dedicated community advisory committee or implemented a Group-wide formal community engagement program, the Company maintains ongoing dialogue with local stakeholders through routine communication, community investment activities, and stakeholder engagement mechanisms. Looking ahead, LH will continue strengthening community engagement and impact management practices in line with future business expansion and major investment projects, further enhancing stakeholder participation and transparency while creating shared value for both business and society.



New construction projects and facility expansions are subject to applicable environmental assessment and regulatory approval procedures in accordance with local legal requirements, helping to minimize potential environmental and community impacts.

Education Support and School Partnerships

LH is committed to supporting education and local community development through educational initiatives, school partnerships, and charitable contributions. Recognizing education as a key driver of sustainable social development, the Group continues to leverage its resources to improve educational opportunities and strengthen long-term collaboration with local schools.

In 2025, LPM (CN) participated in a charitable education program organized by a local public welfare organization, donating stationery, office supplies, and books to rural schools in Guizhou Province, China. The initiative helped improve access to educational resources and supported students' learning and development in underserved communities.

In addition, LPM (CN) has maintained a long-term partnership with Kunshan Dashi Experimental School for more than six years. Through school activities, community engagement programs, and teacher appreciation initiatives, the Company continues to support local education. During 2025, LPM (CN) presented appreciation gifts to 106 teachers in celebration of Teachers' Day, recognizing their dedication and further strengthening collaboration between industry and education.



Supporting Rural Education – Shajing Primary School, Guizhou

LPM (CN) donated approximately RMB 4,000 worth of educational supplies, including 958 stationery items, books, and office supplies, to help improve educational resources for students in rural communities.

关于联德精密材料中国股份有限公司 向学校教师捐赠慰问品的情况说明

在 2025 年 9 月第四十一个教师节来临之际，为弘扬新时代尊师重教风尚，也是为了给全体教师营造浓厚的节日氛围，联德精密材料中国股份有限公司积极支持学校教育教学工作，在教师节当天向 106 位教师捐赠慰问品，向全体教师送上节日的祝贺和关怀。

在此感谢贵公司领导多年来对我校的关心和支持，我们将怀着感动和温暖，努力做好教育教学工作，同时也衷心祝愿贵公司事业兴旺，业绩更上一层楼。



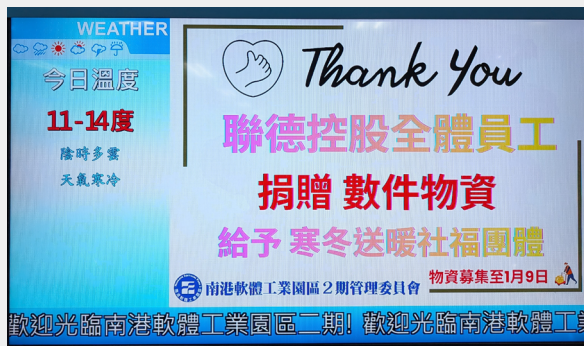
Strengthening School Partnerships

LPM (CN) has maintained a long-term partnership with Kunshan Dashi Experimental School. In 2025, appreciation gifts were presented to 106 teachers in recognition of their contributions to education, further strengthening collaboration between industry and academia.

Supporting Vulnerable Communities

LH is committed to supporting vulnerable groups and strengthening community well-being through charitable giving, employee participation, and community engagement initiatives. In Taiwan, the Group continued to support children and families in need by donating to the Taiwan Fund for Children and Families, contributing to programs that provide educational, living, and developmental resources for disadvantaged children.

LH also participated in the "Warm Winter Charity Drive" organized by the Nangang Software Park Phase II Management Committee. Employees were encouraged to donate reusable household items, stationery, home appliances, and daily necessities, which were redistributed to disadvantaged families and social welfare organizations. The initiative promoted resource reuse while extending care and support to local communities through collective employee participation.



Warm Winter Charity Drive

LH participated in the annual charity campaign organized by the Nangang Software Park Phase II Management Committee, encouraging employees to donate reusable goods and daily necessities to support disadvantaged families and social welfare organizations while promoting resource reuse and community care.

Supporting the Taiwan Fund for Children and Families

LH donated NT\$5,050 in 2025 to support programs benefiting disadvantaged children and families, contributing to educational assistance and family care services.

Supporting Local Communities

In China, LPM (CN) continued to support community development by participating in the "Kunshan Charity Day" campaign organized by the Kunshan Charity Federation. Through regular charitable contributions and community engagement activities, the Company supports local public welfare programs and assistance initiatives for disadvantaged families.

In recognition of its long-term commitment to community welfare, LPM (CN) received a commendation banner from Antou Village, Zhangpu Town, in 2025 for its active participation in local charitable initiatives, demonstrating the Company's ongoing commitment to creating positive social impact in the communities where it operates.



