

3

Resource Recycling and Eco-Friendliness

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Resource Recycling and Eco-Friendliness

The Company focuses on a business model that integrates with the natural environment, realizing that corporate operations inevitably cause an environmental burden on the earth. Therefore, the Company applies the same standards and goals at all operating locations to achieve the coexistence of the environment and the economy, and implements the Company's environmental policies to strive for a sustainable society.

In terms of pollution control, ACME has established a comprehensive ISO 14001 environmental management system (certification validity period: November 15, 2023, to November 14, 2026), ensuring that the plant possesses a sound environmental protection framework and effectively controls and mitigates the environmental impacts brought about by its operations.

Regarding waste management, ACME implemented waste sorting and reduction measures. In 2025, the waste recycling rate reached 99.03%. Through dedicated management personnel and GPS tracking systems, we ensure proper waste disposal. In addition, the Company actively purchases steel mill scrap recycling materials as raw materials and uses process dust collection equipment to recover dust for re-production, thereby implementing the goal of resource circulation.

Moreover, ACME values environmental information transparency, actively strengthens communication with various stakeholders, enhances the management and response measures for climate-related risks, and participates in local environmental protection activities to promote community sustainable development and ecological environment improvement through practical actions.

The Company's Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant have all established [ISO 14001 environmental management systems](#), and the Taoyuan Plant has also established Energy Management Systems (ISO 50001). These provide a good environmental protection framework for each plant, control and reduce environmental impacts, prevent accidents from causing environmental effects, and ensure regulatory compliance. In 2025, we continued to conduct greenhouse gas verification based on the consolidated company (the inventory includes the Taipei headquarters, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant). The Company upholds the continuous promotion of various sustainable development policies to achieve corporate sustainable operations and continuous growth.

In the past, corporate activities were mainly based on the QCDS (Quality, Cost, Delivery, Service) concept. Since environmental issues became prominent, the original concept has evolved into the "QCDS + E (Environment)" model to conform to rising environmental awareness. We believe that environmental protection activities should be closely integrated with corporate operations rather than acting independently. Therefore, environmental management uses this as a fundamental concept, viewing the environment as a critical part of product quality, and implements it thoroughly.

In other words, the Company's product production process is based on environmental protection. Therefore, from R&D and raw material procurement down to product production, transportation, use, recycling, and reuse, every link in the product's "life cycle" is closely linked with environmental issues.

The production process of the Company's main product, "soft ferrite cores," is mainly divided into four stages: powder preparation, forming, sintering, and grinding. The Taoyuan Plant is primarily responsible for powder preparation. After production is completed, it is shipped to the two plants in mainland China for forming, sintering, and grinding processes, whereas the Malaysia Plant handles the full production process locally.

The status of raw material and energy inputs, as well as product and waste outputs for 2025, will be disclosed in detail in subsequent chapters.

The total environmental costs of the Company's Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant in 2025 amounted to NT\$19,609 thousand. The increase in the environmental management activity cost of the Taoyuan Plant compared to last year was mainly due to the powder RK kiln heat recovery project and the wastewater treatment plant rectification.

The Kunshan Plant and Guangzhou Plant mainly installed VOCs exhaust gas treatment facilities and ambient temperature catalytic treatment facilities to resolve the odor issues generated by the sintering process. The environmental equipment expenditure of the Guangzhou Plant in 2025 was for the replacement of two spray towers and one soundproof room; for detailed explanations, please refer to 3.3 Air Pollution Control and Management. The Taoyuan Plant applied to be a bonded warehouse plant, and the environmental management activity costs increased due to sorting and organizing within the area.

Unit: NT\$ Thousands

Item Description	Taoyuan Plant	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Environmental Management Activity Costs	5,396	3,492	1,961	3,862
Environmental Equipment Capital Expenditures	3,316	1,070	512	0
Total Environmental Cost	8,712	4,562	2,473	3,862

* Note 1: The exchange rate for Guangzhou Plant and Kunshan Plant is calculated at RMB 1 to NT\$4.534 (as of January 12, 2026).

