

SUSTAINABILITY REPORT

BOARD STATEMENT

Hotung Investment Holdings Limited (“HIHL”) remains committed to build a sustainable business by embedding environmental, social, and governance (“ESG”) objectives into our strategy and day-to-day operations. Under the oversight of the Board—supported by the Audit Committee, the Management, and the ESG Working Group—we continue to refine targets, track performance, and strengthen accountability across the Group. To enhance execution, we have integrated personnel from various operational and business units to form the ESG Working Group, which coordinates daily ESG activities, annual planning, and performance reviews.

For FY2025, we continue to adopt the GRI Standards as the framework for reporting sustainability topics. In line with prevailing regulations for non-STI issuers, we disclose Scope 1 and Scope 2 greenhouse-gas (“GHG”) emissions and related targets, while Scope 3 emissions will be incorporated progressively as our data systems mature. Governance details are cross-referenced to the Corporate Governance Report (“CGR”) in the Annual Report, which is made available on the same terms and at the same time as this report.

HIHL recognizes the urgency of climate action, as well as the practical challenges faced by early-stage investee companies in terms of resources and reporting capabilities. We continue to strengthen our due-diligence approach and investment processes to better evaluate ESG performance and guide capital allocation toward businesses aligned with the Group’s strategic and sustainability objectives, while minimizing potential negative impacts.

We remain committed to transparent reporting and continuous improvement. Preparations for external assurance are ongoing in accordance with regulatory timelines. The Board will continue to supervise progress against targets and ensure that climate-related and broader ESG considerations are embedded into business planning and portfolio management. We reaffirm our dedication to delivering sustainable value for our shareholders and stakeholders. The Group will also continue to progressively enhance its climate-related disclosures in line with the ISSB Standards and timelines.

ABOUT THE REPORT

2-1 Scope

The reporting scope covers the performance of the Group from 1 January 2025 to 31 December 2025 (“FY2025”). Unless stated otherwise, disclosures relate to HIHL and its subsidiaries consolidated in the Group’s financial statements. Comparative information from previous financial years is included, where relevant, to illustrate trends. As the Group’s headquarters and employees are based in Taipei, Taiwan, this report focuses on ESG aspects of our head-office operations in Taipei. Where appropriate, we also consider information from investee companies and external sources to assess the Group’s overall sustainability impacts and climate-related risks.

2-2 Reporting Framework

This Sustainability Report is prepared in accordance with the GRI Standards as our principal reporting framework, with reference to industry guidance (e.g., SASB) where decision useful. The report is issued alongside the Group’s Annual Report.

SUSTAINABILITY REPORT

Our reporting framework comprises the following components:

1. **Material ESG Factors:** We maintain the Group’s established materiality approach used in prior years, presenting outcomes in a manner consistent with the IFRS S1 concepts of connectivity and decision-usefulness.
2. **Climate-Related Disclosures under the TCFD Framework:** Reporting on climate-related risks and opportunities aligned with the TCFD recommendations. The four TCFD pillars—Governance, Strategy, Risk Management, and Metrics and Targets—are disclosed across relevant sections of this report. (A TCFD mapping is provided in the Content Index.)
3. **Policies, Practices, and Performance:** Descriptive and quantitative information relating to identified ESG factors.
4. **Targets and Time Horizons:** Short-, medium-, and long-term targets aligned with the Group’s planning cadence: short-term 2026–2028, medium-term 2029–2035, and long-term 2036–2050.
5. **Basis of Preparation and Reporting Boundary:** Unless stated otherwise, disclosures relate to HIHL and its subsidiaries consolidated in the Group’s financial statements.
6. **Board Statement and Governance:** A summary of the Board’s oversight of sustainability, supported by the Management and the ESG Working Group; detailed governance information is cross-referenced to the Annual Report.

2-3 Internal Review

All qualitative and quantitative information disclosed in this Sustainability Report has been reviewed internally by the Management and the internal audit function, and has been approved by the Board.

The Company publishes this Sustainability Report on an annual basis and monitors progress against key ESG KPIs and targets. For enquiries or suggestions regarding this report, please contact us at hihl@equity.com.tw.

SUSTAINABILITY GOVERNANCE

Transparency and accountability form the foundation of HIHL’s sustainability governance. The Group’s governance structure comprises four levels—the Board, the Audit Committee, the Management (including the Chief Sustainability Officer, CSO), and the ESG Working Group—as illustrated in the diagram below. Responsibilities for climate-related risks and opportunities are embedded across these bodies through defined mandates and reporting lines.

SUSTAINABILITY REPORT



The Board sets strategic objectives and oversees material ESG factors, including climate-related matters. It receives updates from the Management at least annually and, where appropriate, on an ad-hoc basis to ensure alignment between sustainability priorities and corporate strategy. The Audit Committee provides oversight of risk-management processes and the integrity of internal controls and disclosures. The Management is responsible for strategic planning, risk management, and financial monitoring, and for implementing governance policies and maintaining internal controls. The CSO leads the ESG Working Group, which coordinates cross-functional initiatives, stakeholder engagement, progress tracking, and timely and accurate reporting.

Information flows from operating units to the ESG Working Group and the Management, and subsequently to the Audit Committee and the Board through periodic reporting on target progress, risk assessments, stakeholder feedback, and regulatory developments. Detailed corporate governance information is presented in the CGR section of the Annual Report.

STAKEHOLDER ENGAGEMENT

The Board seeks to balance the needs and interests of key stakeholders while safeguarding the best interests of the Company. We engage with stakeholders regularly to understand their expectations and concerns, which supports continuous improvement across the Group's operations. In line with the AA1000 Accountability Principles (AA1000 AP)—Inclusivity, Materiality, Responsiveness, and Impact—and guided by the AA1000 Stakeholder Engagement Standard (AA1000 SES) for stakeholder identification (dependency, responsibility, tension, influence, and diverse perspectives), we continue to focus on four stakeholder categories most relevant to the Company's development: employees, shareholders, investee companies, and regulators. These groups are integral to our business, and we maintain open and regular communication with them through established channels. Feedback and insights are incorporated into Chapter 5 (Materiality Assessment Process) to support decision-useful actions.

SUSTAINABILITY REPORT

The Group’s existing investment management policies set out the processes and mechanisms for engaging with key stakeholders and investee companies. In FY2025, we maintained a regular engagement cadence and, where appropriate, complemented meetings with suitable communication channels—including email, virtual meetings, and periodic feedback exercises—to ensure that stakeholder perspectives inform target-setting, risk assessments, and disclosure priorities. We will continue to broaden the scope of engagement and refine communication channels as needed.

