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2024 Sustainability Report

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About This Report

Keding Enterprises Co., Ltd. (hereinafter referred to as "Keding") publishes its first Sustainability Report this year, presenting sustainability-related information. Upholding the spirit of transparency, openness, and shared prosperity in sustainability, Keding prepared the content with reference to the Global Reporting Initiative (GRI) Universal Standards 2021. The report, published annually, provides an overview of the company's sustainable development in the economic, environmental, and social aspects, while also serving as a communication channel with stakeholders. At the same time, it demonstrates concrete sustainability performance, allowing stakeholders who care about the company to understand our efforts in 2024 across multiple areas, including corporate governance, environmental protection, employee care, and product and service offerings.

Reporting Standards

The statistical data disclosed in this report are based on the Company's own statistics and survey results. The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the "Guidelines for the Preparation and Filing of Sustainability Reports by TPEx-Listed Companies" in Taiwan. Where estimates are used, they are noted in the relevant sections. Financial data are derived from the Company's consolidated financial statements, which have been audited and certified by an independent accounting firm, and are presented in New Taiwan Dollars (NTD). The Company's 2024 Sustainability Report is compiled in compliance with applicable standards, frameworks, and regulations, with a focus on identifying the impacts of sustainability topics on the economy, environment, and society (including human rights). Through a materiality analysis process, the Company identifies and prioritizes material sustainability topics, and further analyzes related strategies, objectives, and actions. This forms the basis of the disclosures presented in the report. Relevant content and the GRI Index are provided in the Appendix.

Issuing Entity	Standards / Frameworks / Initiatives / Regulations
The United Nations, UN	UN Sustainable Development Goals, SDGs
Global Sustainability Standards Board（GSSB）	GRI Universal Standards 2021
International Sustainability Standards Board（ISSB）	Sustainability Accounting Standards Board, SASB
Financial Stability Board（FSB）	Task Force on Climate-related Financial Disclosures, TCFD
Taiwan Stock Exchange (TWSE)	In accordance with the "Corporate Sustainability Best Practice Principles for TWSE/TPEx Listed Companies" and the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies."

Report Scope and Reporting Period

This report covers the period from January 1, 2024 to December 31, 2024, and includes information on management approaches, material topics, implementation measures, and performance outcomes. The reporting boundary is centered on Keding Enterprises Co., Ltd. (Keding) and addresses the three dimensions of economy, environment, and society. Financial data are derived from Keding's 2024 consolidated financial statements (covering January 1 to December 31, 2024), which include the parent company and its subsidiaries, as detailed in the section "Subsidiaries Included in the Consolidated Financial Statements" of the 2024 Annual Report of Keding Enterprises Co., Ltd.. Accordingly, the consolidated group is taken as the boundary for financial disclosures. For environmental and social aspects, the reporting boundary primarily covers Keding's operations in Taiwan. Due to limitations in data availability, the scope of certain disclosures may be noted within the relevant sections of this report. For more detailed information regarding affiliated enterprises, please refer to the 2024 Annual Report. During the reporting period, there were no significant changes to the Company's organizational scale, structure, ownership, or supply chain.

Report Management Process and Publication

Process	Approach
Draft Collection and Internal Data Verification	Each responsible unit provides data and performance indicators, which are then reviewed and verified by the Sustainability Promotion Task Force.
Report Compilation	The information and data in this report were collected and consolidated by colleagues from various departments, and subsequently integrated, compiled, and proofread by the Sustainability Promotion Task Force.
Internal Review	Upon completion of the report, each department reconfirms the accuracy and completeness of the content. The finalized report is then approved by the highest-level executives of the relevant departments.
External Assurance	The financial data have been audited and certified by PricewaterhouseCoopers Taiwan (PwC) and are presented in New Taiwan Dollars (NTD).
Report Publication	The final version of the Sustainability Report is confirmed by the heads of the responsible departments and submitted to the Board of Directors for approval before being publicly released.

Publication Date and Frequency

First Publication: August 2025

Current Publication: August 2025

Next Scheduled Publication: August 2026

Frequency: Annual

Contact Information

Thank you for reading this report. If you have any questions or suggestions regarding this report or Keding Enterprises Co., Ltd., please feel free to contact us using the information below. To fulfill our responsibility for corporate information disclosure, this report is also made publicly available on the Company's official website for easy reference.

Issuing Entity: Keding Enterprises Co., Ltd.

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Oriented	UN SDGs	SDGs Action Initiative
Environment	13 氣候行動 17 永續發展夥伴關係	1. All products provided by our key suppliers comply with standards such as RoHS, REACH, ISO, and IATF. 2. Implemented the Task Force on Climate-related Financial Disclosures (TCFD) framework to effectively manage climate risks and enhance the company's climate resilience. 3. In 2024, conducted a recertification of the Occupational Health and Safety Management System in accordance with ISO 14001 and successfully passed.
Social	5 性別平等 8 就業與經濟成長 9 永續工業與基礎建設 10 消弭不平等	1. In 2024, conducted a recertification of the Quality Management System in accordance with ISO 9001 and successfully passed. 2. Neither the company nor its key suppliers have encountered any major risks or incidents related to gender or racial discrimination, child labor, forced labor, or other violations of labor rights. 3. In 2024, the company was assessed and continued to comply with the Healthy Workplace Certification.
Governance	9 永續工業與基礎建設 16 制度的正義與和平 17 永續發展夥伴關係	1. There are 2 female directors, accounting for 25% of the total board members. 2. In 2024, there were no major information security incidents, including IT security breaches, data leaks, fines, or violations of personal data protection. 3. In 2024, supplier evaluations were conducted, with no major deficiencies or risks identified. 4. Customer satisfaction has remained at a high level of over 90 points for three consecutive years.

Message from the Management

In recent years, with the global rise in sustainability awareness and the surge of net-zero carbon transitions across industries, businesses are expected not only to deliver financial performance but also to assume responsibilities toward society and the environment. In the face of a dynamic international landscape, climate change, and opportunities for industrial upgrading, KD Corporation adheres to the principles of "leveraging technology, continuous innovation, deep-rooted development, and stable growth." By integrating traditional techniques with modern technology, we actively develop high-quality products while cultivating professional management talent and skilled technical personnel. This solidifies our corporate foundation, enabling planning and execution to complement each other, and positions us, through new perspectives and excellent products, as a trustworthy international brand. We are committed to promoting corporate sustainability in practice, aiming to create long-term value for our shareholders, employees, customers, and society.

Looking back over the past year, the global economy remained challenged by high inflation, unstable supply chains, and extreme climate events, creating an uncertain business environment. Nevertheless, with steadfast belief and a united team, we strengthened our operational resilience through steady progress, continuously introduced high-performance equipment and lean processes, reduced energy and raw material consumption, and actively optimized product quality to enhance market competitiveness. We focus not only on core business performance but also on minimizing environmental impacts, safeguarding employee rights, and promoting social inclusion, fulfilling our corporate social responsibility commitments.

On the environmental front, we respond to international carbon reduction goals by setting energy-saving and carbon-reduction targets, gradually implementing greenhouse gas inventories and energy-efficiency upgrades, and striving toward a low-carbon transition. In 2024, we launched a key equipment replacement project, successfully reducing energy consumption per unit product and lowering carbon emission intensity. Additionally, we enhanced waste management and recycling efforts, steadily increasing the proportion of reused resources and progressing toward a circular economy.

Regarding social responsibility, we regard employees as our most valuable asset, prioritizing workplace safety, health, and well-being. The company continues to optimize compensation and benefits, promote diverse career development, and implement talent cultivation programs, creating a competitive and inclusive workplace. We have also implemented the ISO 45001 Occupational Health and Safety Management System to strengthen workplace risk control and health promotion, striving to provide a safe and secure work environment. In terms of public welfare, we encourage employees to participate in volunteer services and support community initiatives, fostering mutual growth and shared prosperity between the company and society.

On the governance front, the company continues to strengthen corporate governance and risk management mechanisms, enhancing the functions and supervisory effectiveness of the board of directors to ensure transparent and ethical decision-making while safeguarding the rights of shareholders and stakeholders. We adhere to laws and international standards to uphold integrity in business operations, establish whistleblowing and grievance channels, reinforce a culture of honesty, and improve overall corporate governance performance. Regular reviews and improvements are conducted to ensure continuous refinement.

Looking ahead, in the face of challenges and opportunities presented by climate change, digital transformation, and supply chain fluctuations, we will advance our sustainability strategies with a more forward-looking vision and proactive actions. Over the next three years, we plan to invest more resources in energy saving and carbon reduction, low-carbon product development, and digital management infrastructure, with the aim of embedding sustainability values deeply into our corporate culture and guiding all employees toward the goal of sustainable development.

We firmly believe that only by collaborating and working together with all stakeholders can we achieve sustainable growth and create a prosperous future amid the global trend of sustainability. We sincerely thank all partners who support KD Corporation. Moving forward, we will continue to advance steadily, face challenges courageously, fulfill our commitments, and remain a trustworthy business partner, contributing to the balanced development of society, the environment, and the economy.

Chairman Tsao, Hsien-Chang

Stakeholders and Material Topics

Stakeholder Identification

KD Corporation upholds the core philosophy of "Integrity in Business, Shared Prosperity" and considers maintaining good interactions with stakeholders as a fundamental basis for achieving sustainable development. The company recognizes that the economic, environmental, and social impacts generated during business operations are closely related to the interests of various stakeholders. Therefore, we are committed to establishing transparent, effective, and responsive communication mechanisms to proactively understand stakeholders' concerns, which serve as a key reference for driving sustainability strategies and optimizing management practices.

To systematically identify stakeholders, we reference the AA1000 Stakeholder Engagement Standard (SES) and the disclosure guidelines of the Global Reporting Initiative (GRI). A Sustainability Task Force, composed of senior management and functional units, is responsible for assessing and updating the stakeholder identification results. The evaluation is based on two main dimensions: relative influence and level of concern, examining the potential impact of each stakeholder on the company's operations and their attention to sustainability issues. Factors such as interaction frequency, relationship strength, and regulatory requirements are also considered. Ultimately, six key stakeholder groups are identified: employees, customers, suppliers and contractors, shareholders and investors, local communities, government agencies, and non-governmental organizations/media.

For different types of stakeholders, the company has established diverse and appropriate communication channels, such as regular labor-management meetings, shareholder meetings and investor briefings, supplier evaluations and visits, satisfaction surveys, dedicated customer service hotlines and email addresses, website sections, and social media interactions. These channels ensure that feedback is effectively conveyed and incorporated into operational decisions. In addition to existing communication mechanisms, KD Corporation actively collects stakeholders' priorities and expectations regarding critical issues, including labor rights, occupational safety, carbon management, product quality, information transparency, and social engagement, using this feedback to review the relevance and progress of sustainability goals and continuously improve management practices and disclosure quality.

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Stakeholder Communication

Departments communicate with stakeholders through routine business interactions, regular surveys, interviews, and analysis. Given that stakeholders' concerns vary depending on the nature of the business, diverse communication channels are employed to accurately understand their needs and expectations. The company considers stakeholders' perspectives in adjusting operational management and provides appropriate responses to the key issues that matter most to stakeholders.

Stakeholders	Importance of Communication	Key Topics of Concern	Communication Channels and Frequency	2024 Communication Performance
Government and Regulatory Authorities	Gain the support of shareholders and investors for the company's operations. Ensure regulatory compliance to secure government support and maintain competitiveness amid policy changes.	• Regulatory Compliance • Corporate Governance • Risk Management • Communication with Regulatory Authorities	• Participation in policy discussion meetings and forums organized by regulatory authorities (ad hoc) • Cooperation with regulatory supervision and audits (ad hoc) • Visits to regulatory authorities to establish direct communication opportunities (ad hoc) • Contact person: Spokesperson, Manager Lin（E-mail：ir@twkd.com）	• Occasionally participate in promotional sessions organized by regulatory authorities • Attend forums hosted by the New Taipei City Economic Development Department • Stay updated on regulatory changes and ensure proper compliance • Clarify tax issues, provide supporting documents, and cooperate with government subsidy audits • Cooperate with fire authorities in conducting reviews and inspections of building fire safety equipment
Employees	Attract and cultivate outstanding talent to enhance corporate competitiveness.	• Economic Performance • Employment Relations • Labor-Management Relations • Occupational Health and Safety • Employee Diversity and Equal Opportunity • Training and Education	• Hold the Employee Welfare Committee Meeting (once every quarter) • Hold the Labor-Management Meeting (once every quarter) • Hold the Occupational Safety and Health Committee Meeting (once every quarter) • Announce on the company's internal and external websites (on an irregular basis) • Contact person: Manager Lin, Administration Department（E-mail：admdep@twkd.com）	• Held 4 Employee Welfare Committee Meetings • Held 4 Labor-Management Meetings • Held 4 Occupational Safety and Health Committee Meetings • Conducted regular occupational safety, health, and fire safety campaigns, with enhanced audits on major issues • Arranged for special operation safety personnel to receive training and obtain certifications • Published more than 4 internal announcements regarding employee welfare and training in 2024
Shareholders and Investors	Support from shareholders and investors, fostering confidence in the company's operational development.	• Economic Performance • Integrity in Business • Legal Compliance 或 Regulatory Compliance • Risk Management • Corporate Governance	• Hold the Shareholders' Meeting and Investor Briefings (at least once a year) • Set up a dedicated spokesperson hotline and email (on an irregular basis) • Announce on the Market Observation Post System (MOPS) (on an irregular basis) • Announce on the company's external website (on an irregular basis) • Contact person: Spokesperson, Manager Lin（E-mail：ir@twkd.com）	• Hold Annual General Meeting of Shareholders: June 25, 2024 • Invited to participate in Investor Briefings: 2 times per year • Disclosure on the Market Observation Post System (MOPS): Simultaneous disclosure of major information in both Chinese and English • Website disclosures: Updated on an irregular basis

Stakeholders	Importance of Communication	Key Topics of Concern	Communication Channels and Frequency	2024 Communication Performance
Customers	Meet customer needs and provide professional products and services to enhance the company's business development and revenue.	• Economic Performance • Customer Service • Transportation Safety • Market Reputation • Occupational Health and Safety • Customer Privacy • Customer Health and Safety • Compliance with Socio-Economic Regulations • Marketing and Labeling	• Conduct customer satisfaction surveys (once a year) • Communicate via email, meetings, and audits (on an irregular basis) • Announce on the company's external website (on an irregular basis) • Contact person: Manager Yang, Taiwan Business Unit（E-mail：kd@twkd.com）	• In 2024, over 75 short videos were uploaded, rapidly strengthening engagement with customers. • Participated in 9 overseas building materials/franchise exhibitions and hosted 3 online overseas franchise briefings.
Suppliers	By cooperating with reliable partners, high-quality products can be delivered.	• Procurement Practices • Transportation Safety • Regulatory Compliance • Raw Materials	• Conduct supplier evaluations and on-site audits (on an irregular basis) • Announce on the company's external website (on an irregular basis) • Contact person: Manager Huang, Procurement Department（E-mail：purchase@twkd.com)	• In 2024, the supplier evaluation pass rate was 100%. • Through irregular communications, delays in product delivery and quality-related losses were avoided. • In 2024, there were zero reports of integrity-related complaints.
Community Organizations and Local Residents	Through two-way communication with local residents and participation in community initiatives, operational impacts can be minimized and social support strengthened.	• Environmental Sustainability • Support for Vulnerable Groups • Community Development • Sustainable Urban and Rural Development • Employee Diversity and Labor Rights	• Industry-Academia Collaboration Projects (on an irregular basis) • Participation in social welfare activities (on an irregular basis) • Attend forums, seminars, and meetings organized by professional associations, societies, or guilds (on an irregular basis) • Announce on the company's external website (on an irregular basis) • Contact person: Assistant Cao, Marketing Department（E-mail：kd@twkd.com)	• Industry-Academia Collaboration: In 2024, collaborated with 3 domestic universities, with 5 interns joining the company. • Donations to Local Authorities: Donated two disaster assessment vehicles to the New Taipei City Fire Department. • Disaster Relief Donations: In January 2024, donated NT$2 million for earthquake relief in Ishikawa, Japan; in April 2024, donated NT$3 million for disaster relief in Hualien, Taiwan, helping rebuild affected communities. • Tree-Planting Charity Event: In March 2024, continued the "Reserve a Future Forest" campaign, partnering with DOMI Green Nature to organize a tree-planting activity. Over 100 employees and their family members participated, planting 150 precious Machilus trees in Yilan County, expected to reduce 3,000–4,000 kg of carbon emissions. • Charity Gifts: Prioritized the use of charity gift boxes during festivals. • Total Social Welfare Investment in 2024: NT$8.2 million.

Material Topic Identification Process

The Sustainability Promotion Task Force of Keding referred to the GRI Sustainability Reporting Standards (GRI Standards), Responsible Business Alliance (RBA) Code of Conduct, Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), the Corporate Governance Indicators of the Stock Exchange, and the company's sustainability development goals to initially screen 23 sustainability topics relevant to the economic, environmental, and social aspects of the company. The task force distributed both online and physical questionnaires to understand the level of concern that key stakeholders have regarding 24 sustainability topics. The survey used a 5-point scale, with 5 representing the highest level of concern and 1 the lowest. A total of 103 valid responses were collected.

The task force, through senior management and internal assessments, analyzed each sustainability topic from two perspectives: likelihood of occurrence and impact severity, to understand the potential effects of each topic on environmental, economic, and social aspects. Based on the collected data, senior management, together with external sustainability consultants, provided recommendations on the reasonableness of the topic distribution from a strategic company perspective and made necessary adjustments.

Finally, the task force evaluated international trends and identified seven material topics. Based on the identification results, management policies and targets for these material topics were established and reported to the Board of Directors. Going forward, the management policies and targets for material topics will be reviewed annually, and the material topic identification process will be assessed as needed to ensure its effectiveness. This enables the management team to allocate resources efficiently while allowing internal and external stakeholders to review business performance and the positive or negative impacts of sustainability issues.

Identify Topics	Assess Impacts	Determine Materiality	Management Policies
Based on the GRI and SDGs, benchmarking against industry peers, and consolidating globally relevant topics, 24 sustainability topics were identified.	Through discussions with senior management and external consultants, and by setting a materiality threshold, a total of 5 responses were collected for the positive and negative impact questionnaires.	Topics with a total positive and negative impact score greater than 25 points are classified as the company's material topics.	Based on the reporting requirements for each topic, develop response strategies for material topics, formulate short-, medium-, and long-term goals and performance outcomes, establish management policies, and align them with the specific topics of the GRI Standards.