Supporting Local Community Development

LPM (CN) continued participating in the "Kunshan Charity Day" initiative, supporting local charitable programs and community development through regular donations and public welfare activities.

Risk Management and Assessment of Community Impacts

Based on internal assessments and risk evaluations, LH identified no significant actual or potential adverse impacts on local communities arising from its operations during 2025. No material environmental disputes, community protests, or incidents involving violations of community rights were reported during the reporting period. To prevent and mitigate potential impacts on surrounding communities and the environment, LH implements the following management measures across its operating locations:

Risk Area	Management Measures
Resource Use and Environmental Protection	Regularly monitor energy consumption, water use, and waste generation at manufacturing sites.
Land Use and Community Impacts	- Improve environmental performance through carbon inventory initiatives, energy efficiency programs, and continual improvement under the ISO 14001 Environmental Management System. - Operate within legally designated industrial parks, science parks, or existing commercial facilities, avoiding involuntary resettlement or impacts on natural habitats.
Health and Safety Risk Management	- Conduct environmental assessments and obtain regulatory approvals for new construction and facility expansion projects in accordance with applicable laws and regulations. - Implement management procedures for hazardous chemicals, production equipment, and operational risks through preventive maintenance, workplace monitoring, and occupational health and safety management programs.
Local Employment and Economic Development	- Maintain emergency response and incident reporting procedures to minimize potential impacts on employees, neighboring communities, and the environment. - Prioritize local recruitment and talent development to create employment opportunities and contribute to regional economic development.
Community Investment	Support education, vulnerable groups, and community development through charitable contributions, volunteer participation, and community engagement initiatives to create positive social value.

LH will continue to strengthen its environmental management, occupational health and safety programs, and stakeholder engagement mechanisms to periodically assess potential community impacts, enhance risk management practices, and support sustainable business operations while contributing to the long-term well-being of local communities.

Appendices

GRI Content Index

Statement of use	Lemtech Holdings has reported in accordance with the GRI Standards for the period from January 1, 2025 to December 31, 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

General Disclosures

GRI Standard	Disclosure	Location	Page	Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report	1	-
		1.1 Company Profile	6	-
	2-2 Entities included in the organization's sustainability reporting	About This Report	1, 2	-
	2-3 Reporting period, frequency and contact point	About This Report	1, 2	-
	2-4 Restatements of information	About This Report	1	-
	2-5 External assurance	About This Report	2	-
	2-6 Activities, value chain and other business relationships	3.1.1 Products and Services	21	-
		3.1.3 Supply Chain and Value Chain Management	27	-
	2-7 Employees	5.1.3 Diversity and Inclusion	74	-
	2-8 Workers who are not employees	5.1.3 Diversity and Inclusion	76	-
	2-9 Governance structure and composition	2.2 Sustainability Governance Framework	13	-
		3.2 Corporate Governance Practices	33	-
		3.2.1 Board of Directors and Functional Committees		

GRI Standard	Disclosure	Location	Page	Omission
GRI 2: General Disclosures 2021	2-10 Nomination and selection of the highest governance body	3.2.1 Board of Directors and Functional Committees	33	-
	2-11 Chair of the highest governance body	3.2.1 Board of Directors and Functional Committees	33	-
	2-12 Role of the highest governance body in overseeing the management of impacts	2.1 Sustainability Strategy and Framework	12	-
		2.2 Sustainability Governance Framework	13	
		Stakeholders and Material Topics	14	
	2-13 Delegation of responsibility for managing impacts	2.2 Sustainability Governance Framework	13	-
		3.3.1 Risk Management and Governance	39	
	2-14 Role of the highest governance body in sustainability reporting	2.2 Sustainability Governance Framework	13	-
		2.3.2 Material Topic Identification and Impact Assessment	16	
	2-15 Conflicts of interest	3.2.1 Board of Directors and Functional Committees	34	-
		3.2.2 Business Integrity and Regulatory Compliance	37	
	2-16 Communication of critical concerns	2.2 Sustainability Governance Framework	13	-
		3.2.1 Board of Directors and Functional Committees	33	
	2-17 Collective knowledge of the highest governance body	3.2.1 Board of Directors and Functional Committees	33	-
	2-18 Evaluation of the performance of the highest governance body	2.2 Sustainability Governance Framework	13	-
		3.2.1 Board of Directors and Functional Committees	34	
	2-19 Remuneration policies	3.2.1 Board of Directors and Functional Committees	35	-
	2-20 Process to determine remuneration	3.2.1 Board of Directors and Functional Committees	35	-
	2-21 Annual total compensation ratio	-	-	Confidentiality constraints
	2-22 Statement on sustainable development strategy	2.1 Sustainability Strategy and Framework	12	-
	2-23 Policy commitments	5.2.1 Human Rights Risks and Response Actions	82	-
	2-24 Embedding policy commitments	5.2.1 Human Rights Risks and Response Actions	83	-