Key Stakeholders	Purpose and Significance	Concerns and Interests	Modes of Engagement	Frequency of Engagement
Employees	Fostering a sense of belonging to improve retention.	<ul style="list-style-type: none"> Organizational financial performance. Employee health and safety. Training and education. 	Management and department meetings to report on and update on key business information and progress.	Weekly.
			Training seminars and internal/external education programs to enhance professional skills.	On an ad-hoc basis, at least 2–3 times per year.
			Sustainability awareness communication and satisfaction surveys.	Annually.
			Performance review and evaluation.	Annually.
Shareholders	Increasing corporate value.	<ul style="list-style-type: none"> Organizational financial performance, including dividend policy. Risk management. 	Addressing shareholder questions during Annual General Meetings (AGM).	Annually.
			Announcements via the SGXNet platform.	On an ad-hoc basis.
			Providing relevant information on the Company’s website.	On an ad-hoc basis.
			Offering “Contact Us” email channel for electronic enquiries.	At any time.
Investee Companies	Directly impacting on the Group’s profitability.	<ul style="list-style-type: none"> Business ethics. Corporate governance. 	Surveys to monitor ESG efforts and outcomes.	Annually.
			Reviewing financial and annual reports to assess performance.	Quarterly and annually.
			Attending board or shareholder meetings as an observer.	Quarterly and annually.
			Monitoring business developments through on-site/remote meetings, teleconferences, and email correspondence.	On an ad-hoc basis.
			Conducting site visits.	On an ad-hoc basis.
Regulators	Directly influencing the Company’s operational strategy.	<ul style="list-style-type: none"> Compliance with policies, rules, and regulations, including sustainability reporting. Risk management. 	Ensuring compliance with relevant policies, rules, and guidelines.	At any time.
			Communication through letters, email, or teleconferences.	At any time.
			Participation in training and educational sessions.	On an ad-hoc basis.

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT PROCESS

In FY2025, we maintain our four-step materiality approach—Identification, Assessment, Prioritization, and Validation. The Group’s material ESG topics, determined using established frameworks, remain consistent with FY2024 and are disclosed in Chapter 6 (Disclosures on Material Topics). The methodology for determining material ESG topics is described in this chapter.

5-1 Identification

Given the absence of SGX-ST Mainboard peers with a core venture-investment model, the Group identifies material topics using established internal processes and relevant external benchmarks. We consider stakeholder perspectives, regulatory expectations, and ESG ratings, with reference to recognized frameworks—GRI, TCFD, SASB (Asset Management and Custody Activities), and the SDGs for contextual alignment.

New in FY2025, the Group adopts common definitions and time horizons—short-term (2026–2028), medium-term (2029–2035), and long-term (2036–2050)—for use in target-setting and strategy formulation. These horizons ensure that topic-level actions remain aligned with broader strategic planning, investment timelines, and operational considerations.

The outputs of this identification process feed directly into Section 5-2 (Assessment) and Section 5-3 (Prioritization). In addition, a summary of the ESG topic set identified for FY2025 is presented below.

Table 5-1. Time horizons and alignment

Horizon	Definition	Alignment with strategic planning
Short-term (2026-2028)	As a two- to three-year period.	During this period, the internal and external operating environment and the climate-related risks facing investees remain variable and uncertain. The Company therefore focuses on establishing initial elements and indicators for response, monitoring developments, and making iterative adjustments. Regular assessment and response actions are carried out.
Medium-term (2029-2035)	As around 10 years.	As external policies and large-scale market adjustments gradually advance, investees’ mitigation/adaptation capabilities increase, and investment horizons can reasonably be extended. The Company continues to evaluate potential cumulative impacts on financial performance and operations and aligns these with medium-term planning objectives.
Long-term (2036-2050)	As 15 years or more.	Reflecting global decarbonization pathways and the intensifying momentum of the climate transition before 2050, the Company may, when appropriate, adjust and rebalance the investment portfolio with long-term value-creation goals in mind, so as to address evolving market and climate-related challenges.

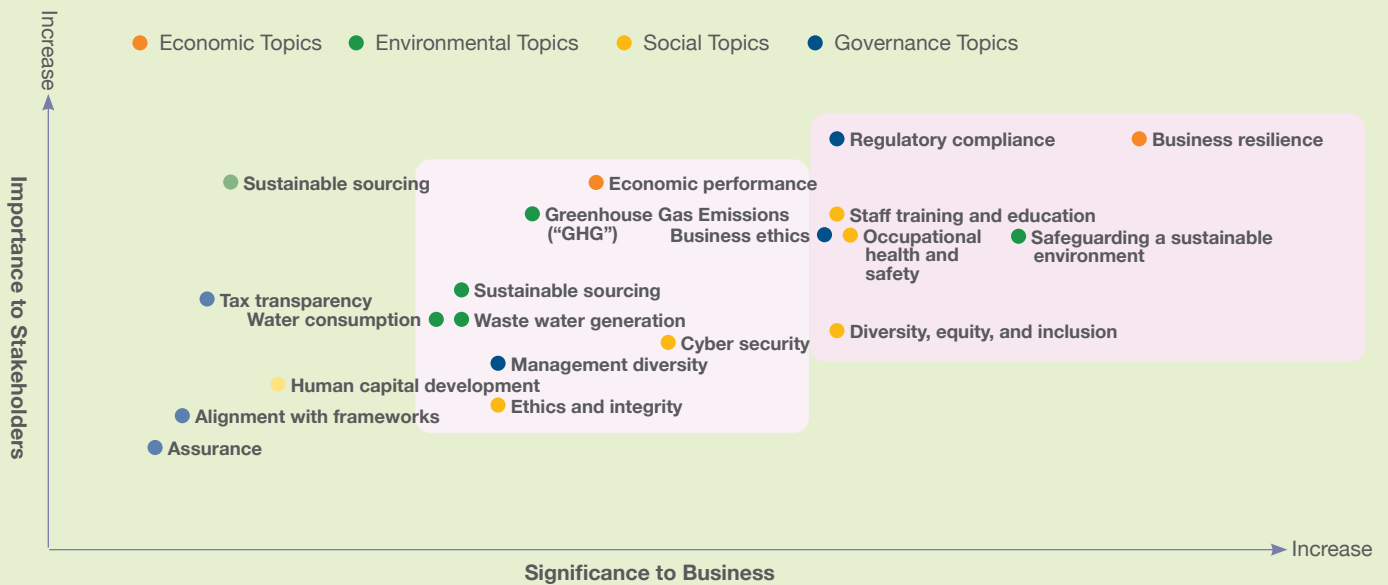
SUSTAINABILITY REPORT

Economy	Environment	Social (People/Human Rights)	Governance
<ul style="list-style-type: none"> Economic performance Business resilience 	<ul style="list-style-type: none"> Safeguarding a sustainable environment Sustainable sourcing Greenhouse Gas Emissions (“GHG”) Energy consumption Water consumption Waste generation 	<ul style="list-style-type: none"> Staff training and education Ethics and integrity Cyber security Diversity, equity and inclusion Occupational health and safety Human capital development 	<ul style="list-style-type: none"> Regulatory compliance Business ethics Management diversity Alignment with frameworks Assurance Tax transparency

5-2 Assessment

Based on the results, we ensure continuity with prior years by applying our established criteria—stakeholder salience, regulatory relevance, business impact, and manageability—to evaluate the significance of all identified topics to the Group and our stakeholders.