List of Material Topics

	Material Topics	Description of Positive/Negative Impacts
1	Corporate Governance and Risk Management	A sound corporate governance structure helps improve decision-making efficiency and operational transparency, enhancing the trust of investors and stakeholders. If governance mechanisms are imbalanced, it may lead to internal control weaknesses or ethical risks, potentially harming the company's reputation and operational stability.
2	Integrity in Business and Regulatory Compliance	Actively complying with laws and regulations can effectively reduce operational risks, ensuring lawful operations and maintaining social trust. If regulatory changes are not promptly monitored or compliance is poorly implemented, the company may face fines, lawsuits, or operational disruptions.
3	Operational Performance	Stable financial performance can enhance investor confidence, strengthen brand image, and improve industry competitiveness. However, when facing market fluctuations or cost pressures, an excessive focus on short-term financial results may negatively affect employee well-being and product quality.
4	Quality Management	A stable quality management system helps enhance customer satisfaction and market competitiveness. If quality control is insufficient, it may lead to product returns, customer complaints, or damage to brand reputation, affecting revenue and long-term development.
5	Environmental Regulatory Compliance	Proactively complying with environmental regulations helps reduce environmental impacts and enhances the company's green image and sustainability reputation. Neglecting environmental regulations or responding inadequately may result in penalties, environmental pollution, and negative public attention.
6	Talent Recruitment and Development	Proactive talent development policies can promote employee retention and enhance organizational innovation capabilities. If comprehensive human resource strategies are lacking, it may lead to talent attrition, organizational gaps, and reduced operational efficiency.
7	Labor-Management Relations	Positive labor-management interactions help create a stable work environment and enhance employee engagement. If effective communication mechanisms are lacking or grievance handling is inadequate, it may lead to employee dissatisfaction or workplace disputes, potentially affecting production operations.

Assessment of Positive and Negative Impact Significance

★ A topic is considered material if the combined average score of its positive and negative impacts exceeds the materiality threshold of 25 points.

Keding's Material Topics

Chart topics (top to bottom):
★人才招募與培育
★勞資關係
★品質管理
★誠信經營及法規遵循
★公司治理與風險管理
★環保法令遵循
★營運績效
職業健康與安全
廢棄物管理
能源與溫室氣體管理
員工薪資與福利
氣候變遷因應
供應鏈永續管理
稅務政策
員工培訓與訓練
資訊安全與客戶隱私
水資源管理
創新研發
創新技術應用研發
人權保障與多元共榮
結社自由與團體協商
環境及生態保護
社區參與及共好
綠色採購

X-axis: 0 5 10 15 20 25 30 35 40 45

Legend: ■ 正向衝擊程度 ■ 負向衝擊程度

Overview of Material Topics and Impact Boundaries

Category	Material Topics	Significance	GRI Correspondence	Value Chain Impact			Corresponding Chapter
				Upstream	Midstream KEDING	Downstream	
Economic Aspect	Corporate Governance and Risk Management	Sound corporate governance is fundamental to sustainable business development, as it can enhance the efficiency of strategic direction and resource allocation.	GRI 3-3 GRI 201-1 GRI 201-2 GRI 201-3	○	●	○	Corporate Governance Structure
Economic Aspect	Business Integrity and Regulatory Compliance	Establishing a comprehensive compliance mechanism can reduce potential legal risks, while enhancing the company's risk management capabilities and corporate image.	GRI 2-27 GRI 3-3 GRI 205-2 GRI 205-3	○	●	○	Corporate Governance Structure
Economic Aspect	Operational Performance	Operational performance is a core indicator of a company's sound management, affecting the efficiency of resource allocation and long-term growth momentum.	GRI 3-3 GRI 201-1 GRI 201-2 GRI 201-3	○	●	○	About Keding
Economic Aspect	Quality Management	Product quality affects customer satisfaction and brand reputation, serving as a fundamental cornerstone of competitiveness in the manufacturing industry.	GRI 3-3	▲	●	○	Sustainable Supply Chain
Environmental Aspect	Environmental Regulatory Compliance	Through institutionalized environmental regulatory management, companies can effectively reduce environmental compliance risks and resource wastage.	GRI 2-23 GRI 2-27 GRI 3-3	○	●	○	Corporate Governance Structure Environmental Sustainability
Social Aspect	Talent Recruitment and Development	Comprehensive training and career development programs help enhance employee loyalty and organizational competitiveness.	GRI 3-3 GRI 201-3 GRI 401-1 GRI 401-2 GRI 404-1 GRI 404-3		●	○	Friendly Workplace
Social Aspect	Labor-Management Relations	Harmonious labor-management interactions can strengthen organizational stability and employee satisfaction, while reducing operational risks.	GRI 3-3 GRI 201-3 GRI 401-1 GRI 401-2 GRI 401-3		●	○	Friendly Workplace

●Direct Impact ○Indirect Impact ▲Business Relationship Impact

Material Topics：Corporate Governance and Risk Management

Linked SDGs	SDG 16 – Peace, Justice and Strong Institutions
Corresponding GRI Indicators	GRI 3-3、GRI 205-2、GRI 205-3
Sustainability Commitment	We are committed to establishing a robust and transparent corporate governance framework, enhancing the effectiveness of the Board of Directors, and ensuring that all business decisions comply with corporate ethics, legal regulations, and sustainability requirements.
Metrics and Targets	Short-term Goals • Establish and implement an annual performance evaluation system for the Board of Directors and functional committees. • Ensure that 100% of internal control audit items incorporate sustainability risks. Medium- to Long-term Goals • Continuously develop relevant systems in compliance with regulatory requirements to further strengthen corporate governance. • Integrate sustainability performance into the compensation scheme for senior executives to reinforce the linkage with sustainable governance.
2024 Performance	• Completed a diversity assessment of Board members, increasing the proportion of female directors to 25%. • Completed identification of stakeholder communication topics, achieving 100% coverage. • Completed performance evaluations for the Board of Directors and functional committees. • No major legal violations or penalties occurred.
Action Plans	• Regularly review and update governance policies, and assess their implementation effectiveness. • Enhance the functionality of stakeholder communication platforms to improve interaction transparency.

Material Topics：Business Integrity and Regulatory Compliance

16 和平、正義與健全的司法

Linked SDGs	SDG 16 – Peace, Justice and Strong Institutions
Corresponding GRI Indicators	GRI 3-3、GRI 205-2、GRI 205-3
Sustainability Commitment	Upholding the principles of integrity, fairness, and regulatory compliance, we are committed to establishing a compliance management mechanism that integrates internal auditing and risk control.
Metrics and Targets	Short-term Goals (2025) • Strengthen periodic audits of factory operations in accordance with relevant regulations (e.g., occupational safety, environmental protection). • Ensure the company is not penalized by government authorities for any legal violations. Medium- to Long-term Goals (2025–2030) • Establish reporting channels for whistleblowing on breaches of integrity. • Comply with relevant laws and regulations to prevent major legal penalties.
2024 Performance	• No major legal penalties or violations occurred. • No significant bribery or corruption incidents were reported. • Departments achieved a corrective action rate of over 90% for audit findings.
Action Plans	• Strengthen stakeholder reporting and grievance mechanisms, and establish standardized procedures for investigation and handling. • Enhance stakeholder communication by disclosing the implementation and effectiveness of business integrity through the company website and reports. • Incorporate integrity clauses into supplier contracts to reinforce ethical responsibility across the supply chain.

Material Topics：Quality Management

Linked SDGs	SDG 9 – Industry, Innovation and Infrastructure
Corresponding GRI Indicators	GRI 3-3、GRI 416-1、GRI 416-2、GRI 417-1、GRI 417-2
Sustainability Commitment	Quality is at the core of brand value and customer trust. We implement a comprehensive quality management culture that covers the entire process, including product design, manufacturing, inspection, delivery, and after-sales service.
Metrics and Targets	Short-term Goals (2025) • Complete the annual ISO 9001 surveillance audit and third-party audits. • Strengthen the professional capabilities of QC personnel by completing 100% internal training and assessments. Medium- to Long-term Goals (2025–2030) • Incorporate sustainability materials and low-carbon process quality into the design and development verification process. • Promote ISO 14067 product carbon footprint certification or equivalent third-party certification standards.
2024 Performance	• Achieved an average customer satisfaction survey score close to the maximum. • Completed review and revision of SOPs and quality assurance standards for the four major processes. • Achieved a 100% pass rate in the 2024 supplier evaluation.
Action Plans	• Optimize the customer complaint management platform and establish a customer feedback database. • Increase the frequency and transparency of supplier quality audits, incorporating the results into procurement decision-making criteria.

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Material Topics：Environmental Regulatory Compliance

Linked SDGs	SDG 12 – Responsible Consumption and Production
Corresponding GRI Indicators	GRI 3-3、GRI 306-1、GRI 306-2、GRI 306-3
Sustainability Commitment	We are committed to strictly complying with all environmental laws and regulations, while continuously strengthening internal environmental management systems and compliance monitoring mechanisms.
Metrics and Targets	Short-term Goals • Ensure the company is not penalized by government authorities for environmental cases. • Complete the annual ISO 14001 surveillance audit and third-party audits. Medium- to Long-term Goals • Incorporate policy alerts and response procedures for major environmental law amendments. • Promote standardized environmental compliance requirements across the supply chain, and establish a cooperative self-assessment and guidance system.
2024 Performance	• Achieved zero major environmental regulatory violations throughout the year, with a 100% compliance rate. • Gradually increased waste segregation and recycling rates within the factory premises.
Action Plans	• Regularly review and update industry-relevant environmental regulations to ensure full compliance. • Maintain ongoing communication with local governments and industry associations to stay informed of the latest policy directions.

Material Topics：Talent Recruitment and Development

4 優質教育

Linked SDGs	SDG 4 – Quality Education
Corresponding GRI Indicators	GRI 3-3、GRI 404-1、GRI 404-3
Sustainability Commitment	We are committed to creating a fair and diverse workplace environment that attracts and retains talented individuals with potential and enthusiasm.
Metrics and Targets	Short-term Goals • Strengthen campus recruitment collaborations by adding three technical university partners. • Increase the average annual training hours per employee by 10%. Long-term Goals • Establish an internal trainer development and knowledge transfer system to enhance organizational learning capabilities. • Maintain overall employee training satisfaction at above 90%.
2024 Performance	• Review the average annual training hours and related budget allocation each year. • Arrange for personnel involved in special operational safety tasks to receive training and obtain the required certifications.
Action Plans	• Expand digital recruitment platforms and industry-academia collaborations to attract outstanding talent. • Strengthen performance management and learning outcome assessments to enhance training effectiveness and talent retention.

Material Topics：Labor-Management Relations

Linked SDGs	SDG 8 – Decent Work and Economic Growth
Corresponding GRI Indicators	GRI 3-3、GRI 401-1、GRI 401-2、GRI 401-3
Sustainability Commitment	We value employee voices and labor-management trust mechanisms, striving to create a communication environment that emphasizes respect, transparency, and mutual consultation.
Metrics and Targets	Short-term Goals • Enhance the visibility and response rate of channels such as suggestion boxes and employee communication mailboxes. • Ensure salaries and benefits are not lower than industry standards. Long-term Goals • Achieve 100% completion rate for annual labor-management communication meetings. • Develop forward-looking workplace welfare policies that address the needs of different generations and employee groups.
2024 Performance	• Zero occupational safety and health violations. • Zero workplace unlawful infringement incidents. • Held 4 meetings of the Employee Welfare Committee. • Held 4 labor-management meetings. • Held 4 occupational safety and health meetings.
Action Plans	• Hold labor-management meetings quarterly to promote exchange of opinions and consensus building. • Regularly review working hours, overtime, and shift systems to ensure compliance with regulations while safeguarding employee health.

Material Topics：Operational Performance

Linked SDGs	SDG 8 – Decent Work and Economic Growth
Corresponding GRI Indicators	GRI 3-3、GRI 201-1、GRI 201-2、GRI 201-3
Sustainability Commitment	Based on sound management, we aim to enhance operational efficiency and market competitiveness, continuously delivering performance results that create long-term value for shareholders and stakeholders.
Metrics and Targets	Short-term Goals • Optimize working capital turnover to improve inventory and accounts receivable efficiency. • Expand market share in the domestic high-end building materials sector. Medium- to Long-term Goals • Optimize factory capacity allocation and operational efficiency to reduce operating cost ratios. • Stabilize shareholder returns and reinvestment mechanisms to enhance capital utilization effectiveness.
2024 Performance	• Achieved an after-tax earnings per share of NT$4.93 in 2024. • Revenue in 2024 increased compared to 2023.
Action Plans	• Gradually implement lean production management systems to reduce unit product manufacturing costs. • Regularly review revenue structures and product profitability analyses in collaboration with Finance, Sales, and R&D departments. • Improve information transparency mechanisms to enhance the quality of disclosures in the annual report, company website, and sustainability report.

About Keding 1

1.1 Company Overview

Since its founding, Keding Enterprises Co., Ltd. has upheld the values of Professionalism, Innovation, Quality, and Service, focusing on the R&D and manufacturing of interior decoration building materials to enhance spatial aesthetics and quality of life. Our main products—coated wood veneer panels, KD wood flooring, and related construction materials—offer diverse designs and materials to serve residential, commercial, office, and large-scale public projects. Through consistent product quality, advanced craftsmanship, and continuous innovation, Keding has established a strong market presence and earned trust from domestic and international customers.

Keding actively expands both domestic and international markets, exporting products to multiple countries and regions. In response to growing global emphasis on environmental sustainability, we integrate carbon reduction, energy efficiency, and resource recycling into product design and development, while continuously optimizing production processes to reduce emissions, minimize waste, and promote resource recovery.

Our governance framework emphasizes integrity, transparency, and risk management, ensuring all operations comply with legal and ethical standards. We value stakeholder engagement, employee rights, and career development, providing a safe, healthy, and growth-oriented work environment that encourages diversity, collaboration, and shared success.

Company Name	Keding Enterprises Co., Ltd.
Industry	Building Materials & Construction
Stock Code	6655
Establishment Date	July 22, 2002
Headquarters Location	15F, No. 268, Fuhui Rd., Xinzhuang District, New Taipei City, Taiwan
Paid-in Capital (Unit: TWD'000)	821,813
Revenue 2024 (Unit: TWD'000)	2,503,330
Number of Employees	761人
Operational Sites	Taiwan, Asia, Australia
Main Business	Manufacturing and sales of coated wood veneer panels, KD wood flooring, and other wood-related products

註Main Business2024年12月31日

Hong Kong
Vietnam
Thailand
India
Shanghai
Taipei
Philippines
Singapore
Australia
Malaysia
Indonesia

Products and Services

Keding Enterprises Co., Ltd. is dedicated to enhancing spaces and elevating quality through high-quality decorative building materials. Our core products—wood-based decorative panels, wood flooring, and related interior materials—offer diverse textures, patterns, and colors for residential, commercial, office, and public spaces.

We integrate environmental sustainability and low-carbon design into our product development, offering eco-friendly lines made with low-formaldehyde, low-VOC, and recyclable materials, while optimizing manufacturing processes to reduce energy use and carbon footprint. Multiple international green building certifications underscore our commitment to supporting the transition to a greener construction industry.

Our professional sales and technical support teams provide tailored material and construction solutions, ensuring the best balance between quality, environmental impact, and budget. A comprehensive after-sales system guarantees prompt responses, issue tracking, and technical guidance. Keding also actively expands international operations, strengthening its global brand to serve a wider range of customers.

Industry Value Chain and Its Connectivity

Keding Enterprises Co., Ltd. maintains a close and sustainable value chain across upstream, midstream, and downstream operations in the interior design and building materials industry.

Upstream: We partner with domestic and international suppliers, prioritizing stable quality, environmental responsibility, and ethical standards, promoting responsible sourcing to strengthen the resilience of the supply chain.

Midstream Manufacturing: Advanced automation and continuous process improvements enhance product quality, production efficiency, and reduce energy use and waste. Lean production principles optimize resource allocation and cost control.

Downstream Sales and Services: Our professional design and sales teams deliver products to domestic and international markets, supporting clients with pre-sale consultation, technical guidance, and after-sales service. Feedback mechanisms drive ongoing innovation, enhancing the added value across the entire value chain.

Keding's Role in the Industry Value Chain

Upstream Suppliers	✔ Eco-friendly Wood and Auxiliary Materials ✔ Certified Material Supply
Midstream (Keding)	✔ R&D & Design ✔ Manufacturing ✔ Quality Inspection ✔ After-sales Service
Downstream Customers	Architects、Designers、Distributors、Residential, Commercial, and Public Project Owners

1.2 Operational Performance

Since its establishment, Keding Enterprises Co., Ltd. has upheld a commitment to sound management and sustainable growth, focusing on enhancing product quality, strengthening brand value, and expanding market share to deliver stable operational growth and shareholder value. Facing challenges such as rapidly changing market conditions and raw material price fluctuations, the company actively optimizes operational structure, implements cost control, and strengthens R&D and sales capabilities, while continuously promoting diversified product lines and international market expansion.

Domestic Market: Leveraging a diversified product portfolio and high-quality service, Keding maintains strong engagement in residential, commercial, office, and public projects, securing large-scale contracts and achieving steady annual revenue growth.

International Market: The company continues to expand overseas channels and partnerships, actively cultivating markets in Southeast Asia, the Middle East, and Europe & America, gradually enhancing global recognition and export contribution.2024 Performance: Despite global inflation pressures and raw material cost fluctuations, Keding delivered solid results, achieving consolidated revenue of TWD 2.503 billion, a 5.41% year-on-year increase, and net profit of TWD 386 million, with EPS of TWD 4.93, reflecting stable profitability and asset returns. Beyond operational growth, the company actively enhances shareholder returns, maintains dividend stability, and ensures transparent disclosure of operational results and future outlook, fostering trust and collaboration among all stakeholders.

2024 Financial Overview	Unit: New Taiwan Dollar (TWD)
Consolidated Financial Statements	
Revenue (TWD 'OOO)	2,503,330
Gross Profit (TWD 'OOO)	1,301,247
Operating Income (TWD 'OOO)	461,213
Net Profit (TWD 'OOO)	385,671
Profitability	
Gross Margin (%)	51.98
Net Profit Margin (%)	15.41
Return on Assets (ROA) (%)	5.84
Return on Equity (ROE) (%)	15.89
Earnings per Share (EPS, TWD)	4.93

Direct Economic Value Generated and Distributed by the Organization

Item	FY 2022	FY 2023	FY 2024
Direct Economic Value Generated (A)[1]	2,473,149	2,427,066	2,549,333
Direct Economic Value Distributed (B)	2,356,170	2,479,715	3,007,701
Operating Costs	1,215,111	1,271,004	1,202,083
Employee Wages and Benefits	708,661	667,573	706,287
Payments to Providers of Capital[2][4]	318,971	476,614	1,005,838
Payments to Government[3]	113,427	64,524	93,493
Economic Value Retained (A-B)	116,979	-52,649	-458,368

Notes:

1. Includes annual revenue, interest income, dividend income, rental income, other income, other gains, and investment returns.
2. Includes annual cash dividends and interest expenses paid to providers of capital.
3. Includes annual business tax, corporate income tax, land value tax, house tax, fuel tax, license fees, and securities transaction tax.
4. For the dividend distribution in the last three years, please refer to the minutes of the shareholders' meeting.

1.3 Tax Governance

Tax Policy

Keding Enterprises upholds integrity and legal compliance in taxation, recognizing sound tax compliance as a key component of corporate social responsibility. The company believes that transparent and robust tax management not only strengthens corporate governance and stakeholder trust, but also contributes resources to public infrastructure and social development, promoting mutual prosperity for both business and society. Accordingly, Keding strictly complies with Taiwanese and overseas tax regulations, files all taxes accurately, and pays on time, with no significant violations or late payment records. In 2024, the company paid TWD 86,932 thousand in income taxes.

To ensure tax risks are controlled and policies are consistent, Keding has established a dedicated finance unit responsible for tax planning, execution, and internal audit, and undergoes regular external accountant reviews. Internal processes are updated in line with the latest regulations and international tax developments, and staff across business units are trained to reduce potential tax disputes and enhance compliance awareness. Collaboration with external accounting firms ensures that tax filings are complete, accurate, and aligned with best practices.