GRI Standard	Disclosure	Location	Page	Omission
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	3.2.2 Business Integrity and Regulatory Compliance	38	
		4.1 Environmental Policy	53	
		5.2.2 Communication and Grievance Mechanisms	84	-
		5.3.2 Occupational Health and Safety	91	
		5.4 Community Engagement and Social Participation	97	
	2-26 Mechanisms for seeking advice and raising concerns	3.2.2 Business Integrity and Regulatory Compliance	38	-
		5.2.2 Communication and Grievance Mechanisms	84	
	2-27 Compliance with laws and regulations	3.2.2 Business Integrity and Regulatory Compliance	38	-
	2-28 Membership associations	3.4.3 Policy Influence	46	-
	2-29 Approach to stakeholder engagement	2.3.1 Stakeholder Identification and Engagement	14	-
GRI 3: Material Topics 2021	3-2 List of material topics	5.2.1 Human Rights Risks and Response Actions	82	-
		5.2.2 Business Integrity and Regulatory Compliance	84	
	3-1 Process to determine material topics	2.3.2 Material Topic Identification and Impact Assessment	16	-
	3-2 Management of material topics	2.3.2 Material Topic Identification and Impact Assessment	17	-
		2.3.3 Material Topic Management	17	
		3 Management Approach	19	
		4 Management Approach	48	-
		5 Management Approach	66	

Topic-specific Standards

GRI Standard	Disclosure	Location	Page	Omission / Remarks
Material Topic				
Corporate Governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Management Approach	19	-
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	3.4.1 Financial Performance	44	-
	201-2 Financial implications and other risks and opportunities due to climate change	4.2 Climate Risk Management	54	-
	201-3 Defined benefit plan obligations and other retirement plans	5.3.1 Employee Care and Well-being	85	-
	201-4 Financial assistance received from government	3.4.1 Financial Performance	45	-
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	3.2.2 Business Integrity and Regulatory Compliance	37	-
	205-2 Communication and training about anti-corruption policies and procedures	3.2.2 Business Integrity and Regulatory Compliance	37	-
	205-3 Confirmed incidents of corruption and actions taken	3.2.2 Business Integrity and Regulatory Compliance	37	-
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2.2 Business Integrity and Regulatory Compliance	38	-
Customer Relationship Management / Product Safety and Quality				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Management Approach	19	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1.1 Products and Services	22	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3.1.1 Products and Services	22	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.1.2 Customer Relationship Management	26	-
	417-2 Incidents of non-compliance concerning product and service information and labeling	3.1.2 Customer Relationship Management	26	-
	417-3 Incidents of non-compliance concerning marketing communications	3.1.2 Customer Relationship Management	26	-

GRI Standard	Disclosure	Location	Page	Omission / Remarks
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.1.2 Customer Relationship Management	26	-
Technology and Innovation				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Management Approach	20	-
Talent Development and Training				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	66	-
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	5.1.4 Human Capital Development	80	-
	404-2 Programs for upgrading employee skills and transition assistance programs	5.1.4 Human Capital Development	79	-
	404-3 Percentage of employees receiving regular performance and career development reviews	5.1.4 Human Capital Development	81	-
	Talent Attraction and Retention			
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	66	-
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.1.2 Talent Retention	71	-
	202-2 Proportion of senior management hired from the local community	5.1.1 Talent Attraction	70	-
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5.1.1 Talent Attraction	68, 69	-
		5.1.2 Talent Retention	73	-
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.1 Employee Care and Well-being	85	-
	401-3 Parental leave	5.3.1 Employee Care and Well-being	89	-
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.2.2 Communication and Grievance Mechanisms	84	-
Energy Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	4 Management Approach	48	-

GRI Standard	Disclosure	Location	Page	Omission / Remarks
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.3 Energy Management and Greenhouse Gas Emissions	56	-
	302-2 Energy consumption outside of the organization	-	-	Information unavailable / incomplete
	302-3 Energy intensity	4.3 Energy Management and Greenhouse Gas Emissions	56, 57	-
	302-4 Reduction of energy consumption	-	-	Information unavailable / incomplete
	302-5 Reductions in energy requirements of products and services	-	-	Information unavailable / incomplete
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.3 Energy Management and Greenhouse Gas Emissions	58	-
	305-2 Energy indirect (Scope 2) GHG emissions	4.3 Energy Management and Greenhouse Gas Emissions	58	-
	305-3 Other indirect (Scope 3) GHG emissions	-	-	Information unavailable / incomplete
	305-4 GHG emissions intensity	4.3 Energy Management and Greenhouse Gas Emissions	59	-
	305-5 Reduction of GHG emissions	-	-	Information unavailable / incomplete
	305-6 Emissions of ozone-depleting substances (ODS)	4.5 Waste Management	62	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3 Energy Management and Greenhouse Gas Emissions	57	-
Waste Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	4 Management Approach	48	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	4.5 Waste Management	62	-
	306-2 Management of significant waste-related impacts	4.5 Waste Management	62	-
	306-3 Waste generated	4.5 Waste Management	63	-
	306-4 Waste diverted from disposal	4.5 Waste Management	63	-
	306-5 Waste directed to disposal	4.5 Waste Management	63	-