The outcomes of this assessment are reflected in the matrix and topic categories presented below.



Observation topics
<ul style="list-style-type: none"> Sustainable sourcing Tax transparency Human capital development Alignment with frameworks Assurance

Disclosure topics
<ul style="list-style-type: none"> Economic performance Greenhouse Gas Emissions (“GHG”) Energy consumption Waste generation Water consumption Cyber security Management diversity Ethics and integrity

Material topics
<ul style="list-style-type: none"> Business resilience Safeguard a sustainable environment Regulatory compliance Staff training and education Occupational health and safety Business ethics Diversity, equity, and inclusion

SUSTAINABILITY REPORT

5-3 Prioritization



















Building on the broader ESG evaluation, we prioritized seven continuing material ESG topics for inclusion in Chapter 6 (Disclosures on Material Topics). Medium-priority topics with narrower scopes are grouped as disclosure topics, while observation topics are maintained for ongoing trend monitoring. This approach maintains consistency with FY2024 and avoids duplication.

These seven material topics were ranked based on their impact across economic, environmental, and social dimensions. In addition, the alignment of each material topic with relevant international frameworks is presented in the table below, ensuring consistency in our sustainability efforts.

Material Topics	Economic	Environmental	Social/ Human rights
1. Business resilience	10	9	6
2. Safeguarding a sustainable environment	8	10	5
3. Regulatory compliance	6	5	8
4. Staff training and education	6	4	8
5. Occupational health and safety	5	3	8
6. Business ethics	6	4	4
7. Diversity, equity, and inclusion	3	3	6

Material Topics	ESG Pillar	Key ESG Issues	Corresponding Reporting Standards
(1) Business resilience	Economy	<ul style="list-style-type: none"> Financial resilience Operational and technological resilience 	<ul style="list-style-type: none"> TCFD Recommendations GRI203-2 SDGs8, 9, 13
(2) Safeguarding a sustainable environment	Environment	<ul style="list-style-type: none"> Energy consumption Water consumption Waste generation 	<ul style="list-style-type: none"> TCFD Recommendations GRI302-1, 302-4, 305-1-a, 305-2-a, 306-2 SASB FN-AC-410b SDGs7, 11, 12, 13

SUSTAINABILITY REPORT

Material Topics	ESG Pillar	Key ESG Issues	Corresponding Reporting Standards
(3) Regulatory compliance	Governance	• Regulatory compliance	<ul style="list-style-type: none"> • GRI2 • SDGs5, 8, 10, 16    
(4) Staff training and education	Social	• Staff training and education	<ul style="list-style-type: none"> • GRI404-1 • SDGs4, 5, 8, 10    
(5) Occupational health and safety	Social	• Occupational health and safety	<ul style="list-style-type: none"> • GRI403-1 • SDGs3, 5, 8, 10    
(6) Business ethics	Governance	• Whistle-blowing policy	<ul style="list-style-type: none"> • GRI2 • SASB FN-AC-510a • SDGs8, 10, 16   
(7) Diversity, equity, and inclusion	Social	• Diversity, equity, and inclusion	<ul style="list-style-type: none"> • GRI405-1, 406-1 • SASB FN-AC-330a • SDGs5, 8, 10   

5-4 Validation

The responsible teams and owners, together with collaborating departments, continuously collect related information from stakeholders to validate the materiality assessment. In FY2025, the ESG Working Group coordinates regular reviews—at least annually, and more frequently where necessary—across all material topics, consolidates supporting evidence, and prepares updates for the Management. The Management evaluates the implications for business plans and risk management to validate the materiality.

The Board endorses the materiality results and any updates to topic boundaries or metrics. Where material changes, the rationale and methodological impacts are documented. This review cadence strengthens timeliness, oversight, and responsiveness in achieving our sustainability objectives.

DISCLOSURES ON MATERIAL TOPICS

This chapter presents the material topics identified in Chapter 5 (Materiality Assessment Process). Disclosures follow the general requirements of IFRS S1, with reference to the GRI Standards, the SASB Standards, and—where relevant—the recommendations of the TCFD.

SUSTAINABILITY REPORT

6-1 Business resilience

Definition

Business resilience refers to the ability to adapt to risks and disruptions while maintaining essential functions and safeguarding employees, assets, and reputation. Guided by the United Nations Sustainable Development Goals—specifically SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action)—the Group continues to strengthen risk-management practices to minimize operational instability, improve investment performance, and support sustainable growth in a dynamic environment. As a venture-capital firm, the performance of investee companies may influence outcomes; therefore, we emphasize portfolio robustness alongside the stability of internal operations.

Risk and opportunity management

Risk:

- Operational disruptions arising from rapidly changing IT environments, process interruptions, regulatory changes, and information-security threats.
- Investment and market vulnerabilities; business concentration; exit-timing constraints.

Management methods and mitigation measures:

- Investment/operation process discipline and compliance: Maintain comprehensive and structured procedures to ensure internal compliance and informed decision-making through monitoring and due diligence.
- Structured procedures for short- and long-term activities: Optimize returns and reduce risk exposure.
- Information security and continuity: Implement comprehensive information-security policies and action plans, strengthening analytics and monitoring to minimize disruptions or the impact of security incidents.
- Resource availability: Maintain access to required resources, including internal personnel coordination and external IT support arrangements, to support timely response to operational interruptions.

Opportunities for potential adaptation:

- Apply robust risk-management frameworks and investment/operation processes to reduce volatility and enhance resilience.
- Strengthen IT systems, information security, and business-continuity arrangements by enhancing operational processes to safeguard data, reduce disruption risks, and strengthen organizational resilience.
- Build stakeholder trust through transparent governance, compliance, and proactive communication.

SUSTAINABILITY REPORT

Additional considerations from FY2025 materiality assessment:

Based on the FY2025 materiality assessment, physical risks at investees emerged as a key consideration influencing the Group's long-term resilience. Such risks may affect investee operations through disruptions, supply-chain delays, raw-material instability, or increased repair and contingency needs. From a decision-making perspective, the Group is progressively integrating ESG considerations—including climate-related factors—into investment screening, due-diligence and post-investment monitoring. Current practices rely on internal assessments, management judgement and reference to external benchmarks and sustainability frameworks as internal capabilities continue to develop.

Ongoing ESG upskilling, cross-departmental collaboration and selective use of external advisers further support the structured inclusion of sustainability considerations into investment-decision processes.