For international operations, Keding adopts a cautious approach in light of varying tax jurisdictions and the risk of double taxation. The company avoids improper tax planning or evasion, and leverages legitimate cross-border transaction structures and international tax treaties to prevent double taxation while maintaining operational efficiency and compliance. All new market expansions are assessed for tax implications and potential risks to ensure long-term sustainable business growth.

Country-by-Country Reporting

Keding supports the global trend of tax transparency and actively complies with regulatory requirements for corporate information disclosure, ensuring the integrity and traceability of operational and financial data. While the company has expanded its overseas business to Southeast Asia, the Middle East, and parts of Europe and the U.S., its operations and R&D remain primarily based in Taiwan. As such, Keding has not yet met the OECD threshold for Country-by-Country Reporting (consolidated group revenue exceeding TWD 27 billion).Nevertheless, the company voluntarily references BEPS Action 13 principles, enhancing internal information integration and risk assessment frameworks. Keding continuously improves the quality of financial disclosure, fulfills its responsibilities as a multinational enterprise, ensures fair taxation, strengthens economic substance, and reinforces its corporate governance objectives.

Subsidies and Grants from Government

Region	Project Name	Granting Agency	Policy Basis	Amount (TWD thousand)
Taiwan	Subsidy	Chiayi County Government	Chiayi County Economic Revitalization Incentive – Land and House Tax Subsidy for New Industrial Park Investments	905
Taiwan	Subsidy	Workforce Development Agency, Yun-Chia-Nan Branch, Ministry of Labor	Youth Employment Flagship Program	3,335
Taiwan	Tax Exemption	Northern District National Taxation Bureau	Tax Refund/Subsidy for Purchasing Energy-Efficient Appliances	4
China	Subsidy	Changning District Human Resources and Social Security Bureau, Shanghai	One-Time Employment and Job Expansion Subsidy for Key Groups (Consolidated Policy)	9
China	Subsidy	Shanghai Disabled Employment Service Center	Employment Subsidy for Persons with Disabilities	55
China	Subsidy	Shanghai Employment Security Fund	Unemployment Insurance Stabilization and Employment Support Policy	254
China	Subsidy	Wuxi Employment Security Fund	Unemployment Insurance Stabilization and Employment Support Policy	53
China	Subsidy	Shanghai Municipal Finance Bureau	Headquarters Management Institution Certification Financial Support Policy	4,320
Singapore	Subsidy	Inland Revenue Authority of Singapore (IRAS)	Progressive Wage Credit Scheme (PWCS)	321
Singapore	Subsidy	Ministry of Education, Singapore	Skills Future Singapore (SSG) Funding	5
Singapore	Subsidy	Inland Revenue Authority of Singapore (IRAS)	Corporate Income Tax (CIT) Rebate/Grant	48
Singapore	Subsidy	Inland Revenue Authority of Singapore (IRAS)	Employment Support Credit (EEC) Subsidy	13
				9,322

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Environmental Sustainability

Friendly Workplace

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KEDING CO. 2024 Sustainability Report

1.4 Memberships in External Organizations

Associations & Councils	Membership Role
Taipei Interior Design & Renovation Trade Association	Corporate Member
New Taipei Interior Design & Renovation Trade Association	Corporate Member
Taiwan Association of Professional Interior Designers	Group Member
Taiwan Province Federation of Interior Design & Renovation Trade Associations	Corporate Member
Taiwan Interior Design & Decoration Association	Honorary Member
National Federation of Interior Design & Renovation Trade Associations, R.O.C.	Corporate Alliance Member
Society of Professional Interior Renovation Technicians, R.O.C.	Corporate Member
Interior Design Association, R.O.C.	Group Member
Keelung Interior Design & Renovation Trade Association	Corporate Member
Taoyuan Interior Design & Renovation Trade Association	Honorary Member
Hsinchu Interior Design & Renovation Trade Association	Corporate Member

Associations & Councils	Membership Role
Hsinchu County Interior Design & Renovation Trade Association	Honorary Member
Yilan County Interior Design & Renovation Trade Association	Honorary Member
Hualien County Interior Design & Renovation Trade Association	Corporate Advisor
Miaoli County Interior Design & Renovation Trade Association	Corporate Member
Taichung Special Municipality Interior Design & Renovation Trade Association	Corporate Member
Taichung City Interior Design & Renovation Trade Association	Corporate Member
Changhua County Interior Design & Renovation Trade Association	Corporate Member
Yunlin County Interior Design & Renovation Trade Association	Corporate Advisor
Tainan City Interior Design & Renovation Trade Association	Corporate Member
Chiayi City Interior Design & Renovation Trade Association	Corporate Member
Kaohsiung New Interior Design & Renovation Trade Association	Corporate Member
Kaohsiung City Interior Design & Renovation Trade Association	Corporate Member

Corporate Governance Structure 2

2.1 Corporate Governance Structure & Policy Commitments

Policy Commitments

Keding has established a comprehensive sustainability governance framework. The Board of Directors defines long-term development directions and policy commitments, guiding all action plans.

We uphold Integrity, Compliance, Innovation, and Shared Prosperity, integrating ESG management across operations. Key policies include Code of Ethics, Quality Management, Occupational Health & Safety, Employee Rights Protection, and Supplier Code of Conduct, ensuring all units fulfill corporate responsibilities.

Environment: We reduce production impacts through energy saving, carbon reduction, waste minimization, recycling, pollution prevention, and green product design.

Social: We respect human rights, prohibit child/forced labor and discrimination, and provide a safe, equitable workplace. Communication mechanisms strengthen trust with employees, customers, and suppliers.

Governance: Integrity underpins our governance. We enhance Board and management effectiveness, internal controls, risk management, transparency, and legal compliance, while disclosing performance and sustainability results to stakeholders.

▼Keding organizational structure. For more information on the corporate governance framework and the responsibilities of each department, please refer to the company's website.

Organization Chart
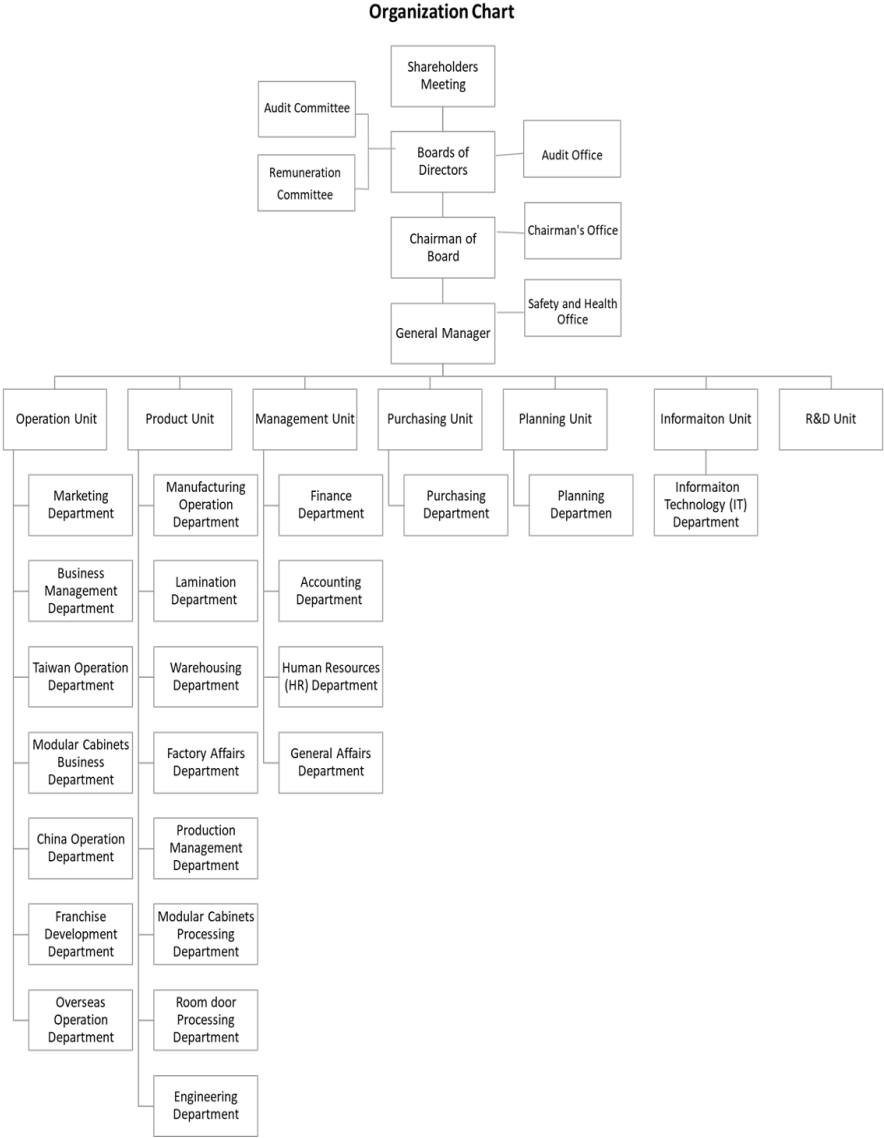
Board Composition and Selection

Keding recognizes that sound corporate governance is fundamental to sustainable business operations, with the Board of Directors serving as the highest governance body. The Board is responsible for formulating business strategies, supervising management execution, safeguarding the rights of shareholders and stakeholders, and ensuring that all operations comply with applicable laws and ethical standards. To reinforce governance and enhance Board effectiveness, Keding has established a comprehensive Board structure and operational system in accordance with the Company Act, Securities and Exchange Act, and the "Corporate Governance Best Practice Principles."

The Board is composed to ensure diversity, professionalism, and independence, thereby promoting decision-making quality and supervisory effectiveness. As of the end of 2024, the Board comprises 8 directors, including 4 independent directors, meeting the statutory requirements for independence. Members possess expertise in law, accounting, industry management, risk management, and corporate sustainability, combining professional knowledge with practical experience to support prudent and comprehensive decision-making in a rapidly changing market environment.

To ensure the Board reflects shareholder interests and balances various expectations, Keding follows a formal Nomination System. The Nomination Committee reviews and recommends candidates, who must demonstrate good reputation, professional competence, and compliance with relevant legal qualifications. The selection process is open and fair, with final approval by the shareholders' meeting.

Management Objectives	Achievement Status
Number of independent directors exceeds 1/3 of the board	Achieved
Less than one director of the underrepresented gender	Achieved
Implement disclosure of board diversity information	Achieved
Directors and key officers covered by liability insurance	Achieved
Directors' training hours comply with legal requirements	Achieved
No more than half of independent directors serve beyond three terms	Achieved

▼Overview of Keding's Board of Directors and Functional Committees Operations

Board of Directors	Audit Committee	Compensation Committee
Board of Directors 8 members	Board of Directors 4 members	Board of Directors 4 members
Meetings held 8	Meetings held 7	Meetings held 5
Attendance rate 95.31%	Attendance rate 96.43%	Attendance rate 95%

Board Diversity

Keding upholds sound governance and diversity principles, aiming to build a board composed of members with varied backgrounds and professional expertise. We prioritize gender balance and coverage of different disciplines, actively incorporating members with legal, finance, social welfare, and marketing experience to enhance decision-making quality and risk management capabilities.

Board Members Name	Nationality	Gender	Age Range	Professional Knowledge and Skills							
				Business Judgment	Accounting and Financial Analysis	Management Capability	Crisis Management	Construction and Engineering	International Market Insight	Leadership	Decision-Making
Tsao,Hsien-Chang	Taiwan	Male	61 and above	V	V	V	V	V	V	V	V
Huang,Tien-Hua	Taiwan	Male	61 and above	V	V	V	V	V	V	V	V
Tsai, Sheng-Hang	Taiwan	Male	41 to 50	V	V	V	V	V	V	V	V
Tsao, Ya-Lin	Taiwan	Female	31 to 40	V	V	V	V		V	V	V
*Cheng, Hung-Hui	Taiwan	Male	51 to 60	V	V	V	V		V	V	V
*Yang,Hao-Ming	Taiwan	Male	61 and above	V	V	V	V		V	V	V
*Liu,Ting-Hsuan	Taiwan	Male	41 to 50	V	V	V	V		V	V	V
*Lo, Shu-Chen	Taiwan	Female	41 to 50	V	V	V	V		V	V	V

Note 1 Tsao,Hsien-Chang serves as the Chairman of the Board.

Note 2 * indicates that the director is an independent director.

Note 3 For information on the operations of the Board and its functional committees as well as the backgrounds of their members, please refer to the Company's Annual Report.

Note 4 The Company emphasizes gender equality in Board composition. Currently, there are 2 female directors, representing 25% of the Board.

Conflict of Interest

Keding upholds the highest standards of integrity and sound corporate governance, requiring all Board members to strictly comply with the Company Act, Securities and Exchange Act, and other relevant regulations when performing their duties. This ensures that decision-making remains fair, objective, and impartial, safeguarding the rights and interests of all shareholders and stakeholders. The Company has established clear Board Meeting Rules and internal control procedures, stipulating that directors must disclose and recuse themselves from matters that may involve personal or related-party interests.

Whenever a Board agenda item involves the personal or related-party interests of a director that may conflict with the Company's interests, the director must proactively disclose the nature of the interest during the meeting. The director is prohibited from participating in discussions or voting on the matter and may not act as a proxy for other directors. Meeting minutes clearly record the disclosure and recusal to ensure traceability and transparency for subsequent audits and stakeholder review.

To further strengthen transparency and risk prevention, Keding regularly provides internal and external training for Board members, covering corporate governance principles, conflict-of-interest identification, and fiduciary responsibilities. This practice not only mitigates potential compliance risks but also ensures that all decisions are made in a fair, reasonable, and legally compliant manner.

Board Continuing Education

Keding requires all directors to participate annually in continuing education courses related to corporate governance throughout their tenure. Course topics include compliance with company laws, risk management, internal controls, sustainability (ESG), financial statement analysis, ethical business practices, information security, and anti-money laundering, ensuring that directors possess up-to-date knowledge and professional capabilities necessary to fulfill their duties.

The Company is committed to continuously enhancing the expertise and awareness of Board members to elevate corporate governance standards and achieve sustainable business management. In 2024, the total training hours reached 63, with 100% of directors meeting the continuing education requirements.

For detailed information on Board continuing education, please refer to the 2024 Annual Report, pages 28–29.
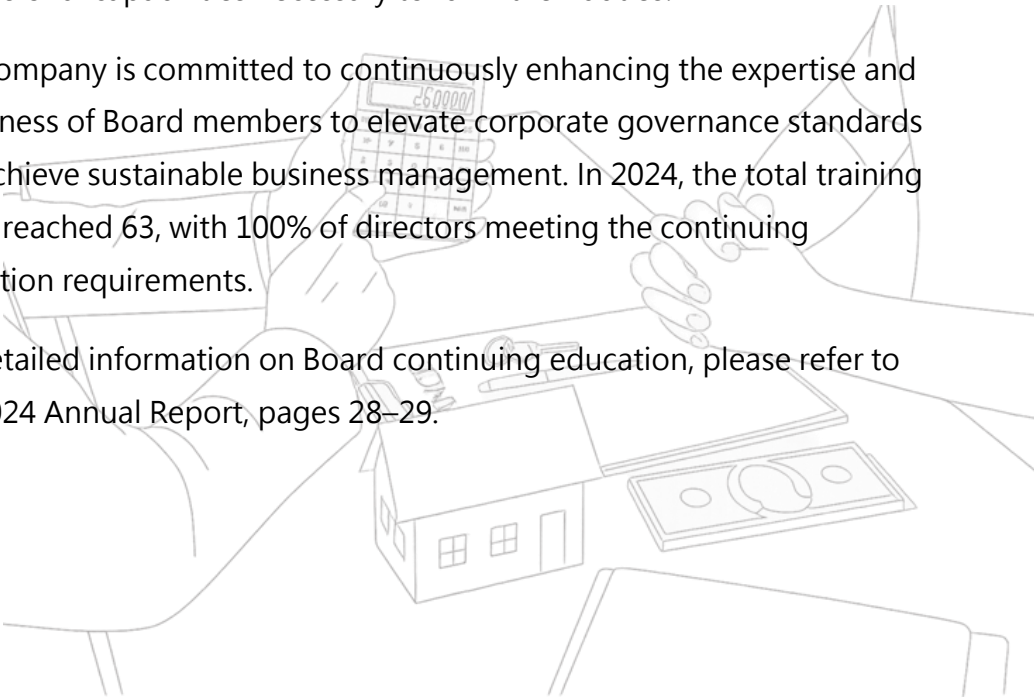
Functional Committees

Keding has established the Audit Committee and Remuneration Committee under the Board to strengthen governance, supervision, and decision-making. Both committees are primarily composed of independent directors, ensuring professionalism and impartiality.

The Audit Committee oversees financial reporting, internal controls, audits, and risk management. In 2024, it held 7 meetings reviewing financial statements, internal audits, tax compliance, and regulatory updates, providing recommendations to enhance operational resilience.

The Remuneration Committee sets fair and competitive compensation for directors and executives, aligning with company performance, individual contributions, and sustainability goals. Decisions are reviewed and approved by the Board to ensure transparency and fairness.

Audit Committee

Professional Expertise	The Audit Committee consists of 4 members with expertise in industry knowledge, accounting, and financial analysis.
Responsibilities	Its responsibilities cover financial statements, audits, internal control systems, acquisition or disposal of significant assets or derivative transactions, major loans, endorsements or guarantees, issuance of securities, regulatory compliance, related-party transactions and potential conflicts of interest involving managers or directors, fraud investigation reports, corporate risk management, appointment or dismissal of certified public accountants, and the appointment of financial, accounting, or internal audit officers.
In 2024, the committee held a total of 7 meetings with an actual attendance rate of 96.43%.	

Remuneration Committee

Professional Expertise	The Compensation Committee consists of 4 members, possessing expertise in industry knowledge, accounting and financial analysis, as well as legal affairs.
Responsibilities	The committee diligently upholds the duty of care and faithfully performs its responsibilities, submitting recommendations on the remuneration of directors and executives to the Board for deliberation.
In 2024, the committee held 5 meetings with an actual attendance rate of 95%.	

Board Performance Evaluation

Keding places high importance on continuous improvement of board effectiveness as a key foundation for sound corporate governance and sustainable development. To ensure the board and its committees operate efficiently, the company conducts an annual performance evaluation in accordance with regulatory requirements and its internal "Board Performance Evaluation Guidelines." The evaluation results are reported to the board and used as a basis for future enhancements.

The assessment covers multiple dimensions, including overall board operations, the effectiveness of functional committees, and individual director performance. Key evaluation indicators include board composition and diversity, meeting procedures, decision quality, oversight of corporate strategy, risk management, regulatory compliance, ESG promotion, and stakeholder communication. The evaluation combines self-assessment questionnaires and structured reporting compiled by the corporate governance office.

In 2024, the evaluation revealed that directors actively fulfilled their duties, contributed professional insights, and engaged fully in discussions, with an overall score exceeding 95. Areas identified for further improvement are incorporated into action plans to strengthen board governance and ensure sustainable management.