GRI Standard	Disclosure	Location	Page	Omission / Remarks
Human Rights and Labor Relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	66	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.2.1 Human Rights Risks and Response Actions	82	-
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.2.1 Human Rights Risks and Response Actions	82	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.2.1 Human Rights Risks and Response Actions	82	No significant risk identified
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.2.1 Human Rights Risks and Response Actions	82	No significant risk identified
Occupational Health and Safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	67	-
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.3.2 Occupational Health and Safety	90	-
	403-2 Hazard identification, risk assessment, and incident investigation	5.3.2 Occupational Health and Safety	91	-
	403-3 Occupational health services	5.3.2 Occupational Health and Safety	90	-
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.3.2 Occupational Health and Safety	91	-
	403-5 Worker training on occupational health and safety	5.3.2 Occupational Health and Safety	91	-
	403-6 Promotion of worker health	5.3.1 Employee Care and Well-being	86	-
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.3.2 Occupational Health and Safety	90	-
	403-8 Workers covered by an occupational health and safety management system	5.3.2 Occupational Health and Safety	90	-
	403-9 Work-related injuries	5.3.2 Occupational Health and Safety	93	-
	403-10 Work-related ill health	5.3.2 Occupational Health and Safety	93	-

GRI Standard	Disclosure	Location	Page	Omission / Remarks
Diversity and Inclusion				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	67	-
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	3.2.1 Board of Directors and Functional Committees	33	-
		5.1.3 Diversity and Inclusion	74	-
	405-2 Ratio of basic salary and remuneration of women to men	5.1.2 Talent Retention	71	-
Community Engagement				
GRI 3: Material Topics 2021	3-3 Management of material topics	5 Management Approach	67	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.4 Community Engagement and Social Participation	94	-
	413-2 Operations with significant actual and potential negative impacts on local communities	-	-	No such incidents
Sustainable Supply Chain Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	3 Management Approach	20	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.1.3 Supply Chain and Value Chain Management	31	-
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.1.3 Supply Chain and Value Chain Management	30	-
	308-2 Negative environmental impacts in the supply chain and actions taken	3.1.3 Supply Chain and Value Chain Management	30	-
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.1.3 Supply Chain and Value Chain Management	30	-
	414-2 Negative social impacts in the supply chain and actions taken	3.1.3 Supply Chain and Value Chain Management	30	-

SASB Standards Reference Table

Industry-specific Metrics

Topic	Accounting Metric	Category	Unit of Measure	Code	Section	Remarks
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, and (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	RT-IG-130a.1	4.3 Energy Management and Greenhouse Gas Emissions	*
Workforce Health & Safety	(a) Total Recordable Incident Rate (TRIR), (b) fatality rate, and (c) near miss frequency rate (NMFR) for (1) direct employees and (2) contract employees	Quantitative	Rate	RT-IG-320a.1	5.1.2 Talent Retention 5.3.2 Occupational Health and Safety	-
Fuel Economy & Use- phase Emissions	Sales-weighted fuel economy for medium- and heavy-duty vehicle fleets	Quantitative	Liters per 100 tonne- kilometers	RT-IG-410a.1	-	*
	Sales-weighted fuel economy for non-road equipment	Quantitative	Liters per hour	RT-IG-410a.2	-	*
	Sales-weighted fuel economy for stationary generators	Quantitative	Kilojoules per liter	RT-IG-410a.3	-	*
	Sales-weighted emissions of (1) NOx and (2) particulate matter (PM) for (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty diesel engines, and (d) other non-road diesel engines	Quantitative	Grams per kilojoule	RT-IG-410a.4	-	*
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	RT-IG-440a.1	4.2 Climate Risk Management 3.3.1 Risk Management and Governance	-
Remanufacturing Design and Services	Description of the management of risks associated with the use of critical materials	Quantitative	Reporting currency	RT-IG-440b.1	-	*

Activity Metrics

Activity Metric	Category	Unit of Measure	Code	Section	Remarks
Number of units produced, by product category	Quantitative	Number	RT-IG-000.A	-	*
Number of employees	Quantitative	Number	RT-IG-000.B	5.1.2 Talent Retention	

*:Certain SASB metrics are not disclosed in this reporting period because the required data are not yet fully available. LH will continue to enhance its data collection processes to support more comprehensive disclosure in future reports.