Performance

Financial resilience:

The Group balances short-, medium- and long-term financial objectives and maintains sufficient working-capital resilience to withstand potential revenue and expense volatility. In addition to managing its own capital, the Group also monitors the performance of its companies invested. The portfolio remains diversified geographically (including Taiwan, China, the United States, Israel, and Japan), by stage (Startup, Expansion, and Mature), and by industry. Further details are provided in the Financial Risk Management section in the Notes to the Financial Statements.

Table 6-1A. Working capital and liquidity snapshot (NT\$'000)

	2025/12/31	2024/12/31	2023/12/31
Current assets (NT\$'000)	2,248,396	1,913,741	1,913,536
Current liabilities (NT\$'000)	169,646	148,400	148,857
Working capital (NT\$'000)	2,078,750	1,765,341	1,764,679
Working capital ratio	13.3	12.9	12.9

Note: The working-capital ratio equals Current assets ÷ Current liabilities.

Operational and technological resilience:

The Administration and IT teams lead company-wide information-security policies and action plans, with regular effectiveness assessments. Compliance verification is handled by designated audit personnel. The Business Continuity Plan (BCP) is reviewed regularly and adjusted as needed. As part of the Group's business-continuity and emergency-response arrangements, building fire drills were conducted once in the first half and once in the second half of the reporting year.

Table 6-1B. Significant impacts from operational disruptions (FY2023–FY2025)

	FY2025	FY2024	FY2023
Significant impact on business due to operational disruption	NIL	NIL	NIL

SUSTAINABILITY REPORT

Table 6-1C. Operational and IT resilience – optimization actions by year (FY2023–FY2025)

	Optimization Actions
FY2025	Optimize cloud deployment for better flexibility. (1) Leverage secured cloud storage to fulfill the smart and quick deployment. (2) Continuously enhance analytics for smart alert and early response.
FY2024	Enhance detection with smart analytics for better and early alert to decrease impact of possible disruption or security events. (1) Enhance current platform to analyze more logs with advanced patterns to prevent malicious intentions from any intrusions or attacks. (2) Review analytics results and enhance patterns to get better detections.
FY2023	Strengthen sustainability through better collaboration in mixed cloud architecture. (1) Expand internet connections to mobile ISP for better non-stop service and flexible network segmentation. (2) Enhance cloud functions of firewall to get better and efficient cyber protection. (3) Upgrade backup systems to mixed cloud for quick recovery and easy accessibility.

Targets

Short-term goals (~2028):

Maintain a prudent working-capital position and liquidity buffers to address climate-related risks as well as market fluctuations; conduct periodic reviews of cash management and operating expense discipline; monitor market and regulatory developments and adjust as appropriate; and ensure that cybersecurity management policies remain practical, effective, and responsive to evolving operational and resilience needs.

Mid-term strategy (~2035):

Establish assessment standards for investment targets and enhance financial resilience through effective investment strategies, for example, prioritizing companies with strong ESG performance. Where appropriate, the Company intends to expand its ESG-focused investment portfolio (e.g., adding at least one new ESG-focused investment approximately every five years) and demonstrate how the investment risk-management framework addresses market fluctuations and climate-related risks.

Long-term vision (~2050):

Continue integrating ESG principles into investment strategy and, where suitable, expand the ESG-focused investment portfolio by periodically adding one to two new ESG-focused investments within a three-to-five-year cycle. These efforts aim to build a balanced and resilient portfolio aligned with long-term value-creation goals and capable of addressing evolving market and climate-related challenges.

SUSTAINABILITY REPORT

6-2 Safeguarding a sustainable environment

Definition

The Group is committed to safeguarding a sustainable environment by encouraging and educating employees to adopt environmentally friendly practices. Aligned with SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDG 13 (Climate Action), we aim to mitigate environmental and social risks that could affect operational stability or corporate reputation. This approach underscores our commitment to responsible and sustainable growth.

Risk and opportunity management

Risk:

- Physical risks (portfolio): Extreme weather events may disrupt investees' operations and increase maintenance costs.
- Physical risks (internal operations): Rising temperatures may drive higher electricity usage, indirectly affecting operating performance.
- Transition risks: Energy-related policy changes (e.g., broader carbon-pricing coverage or higher unit rates) may increase investees' operating costs.

Management methods and mitigation measures:

- Educate and empower employees on environmental protection practices, integrating energy-saving and carbon-reduction awareness into daily operations.
- Incorporate ESG factors into investment evaluation to assess and manage related risks, and maintain a diversified portfolio to mitigate risks, including climate-related risks.

Opportunities for potential adaptation:

- Carbon-emission reduction and alignment with customers and business partners on sustainability can enhance financial stability and corporate reputation.
- Climate-related aspects arising from internal operations are managed within existing processes and monitored periodically as part of the Group's environmental management approach.
- Green investment (portfolio): Considering ESG factors and maintaining diversification supports financial stability and helps manage climate-related risks.
- Green procurement (internal operations): Promoting energy-saving awareness and prioritizing high-efficiency equipment supports operational continuity and cost control.

SUSTAINABILITY REPORT

Performance

Energy consumption:

The Group tracks Scope 1 (direct emissions from company vehicles) and Scope 2 (indirect emissions from purchased electricity). Scope 1 tracking began in FY2024, and Scope 2 emissions remain at a level broadly consistent with FY2023 and FY2024 (based on the FY2024 disclosure).

Energy intensity is a key contributor to the Group's environmental impact on daily operations. Measures implemented include replacing incandescent lights with LED fixtures, utilizing cloud solutions to reduce the IT energy load, and replacing all air-conditioning units during the Sep–Nov FY2024 renovation with higher-efficiency models. Employees are encouraged to switch off unused equipment. The Group remains committed to controlling per-employee energy use and will continue reminders and initiatives to encourage energy saving.

Table 6-2A. Energy consumption (FY2023–FY2025)

	FY2025	FY2024	FY2023
Total Scope 1 consumption (kg CO ₂ e)	8,991	7,768	–
Total Scope 2 consumption (kg CO ₂ e)	25,219	27,583	27,326
Total carbon emissions (kg CO ₂ e)	34,210	35,351	27,326
Average energy consumption per employee (kg CO ₂ e)	1,143	1,178	942

Water consumption:

Water is primarily used for cleaning, sanitation and drinking, with no significant industrial or operational use. As building management does not separately measure our water usage, specific site-level data are not available. In FY2025, average water usage was approximately 56 liters per employee per day, which is significantly below the national average of 283 liters per person per day over the past decade¹. Going forward, the Group will continue to emphasize water conservation and employee awareness and aim to maintain average water consumption per employee within ±10% of the average of the past three years.