Director and Executive Compensation Policy

Keding adheres to principles of fairness, reasonableness, and market competitiveness in establishing director and executive compensation policies. The policy aims to attract, motivate, and retain talented management personnel, ensuring that directors and executives can lead the company with professional expertise and a strong sense of responsibility toward stable growth and sustainable development.

Director remuneration is determined in accordance with the company's articles of association and shareholder resolutions, considering industry benchmarks, company performance, and the responsibilities of the role. Payments reflect company profitability, annual business results, and achievement of sustainability goals to ensure alignment with market standards while maintaining financial stability. Independent directors receive fixed remuneration to safeguard impartiality, independence, and to prevent conflicts of interest.

Executive compensation is determined using a combination of market salary surveys, company scale, individual performance, and departmental goal attainment. The system combines fixed salary and variable incentives, including annual bonuses and long-term incentive plans. Performance assessments incorporate operational results, ESG target achievement, and teamwork contributions, reinforcing management's commitment to creating long-term sustainable value.

2.2 Integrity and Ethical Business Practices

Keding upholds integrity as the foundation of its business and views ethical operations as the core of corporate culture and a cornerstone of sustainable development. To ensure fair, transparent, and responsible management, the company complies with the Company Act, Securities and Exchange Act, and the Corporate Integrity Guidelines for Listed Companies, and has established the "Code of Integrity" and related management procedures. These measures ensure that all employees and board members adhere to ethical standards in daily operations, preventing misconduct and maintaining the trust of shareholders and stakeholders.

The board of directors has explicitly committed to a zero-tolerance policy toward corruption, bribery, conflicts of interest, fraud, and other illegal activities. All employees are required to comply with laws and ethical standards in performing their duties, avoiding actions that could harm the company's reputation or interests. Keding has implemented robust internal controls and reporting mechanisms, encouraging employees and stakeholders to report any illegal or improper behavior, while protecting whistleblowers' identities and rights to prevent retaliation, fostering an environment of integrity and fairness.

The company strengthens employees' understanding and practice of ethical business through regular training, awareness programs, and courses on corporate governance, legal compliance, and professional ethics. In 2024, no significant violations of integrity principles or fraudulent cases were identified, demonstrating that the culture of integrity is firmly embedded within the organization.

Grievance and Reporting Channels

Keding values a fair, just, and transparent operating environment, upholding integrity and corporate governance, while ensuring that employees and all stakeholders can safely express opinions and report improper conduct. The company has established a comprehensive grievance and reporting system to encourage reporting of any acts involving corruption, bribery, fraud, conflicts of interest, confidentiality breaches, discrimination, harassment, or other violations of laws and ethical standards, safeguarding the company's integrity and reputation. A dedicated unit, established under the "Integrity Operations and Code of Conduct" and related management procedures, handles all complaints and reports. Employees and external stakeholders can submit reports through multiple channels, including dedicated email, phone, and written mail, either anonymously or with identification. Upon receipt, the unit promptly initiates an investigation and refers the case to the responsible authority according to its nature, ensuring fair and procedural handling.

The company regularly reviews the operation of grievance and reporting channels and reinforces their use through training and awareness programs, embedding integrity and ethical values across the organization. In 2024, no significant illegal or fraudulent incidents were reported, demonstrating the effectiveness of preventive measures and oversight.

Regulatory Compliance

Keding has established corporate social responsibility (CSR) guidelines and related policies, requiring all directors, managers, and employees to fully understand and strictly comply with applicable domestic and international laws, regulations issued by competent authorities, and industry standards in the performance of their duties. The Legal Department regularly consolidates updates on laws and policy changes and communicates them to all units and employees, assisting departments in reviewing and adjusting workflows to ensure all company activities comply with the latest legal requirements.

During the reporting year, the company did not experience any significant violations of social, environmental, or economic regulations (i.e., fines exceeding NT$1 million) nor any major disputes arising from non-compliance with social or environmental standards. Keding will continue to strengthen regulatory compliance management, proactively identify potential risks, and promptly address deficiencies to ensure that all business activities are conducted in accordance with laws, fulfilling its commitment to sustainable operations and meeting stakeholder expectations for compliant management. Details of the company's regulatory compliance status in 2024 are provided in the table below.

ChatGPT 說：2024 Statistics on Violations of Governance, Social, and Environmental Regulations

Type of Violated Regulation	Number of Cases	Type of Penalty	Follow-up Corrective Actions
Violation of Securities and Exchange Act	1 case	Total fine: NT$240,000	Corrected the deficiencies cited in the penalty and strengthened regulatory compliance training.
Violation of Occupational Safety and Health Act	1 case	Total fine: NT$160,000	Corrected the deficiencies cited in the penalty and strengthened regulatory compliance training.

Note Major violations or breaches are determined in accordance with the "Procedures and Criteria for the Publication of Material Information" on the Market Observation Post System (MOPS).

Integrity Management Training

KD emphasizes the importance of legal compliance and integrity awareness among all employees, regarding regulatory training as a cornerstone of sound corporate governance. The Company promotes training programs in a systematic and continuous manner to ensure that employees understand relevant laws and ethical standards, reduce compliance risks, and strengthen a culture of integrity.

To address evolving industry dynamics and regulatory updates, KD plans to implement its 2025 Annual Compliance Training Program. The curriculum will cover topics such as corporate governance, labor laws, occupational safety and health, environmental regulations, integrity management, personal data protection, and ESG-related regulations. Emerging issues, including supply chain due diligence and human rights legislation, will also be incorporated as needed. Training participants include all employees, as well as board members and senior management, to enhance overall compliance awareness and execution capability. Dedicated programs are also arranged for new hires and employees assuming key positions, enabling them to quickly understand the company' s policies and culture.

Integrity Management Training in 2024

Integrity Management Training Topics	Number of Participants in 2024	Participation Rate	Total Training Hours in 2024
Integrity Management Policy Promotion	540	70.96%	270
Insider Trading Prevention, Internal Controls, and Common Deficiencies	249	32.72%	747

Internal Audit System

The Company's internal audit unit operates independently under the Board of Directors and reports directly to it, while maintaining regular communication with the Audit Committee to ensure objectivity and transparency in audit outcomes. The unit's primary responsibilities include examining the implementation of internal control systems, reviewing the accuracy of business processes and financial statements, tracking corrective actions, and providing management recommendations to enhance overall operational effectiveness. All audit personnel possess professional qualifications and continuously participate in advanced training to strengthen their expertise and stay updated on the latest regulations.

Audit activities are conducted in accordance with the annual audit plan, which is developed by the internal audit unit based on risk assessments and approved by both the Audit Committee and the Board of Directors. The plan is reviewed and adjusted periodically in response to internal and external changes. The audit scope covers major operational cycles, management systems, information security, regulatory compliance, sustainability issues, and other projects assigned by management. Following each audit, reports are prepared detailing findings, deficiencies, and improvement suggestions, and the unit monitors progress to ensure corrective actions are implemented effectively.

In 2024, the internal audit unit completed all planned audit tasks and collaborated with the Audit Committee on several special reviews. No significant deficiencies were identified, indicating that the internal control system operated effectively. Furthermore, through the audit mechanism, the Company continues to strengthen cross-departmental communication and risk awareness, enhancing overall organizational resilience and governance performance.

Internal Audit Process

The Audit Office submits the annual audit plan	→	Approved by the Board of Directors
Request relevant documents from the audited unit	→	Data collection and on-site audit
Prepare the audit report	→	Notify the audited unit of the audit results
Submit to the Board of Directors for approval	→	Audited unit provides responses and improvement actions
Completion		
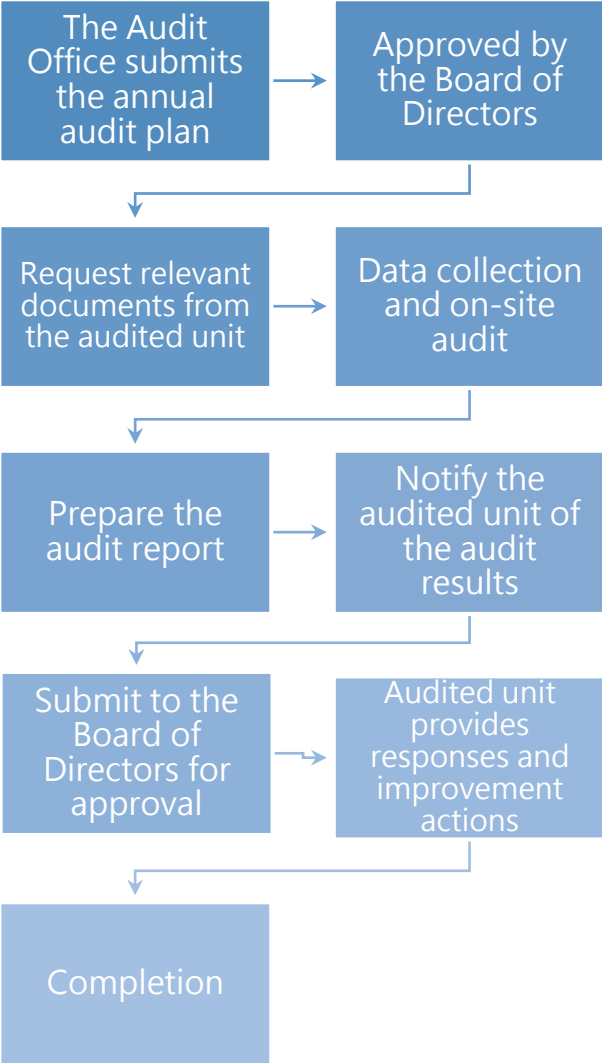
Company Integrity Management Guidelines

Guideline Title	Summary of Policy Content	Specific Measures
Corporate Governance Best Practice Principles	The Company shall comply with relevant laws and regulations, and establish an effective corporate governance framework based on five key principles: safeguarding shareholders' rights, enhancing the functions of the Board of Directors, maximizing the roles of functional committees, respecting the rights of stakeholders, and improving information transparency.	• The Company has established an internal audit unit to supervise compliance with internal controls in accordance with regulations and reports regularly to the Board of Directors. • A spokesperson, deputy spokesperson, and an external communication mailbox have been designated to actively engage with stakeholders and ensure information transparency. • The Board of Directors and functional committees rigorously oversee the Company's operations. • The Company's website features dedicated sections for investors and stakeholders to facilitate information access.
Code of Integrity Management	The Company's mission, vision, values, and code of conduct are centered on compliance with laws and regulations, fostering a culture of integrity and workplace friendliness, maintaining product quality, and supporting sustainable development, with ethical conduct and integrity as the guiding principle for all business activities.	In 2024, regular and ad hoc policy awareness activities were conducted to promote ethical business practices and anti-corruption measures.
Code of Ethical Conduct	Based on the principles of fairness, honesty, integrity, and transparency, the Company conducts its business activities accordingly. Personnel are prohibited, in the course of performing their duties, from directly or indirectly offering, receiving, promising, or soliciting improper benefits to obtain or maintain advantages, or engaging in any other acts that violate integrity, laws, or fiduciary duties.	Regular and ad hoc training programs are provided for all employees to promote ethical business conduct and anti-corruption practices, ensuring effective implementation of the policies.
Procedures for Handling Internal Material Information and Preventing Insider Trading	The Company shall establish a sound mechanism for handling and disclosing material information to prevent improper leakage and insider trading, and to ensure that information released externally is consistent and accurate.	The Company's directors, managers, and employees provide awareness programs on insider trading prevention, with at least one formal session conducted annually for the Board of Directors.

2.3 Risk Management

Risk Management Measures

Effective risk management is a fundamental basis for ensuring robust business operations, enhancing resilience, and achieving sustainable development. The Company has established a comprehensive risk management framework that systematically identifies, assesses, monitors, and responds to risks that may affect operations and strategic objectives, in order to mitigate potential impacts and protect the interests of shareholders and stakeholders.

In accordance with the "Corporate Governance Best Practice Principles" and internal management regulations, risk management is designated as a key responsibility of the Board of Directors, which holds ultimate oversight, while the management team and various units jointly execute related activities.

Annually, through cross-departmental risk assessments, the Company systematically reviews changes in internal and external environments, identifies potential risks across financial, operational, environmental, regulatory, and other dimensions, evaluates their impact and likelihood, and prepares risk reports along with corresponding mitigation strategies.

Risk Dimensions	Risk Statement	Control Measures
Economic Aspect	Global economic slowdown leading to reduced demand for building materials	• Actively expand into overseas markets and emerging application areas to diversify revenue sources and reduce reliance on a single market. • Accelerate the development of new product lines to meet diversified market demands, enhancing competitiveness and resilience.
Economic Aspect	Sharp fluctuations in raw material prices affecting cost structure	• Sign long-term contracts with suppliers to stabilize procurement prices while negotiating to reduce cost volatility. • Establish diversified supply sources and alternative material strategies to reduce dependence on a single raw material.
Economic Aspect	Exchange rate fluctuations resulting in reduced overseas revenue	• Utilize hedging financial instruments, such as forward foreign exchange contracts, to mitigate foreign exchange risk impacts. • Increase the proportion of transactions settled in local currencies to reduce the impact of exchange rate fluctuations on international operations.
Economic Aspect	Decline in customer satisfaction	• Strengthen the professional capabilities and service processes of the customer service team to improve response efficiency and quality. • Conduct regular customer satisfaction surveys to collect feedback and use it to enhance products and services.

Risk Dimensions	Risk Statement	Control Measures
Social Aspect	Labor shortages and talent attrition affecting productivity	• Provide a market-competitive compensation and benefits system to attract and retain professional talent. • Establish talent development and career advancement programs to foster a positive work environment and corporate culture.
Environmental Aspect	Extreme weather impacting raw material supply and transportation	• Maintain safety stock and plan supply chain resilience to address transportation disruptions caused by climate change. • Optimize raw material procurement and logistics management to enhance operational flexibility.
Environmental Aspect	Improper waste management leading to penalties and disputes	• Implement a comprehensive waste classification system and strengthen audits to reduce the risk of improper disposal. • Collaborate with certified waste management vendors to ensure compliance with regulatory standards.
Governance Aspect	Increasingly stringent environmental regulations raising compliance costs	• Continuously monitor and analyze updates in environmental regulations, and proactively plan equipment and process modifications. • Establish cross-departmental compliance teams to implement environmental management requirements.
Governance Aspect	Cybersecurity incidents resulting in leakage of trade secrets	• Employ high-strength firewalls, encryption technologies, and intrusion detection systems to protect data. • Conduct regular cybersecurity drills and awareness programs to strengthen employees' security awareness and response capabilities.

2.4 Information Security Management

Information Security Policy

In an era of rapid digital transformation, information security has become a fundamental pillar of corporate operations and a key factor in maintaining the trust of customers, shareholders, and stakeholders. To prevent various cybersecurity threats, ensure business continuity, and protect corporate reputation, the Company has established an Information Security Policy.

Information security management is incorporated into the corporate governance framework, with clearly defined management objectives and concrete actions to implement risk management and continuous improvement, thereby ensuring the confidentiality, integrity, and availability of information assets. The Company has established a dedicated information security management unit responsible for planning, promoting, supervising, and auditing the overall information security operations. The policy is reviewed annually to strengthen protection measures in response to external environmental changes and emerging threats. The Information Security Policy applies to all employees, who are required to strictly adhere to relevant regulations in the course of their duties, properly use company information resources, and refrain from disclosing or misusing internal sensitive data without authorization.

Information Security Objectives

Keding recognizes that information security is the foundation of sustainable business operations and customer trust, as well as an indispensable component of corporate governance. With the advancement of digital transformation and the increasing complexity of cyber threats, the Company has established clear and measurable information security objectives to guide all information security management activities. These objectives aim to balance business continuity, data protection, and regulatory compliance, thereby enhancing overall competitiveness.

The Company's information security objectives focus on three core aspects. First, strengthening the protection of information assets to ensure the confidentiality, integrity, and availability of critical internal and external data. Through regular risk assessments and vulnerability scans, the Company proactively identifies potential threats and implements appropriate technical safeguards and contingency plans to minimize the likelihood and impact of security incidents. Second, as domestic and international regulations—such as the Personal Data Protection Act and the Cybersecurity Management Act—continue to evolve, the Company continuously reviews its policies, procedures, and protection measures to ensure full compliance and to prevent legal and reputational risks.

For 2025, the Company has set specific goals, including "zero major cybersecurity incidents," "100% completion rate of employee training," and "100% success rate in system backup and recovery tests." Performance against these objectives is reviewed annually to ensure continuous improvement.

Information Security Management Measures

Keding attaches great importance to information security management as a foundation for stable operations, customer protection, and sound corporate governance. With the rapid progress of digitalization and increasingly complex cyber threats, the company continuously strengthens its information security framework, implementing multi-layered protection to mitigate risks and ensure the confidentiality, integrity, and availability of information assets, demonstrating its commitment to integrity and sustainable operations.

On the technical front, the company adopts a multi-defense architecture, including high-standard firewalls, intrusion detection and prevention systems, malware protection, data encryption, and off-site backup mechanisms. Regular backup and recovery tests are conducted to ensure business continuity in emergencies. Access control and monitoring mechanisms are also implemented to ensure that sensitive data is only accessible to authorized personnel and that all usage activities are properly logged.

Institutionally, Keding has established an information security management system and contingency plans covering data classification, incident reporting, response procedures, and continuous improvement. Internal policies and workflows are enhanced in line with ISO/IEC 27001 principles. A comprehensive incident reporting and response mechanism clearly defines departmental responsibilities and timelines to minimize potential damage in case of a cybersecurity event.

The company also prioritizes building a strong culture of cybersecurity awareness among employees through regular training and policy promotion activities, helping staff understand emerging threats and protection practices to reduce human-related risks. In 2024, Keding reported no major information security incidents, reflecting the effectiveness of its current management measures.

Information Security Objectives Achievement

Cybersecurity Incident	Number of Cases
Data Leakage Incidents (cases)	0 cases
Cybersecurity Violations Involving Customer Personal Data (cases)	0 cases
Number of Customers and Employees Affected by Data Leakage (persons)	0 cases
Fines Imposed Due to Information Security-Related Incidents (TWD)	0 cases

Sustainable Supply Chain **3**

3.1 Supply Chain Management

Value Chain Overview

Keding's industry value chain spans upstream raw materials, processing and manufacturing, logistics and distribution, to end-use applications. Supply chain members include domestic and international suppliers of timber, surface materials, auxiliary materials, packaging, and related processing vendors. The majority of supply sources are domestic, supplemented by selected international suppliers to mitigate geographic risks and cost fluctuations. Upstream suppliers mainly consist of long-term strategic partners and temporary suppliers for specific projects, with strategic partners accounting for approximately 70% of total procurement, reflecting the Company's emphasis on supply chain stability. Downstream, Keding delivers products to end customers through distributors, designers, and project partners across Taiwan and selected international markets.

To ensure supply chain quality and sustainability, Keding has established a comprehensive supplier selection, audit, and management system. New suppliers must pass qualification reviews, on-site inspections, and sample testing before being added to the approved supplier list. Existing suppliers are evaluated annually on multiple criteria, including quality, delivery, service, pricing, and environmental compliance, with results used to guide ongoing collaboration and improvement.

Product Development

Keding has long focused on research and innovation in building materials, viewing product development as a key driver for corporate growth and the fulfillment of its sustainability commitments. In response to market demands for green building materials, healthy environments, and high aesthetic quality, the Company upholds the principles of innovative design, eco-friendliness, and excellent quality. Keding actively invests in developing new products and optimizing existing ones, aiming to meet diverse customer needs while guiding the industry toward more environmentally friendly and sustainable practices.