Table 6-2B. Water consumption (FY2023–FY2025)

	FY2025	FY2024	FY2023
Total water consumption (m ³)	614	732	726
Average water consumption per employee (m ³)	21	24	24
Carbon emissions (kg CO ₂ e)	33.64	39.75	40.00

Waste generation:

The Group focuses on paper-use reduction and recycling. Initiatives include default double-sided printing on all printers, digital leave requests and approvals (introduced in Jul–Sep FY2022, respectively), and providing physical copies of the annual report and AGM appendix only upon shareholder request. Paper tracking has been in place since FY2024. In FY2025, usage remained broadly stable, with total paper expenditure of 947 dollars and average daily paper use of 0.13 pounds per employee. Going forward, we aim to keep paper consumption within ±10% of the FY2024 baseline.

¹ Source: Taiwan Water Resources Agency, Ministry of Economic Affairs (MOEA)

SUSTAINABILITY REPORT

Targets

Short-term goals (~2028):

In the short term, the Company will continue strengthening office energy-efficiency measures, including monitoring per-employee energy use, improving the performance of lighting, air-conditioning and IT equipment, and promoting conservation awareness—with the aim of achieving gradual reductions in total energy consumption over time. For water use, the Company seeks to maintain per-employee consumption within $\pm 10\%$ of the average of the past three years, while paper consumption is targeted to remain within $\pm 10\%$ of the FY2024 baseline. In parallel, we will continue supporting basic waste-sorting practices managed by external service providers and reinforce resource-conservation awareness through periodic reminders and internal initiatives.

Mid-term strategy (~2035):

Over the medium term, the Company seeks to standardize specifications for water-saving fixtures and replace devices as needed, strengthen paper-use controls and conduct periodic internal reviews to track performance against the control band, and enhance vendor-management requirements for document destruction and recycling services. In parallel, we will gradually upgrade office equipment and infrastructure—such as lighting systems, air-conditioning units, and IT hardware—to higher-efficiency models and formalize internal energy-consumption indicators to monitor performance relative to the three-year baseline.

Long-term vision (~2050):

Participate in environmental initiatives and cross-sector collaborations to support the climate transition while maintaining responsible resource management across office operations.

6-3 Regulatory compliance

Definition

In alignment with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities) and SDG 16 (Peace, Justice and Strong Institutions), the Group strives to strengthen the independence and diversity of its Board. We uphold a rigorous commitment to compliance by implementing robust management and evaluation mechanisms, ensuring that all business and operational activities meet applicable legal and regulatory requirements.

Risk and opportunity management

Risk:

- Inconsistencies across jurisdictions may increase compliance costs.
- An insufficient compliance culture could result in operational errors or heightened regulatory scrutiny.
- Failure to anticipate and adapt to evolving regulations may disrupt business strategies and hinder organizational resilience.

SUSTAINABILITY REPORT

Management methods and mitigation measures:

- Establish clear accountability for compliance roles, ensuring the independence and capability of audit personnel.
- Conduct regular training for employees and management to enhance awareness of fiduciary duties and regulatory requirements.

Opportunities for potential adaptation:

- Streamlined cross-border compliance processes reduce redundancies and optimize resource allocation.
- A robust compliance framework positions the Company as a leader in regulatory adherence and supports competitive advantage.
- Demonstrating strong compliance practices helps strengthen stakeholder trust and attract responsible investors.
- Meeting diverse regulatory standards enables expansion into new markets and supports global business opportunities.

Performance

The Group maintains a robust regulatory-compliance framework to ensure adherence to applicable laws and standards across its jurisdictions (including Bermuda, BVI, Cayman, Taiwan and Singapore). Through ongoing management, evaluation mechanisms and collaboration with regulatory authorities, the Group continues to uphold high standards of transparency and accountability. Financial statements are independently audited by a certified accounting firm each year, with relevant findings reflected in regular financial reporting. Internally, the Group conducts compliance reviews across key jurisdictions to proactively identify and address regulatory risks, for example, aligning business practices with updated legal requirements and managing cross-jurisdictional complexities to streamline operations and manage compliance costs.

Table 6-3A. Legal compliance incidents by category (FY2025)

Corruption and bribery incidents	0 cases
Discrimination and harassment incidents	0 cases
Conflicts of interest incidents	0 cases
Fraud, money laundering, insider trading incidents	0 cases
Anti-competitive and market manipulation incidents	0 cases
Other ethical management or significant legal violation incidents	0 cases

SUSTAINABILITY REPORT

Targets

Short-term goals (~2028):

Foster employees' awareness of risk management and compliance, enabling proactive risk identification and mitigation; strengthen organizational resilience; and promote a culture of accountability and informed decision-making.

Mid-term strategy (~2035):

Continue periodic reviews and updates of policies and procedures to ensure relevance and compliance across jurisdictions.

Long-term vision (~2050):

Maintain a sound compliance framework and a record free of significant regulatory violations; continue to refine mechanisms that support transparency and accountability.

6-4 Staff training and education

Definition

The Group continues to foster a culture of continuous learning and skill enhancement by providing diverse learning channels and comprehensive training programs. These resources equip employees with essential professional, communication, and management skills to address emerging challenges effectively. We also encourage employees to engage in various forms of educational development to enhance work value, explore potential, and strengthen self-identity. Aligned with SDG 4 (Quality Education), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), we remain focused on enhancing human capital in talent selection, development, and retention.

Risk and opportunity management

Risk:

- Inadequate training may reduce employee productivity and adversely affect the Group's performance.
- Insufficient education on industry trends, policies, and advancements may result in missed opportunities for innovation and growth.
- Limited training on new policies and practices could lead to legal liabilities for the Group.

Management methods and mitigation measures:

- Support regular performance and development feedback through existing performance review practices and supervisor–employee communication.
- Provide training to enhance management capabilities and professional skills, supporting personal and career growth.

SUSTAINABILITY REPORT

- Leverage the ESG Working Group and internal communication to disseminate ESG-related knowledge and organize relevant programs so employees can integrate core concepts into daily work more efficiently, strengthening the Group’s competitive advantage in sustainable development.

Opportunities for potential adaptation:

- Training that develops new skills and efficient work habits helps the Group remain agile amid rapid change.
- Enhancing general capabilities, adaptability, and resilience better prepares the Group to navigate future challenges.

Performance

The quality of our employees remains a key competitive advantage. In a rapidly evolving business environment, the Group continues to address diverse training needs to enhance skills and adaptability. Training is provided through a variety of formats—such as seminars, in-house programs, and remote video sessions—so that employees have access to the knowledge and skills required for both personal and professional growth.