Product Manufacturing Process	Process Description
Raw Material Inspection and Selection	All raw materials must be inspected by the Quality Control Department before entering the facility. Only materials that meet standards for low formaldehyde, low VOC, and environmental compliance are accepted into inventory, ensuring material quality and legal sourcing.
Processing and Manufacturing	This includes cutting, preliminary processing, surface treatment, veneer application, pressing and shaping, as well as finishing and coating processes, ensuring compliance with design specifications.
Quality Inspection	Finished coated products undergo both full inspection and sampling procedures to ensure that all physical properties, appearance quality, and environmental standards meet the required criteria before being stored in inventory.
Packaging and Labeling	Products that pass inspection are packaged with impact and moisture protection according to specifications and quantity. Labels indicate the product model, batch number, and inspection marks to facilitate traceability and transportation.

3.2 Quality Management

At the raw material stage, Keding has established strict inspection standards. All incoming materials must comply with environmental requirements such as low formaldehyde and low VOC levels, and are only accepted into inventory after testing by the Quality Assurance (QA) unit. The Company also collaborates with suppliers to promote a green supply chain, requiring continuous improvement in material quality and environmental certifications to jointly create healthy and sustainable product value.

During production, Keding implements standardized operating procedures and key quality control points to ensure that each process step has clear specifications and inspection mechanisms. QA personnel conduct ongoing on-site inspections, performing real-time sampling and recording for dimensions, bonding, surface treatment, and coating quality. This allows for the rapid detection and correction of abnormalities, maintaining process stability and consistency. Environmental indicators are monitored throughout production to minimize impact on the environment.

Finished products undergo comprehensive inspection covering physical properties, appearance defects, and environmental compliance. Only products that pass all inspections are packaged and stored for shipment. Each product is clearly labeled with batch numbers and inspection marks to facilitate traceability and quality management.

Furthermore, Keding has established a complete customer complaint handling and feedback mechanism. Market feedback is collected, followed by internal investigation and corrective actions, with regular reviews incorporated into continuous quality improvement plans to meet customers' evolving expectations. In 2024, the Company reported no violations of product safety, service information, labeling, marketing regulations, or voluntary standards.

Procurement Policy

Keding's procurement policy clearly defines that all purchases of raw materials, semi-finished products, and auxiliary materials must be evaluated based on multiple criteria, including quality, price, delivery, service, and environmental standards, to ensure that products are sourced legally, stably, and sustainably.

New suppliers must undergo qualification reviews and on-site inspections to confirm compliance with the Company's quality standards and social responsibility requirements before being added to the approved supplier list. Moving forward, Keding will continue to increase the proportion and value of local sourcing, strengthen collaboration with domestic partners, and seek new suppliers with innovation capabilities and sustainability commitments, aiming to build a comprehensive supply chain that balances competitiveness, sustainability, and social responsibility.

▼Keding's Local Procurement Ratio in the Past Two Years (Unit: TWD Thousand)

Year	2023	2024
Local Procurement Amount	184,802	228,979
Non-Local Procurement Amount	443,700	706,633
Total Procurement Amount	628,502	935,612
Local Procurement Ratio	29%	24%

3.3 Supplier Risk Assessment

New Supplier Selection

To ensure that new suppliers possess strong operational capabilities and management systems that meet the Company's requirements, Keding has established clear selection procedures and evaluation criteria. When developing new suppliers, the Procurement Department initiates a preliminary investigation to verify the supplier's legal business qualifications, production capacity, and product inspection reports. Suppliers are required to complete a basic information survey and submit relevant environmental and quality certification documents. For key raw material suppliers, the Company specifically requires relevant international certifications to enforce environmental policies.

After passing the initial qualification review, Keding assigns QA and relevant professionals to conduct on-site visits to assess production equipment, quality management systems, environmental health and safety conditions, and overall operational status. The assessment focuses on compliance with environmental regulations, protection of employee rights and safety, as well as the supplier's ability to provide stable long-term supply and flexible adjustments. The Procurement Department compiles the visit results and risk assessment report for management review to determine whether the supplier should be included in the approved supplier list.

Keding also requires new suppliers to sign the Supplier Code of Conduct, specifying mutual responsibilities and obligations regarding ethical business practices, environmental protection, labor rights, and occupational health and safety, ensuring that cooperation complies with legal and ethical standards. Once formal cooperation begins, suppliers are regularly evaluated and monitored, with collaboration strategies adjusted or improvement recommendations provided based on annual performance.

Supplier ESG Management

Keding Co., Ltd. adheres to the principle of "shared prosperity" and regards its supply chain as a key partner in achieving sustainable business development. The Company actively integrates Environmental (E), Social (S), and Governance (G) principles into supply chain management, encouraging suppliers to improve ESG performance and strengthen the resilience and responsibility of the overall value chain.

Keding's supplier ESG management guidelines require compliance with environmental regulations, human rights protection, workplace safety, and ethical business practices. All new suppliers must sign a commitment letter, explicitly expressing their acknowledgment of and willingness to adhere to ESG principles. Existing suppliers are regularly audited and evaluated for ESG performance, including environmental outcomes, employee rights protection, labor safety policies, and compliance with ethical standards. Assessment results are used to provide improvement suggestions or adjust cooperation strategies.

On the environmental front, the Company encourages suppliers to use recyclable materials and FSC/PEFC-certified green materials to jointly reduce the environmental impact throughout the product life cycle. Socially, suppliers are required to provide a safe and healthy working environment, respect basic employee rights, and prohibit any form of discrimination or forced labor. From a governance perspective, suppliers are strictly required to implement internal governance systems, prevent corruption and unlawful practices, and ensure fairness in transactions.

In 2024, Keding conducted ESG risk assessments and on-site inspections of major suppliers and found no significant violations.

Supplier Evaluation

Keding strengthens supply chain quality, efficiency, and sustainability through a comprehensive supplier management mechanism, ensuring stable product sourcing and alignment with the Company's ESG commitments. The Company conducts an annual supplier evaluation as a key tool to monitor partners, enhance overall supply chain competitiveness, and implement tiered management based on evaluation results, promoting continuous improvement and high-quality collaboration.

The evaluation is conducted in accordance with the Supplier Evaluation Management Guidelines and covers indicators such as quality stability, on-time delivery, service responsiveness, environmental performance, cost-effectiveness, and ethical business practices. The weighting of each indicator may be adjusted depending on the characteristics of different products or materials.

To ensure fairness and transparency, Keding combines quantitative metrics with on-site audits conducted by professional personnel. Evaluation results are regularly communicated to suppliers, serving as an important basis for mutual continuous improvement.

For management and follow-up purposes, evaluation results are divided into four grades:

Grade A: High standards are met in quality, service, and sustainability performance; considered a long-term priority partner.

Grade B: Overall performance is good; continuous improvement is monitored while retaining cooperation eligibility.

Grade C: Performance does not meet the Company's basic standards; an improvement plan must be submitted within a specified period, and implementation progress will be tracked.

Grade D: Major violations or performance severely below standards; cooperation should be terminated, and the supplier removed from the approved supplier list.

Number of Suppliers Evaluated Regularly	2023	2024
Grade A	70	58
Grade B	117	146
Grade C	4	3
Grade D	0	0

Supplier Audits

Keding conducts on-site audits of major and high-risk suppliers annually. The audit targets include long-term core suppliers as well as newly developed suppliers. Audit content covers operational management, product quality control, legality of raw material sourcing, environmental health and safety management, human rights protection, labor conditions, ethical compliance, and carbon emission management. To enhance audit effectiveness, the Company uses standardized checklists and on-site inspections conducted by professional personnel, with audit frequency and focus tailored according to supplier category and risk level. Audit results are classified according to scoring standards, and a written feedback report is provided within two weeks, detailing strengths, deficiencies, and improvement suggestions. Suppliers that fail to meet standards are required to submit an improvement plan within a specified timeframe. The Procurement and Quality Assurance departments jointly track implementation progress, and follow-up audits are conducted if necessary to verify effectiveness. Suppliers that repeatedly fail to improve or commit major violations may face reduced procurement volumes or termination of cooperation in accordance with Company policies.

▼Keding's Supplier Audit Execution in the Past Two Years

Audit Category		2023	2024
On-site Audit	Planned Number of On-site Audits	57	62
	Actual Number of Audits Completed	42	59
	Achievement Rate	74%	95%
Document-based Audit	Planned Number of Document-based Audits	0	0
	Actual Number of Audits Completed	0	0
	Achievement Rate	0	0

3.4 Customer Relationship Management

To strengthen interactions with customers, Keding has established a comprehensive Customer Relationship Management (CRM) system to record and analyze customer needs, feedback, and consumption behavior, enabling the provision of products and services that closely match market demands. For different customer segments, the Company regularly holds new product launches, online briefings, and other interactive events, allowing customers to gain in-depth understanding of product features and applications, while collecting first-hand market feedback to guide product development and improvement.

A dedicated customer service team provides pre-sales consultation, in-process support, and after-sales service. Multiple communication channels, including customer service hotlines, emails, online forms, and social media, ensure that customer opinions are responded to promptly. Customer feedback and complaints are handled according to standardized procedures, with investigations, responses, and corrective actions completed within specified timeframes to enhance customer trust.

The Company conducts annual satisfaction surveys for key customers, consolidating scores and suggestions into reports for management review. Areas with lower satisfaction scores are analyzed to develop improvement plans, which are communicated back to customers in writing. This process ensures continuous enhancement of product and service quality to address customer needs effectively.

▼Keding Customer Satisfaction Survey Results in the Past Two Years

Number of Customers Surveyed	2023年	2024年
Number of Responses (Forms)	45	367
Response Rate	35%	34%
Average Customer Satisfaction Score	4.6	4.7

Satisfaction Rating Explanation: Very Satisfied (5), Satisfied (4), Neutral (3), Dissatisfied (2), Very Dissatisfied (1)

Environmental Sustainability 4

4.1 Climate Change Strategy

Climate Change Response

Keding recognizes the profound impacts of climate change on the environment, society, and economy, and regards it as a core issue for corporate operational risk management and sustainable development. In response to global temperature control targets and domestic net-zero policies, the company actively formulates climate change response strategies to enhance operational resilience while fulfilling corporate social responsibilities, collaborating with the supply chain and customers to promote a low-carbon transition.

In terms of risk identification, the company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework, regularly assessing potential physical risks (e.g., the impact of extreme weather events on supply chains and transportation) and transition risks (e.g., cost pressures from carbon pricing and stricter regulations) associated with climate change. The assessment results are integrated into operational strategy adjustments and decision-making processes. At the same time, the company actively explores potential opportunities by developing products that meet low-carbon and green demands, strategically positioning itself to seize market opportunities.

Through full staff engagement, community advocacy, and supply chain collaboration, the company expands the promotion of low-carbon awareness, strengthening consensus and participation in climate action among internal and external stakeholders. Regarding risks posed by extreme climate events, the company has also formulated contingency plans and pre-deployed disaster prevention resources to mitigate the impact of unexpected events on operations.

Climate-Related Financial Disclosures (TCFD)

To enhance transparency in climate governance and respond to stakeholder expectations, the company refers to the international framework of the Task Force on Climate-related Financial Disclosures (TCFD) and gradually establishes mechanisms for climate risk management and information disclosure. This ensures that decision-making aligns with sustainable development trends while maintaining financial soundness.

Governance: The Board of Directors regularly reviews the potential impacts of climate change on the business, incorporating climate risks into the scope of major operational risk management. Senior management leads the planning and implementation of various carbon reduction and adaptation strategies.

Strategy: The company identifies both risks and opportunities arising from climate change, including physical and transition risks such as supply chain disruptions due to extreme weather, rising energy costs, and carbon tax impacts. At the same time, the company recognizes business opportunities from increased demand for low-carbon products, innovations in new materials, and the growth of green buildings.

Risk Management: Following the annual risk inventory system, climate risks are integrated into the overall enterprise risk management framework. Through cross-departmental collaboration, adaptation plans are developed and their effectiveness continuously monitored.

Metrics and Targets: The company has established an annual greenhouse gas (GHG) emissions inventory system and plans to gradually expand to include Scope 3 emissions across the supply chain. Phased carbon reduction targets are set in alignment with the national roadmap toward achieving net-zero emissions by 2050.

Keding TCFD Disclosure Framework

Core Elements	Action Plans
Governance	• The Board of Directors regularly reviews climate change risks and opportunities, incorporating them into the management scope of major operational issues. • The results of climate risk assessments and recommendations for improvement are reported periodically to the Board and the executive management team.
Strategy	• Assess short-, medium-, and long-term impacts on revenue, costs, and markets under various scenarios, such as carbon pricing and extreme weather events. • Develop climate adaptation plans, such as incorporating weather-resistant materials and designs, to mitigate the impact of extreme weather on product quality. • Explore low-carbon business opportunities and green building materials to meet market demand for environmentally friendly and sustainable products.
Risk Management	• Integrate climate risks into the company's annual enterprise-wide risk inventory process, regularly updating potential impacts and corresponding mitigation measures. • Focus on high-risk sites and critical supply chain nodes by conducting vulnerability assessments and developing contingency plans. • Establish cross-departmental collaboration mechanisms to continuously monitor climate-related regulations, policy changes, and market trends.
Metrics and Targets	• Establish an annual greenhouse gas (GHG) emissions inventory system, with plans to gradually expand to include Scope 3 emissions across the supply chain. • Set phased carbon reduction targets in alignment with the national roadmap toward achieving net-zero emissions by 2050.

Climate Governance Framework

In response to the escalating risks of global climate change and the trend toward a low-carbon transition, Keding has incorporated climate governance as a key component of its corporate governance system. A clear organizational structure and division of responsibilities have been established to effectively plan, implement, and oversee climate-related initiatives.

At the governance level, the Board of Directors serves as the highest supervisory body, regularly reviewing and approving climate change strategies, targets, and implementation progress to ensure that climate issues are integrated into corporate decision-making. The Board conducts at least one annual review of the company's climate risk and opportunity assessments, providing guidance on adjustments and resource allocation to enhance overall management effectiveness.

At the execution level, the Corporate Social Responsibility (CSR) Task Force is responsible for cross-departmental communication, coordination, and strategy implementation, embedding climate objectives into daily operational management. The task force includes representatives from procurement, R&D, manufacturing, quality assurance, human resources, and administration. Based on each department's expertise, the team develops and executes plans for energy saving and carbon reduction, risk adaptation, and green product development, reporting progress and results regularly.

Additionally, the company has established a regular reporting and monitoring mechanism. The Climate Change Management Team reports semi-annually to senior management and the Board on implementation outcomes, risk mitigation measures, and follow-up plans, ensuring that all actions align with established objectives and allowing for strategy adjustments in response to changes in external regulations and market conditions.

Climate Management Strategy

Recognizing the profound impacts of climate change on global industrial ecosystems and the business environment, the company has incorporated climate management as a core component of its sustainable development strategy. In response to escalating climate risks and the accelerating trend toward global low-carbon transition, the company has formulated a systematic climate management strategy to actively reduce its carbon footprint, enhance operational resilience, and seize growth opportunities in the green market.

The company adheres to the principle of "mitigation and adaptation in parallel", developing action plans at different levels for the short, medium, and long term. In the short term, priority is given to improving energy efficiency, replacing equipment, and optimizing management in existing facilities and processes to reduce greenhouse gas emission intensity. A comprehensive plant-level carbon inventory and baseline are also established to serve as the foundation for future carbon reduction targets.

The medium-term focus includes expanding green procurement, increasing the proportion of recycled materials, and continuously developing low-carbon, environmentally friendly products to strengthen market competitiveness and supply chain resilience. In the long term, the company actively plans a net-zero transition pathway, aiming to achieve carbon neutrality gradually by 2050, in alignment with international trends.

To effectively drive climate action, the company continuously strengthens risk identification and response capabilities. Climate risks and opportunities are regularly assessed, covering both physical risks (e.g., supply chain disruptions caused by extreme weather) and transition risks (e.g., increased carbon pricing and stricter regulations), with findings used to adjust procurement policies, inventory strategies, and market deployment.

Management and Identification of Climate Risks

Keding combines scenario analysis with an annual risk inventory process to identify the types and magnitude of climate risks, covering both physical and transition risks. Physical risks include the impacts of extreme weather events (e.g., typhoons, floods) on operational sites, supply chain transportation, and raw material availability. Transition risks arise from tighter regulations, increased carbon fees and taxes, and industry shifts toward low-carbon practices. To effectively manage climate risks, the company integrates the identified risks into the annual enterprise risk management process and develops corresponding mitigation and adaptation plans.

Type	Risk Statement	Potential Financial Impact	Response Measures
Physical Risk	Extreme rainfall and flooding affecting plant operations and logistics	Damage to plant facilities and inventory may cause capital losses, shipment delays, contract breaches, and customer attrition, with significant increases in insurance premiums and maintenance costs.	Continuously assess high-risk plants, enhance drainage and protective infrastructure, and establish emergency backup warehouses and alternative transportation routes to minimize downtime and losses.
Physical Risk	High temperatures increasing electricity demand and energy costs	Rising energy costs reduce gross profit margins and may, in the long term, affect product price competitiveness and overall market share.	Replace high-energy-consuming equipment and implement automated energy-saving control systems to improve process efficiency and increase the use of renewable energy, reducing electricity intensity.
Physical Risk	Disruption of raw material supply due to natural disasters	Sharp fluctuations in material procurement prices and insufficient inventory can delay deliveries, resulting in revenue loss and reduced market trust.	Develop a diversified supplier base and increase local procurement ratios, maintaining long-term partnerships to ensure supply stability and build emergency safety stock.

Type	Risk Statement	Potential Financial Impact	Response Measures
Physical Risk	Extreme rainfall and flooding affecting plant operations and logistics	Production stoppages or reduced output lower revenue, requiring additional costs for purchasing external water sources or upgrading processes to meet regulatory requirements.	Implement water-saving and recycling systems, and evaluate investments in water storage and rainwater harvesting facilities to reduce reliance on external water supply.
Physical Risk	High temperatures increasing electricity demand and energy costs	Logistics interruptions or significantly increased costs affect shipments and raw material imports, requiring additional investment to rebuild or relocate infrastructure.	Regularly assess the disaster resilience of storage and port facilities, plan relocation to higher-ground areas, and strengthen protection standards at critical nodes.
Physical Risk	Raw material supply disrupted by natural disasters	Rising manufacturing costs may force product price adjustments, reduce profit margins, and further impact overall revenue and investment capacity.	Gradually implement low-carbon production processes and optimize energy efficiency to reduce actual emission costs.
Transition Risk	Increased ESG requirements from customers and regulatory authorities	Rising financing costs, loss of key customer partnerships, and declining brand value may reduce shareholder value.	Continuously promote transparent disclosure, strengthen sustainable governance, and proactively communicate climate actions and outcomes to maintain stakeholder trust.
Transition Risk	Energy transition causing fluctuations in primary fuel prices	Uncertainty in material and production costs increases, putting short-term pressure on operational planning and cash flow management.	Plan investments in self-generation energy systems to reduce the impact of energy price fluctuations on costs.