Table 6-4A. Employee training programs in FY2025

Topics of Courses	Internal/ External training	All/Partial employees
Accelerating Application Development with GitHub Copilot (Webinar)	External	Partial
ACMF-ISSB Virtual Technical Training Workshop for Regulators	External	Partial
AI Applications for Office Productivity: Practical Guide (2025)	External	Partial
AI-Driven Financial Security: Data Protection Solutions for the Future	External	Partial
Audit Platforms: Use of Investment Reports and Data	Internal	Partial
Building AI Data Analytics Skills: Excel and ChatGPT Automation Workshop	Internal	Partial
Cathay Sustainable Finance and Climate Change Summit	External	Partial
ChatGPT Applications for Workplace Productivity (Practical Workshop)	Internal	Partial
Consolidated Financial Statements: Processes, Eliminations, and Key Challenges	External	Partial
Conyers Economic Substance Requirements in the Cayman Islands, Bermuda and BVI	External	Partial
Corporate Governance and Risk Management	External	Partial
Corporate Law: Compliance Frameworks and Practical Applications	Internal	All
CYBERSEC 2025 Taiwan Cybersecurity Conference	External	Partial
ESG governance and functional processes (Part I) Webinar	External	Partial
HPE Discover More Taipei 2025	External	Partial
IFRS 13: Fair Value Measurement	External	Partial
IFRS 18: Key Changes and Implementation Overview	External	Partial
Impact of Climate Change on Financial Reporting	External	Partial
Investment Agreement Review: Process and Key Considerations	Internal	Partial

SUSTAINABILITY REPORT

Topics of Courses	Internal/ External training	All/Partial employees
Key Considerations in Investment Document Review and the 2018 Company Act Amendments	Internal	Partial
KPMG Knowledge-Sharing Session (Q3)	External	Partial
KPMG Knowledge-Sharing Session (Q4)	External	Partial
KPMG Online Knowledge-Sharing Session (Q2)	External	Partial
Occupational Safety and First Aid Training	External	Partial
Office Information Security Awareness Session	Internal	All
Online Filing Seminar for Corporate Income Tax (FY2024)	External	Partial
Overview of the Group's Standard Investment Agreement	Internal	Partial
Post-CFC Era: Challenges and Strategic Responses for Offshore Companies	External	Partial
Regulatory Trends for Offshore Companies: Key Considerations for Taiwanese Investors	External	Partial
Robotics: Past, Present, and Future	Internal	All
Roles and Responsibilities of Board Functional Committees	External	Partial
Sustainability E-Training for Directors	External	Partial
TCFD Implementation Workshop: Climate-Related Financial Disclosure, Pathway Planning and Financial Impact Estimation	Internal	Partial
Understanding Financial Statements for Better Decision-Making	External	Partial
Understanding Your Duties as a Director – The Key Points	External	Partial
Withholding and Non-Withholding Tax Filing Seminar (FY2025)	External	Partial

Table 6-4B. Average training hours per employee (FY2023–FY2025)

FY2025	FY2024	FY2023
15.28hr	8.48hr	9.88hr

Note: Figures are calculated based on headcount at fiscal year-end unless otherwise specified.

Table 6-4C. Retention rate of new hires (FY2023–FY2025)

FY2025	FY2024	FY2023
100.0%	87.5%	0.0%

Note: Figures are calculated based on the number of new hires retained at fiscal year-end divided by the total number of new hires during the year.

Table 6-4D. Employee turnover rate (excluding retirements) (FY2023–FY2025)

FY2025	FY2024	FY2023
6.78%	16.67%	13.33%

Note: Employee turnover rate (excluding retirements) is calculated as the number of employees leaving during the year (excluding retirements) divided by the average number of employees during the year.

SUSTAINABILITY REPORT

Targets

Short-term goals (~2028):

Achieve an average of 8 hours of employee training per year; support employees to better review annual performance and set goals during evaluations; strengthen onboarding to help new hires adapt to company culture and responsibilities, thereby supporting higher retention.

Mid-term strategy (~2035):

Achieve an average of 8–10 hours of training per year; provide tailored training plans or cross-department development opportunities; aim for a retention rate of 85% for new hires and reduce the turnover rate (excluding retirements) to below 16%; enhance engagement through structured career development and regular feedback.

Long-term vision (~2050):

Achieve an average of 10–12 hours of training per year and complete succession planning for management positions; target a 90% retention rate for new hires and reduce turnover (excluding retirements) to below 15%; develop a robust leadership pipeline to support organizational stability and long-term employee loyalty.

6-5 Occupational health and safety

Definition

The Group is committed to a safe, healthy and inclusive workplace and provides regular health check-ups to support employees' wellbeing. In alignment with SDG 3 (Good Health and Well-Being), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities), our aim is to maintain zero occupational incidents and a supportive environment where employees can thrive without the risk of harm or inequality.

Risk and opportunity management

Risk:

- Work-related incidents or health issues could harm affected individuals, damage the Group's reputation, lower morale and lead to direct or indirect financial costs.
- Inadequate occupational health and safety may increase turnover, legal liabilities and regulatory scrutiny, affecting long-term stability and trust.

Management methods and mitigation measures:

- Provide regular health check-ups tailored to employees' age groups and maintain related support.
- Inspect, maintain and update office environment and equipment on a regular basis to ensure workplace safety for all employees.
- Maintain remote-work arrangements/policies to address situations when employees cannot access the office due to external factors or health-related issues.

SUSTAINABILITY REPORT

Opportunities for potential adaptation:

- Improved health and safety performance reduces workplace accidents and associated disruption/compensation costs.
- Effective Occupational Health and Safety (OHS) management enhances productivity, competitiveness and employee motivation; a visible commitment helps retention and attracts talent.
- A safe workplace strengthens the Group's reputation as a responsible employer and supports long-term business relationships and success.

Performance

The Group regards employees as a core asset and continues to prioritize occupational health and safety in accordance with Taiwan's Occupational Safety and Health Act and related regulations. Our health check policy ensures new employees complete a general health examination before employment; we continue to refine the scope and frequency of health checks as appropriate to better support wellbeing.

Table 6-5A. OHS Incident statistics (FY2023–FY2025)²

	FY2025	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR)	0	0	0
Disabling Injury Frequency Rate (FR)	0	0	0
Disabling Injury Severity Rate (SR)	0	0	0
Occupational Disease Rate (ODR)	0	0	0
Rate of fatalities as a result of work-related injury	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
Rate of recordable work-related injuries	0	0	0
Total number of fatal accidents	0	0	0

Note: All indicators remained at zero in FY2023–FY2025

Targets

Short-term goals (~2028):

Complete the establishment of the Company's internal "Occupational Safety and Health Work Code" and maintain a record of zero reported occupational incidents.

² The calculation method follows the Ministry of Labor's Occupational Safety and Health Administration and GRI 403: Occupational Health and Safety statistical indicators.