Climate Risk Scenario Assessment

Keding actively monitors global climate change risks and employs climate scenario analysis to forecast potential impacts on its operations and supply chain under different emission pathways. In 2024, the company conducted assessments using the internationally recognized RCP (Representative Concentration Pathway) scenarios, adopting the extreme and conservative RCP 8.5 high-emission scenario as the baseline assumption. This approach aims to enhance organizational resilience and preparedness through a forward-looking perspective.

Under the RCP 8.5 scenario, global temperatures are projected to rise by more than 4°C by the end of this century, accompanied by significant increases in the frequency and intensity of extreme weather events. Keding's assessment indicates that physical risks primarily include intensified operational disruptions at facilities due to extreme rainfall and flooding, production constraints caused by water shortages, and increased energy consumption and equipment load from heatwaves. Additionally, some upstream raw material sources in the supply chain are located in high-risk areas, potentially leading to unstable supply or increased costs due to climate impacts.

Based on the RCP 8.5 climate scenario assumptions, the maximum daily rainfall in Taiwan by 2050 is projected to range between 209.6 mm and 283.4 mm. According to the current rainfall classification defined by the Central Weather Bureau, a 24-hour cumulative rainfall of 200 mm or more is considered heavy rain, which may cause local flooding.

For Keding's headquarters, analysis indicates that even with 24-hour rainfall reaching 200 mm, the headquarters and surrounding areas are not expected to experience flooding or immediate flood risks. However, during extreme weather events such as typhoons, there may still be risks of employees working from home and delays in construction material transportation. Overall, the impact on operations is minimal.

Note: The reference source for this climate projection scenario is the "3D Disaster Potential Map".

Environmental Management Indicators and Targets

Keding integrates environmental management into corporate governance and daily operations, actively reducing the environmental impact of its business activities. In line with international carbon reduction trends and national policies, the company sets clear environmental management indicators and phased targets, continuously promoting improvements to fulfill its sustainability commitments. To enhance management effectiveness, Keding annually evaluates the current environmental performance based on greenhouse gas inventories, energy, and resource usage data, and establishes short-, medium-, and long-term targets covering greenhouse gas reduction, energy efficiency, water usage, waste management, and green procurement.

Items	Management Indicators and Targets
Energy and Greenhouse Gas Management	Gradually reduce electricity intensity per unit area in operational sites and construction projects, promote green building design, and implement energy-saving equipment. At the same time, actively manage greenhouse gas emissions by setting medium- to long-term decarbonization pathways aligned with international carbon reduction commitments.
Waste Management	Increase the accuracy of waste sorting, reduce overall waste generation, and continuously promote waste minimization and resource recovery initiatives. Additionally, develop products designed for recyclability to minimize the environmental impact of final waste.
Water Resource Management	Continuously reduce water intensity in production processes and promote water recycling and rainwater harvesting facilities to enhance overall water efficiency and resilience.
Green Procurement	Actively promote green procurement policies, gradually increasing the proportion of materials with environmental certifications and low-carbon labels each year.
Environmental Regulatory Compliance	Continuously monitor changes in environmental regulations and conduct regular self-audits to ensure full compliance with domestic and international environmental laws, avoiding fines and mitigating legal and reputational risks.
Eco-friendly Product Design	Strengthen product lifecycle management by developing low-formaldehyde, low-carbon footprint, and recyclable product lines, while continuously obtaining relevant environmental certifications to meet market and customer expectations.

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4.2 Greenhouse Gas Management

Direct and Energy Indirect Emissions (Scope 1 & Scope 2)

Keding actively responds to global decarbonization efforts by monitoring and managing greenhouse gas (GHG) emissions generated during operations, aiming to reduce environmental impact, improve energy efficiency, and advance a low-carbon transition. In line with the international GHG accounting standard (ISO 14064-1), emissions are categorized into direct emissions (Scope 1) and energy indirect emissions (Scope 2), with regular assessments and reduction targets set to progress toward a net-zero vision.

Direct emissions mainly arise from the combustion of fuels in boilers, generators, and company vehicles at production sites and office locations, producing CO_2 and other greenhouse gases. According to the 2024 inventory, direct emissions account for a relatively small proportion of total emissions. However, with increased production scale and transportation frequency, optimizing fuel efficiency and adopting energy-saving alternatives remain necessary.

Energy indirect emissions stem from purchased electricity consumption and represent the largest share of total emissions. Due to substantial electricity demand for production processes, lighting, and HVAC systems, reducing indirect emissions is a key focus. To address this, Keding implements energy-saving measures such as replacing high-consumption lighting, installing high-efficiency air conditioning and production equipment, and incorporating energy-efficient designs in new or renovated facilities.

Additionally, the company actively evaluates and adopts renewable electricity sources to gradually increase the share of green energy, aiming to effectively reduce the contribution of energy indirect emissions to the overall carbon footprint.

Category	Unit	2024
Greenhouse Gas Emissions (Scope 1)	tons CO_2e	971.1
Greenhouse Gas Emissions (Scope 2)	tons CO_2e	3,197
Total Emissions	tons CO_2e	4,168.1
GHG Emission Intensity	tCO_2e / million NT$ revenue	1.665

Note 1: Scope 1 emissions include fuel consumption from equipment, machinery, and vehicles used on construction sites.

Note 2: Scope 2 emissions primarily come from purchased electricity consumption.

Note 3: Greenhouse gas (GHG) emissions in CO_2-equivalent are calculated using emission factors, electricity emission factors, and global warming potential (GWP) ratios, mainly based on the "GHG Emission Factor Management Table Version 6.0.4" announced by the Environmental Protection Administration, R.O.C.

Note 4: GHG emission intensity = (Scope 1 + Scope 2) ÷ 2024 revenue (million NT$).

4.3 Energy Management

Keding operates in the building materials manufacturing industry, with energy consumption primarily from factory and office lighting and air-conditioning systems, as well as gasoline use for company vehicles and equipment. With continued business expansion, overall energy use and greenhouse gas emissions are expected to increase. In response, the company continues to implement energy-saving measures and emission reduction strategies to lower total energy consumption and GHG emissions. In 2024, total energy consumption amounted to GJ. Due to a significant increase in revenue compared to the previous year, energy intensity showed a noticeable reduction compared with 2023.

Energy Consumption by Type in the Past Two Years				
Energy Type		Unit	2023	2024
Non-renewable Energy	Fuel Oil	GJ	13,329.75	12,184.28
	Purchased Electricity	GJ	22,391.22	24,283.22
	Total	GJ	35,720.97	36,467.50
Renewable Energy	None		0	0	0
Total Energy Consumption		GJ	35,720.97	36,467.50
Revenue		Million Revenue	2,375	2,503
Energy Intensity		GJ/Million Revenue	15.04	14.57

Detailed Energy Usage by Type for the Past Two Years			
Energy Type	Unit	2023年	2024年
Fuel energy consumption	GJ	403,931.791	369,220.688
Electricity energy consumption	kWh	6,219.784	6,745.338

Note: The calorific conversion factors are based on the values published in the "2020 Energy Statistics Handbook – Unit Calorific Values of Energy Products" by the Bureau of Energy. The calorific value of gasoline is 0.033 GJ/L; diesel is 0.035 GJ/L; and electricity is 0.0036 GJ/kWh.

4.4 Water Resource Management

Water resources are an essential foundation for business operations and a critical environmental resource that must be properly managed during production processes. With the increasing impacts of global climate change and the growing instability of water supply, Keding integrates water resource management as a key focus of its environmental sustainability efforts, aiming to reduce water intensity, enhance reuse efficiency, and mitigate impacts on regional water environments.

The company annually monitors water consumption, wastewater discharge, and source proportions across all plants and office locations. The 2024 assessment shows that production processes and cleaning operations are the primary water users. To reduce water consumption, Keding has set a short-term target to lower water intensity per unit product by 1% from the baseline year by 2025. In the medium to long term, the company plans to continuously increase the reuse rate, ultimately aiming for zero growth in total water consumption. Management measures include the adoption of water-saving equipment and process improvements, such as installing high-efficiency faucets, optimizing cooling systems, reducing rinse water usage, and recycling condensate water. Additionally, the company plans to implement rainwater collection and storage systems for non-production uses or landscape irrigation to reduce reliance on municipal water supply.

▼Total Water Withdrawal in the Past Two Years (Million Liters)

Water Intake Sources	2023	2024
Third-party water (tap water)	31.458	47.858
Surface water	-	-
Groundwater	-	-
Seawater	-	-
Produced water		-
Total water intake	31.458	47.858

Year		2023	2024
Water Consumption	Unit	31,458	47,858
Per Capita Water Usage	unit/person	77.48	95.33
Water Intensity	unit/million NTD revenue	13.25	19.12
Total Water Intake	ML	31.458	47.858
Total Wastewater Discharge	ML	31.458	47.858
Total Water Consumption	ML	0	0

Note 1: Water intensity = Total water consumption ÷ Company revenue.

Note 2: Assessment boundary: Headquarters building and construction sites; in some areas, per capita water usage is estimated for statistics.

Note 3: Per capita water usage = Total water consumption ÷ Total number of employees.

Note 4: Total water usage = Total water intake – Total wastewater discharge. Since 100% of the company's water is for domestic use, total wastewater discharge equals total water intake.

4.5 Waste Management

Keding continuously strengthens resource use efficiency and environmental impact control, positioning waste management as a key component of its environmental sustainability initiatives. Following the core principles of "Reduce, Reuse, and Treat Safely", the company is committed to minimizing waste at the source, promoting proper segregation and recycling, and ensuring safe disposal, thereby reducing the negative environmental impact of manufacturing activities and complying with regulatory requirements for waste management.

The company has established standardized waste management procedures in accordance with the Waste Disposal Act and related regulations. Waste is categorized into general industrial waste, recyclable resources, and hazardous industrial waste, with separate storage areas and clear labeling to prevent cross-contamination and secondary pollution. Qualified waste collection and treatment contractors are engaged for proper disposal. Record-keeping and documentation of waste transport and disposal are maintained, and periodic audits of contractors ensure compliance with environmental standards.

For source reduction, Keding optimizes production processes and implements precise material control to reduce scrap, defective products, and packaging waste. The introduction of automated equipment also minimizes human error and material wastage. Regarding resource recovery, the company actively promotes a recycling system, enhancing the recovery rates of paper, metals, plastics, and wooden pallets. Regular performance reviews are conducted to improve recycling outcomes, fostering resource reuse and supporting the circular economy.

▼Waste by Composition in 2024 (Unit: Metric Tons)

Waste Categories	2023	2024
Non-hazardous waste total	168.448	351.852
Hazardous waste total	0	0
Recyclable waste total	79.65	220.9
Total waste	248.098	572.752
Waste intensity	0.1045	0.2288

Note: Waste intensity = Total waste ÷ Company revenue (million TWD).

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5.1 Overview of Corporate Workforce

Employee Diversity

As of the end of 2024, the company had a total of 761 employees, including full-time staff, contract workers, and foreign employees, aligning with business needs and regional development strategies. The gender ratio is well-balanced, with approximately 41% female and 59% male employees, reflecting the company's commitment to gender equality and a diverse workplace culture. The majority of employees (over 66%) are between 30 and 49 years old, indicating a stable workforce with solid professional experience. Among management positions, women account for 20%, showing that there is still room for growth in cultivating and promoting female leadership talent.

▼Employee Distribution by Region, Employment Type, and Gender in 2024

Type	Managerial positions		Technical staff		General employees		Total employees	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Male	4	0.53%	203	26.68%	240	31.53%	447	58.74%
Female	1	0.13%	37	4.86%	276	36.27%	314	41.26%
Total	5	0.66%	240	31.54%	516	67.80%	761	100.00%

Note 1: The calculation is based on employees who were on duty as of December 31, 2024 (or their last working day), excluding those on unpaid leave at the end of the reporting period.

Note 2: "Managerial positions" refer to supervisors at the level of manager or above who hold management responsibilities.

▼Employee types by region in 2024 (classified by age group)

Employee Age	Managerial positions		Technical staff		General employees		Total employees	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
30 and under	0	0.00%	58	7.62%	183	24.05%	241	31.67%
31-50	4	0.53%	174	22.87%	325	42.70%	503	66.10%
Over 50	1	0.13%	8	1.05%	8	1.05%	17	2.23%
Total	5	0.66%	240	31.54%	516	67.80%	761	100%

▼Employee types by region in 2024 (classified by nationality)

Employee Nationality	Managerial positions		Technical staff		General employees		Total employees	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Local	5	0.66%	147	19.32%	358	47.04%	510	67.02%
Foreign	0	0.00%	93	12.22%	158	20.76%	251	32.98%
Total	5	0.66%	240	31.54%	516	67.80%	761	100%

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KEDING CO. 2024 Sustainability Report

As of the end of 2024, all employment at Keding complies with the provisions of the Labor Standards Act or equivalent regulations in the jurisdictions where the company operates. Globally, the company has a total of 761 full-time permanent employees, with no contract or part-time staff.

▼Employee types by region in 2024 (classified by contract type)

Contract Type	Male		Female		Total	
	Number of employees	Percentage	Number of employees	Percentage	Number of employees	Percentage
Non-fixed-term Employees (Permanent Employees)	447	58.74%	314	41.26%	761	100%
Fixed-term Employees (Temporary Staff)	0	0	0	0	0	0
Employees without Guaranteed Hours	0	0	0	0	0	0
Total	447	58.74%	314	41.26%	761	100%

Note 1: Both non-fixed-term and fixed-term employees are full-time staff.

Note 2: Employees without guaranteed hours are part-time staff.

Non-employee Workers

The company upholds principles of equality, respect, and safety, and includes all personnel performing tasks in the workplace—whether or not they are formal employees—within its management and care scope, ensuring labor rights and workplace safety comply with company commitments and relevant regulations. For non-employee workers, such as contractors, temporary staff, or outsourced personnel, the company requires relevant departments and partner vendors to comply with the company's Occupational Safety and Health Policy and on-site management regulations. All non-employee workers entering construction sites or office premises must receive basic safety and health training, be informed of potential risks, and wear appropriate personal protective equipment. As of 2024, the company's non-employee workers include 9 building facility personnel (including security and cleaning staff) and 13 carpenters, totaling 22 individuals.

Talent Recruitment

Keding regards talent recruitment as a core driver for corporate growth, innovation, and sustainable development. The company is committed to creating an attractive workplace environment and a fair and transparent employment system, actively attracting individuals with potential and professional capabilities, and fostering an organizational culture that balances professionalism with a human-centered approach through diversity and equality.

To respond to business development needs and industry trends, the company continuously reviews human resource allocation across departments, regularly identifies skill gaps and future workforce requirements, and attracts suitable talent through multiple channels, including campus recruitment, talent platforms, social media, and internal referrals. In 2024, Keding further strengthened collaboration with universities and colleges by implementing internship programs and company visit activities, providing graduates with early workplace experiences, enhancing the employer brand, and retaining outstanding newcomers.

During the recruitment process, the company emphasizes fairness, impartiality, and transparency, ensuring that employment and compensation decisions are not influenced by gender, age, race, religion, or other personal characteristics, fully reflecting the spirit of equal opportunity employment. Recruitment procedures comply fully with legal regulations, and for key positions, an open competitive mechanism is established, with participation from the hiring unit, management, and HR department, ensuring alignment between talent quality and organizational needs.

New Hires Statistics

▼New Hires Statistics by Age Group and Gender

Age	Gender	2023		2024	
		Number	Percentage (%)	Number	Percentage (%)
<30	Male	55	14.25%	151	27.96%
	Female	90	23.32%	124	22.96%
30-49	Male	116	30.05%	142	26.30%
	Female	117	30.31%	111	20.56%
>50	Male	3	0.78%	6	1.11%
	Female	5	1.29%	6	1.11%
All Employees	Male	174	45.08%	299	55.37%
	Female	212	54.92%	241	44.63%
	Total	386	100%	540	100%

Note 1: The ratio of new hires and departures = (Number of new hires or departures in the category ÷ Total number of employees at the end of the period) × 100%

Note 2: The turnover statistics cover the period from January 1, 2024, to December 31, 2024

Employee Turnover

Keding continuously monitors the organization's workforce structure and stability. By creating a healthy, friendly, and competitive work environment, the company aims to reduce unnecessary turnover while attracting and retaining outstanding talent. To understand the current status and changes in human resources, the company annually collects and analyzes employee inflow and outflow across departments, including the number of new hires, departures, turnover rates, and reasons for leaving. These indicators are presented across multiple dimensions such as gender, age group, and job level, serving as key references for workforce allocation, compensation adjustments, and training planning. In 2024, statistics show an overall turnover rate of 40%, with 338 voluntary departures accounting for 31%, and 99 involuntary departures accounting for 9%.To mitigate turnover risks, the company plans to provide more market-competitive compensation and benefits, health promotion activities, and flexible work arrangements to foster a positive retention environment. At the same time, Keding values employee feedback mechanisms, encourages staff to provide suggestions, and continuously improves the working environment and communication culture.

Employee Turnover Statistics

▼Employee Turnover Statistics by Age Group and Gender

Age	Gender	2023		2024	
		Number	Percentage (%)	Number	Percentage (%)
<30	Male	71	18.54%	102	23.34%
	Female	60	15.67%	87	19.91%
30-49	Male	150	39.16%	124	28.38%
	Female	95	24.80%	108	24.71%
>50	Male	5	1.31%	6	1.37%
	Female	2	0.52%	10	2.29%
All Employees	Male	226	59.01%	232	53.09%
	Female	157	40.99%	205	46.91%
	Total	383	100%	437	100%

Note 1: The ratio of new hires and departures = (Number of new hires or departures in the category ÷ Total number of employees at the end of the period) × 100%

Note 2: The hiring statistics cover the period from January 1, 2024, to December 31, 2024

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5.2 Employee Compensation and Benefits

Compensation Policy

Keding is committed to creating a fair, equitable, and market-competitive compensation system to attract, motivate, and retain outstanding talent, supporting the company's sustainable development goals. The company's compensation policy is guided by the core principles of "equal pay for equal work," "performance-based," and "aligned with market levels." Internal salary structures are regularly reviewed to ensure alignment with industry trends and societal expectations of fairness. By leveraging market salary survey data, the company evaluates the salary positioning of various job grades and roles within the industry and makes reasonable adjustments to ensure employees receive competitive remuneration and growth opportunities.

The company's compensation framework includes base salary, performance bonuses, project-based bonuses, and other statutory and voluntary benefits. Bonus payments and salary adjustments are made annually based on business performance and individual contributions. Performance evaluations are conducted yearly, assessing not only work performance but also teamwork, innovative contributions, and professional development, providing a comprehensive measure of employee value. Evaluation results are used not only for determining bonuses and promotions but also as an important reference for salary adjustments, ensuring that outstanding employees' efforts are appropriately recognized and enhancing overall organizational morale.

In 2024, the ratio of total compensation of the highest-paid individual in the organization to the median annual total compensation of all other employees (excluding the highest-paid individual) was 14.83:1. The ratio of the percentage increase in total compensation of the highest-paid individual to the median percentage increase in annual total compensation of all other employees was 3.25:1.

▼Average and Median Salaries of Full-time Non-Managerial Employees, and Differences (Unit: TWD '000)

Year	2023	2024	Difference from Previous Year (2024 vs. Previous Year) (%)
Average Salary of Full-time Employees (TWD 10,000s)	705	748	+6.10%
Median Salary of Full-time Employees (TWD 10,000s)	645	667	+3.41%

Note: "Non-managerial employees" refers to employees excluding managers, consistent with the scope of managers reported by the company and disclosed in the shareholders' meeting annual report.

▼Salary Ratio by Employee Category in the Past Two Years

Gender	2023	2024
Male Starting Salary: Local Minimum Wage	1.55：1	1.53：1
Female Starting Salary: Local Minimum Wage	1.33：1	1.35：1

Employee Category	2023	2024
Management (Male : Female)	2：1	1.5：1
Non-Management (Male : Female)	1：1	0.5：1

Employee Benefits System

Keding values each employee's work experience and quality of life, striving to create a friendly, healthy, and fulfilling work environment where employees can work with peace of mind, enjoy life, and grow together with the company. Guided by the core philosophy of "people-oriented and employee care," the company has established a comprehensive and diverse employee benefits system. In addition to meeting all legally mandated labor rights, the company continuously enhances benefits to address employees' diverse needs.

Regarding basic protection, the company provides Labor Insurance, National Health Insurance, and Labor Pension contributions in accordance with regulations, ensuring employees' basic livelihood protection during employment and after retirement. To further reduce employees' medical burdens, Keding provides group insurance covering accidents, hospitalization, and critical illness, offering additional care for employees and their families. Additionally, the company offers marriage and bereavement subsidies, emergency relief funds, and educational scholarships for employees' children, reflecting its commitment to employee family welfare.

To promote physical and mental well-being and work-life balance, the company actively organizes various health promotion activities, such as health check-ups, outdoor activities, company trips, and seasonal events, encouraging employees to maintain healthy lifestyles and strengthen interpersonal relationships. Keding provides comfortable rest areas and flexible working hours, and encourages employees to make full use of annual and special leave, supporting timely relaxation and recharging to maintain productivity and mental health.

Employee Benefits	Description of Benefits
Bonuses	Each year, the company allocates 16% of its surplus as employee bonuses, 9% as Lunar New Year cash gifts, and 4% as employee remuneration.
Allowances	Training and Development, Use of Personal Vehicles for Business, Employee Trips (to destinations such as Hokkaido, Kansai, Palau, Australia, etc.)
Gifts and Cash Awards	Bonuses for the Three Major Festivals, Labor Day, birthdays, marriage and bereavement, housewarming, maternity/paternity, and sickness or injury support. , etc.
Health Insurance	Labor Insurance, Health Insurance, and Free Employee Health Check-ups, etc.
Team Dinners and Recreational Activities	Departmental meals, festive events, year-end banquet, and volunteer/community service activities, etc.
Other Benefits	Massage services for visually impaired therapists, annual leave, massage services, employee uniforms, company product discounts, partner vendor discounts, salary account benefits, referral bonuses, and overtime dinner provisions (an employee cafeteria is also available at the Chiayi Production Headquarters), etc.
KD Afternoon Tea	Occasional provision of various types of afternoon tea and snacks.

Parental Leave

To encourage employees to start families, give birth, and raise the next generation with peace of mind, Keding actively fosters a family-friendly work environment, implements gender equality policies, and provides a legally compliant parental leave system. This ensures that employees receive company support and protection during life-stage transitions.

In accordance with the regulations of the Gender Equality in Employment Act, eligible employees may apply for parental leave for up to two years, without affecting their original job assignments or future promotion rights. In 2024, several employees applied for parental leave, with a higher proportion of female employees, reflecting the effectiveness of the company's policy in supporting women in balancing family and workplace responsibilities. For employees returning after leave, the company provides reintegration support to help them smoothly resume their original departmental work, reducing anxiety and adjustment challenges.

Keding will continue to review and optimize parental leave regulations and support mechanisms, and actively promote awareness of parental leave for male employees, encouraging both parents to share caregiving responsibilities, thereby advancing gender equality. Through diverse policy measures, the company aims to create a supportive and flexible work environment where every employee can confidently plan their family life, realize their potential, and grow together with the organization toward a sustainable future.

▼Parental Leave Statistics for 2024

Parental Leave Statistics for 2024		
Item	Male	Female
Total Number of Employees Eligible for Parental Leave in the Year (A)	40	18
Total Number of Employees Who Actually Took Parental Leave in the Year (B)	4	9
Application Rate (B/A)	10%	50%
Total Number of Employees Scheduled to Return from Parental Leave in the Year (C)	3	4
Total Number of Employees Who Actually Returned from Parental Leave in the Year (D)	1	3
Return-to-Work Rate (D/C)	33%	75%
Total Number of Employees Who Returned from Parental Leave in the Previous Year (E)	3	2
Total Number of Employees Who Continued Working for One Year After Returning from Parental Leave in the Previous Year (F)	3	2
Retention Rate (F/E)	100%	100%

Note 1: Estimated based on the number of employees who applied for maternity or paternity leave in the past two years (2023–2024).
Note 2: Employees whose actual return-to-work date was in 2024 and who have remained employed for one year after returning.

Retirement System

Keding places great importance on employees' long-term career planning and retirement security, striving to provide a comprehensive and legally compliant retirement system that allows employees to serve with peace of mind and plan for the future. The company's current retirement system is implemented in accordance with the Labor Standards Act and the Labor Pension Act, while also considering individual employee needs and gradually enhancing mechanisms for retirement preparation to support employees' financial security and quality of life after retirement.

For employees who joined the company before July 1, 2005 and opted for the old retirement system under the Labor Standards Act, the company allocates retirement funds based on the employee's years of service, depositing the calculated amount into a dedicated bank account. The allocation is no less than the amount approved by the competent authority. Retirement payments are made as a lump sum based on years of service and average wages, ensuring the protection of long-serving employees' rights and contributions. For employees under the new system after July 1, 2005, the company complies with the Labor Pension Act, contributing at least 6% of each employee's monthly salary to the employee's individual pension account managed by the Bureau of Labor Insurance. Employees may also make voluntary contributions to increase their retirement savings and enhance future security. Both systems are implemented in accordance with current regulations to ensure that employees' rights and benefits are fully protected.

Labor Pension Contributions	
Item	2024
Old System Pension Contribution Amount	132,280
New System Pension Contribution Amount	15,486,439

Retirement System
Employees who meet any of the following conditions are eligible to apply for voluntary retirement:
1. Have at least 15 years of service and are 55 years old or older.
2. Have at least 25 years of service, regardless of age.
3. Have at least 10 years of service and are 60 years old or older.

Recreational and Team-Building Activities

Keding values employees' physical and mental well-being as well as work-life balance, actively fostering a positive and energetic workplace atmosphere. Through a variety of recreational and team-building activities, the company strengthens interpersonal relationships and team cohesion. We firmly believe that healthy work relationships and an enjoyable work environment enhance employee happiness and productivity, promoting mutual growth for both the company and its employees.

Each year, the company organizes diverse leisure trips and outdoor excursions, allowing employees to step out of the office, connect with nature, relieve stress, and facilitate cross-departmental communication. Examples include company-wide or departmental trips, with itineraries designed according to employee preferences, such as hiking, seaside tours, or cultural heritage exploration. Employees and their family members are invited to participate, enjoying quality time and strengthening family bonds.

For festive celebrations, during major holidays such as Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival, the company not only provides seasonal gifts but also organizes fun competitions and social gatherings, creating a warm and appreciative atmosphere for employees. In addition, the company regularly holds volunteer service activities, encouraging employees to pursue their interests while contributing to community service, thereby practicing corporate social responsibility. All activities are open to employees and their families, ensuring a balance between work and life while enhancing employee belonging and team cohesion.

▼Keding Mid-Autumn BBQ Party

▼KD Snack Day

5.3 Human Resource Development

Keding regards talent as the cornerstone of sustainable business operations and the driving force for continuous innovation and growth. To cultivate outstanding talent and enhance overall competitiveness, we continuously optimize our human resource development strategies. Through systematic planning and execution, we create a professional, collaborative, and growth-oriented work environment, enabling employees and the company to achieve long-term development goals together.

Our core philosophy in human resource development emphasizes "teaching according to ability," "continuous learning," and "co-creating value." The company has designed a series of training programs aligned with job characteristics, organizational goals, and individual career planning, covering areas such as onboarding, professional skills, managerial competencies, and cross-departmental collaboration. New employees receive comprehensive pre-employment and on-the-job training, with mentors assigned to assist in adapting to workplace culture and job responsibilities, helping to shorten the adjustment period and enabling faster contribution.

To support continuous learning and professional advancement, the company encourages employees to participate in internal and external training programs and provides training subsidies, external training allowances, and self-development resources to help employees obtain professional certifications or pursue further education. For mid-to-senior-level managers, we implement management development programs to strengthen leadership, decision-making, and strategic thinking, cultivating a robust succession team and ensuring sustainable organizational continuity.

▼Training Course Categories

Course Category	Course Description
New Employee Training	Comprehensive onboarding training is designed for new employees to help them quickly adapt to the work environment and foster a sense of belonging and identification with the company.
Professional Competency Training	Professional technical courses are provided based on departmental needs, covering production operation skills, product knowledge, quality control standards, and problem-solving techniques, aimed at strengthening employees' job-related expertise and enhancing overall departmental performance.
Managerial Competency Training	Strengthen the leadership, strategic thinking, and team management capabilities of mid-to-senior-level managers, while cultivating potential successors.
Core Competency Training	Develop cross-departmental core competencies and workplace soft skills to enhance team collaboration and problem-solving abilities.
Occupational Health and Safety Training	Provide training to ensure employee health and safety, in compliance with national occupational health and safety regulations.

Employee Training Hours		2023		2024	
		Average Hours	Total Hours	Average Hours	Total Hours
Gender	Male	7.7	1,205	6.2	2,654
	Female	8.4	1,461	5.8	2,762
Job Level	Management	18.0	579	23.4	866
	Non-Management	7.0	2087	5.1	4,550

Performance Evaluation System

Keding upholds the principles of fairness, impartiality, and transparency in establishing a comprehensive performance management system, which serves as a key foundation for driving employee growth and continuous organizational improvement. Through a systematic performance evaluation mechanism, corporate objectives are effectively linked with departmental plans and individual goals, enabling employees to clearly understand their roles and contributions within the organization, thereby enhancing overall performance and team collaboration.

The company's performance evaluation system combines annual assessments with mid-term reviews. All employees are included in the evaluation, and assessment criteria are tailored according to different job categories, taking into account work outcomes, professional competence, attitude, and potential for development. At the beginning of the year, each employee sets work objectives and key performance indicators (KPIs) together with their supervisor. Mid-year reviews are conducted to track progress, provide necessary guidance, and offer resource support, ensuring alignment between individual tasks and team goals.

In executing evaluations, the company emphasizes two-way communication and transparency. Assessment results are reviewed by direct supervisors and followed by feedback meetings to discuss strengths, areas for improvement, and subsequent development plans. Performance results are used not only for year-end bonuses, salary adjustments, promotions, and career planning, but also to identify high-potential talent and cultivate succession pipelines to support long-term organizational needs. The company also regularly reviews and optimizes the design of evaluation criteria, execution processes, and weighting to minimize subjective bias, ensuring that assessment outcomes accurately reflect employees' value and contributions.

2024 Employee Performance Evaluation Participation Rate

Employee Category	Male			Female		
	Number of Employees Evaluated	Number of Employees Eligible for Evaluation	Evaluation Participation Rate (%)	Number of Employees Evaluated	Number of Employees Eligible for Evaluation	Evaluation Participation Rate (%)
Management	61	98	62.24%	39	77	50.65%
Non-Management	235	348	67.53%	128	240	53.33%
Total	296	446	66.37%	167	317	52.68%

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5.4 Labor-Management Communication

Keding values the voice of its employees and believes that good labor-management relations and smooth communication mechanisms are essential foundations for promoting organizational harmony and sustainable development. To ensure employees' rights are respected and protected, the company actively fosters an open and transparent two-way communication culture, establishing multiple channels to understand employee needs, address concerns, and enhance mutual trust. Although the company has not yet established a labor union nor signed a collective bargaining agreement with employees, Keding manages human resources in accordance with the Labor Standards Act and relevant regulations, safeguarding employees' basic rights. The company fully respects employees' legal freedom to organize labor unions and engage in collective bargaining, emphasizing that even in the absence of a union, existing systems can protect communication rights and working conditions.

In daily operations, the company holds labor-management meetings at least once per quarter, with representatives elected from each department. Discussion topics include work environment, occupational safety and health, compensation and benefits, and employee feedback. Meeting resolutions and improvement plans are transparently communicated to all employees. In 2024, four labor-management meetings were held. Keding has also established multiple routine communication channels, such as dedicated suggestion boxes, regular supervisor-employee meetings, employee satisfaction surveys, and internal digital platforms, enabling employees to provide opinions and suggestions at any time. Through continuous enhancement of labor-management communication, the company aims to strengthen employee sense of recognition and belonging, collaboratively cultivate a mutually beneficial workplace culture, and achieve long-term sustainable development goals.

5.5 Occupational Safety and Health

Keding upholds the management philosophy of "Safety First, Health as the Foundation", regarding workplace safety and employee health as key pillars of sustainable corporate development. The company is committed to creating a safe, comfortable, and employee-friendly working environment. To ensure effective implementation of safety management systems, Keding has adopted international standards and, in recent years, obtained ISO 45001 Occupational Health and Safety Management System certification, using a systematic management framework to continuously enhance occupational safety performance and overall protection levels.

In terms of management structure, the company has established an Occupational Safety and Health (OSH) management organization, complemented by a safety management network composed of departmental supervisors responsible for planning, executing, and monitoring annual safety and health plans. Through comprehensive hazard identification, risk assessment, and corrective measures, potential workplace hazards are continuously mitigated, with regular performance reviews conducted to ensure continuous improvement. Annual workplace environment monitoring and employee health check-ups are carried out in compliance with regulations, with follow-up consultation provided for any abnormal results, ensuring employees' physical and mental well-being is properly safeguarded.

Additionally, the company actively promotes a safety culture and health enhancement activities, including first aid training, fire drills, health lectures, and stress management courses, to increase employees' awareness of safety issues and improve their response capabilities. Factory areas are equipped with smoke-free zones, first aid equipment, and safety signage, alongside a complete accident reporting and corrective mechanism, encouraging employees to proactively identify and report unsafe behaviors or environmental hazards, collectively maintaining workplace safety.

Occupational Safety and Health Management Framework

```
                    Chairman Deputy General
                       Manager(1person)
                              |
   ┌──────────┬──────────┬────┴────┬──────────┐
Unit supervisor  Director&Executive  OSH Committee   OHN Committee   Labor Representative
  (4person)    Secretary(1person)  Member(2person) Member(1person)  Committee Member(4person)
```
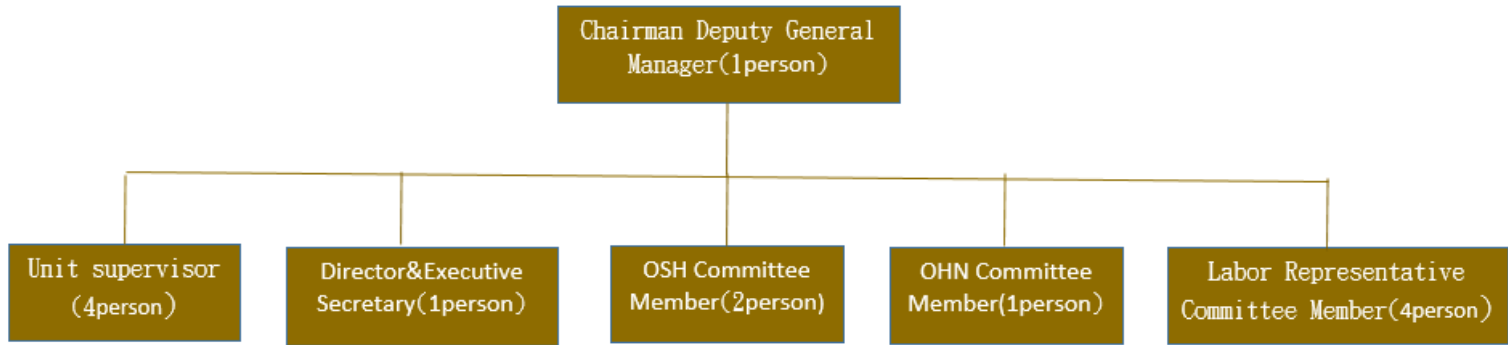
Key Occupational Safety and Health Tasks

Key Task	Description of Improvement Measures
Strengthen hazard identification and risk assessment	Conduct annual hazard identification and risk ranking across all factory areas, update the hazard register based on the results, and implement improvement plans to ensure that high-risk operations are effectively controlled and incident rates are reduced.
Continuously promote equipment safety improvements	Regularly inspect and update safety protective equipment and facilities, prioritize the replacement or installation of protective devices on aging machinery, and ensure that safety signs and emergency stop devices are fully functional.
Establish sound emergency response and reporting procedures	Conduct regular emergency drills (e.g., fire, chemical spill) to review existing reporting procedures and emergency resources, and promptly address any deficiencies.
Strengthen health promotion and occupational disease prevention	Arrange annual employee health check-ups and follow up on any abnormal results, while regularly organizing health seminars and psychological counseling services to enhance employees' health awareness and self-care capabilities.
Regularly review and enhance management system effectiveness	Conduct regular internal audits and management reviews to assess the implementation of the ISO 45001 system, develop concrete improvement plans for identified deficiencies, and ensure follow-up actions are carried out to maintain the continuous and effective operation of the management system.

Occupational Safety and Health Education and Training

Keding is committed to providing a safe and healthy work environment and regards occupational safety and health (OSH) education and training as a key measure to promote a safety culture and reduce workplace risks. To continuously enhance employees' safety awareness and emergency response capabilities, the company establishes an annual training plan in accordance with the Occupational Safety and Health Act and related regulations. Aligning with international standards, Keding has obtained ISO 45001 Occupational Health and Safety Management System certification, using a systematic framework to plan, implement, and continuously improve the effectiveness of training programs.

A dedicated OSH management unit oversees the training plan, covering diverse topics such as new employee safety orientation, workplace hazard identification, first aid skills, fire drills, environmental and safety regulations, and occupational disease prevention. Courses are tailored according to job characteristics and risk levels, ensuring that all employees understand the safety requirements and protective measures relevant to their positions. New employees receive basic OSH training on their first day, followed by regular refresher training for all staff. High-risk units receive additional intensive sessions and on-site drills to enhance practical response capabilities.

To strengthen the effectiveness of training, Keding integrates the ISO 45001 management principles, treating training as a key performance indicator of the system. Coverage rates and satisfaction are regularly reviewed, course content is updated, and digital learning platforms and online courses are gradually introduced to increase flexibility and accessibility. In addition to internal instructors, external experts and consultants are invited to deliver specialized lectures, sharing the latest safety regulations, case studies, and industry best practices, thereby broadening employees' learning perspectives.

Occupational Hazard Risk Management

Keding regards occupational hazard risk management as a crucial element in safeguarding employee health and maintaining a safe workplace. Adhering to the principle of "prevention is better than cure," the company actively identifies and controls potential risks to reduce workplace injuries and occupational disease hazards. Keding has implemented the ISO 45001 Occupational Health and Safety Management System, using a systematic management framework to continuously promote hazard identification, risk assessment, control, and improvement cycles, thereby enhancing workplace safety and employee trust.