Lost Time Injury Frequency Rate = (Number of work injuries/Number of hours worked)×10⁶

Disabling Injury Frequency Rate = (Total number of disabling injuries/Number of hours worked)×10⁶

Disabling Injury Severity Rate = (Total lost days from disabling injuries/Number of hours worked)×10⁶

Occupational Disease Rate = (Number of identified occupational diseases during the year/Number of hours worked)×10⁶

Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/Number of hours worked)×10⁶

Rate of high-consequence work-related injuries (excluding fatalities) = (Number of high-consequence work-related injuries (excluding fatalities)/Number of hours worked)×10⁶

Rate of recordable work-related injuries = (Number of recordable work-related injuries/Number of hours worked)×10⁶

SUSTAINABILITY REPORT

Mid-term strategy (~2035):

Ensure each employee completes an average of 1 hour of on-the-job safety and health training annually while maintaining zero reported occupational incidents.

Long-term vision (~2050):

Ensure each employee completes an average of 2 hours of on-the-job safety and health training annually while maintaining zero reported occupational incidents.

6-6 Business ethics

Definition

Aligned with SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 16 (Peace, Justice, and Strong Institutions), the Group seeks to operate an ethical business that contributes positively to society and sustainability. Beyond compliance, we emphasize ethical conduct, integrity, transparency and accountability across our operations.

Risk and opportunity management

Risk:

- Employee-related risks may arise from violations of the Group's Code of Conduct and related policies (e.g., bribery, fraud, corruption, misconduct), potentially affecting reputation and financial stability.
- A perceived indifference to social responsibility may deter potential investors, partners, and talent.
- Failure to uphold business ethics can lead to significant legal/defense costs and loss of stakeholder trust.

Management methods and mitigation measures:

- Demonstrate care for employees and maintain open, two-way communication; apply the whistle-blowing policy to prevent misconduct.
- Maintain an open stance toward community-related engagement, evaluating relevance and feasibility as circumstances evolve.

Opportunities for potential adaptation:

- Strong ethical guidelines help the Group navigate periods of change and uncertainty.
- Maintaining high standards of business ethics helps prevent legal disputes and related costs.
- Well-designed stakeholder and community engagement may further strengthen reputation and trust; such initiatives will be evaluated in line with compliance requirements.

SUSTAINABILITY REPORT

Performance

Whistle-blowing policy:

In FY2025, zero incidents of corruption involving employees or business partners were reported. The Group continues to uphold a zero-tolerance stance against corruption, bribery, and fraud. In FY2025, the whistle-blowing policy and procedures remain accessible through internal channels, internal audit personnel continue to monitor compliance with operational procedures and report to the Board, and ongoing enhancements to policy effectiveness are maintained. For details, please refer to the “Whistle-Blowing Policy” in the CGR section of the Annual Report.

Targets

We enlarge the target of business ethics into many aspects, including delivering code of conduct in efficient ways, embedding different engagements and training for better cohesion, and developing policy or guideline for long-standing business ethics.

Short-term goals (~2028):

Maintain a prudent, compliance-first approach by keeping the whistle-blowing channel accessible, issuing periodic communications and refresher on what the Code of Conduct related.

Mid-term strategy (~2035):

Continue to develop and implement on-demand training embedding different engagements on the Code of Conduct to reinforce business ethics awareness.

Long-term vision (~2050):

Sustain a culture of ethics and transparency embedded in governance and operations, maintain effective oversight and independent audits, and, where relevant, consider integrating Code of Conduct principles into investment and procurement-related policies to support long-term ethical standards across business activities.

6-7 Diversity, equity, and inclusion

Definition

The Group’s commitment to diversity, equity, and inclusion (DEI) aligns with SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). At HIHL, DEI means cultivating a workplace that attracts and retains talent, supports balanced gender representation, and enables varied perspectives and innovative ideas to thrive.

Risk and opportunity management

Risk:

- Insufficient workplace diversity may create a hostile environment, increase turnover, and expose the Company to legal and defense costs (including potential D&O liability).

SUSTAINABILITY REPORT

- Gender discrimination (e.g., unequal treatment in hiring, evaluation, or promotion) may undermine engagement and morale.
- Restrictions on employees’ ability to express views or participate in collective activities may erode trust.
- Discriminatory conduct or language based on protected characteristics can harm reputation and job satisfaction.

Management methods and mitigation measures:

- Maintain fair and impartial evaluation mechanisms as the basis for compensation, bonuses and promotions; apply salary scales to assess pay levels.
- Review attendance (clock-in/out) and working hours regularly; provide support for abnormal cases.
- Implement sexual-harassment prevention policies and disciplinary actions per company rules.
- Use anonymous feedback surveys as a channel for employees to express opinions.

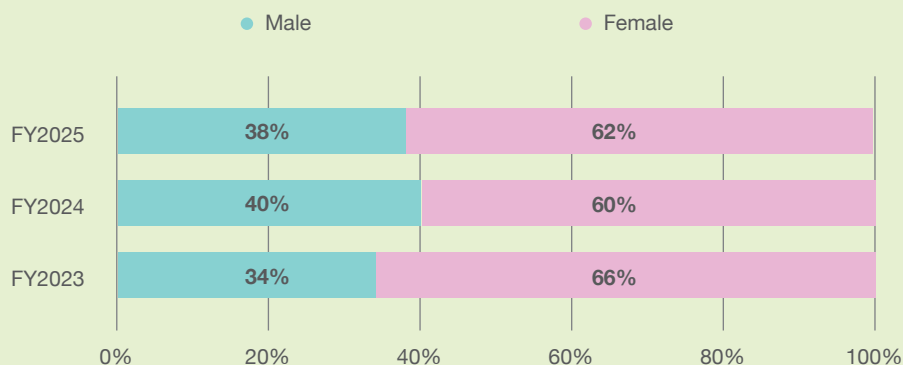
Opportunities for potential adaptation:

- Embracing diversity broadens experience and skills, supports innovation, and helps retain top talent while attracting wider candidate pools.
- A diverse, equitable and inclusive workplace strengthens reputation and stakeholder confidence.

Performance

Building and retaining talent remains a longstanding priority. As an equal-opportunity employer, the Group bases recruitment, promotion and compensation on merit, regardless of age, ethnicity, gender, marital status or disability. The Group continues to foster a fair and supportive workplace and to advance DEI initiatives in line with applicable regulations.