A comprehensive hazard identification and risk assessment procedure has been established. Each year, the company conducts a thorough review based on actual operations and environmental changes, performing detailed analyses of high-risk tasks, critical equipment, and special work environments, and establishing tiered management strategies. Department heads regularly lead their teams to inspect work areas, monitor and record occupational hazards such as mechanical risks, chemical exposure, high temperatures, and excessive noise, propose protective measures, and incorporate them into improvement plans for implementation. In addition, Keding commissions professional organizations annually to perform environmental testing, including air quality, dust concentration, noise levels, and illumination, ensuring that the work environment complies with regulatory standards.

For high-risk operations, the company not only installs comprehensive protective equipment and warning signage but also strengthens employee safety awareness through specialized training and emergency drills, enhancing hazard recognition and response capabilities. Simultaneously, Keding implements occupational health management programs, providing targeted health checks and follow-up professional consultation for employees with long-term exposure to specific hazards, reducing the incidence of occupational diseases.

▼Hazard Identification, Analysis, and Improvement Measures

Hazard Identification	Hazard Analysis Description	Risk Level	Corrective and Preventive Measures
High-Temperature Operations	The localized temperature in the production area is high; prolonged exposure may lead to heatstroke, fatigue, and reduced work efficiency.	Medium	Strengthen on-site ventilation and cooling systems, regularly monitor ambient temperatures, implement work rotation and rest breaks for high-temperature tasks, and provide employees with cooling beverages and training.
Noise Exposure	The machinery generates high-decibel noise during operation; prolonged exposure may cause hearing damage and increase the risk of occupational diseases.	High	Regularly monitor noise levels and install soundproofing measures, enforce the proper use of hearing protection by employees, and arrange specialized health checks to track hearing status and address any abnormalities.
Chemical Exposure	Some raw materials and solvents are irritant or toxic; without proper protection, they may harm the skin, respiratory system, or overall health.	High	Strengthen the management and labeling of hazardous chemicals, install proper ventilation and exhaust systems, and train employees on the correct use of personal protective equipment and emergency response procedures.
Work at Heights	During high-altitude maintenance or hoisting operations, improper use of fall protection equipment poses a risk of falling, endangering personnel safety.	High	Implement safety standard procedures for working at heights, regularly inspect the integrity of fall protection equipment, and strengthen employee training and on-site supervision for high-altitude operations.
Machinery Entanglement	When employees operate or maintain machinery, failure to follow safety procedures may result in hand or body entanglement injuries.	High	Install safety guards and emergency stop devices, regularly inspect the operation of machinery, strengthen employee safety operation training, and implement pre-operation inspection procedures.

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Occupational Incident Response

KD regards reducing the occurrence of occupational incidents and strengthening response capabilities as a crucial aspect of occupational safety and health management. To protect employees' life and health, and to ensure stable workplace operations, the company has established a comprehensive occupational incident response mechanism. Through regular drills and training, employees' reaction speed and handling ability in emergency situations are continuously enhanced.

In accordance with the Occupational Safety and Health Act and relevant regulations, the company has formulated occupational incident response procedures, clearly defining the reporting, emergency response, investigation, and follow-up improvement processes after an incident occurs. Each department has designated safety and health personnel and incident reporting contacts, equipped with necessary first-aid facilities and emergency supplies to address various types of workplace risks, including fire, chemical spills, equipment malfunctions, falls from heights, and employee injuries. All employees are required to be familiar with the reporting mechanisms and emergency assembly points to ensure immediate activation of response actions. The company plans and conducts multiple annual drills covering fire evacuation, emergency medical response, and simulations of specific high-risk work incidents, often inviting external professional organizations to participate.

Occupational Injury Statistics

Statistical Items	2023	2024
Total Working Hours	779,148	1,401,308
Number of Occupational Accidents	0	1
Number of Occupational Injury Fatalities	0	0
Number of Serious Occupational Injuries	0	0
Number of Recordable Occupational Injuries	0	0
Number of Near-Miss Incidents	0	0
Near-Miss Incident Rate	0	0

Statistical Items	2023	2024
Total Absentee Hours	2245.1	3247.1
Frequency Rate of Lost-Time Injuries (FR)	0	0
Severity Rate of Lost-Time Injuries (SR)	0	0
Frequency-Severity Index (FSI)	0	0
Absenteeism Rate (AR)	0.29%	0.23%

Occupational Disease Prevention Management

KD places a high emphasis on employee health and safety, regarding occupational disease prevention as a critical part of workplace governance, and continuously incorporates it into the overall occupational health and safety policy. The company is committed to systematically managing, regularly monitoring, and continuously improving work environments to reduce the risk of occupational diseases caused by long-term exposure to specific hazards, ensuring employees can work safely and healthily.

In accordance with the Occupational Safety and Health Act and related regulations, and aligned with the ISO 45001 Occupational Health and Safety Management System, the company conducts annual hazard identification and risk assessments for each work area, with particular attention to risk factors that may cause occupational diseases, such as noise, dust, chemicals, repetitive motions, high temperatures, and psychological stress. Based on the assessment results, risk levels and corresponding preventive measures are established, including installing exhaust and soundproofing equipment, improving ventilation, providing protective gear, optimizing workstation design, and adjusting work postures to reduce employees' long-term exposure to hazards.

For health monitoring, employees undergo regular medical check-ups, with special examinations for those exposed to specific hazard factors. Abnormal results are followed up with professional consultation and further monitoring. High-risk groups are identified for focused management, with regular health tracking and adjustments to work arrangements to reduce the likelihood of disease progression. Additionally, the company actively promotes health enhancement programs, regularly holding occupational disease prevention seminars and self-care awareness campaigns, raising employees' protective awareness and encouraging proactive health management.

Health Promotion Activities

Our company upholds the principle of "people-oriented, health first," striving to create a balanced, healthy, and happy workplace, while actively promoting various health enhancement activities to help employees raise health awareness and strengthen self-management skills.

Each year, the company develops a comprehensive health promotion plan, offering diverse activities and resources that focus on three key aspects: physical health, mental well-being, and overall quality of life. Regarding physical health, in addition to the legally mandated medical examinations, the company provides additional check-up items beyond regulatory requirements and offers follow-up, consultation, and necessary guidance for high-risk groups. Regular health education initiatives are also conducted, covering topics such as cancer prevention, chronic disease management, and the cultivation of healthy eating and exercise habits, supporting employees in strengthening their health knowledge and applying it in daily life.

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6.1 GRI Sustainability Reporting Standards Reference Table

Usage Statement	Keding Enterprise Co., Ltd. has prepared its report for the period from January 1 to December 31, 2024, with reference to the GRI Standards.
Version Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The company has not adopted any GRI Sector Standards.
Note	Topics marked with an asterisk (*) are considered material topics.

Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
GRI 2: General Disclosures 2021					
Organization and Reporting Practices	2-1	Organizational Details	1.1 Company Overview	24	
	2-2	Entities Included in the Organization's Sustainability Reporting	About This Report	3	
	2-3	Reporting Period, Frequency, and Contact Person	About This Report	3	
	2-4	Restatements of Information	About This Report	-	This report is the first sustainability report issued by Keding Enterprise; therefore, there are no restatements of information.
	2-5	External Assurance/Verification	About This Report	3	
Activities and Workers	2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Overview	24	
	2-7	Employees	5.1 Overview of Workforce	71	
	2-8	5.1 Overview of Workforce	5.1 Overview of Workforce	71	
Governance	2-9	Governance Structure and Composition	2.1 Corporate Governance Overview	33	
	2-10	Nomination and Selection of the Highest Governance Body	2.1 Corporate Governance Overview	33	
	2-11	Chair of the Highest Governance Body	2.1 Corporate Governance Overview	33	
	2-12	Role of the Highest Governance Body in Overseeing Impact Management	2.1 Corporate Governance Overview 2.3 Risk Management	33 44	
	2-13	Responsible Party for Impact Management	2.1 Corporate Governance Overview 2.3 Risk Management	33 44	
	2-14	Role of the Highest Governance Body in Sustainability Reporting	1.1 Company Overview	24	

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Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
Governance	2-15	Conflict of Interest	2.1 Corporate Governance Overview	33	
	2-16	Communication of Key Material Events	2.1 Corporate Governance Overview	33	
	2-17	Collective Knowledge of the Highest Governance Body	2.1 Corporate Governance Overview	33	
	2-18	Performance Evaluation of the Highest Governance Body	2.1 Corporate Governance Overview	33	
	2-19	Remuneration Policy	2.1 Corporate Governance Overview	33	
	2-20	Remuneration Determination Process	2.1 Corporate Governance Overview	33	
	2-21	Annual Total Remuneration Ratio	5.2 Employee Compensation and Benefits	73	
Strategy, Policies, and Practices	2-22	Statement on Sustainable Development Strategy	Message from the Management	7	
	2-23	Policy Commitments	2.2 Ethical Business Practices 2.3 Risk Management 2.4 Information Security	39 44 46	
	2-24	Embedding Policy Commitments	2.2 Ethical Business Practices 2.3 Risk Management 2.4 Information Security	39 44 46	
	2-25	Processes to Remedy Negative Impacts	2.1 Corporate Governance Overview 2.3 Risk Management	33 44	
	2-26	Mechanisms for Seeking Advice and Raising Concerns	2.1 Corporate Governance Overview	33	
	2-27	*Regulatory Compliance	2.2 Ethical Business Practices	39	
	2-28	Membership in Associations	1.1 Company Overview	24	
Stakeholder Engagement	2-29	Stakeholder Engagement Policy	Stakeholders and Material Topics	9	
	2-30	Collective Bargaining Agreement	5.4 Labor-Management Communication	80	No labor union has been established and no collective agreement has been signed; however, labor-management consultations are conducted regularly in accordance with legal requirements.

Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
GRI3：Material Topics 2021					
Material Topics	3-1	Process for Determining Material Topics	Stakeholders and Material Topics	9	
	3-2	List of Material Topics	Stakeholders and Material Topics	9	
*Company Governance and Risk Management					
GRI 3：Material Topics 2021	3-3	Management of Material Topics	Stakeholders and Material Topics	9	
GRI 205：Anti-Corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	2.2 Ethical Business Practices	39	
	205-3	Confirmed corruption incidents and actions taken	2.2 Ethical Business Practices	39	
*Integrity Management and Regulatory Compliance					
GRI 3：Material Topics 2021	3-3	Management of Material Topics	Stakeholders and Material Topics	9	
GRI 205：Anti-Corruption 2016	205-2	Communication and training on anti-corruption policies and procedures	2.2 Ethical Business Practices	39	
	205-3	已Confirmed corruption incidents and actions taken	2.2 Ethical Business Practices	39	
*Operational Performance					
GRI 201：Economic Performance 2016	201-1	Direct Economic Value Generated and Distributed by the Organization	1.2 Operational Performance	27	
	201-2	Financial Impacts and Other Risks and Opportunities of Climate Change on Organizational Activities	4.1 Climate Change Response	56	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	5.2 Employee Compensation and Benefits	73	
Energy Management					
GRI 302：Energy 2016	302-1	Energy Consumption within the Organization	4.3 Energy Management	64	
	302-3	Energy Intensity	4.3 Energy Management	64	
Water Resource Management					
GRI 303：Water and Effluents 2018	303-3	Water Withdrawal	4.5 Waste Management	65	
	303-4	Water Discharge	4.5 Waste Management	65	
	303-5	Water Consumption	4.5 Waste Management	65	

Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
Greenhouse Gas (GHG) Emissions					
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) Greenhouse Gas Emissions from Energy	4.3 Energy Management	63	
	305-2	Indirect (Scope 2) Greenhouse Gas Emissions from Energy	4.3 Energy Management	63	
	305-4	Greenhouse Gas Emission Intensity	4.3 Energy Management	63	
Waste Management					
GRI 306 : Waste 2020	306-1	Waste Generation and Significant Waste-Related Impacts	4.5 Waste Management	66	
	306-2	Management of Significant Waste Impacts	4.5 Waste Management	66	
	306-3	Waste Production	4.5 Waste Management	66	
*Environmental Compliance					
GRI 3 : Material Topics 2021	3-3	Material Topic Management	Stakeholders and Material Topics	9	
GRI 306 : Waste 2020	306-1	Waste Generation and Significant Waste-Related Impacts	4.5 Waste Management	66	
	306-2	Management of Significant Waste Impacts	4.5 Waste Management	66	
	306-3	Waste Production	4.5 Waste Management	66	
*Labor-Management Relations					
GRI 3 : Material Topics 2021	3-3	Material Topic Management	Stakeholders and Material Topics	9	
GRI 401 : Labor-Management Relations 2016	401-1	New Hires and Employee Turnover	5.1 Overview of Workforce	71	
	401-2	Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	5.2 Employee Compensation and Benefits	73	
	401-3	Parental Leave	5.2 Employee Compensation and Benefits	73	

Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
Occupational Health and Safety					
GRI 403：Occupational Health and Safety 2018 Management Approach	403-1	Occupational Health and Safety Management System	5.4 Labor-Management Communication	81	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	5.4 Labor-Management Communication	81	
	403-3	Occupational Health Services	5.4 Labor-Management Communication	81	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	5.4 Labor-Management Communication	81	
	403-5	Worker Training on Occupational Health and Safety	5.4 Labor-Management Communication	81	
	403-6	Promotion of Worker Health	5.4 Labor-Management Communication	81	
	403-7	Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	5.4 Labor-Management Communication	81	
GRI 403：Occupational Health and Safety 2018	403-10	Occupational Diseases	5.4 Labor-Management Communication	81	
*Talent Recruitment and Development					
GRI 3：Material Topics 2021	3-3	Management of Material Topics	Stakeholders and Material Topics	9	
GRI 404：Training and Education 2016	404-1	Average Hours of Training per Employee per Year	5.3 Human Resource Development	78	
	404-3	Percentage of Employees Receiving Regular Performance and Career	5.3 Human Resource Development	78	
Diversity and Equal Opportunity					
GRI 405：Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	2.1 Corporate Governance Overview 5.1 Overview of Workforce	24 71	

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Topic	Disclosure Item	Description	Chapter	Page Number	Omission/Remarks
*Quality Management					
GRI 3：Material Topics 2021	3-3	Management of Material Topics	Stakeholders and Material Topics	9	
GRI 416：Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	3.2 Quality Management	50	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	3.2 Quality Management	50	
GRI 417：Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	3.2 Quality Management	50	
	417-2	Incidents of non-compliance concerning product and service information and labeling	3.2 Quality Management	50	

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6.2 Guidelines for the Preparation and Submission of Sustainability Reports by OTC-listed Companies – Climate Chapter

Risks and opportunities arising from climate change and the corresponding response measures adopted by the company

Item	Section Disclosed in the Report
Describe the board's and management's oversight and governance of climate-related risks and opportunities	4.1 Climate Change Response
Describe how identified climate-related risks and opportunities affect the organization's business, strategy, and financial planning (short-, medium-, and long-term)	4.1 Climate Change Response
Describe the financial impacts of extreme weather events and transition actions	4.1 Climate Change Response
Describe how processes for identifying, assessing, and managing climate risks are integrated into the organization's overall risk management system	4.1 Climate Change Response
If scenario analysis is used to assess climate resilience, disclose the scenarios, parameters, assumptions, analytical factors, and key financial impacts used	4.1 Climate Change Response
If a transition plan for managing climate-related risks exists, disclose the plan's content, as well as the metrics and targets used to identify and manage physical and transition risks	4.1 Climate Change Response
If internal carbon pricing is used as a planning tool, disclose the basis for determining the carbon price	Internal carbon pricing has not yet been implemented.
If climate-related targets are set, disclose the covered activities, GHG emission scopes, target timeframes, and annual progress; if carbon offsets or Renewable Energy Certificates (RECs) are used, disclose their sources and quantities	The Company has not yet established climate-related targets, nor does it use carbon offsets or renewable energy certificates; therefore, this is not applicable.
Greenhouse gas (GHG) inventory and assurance status	Please refer to the table below for details.

Scope 1 Emissions (tCO$_2$e)	Scope 2 Emissions (tCO$_2$e)	Emission Intensity (tCO$_2$e / million TWD)	Assurance Provider	Description of Assurance (Verification Certificate)
971.1	3,197	1.665	No assurance was conducted this year.	No assurance was conducted this year.

6.3 Sustainability Accounting Standards (SASB) Reference Table – Consumer Goods: Building Products & Furnishings

Disclosure Topic	Metric Number	Metric Description	2024 Disclosure Status	Remarks
Energy Management in Manufacturing	CG-BF-130 a.1	(1) Total Energy Consumption (2) Percentage of Purchased Electricity (3) Renewable Energy Usage Rate	(1) 36,467.50 GJ (2) 68.08% (3) 0 %	
Management of Product Safety and Chemical Content	CG-BF250a.1	Description of Risk Management for Product Chemical Hazards	The Company manages hazardous chemicals in accordance with the "Regulations for the Assessment and Classification Management of Hazardous Chemicals."	
	CG-BF250a.2	Percentage of Products Meeting VOC Emission Standards (%)	The Company has no emissions of ozone-depleting substances (ODS) and does not monitor VOC emissions.	
Environmental Impact of Product Life Cycle	CG-BF-410 a.1	Description of Management of Product Life Cycle Impacts and Efforts to Meet Sustainable Product Demand	Production Stage: Adhesives with low formaldehyde emissions are selected to reduce air pollution. End-of-Life Stage: The Company emphasizes opportunities for wood material recycling and reuse. Recovered materials can be repurposed into home decor or creative products, improving resource efficiency and achieving circular economy objectives.	
	CG-BF-420 a.1	(1) Weight of Recycled End-of-Life Materials (2) Percentage of Recycled Materials Reused	(1) 33.136 t (2) Recycled and Reused: 13.91 t, accounting for 41.98%	
Timber Supply Chain Management	CG-BF-430 a.1	(1) Total Weight of Purchased Wood Fiber Materials (2) Percentage from Third-Party Certified Forests (3) Percentage by Standard: Purchased Wood Fiber from Third-Party Certified Forests / Total Weight of Purchased Wood Fiber Materials (4) Percentage of Other Wood Fiber Materials Certified by Recognized Standards (5) Percentage by Standard: Purchased Wood Fiber Materials Certified by Other Recognized Standards / Total Weight of Purchased Wood Fiber Materials	(1) 11,390.61t (2) N/A (3) N/A (4) N/A (5) N/A	

Activity Metric	Metric Number	Metric Description	2024 Disclosure Status	Remarks
Annual Production Volume	CG-BF-000.A	-	10,887 立方公尺	
Location of Manufacturing Equipment	CG-BF-000.B	-	39,985.23	

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6.4 United Nations Sustainable Development Goals (SDGs) Reference Table

Item No.	Sustainable Development Goal (SDG)	Corresponding Section	Page Number
Goal 4	Ensure inclusive, equitable, and quality education, and promote lifelong learning opportunities for all.	5.3 Human Resource Development	78
Goal 8	Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all.	5.2 Employee Compensation and Benefits 5.3 Human Resource Development	73 78
Goal 10	Reduce inequality within and among countries.	5.4 Labor-Management Communication	80
Goal 16	Promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable, and inclusive institutions at all levels.	Stakeholders and Material Topics 2.3 Risk Management 5.4 Labor-Management Communication	9 44 80
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development.	Stakeholders and Material Topics	9