Table 6-7A. Current employees by gender (FY2025)



SUSTAINABILITY REPORT

Table 6-7B. Current employees by age groups (FY2025)

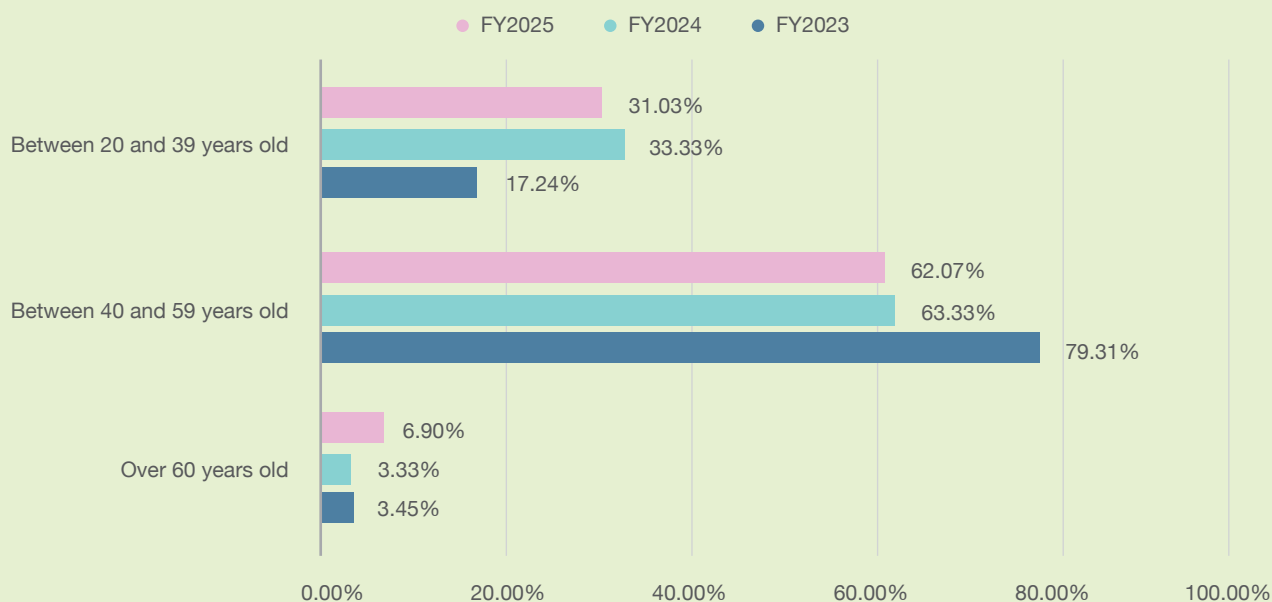


Table 6-7C. Incidents of discrimination and corrective actions taken (FY2023–FY2025)

FY2025	FY2024	FY2023
NIL	NIL	NIL

Table 6-7D. Employee anonymous survey response rate (FY2023–FY2025)

FY2025	FY2024	FY2023
86.2%	73.3%	Forms not yet established.

Table 6-7E. Employee satisfaction score (FY2023–FY2025)

FY2025	FY2024	FY2023
87.0	87.0	Forms not yet established.

Targets

Short-term goals (~2028):

Achieve an 80% response rate for feedback surveys and develop specific response measures based on results; continue to maintain zero incidents of discrimination and adhere to the Act of Gender Equality in Employment.

Mid-term strategy (~2035):

Increase the feedback-survey response rate to over 85% and establish additional grievance channels as needed.

Long-term vision (~2050):

Increase the feedback-survey response rate to over 90% and reach an employee-satisfaction score of 90.

SUSTAINABILITY REPORT

GRI STANDARDS CONTENT INDEX

Statement of use	Hotung Investment Holdings Limited has reported in accordance with the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Reference No.	Disclosure	Location
GRI 2: General Disclosures 2021		
2-1	Organizational detail	page 49-50
2-2	Entities included in the organization's sustainability reporting	page 49, 81
2-3	Reporting period, frequency and contact point	page 49-50
2-4	Restatements of information	N.A.
2-5	External assurance	N.A.
2-6	Activities, value chain and other business relationships	N.A.
2-7	Employees	page 66, 71-72. The Group has 1 contractor who is the office cleaner as at the end of FY2025.
2-8	Workers who are not employees	
2-9	Governance structure and composition	page 24-39
2-10	Nomination and selection of the highest governance body	page 50-51
2-11	Chair of the highest governance body	page 32-33
2-12	Role of the highest governance body in overseeing the management of impacts	page 24, 49-50
2-13	Delegation of responsibility for managing impacts	page 51-56
2-14	Role of the highest governance body in sustainability reporting	page 24, 49-50
2-15	Conflicts of interest	page 27, 48
2-16	Communication of critical concerns	page 32-33
2-17	Collective knowledge of the highest governance body	page 29-31
2-18	Evaluation of the performance of the highest governance body	page 35-36
2-19	Remuneration policies	page 36-39
2-20	Process to determine remuneration	page 36-39
2-21	Annual total compensation ratio	page 134
2-22	Statement on sustainable development strategy	page 49-50
2-23	Policy commitments	page 49-51
2-24	Embedding policy commitments	page 24-75
2-25	Processes to remediate negative impacts	page 56-72
2-26	Mechanisms for seeking advice and raising concerns	page 47, 49-52

SUSTAINABILITY REPORT

Reference No.	Disclosure	Location
2-27	Compliance with laws and regulations	page 62-64
2-28	Membership associations	N.A.
2-29	Approach to stakeholder engagement	page 51-52
2-30	Collective bargaining agreements	page 67-72
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	page 53-56
3-2	List of material topics	page 55-56
GRI 203: Indirect economic impacts 2016		
3-3	Management of material topics	page 57-58
203-2	Significant indirect economic impacts	page 58-59
GRI 302: Energy 2016		
3-3	Management of material topics	page 60
302-1	Energy consumption within the organization	page 61
302-4	Reduction of energy consumption	page 61
GRI 305: Emissions 2016		
3-3	Management of material topics	page 60
305-1	Direct (Scope 1) GHG emissions	page 61
305-2	Energy indirect (Scope 2) GHG emissions	page 61
GRI 306: Waste 2020		
3-3	Management of material topics	page 60
306-2	Management of significant waste-related impacts	page 61
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	page 67-68
403-1	Occupational health and safety management system	page 67-68
GRI 404: Training and Education 2016		
3-3	Management of material topics	page 64-65
404-1	Average hours of training per year per employee	page 66
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	page 70-71
405-1	Diversity of governance bodies and employees	page 71-72
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	page 70-71
406-1	Incidents of discrimination and corrective actions taken	page 72

SUSTAINABILITY REPORT

TCFD CONTENT INDEX

Recommended disclosures, including supplemental guidance for financial sector.

Pillars	Recommended disclosures	Location
Governance	1. Describe the board's oversight of climate-related risks and opportunities.	page 49
	2. Describe management's role in assessing and managing climate-related risks and opportunities.	page 49-51
Strategy	3. Describe the climate-related risks and opportunities the Group has identified over the short, medium, and long term.	page 53, 60
	4. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	page 60
	5. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	page 60
Risk Management	6. Describe the organization's processes for identifying and assessing climate-related risks.	page 60
	7. Describe the organization's processes for managing climate-related risks.	page 60
	8. Describe how processes for identifying assessing and managing climate-related risks are integrated into the organization's overall risk management.	page 60
Metrics and Targets	9. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	page 60-62
	10. Disclose Scope1, Scope 2, and if appropriate Scope 3 greenhouse gas (GHG) emissions, and the related risks.	page 61
	11. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	page 62