* Note 2: The exchange rate for the Malaysia Plant is calculated at MYR 1 to NT\$7.726 (as of January 30, 2026).

3.1 Resources, Materials, and Recycling Management

Management Policy (GRI 3-3)

Strategic Policy



Actively promote waste reduction and reuse measures, and utilize proposal rewards to further improve resource management performance.

Commitment



Focus on resource circulation as the core, advancing toward the goal of a waste recycling rate >99%.

Sustainability Principle



Resource Recycling and Eco-Friendliness

Impact Management Positive/Negative Impacts



- Potential positive impact - Actively look for alternative raw materials to reduce the use of scarce or highly polluting raw materials.
- Actual negative impact - Rising raw material and freight prices - Increased costs.

Impact Management Negative Impact Remediation and Preventive Measures

- Resource circulation as the core, increasing the reuse rate.

Goal

- Waste recycling rate >99%

Goal

- Waste recycling rate >99%

2025

2025

2027

2030

Performance

- Waste recycling rate of 99.03%

Goal

- Waste recycling rate >99%

3.1.1 Raw Material Input and Circulation

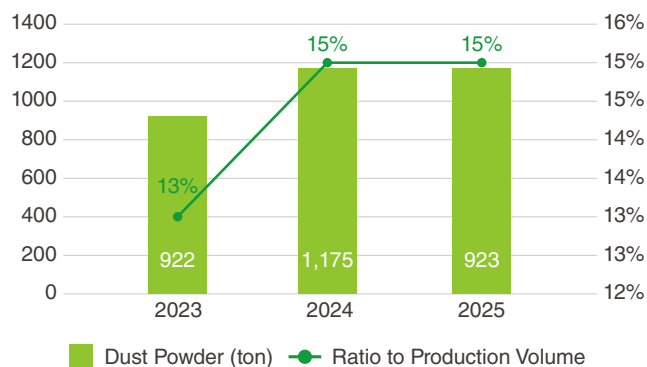
Main Raw Materials and Recycling

(GRI 301-1、301-2)

The main raw materials for producing soft ferrite powder at the Taoyuan Plant and Malaysia Plant are zinc oxide, manganese oxide, and iron oxide, as well as the calcined pellets formed by mixing these three oxides in certain proportions, granulating, and calcining. Bulk auxiliary materials used in the product manufacturing process include sodium oxide, PEG, PVA, defoamers, and dispersants. In recent years, the Taoyuan Plant's silicon carbide (SiC) process has matured and reached the pilot production stage, and the use of raw materials related to the SiC process will be disclosed. The two plants in mainland China perform backend processing using soft ferrite powder, and auxiliary materials such as zinc stearate, cutting fluid, and zirconia powder are used in the manufacturing process.

About 40% of the iron oxide used by the Company is scrap recycled material purchased from steel mills. In addition, dust collection equipment is set up during the process to collect process dust for reuse, to achieve the spirit of Resource Recycling and recycling. Production volume decreased slightly in 2025. The amount of dust collected decreased by 252 tons compared to 2024, reaching 923 tons, which accounts for 15% of the production volume.

Dust Powder Recycling of ACME, 2023 – 2025



All of the Company's raw material metals comply with DRC Conflict-Free regulations and do not use minerals from the Congo veins designated by the UN Security Council as non-compliant with conflict-free regulations.

Consumption Volume of Major Raw Materials

Unit: Ton

Plant	Year	Zinc Oxide	Manganese Oxide	Iron Oxide	Calcined Powder	Zinc Oxide	Copper Oxide
Taoyuan Plant	2023	420	1,320	4,863	641	0	0
	2024	760	1,600	4,530	684	0	0
	2025	380	1,801	4,120	29.4	0	0
Malaysia Plant	2024	256.80	8.50	890.30	0	146.30	35.49
	2025	234.32	0	800.19	0	132.01	31.42

Consumption Volume of Major Auxiliary

Unit: Ton

Plant	Year	Bismuth trioxide	PEG	Defoamers	PVA	Dispersant	Zinc Stearate
Taoyuan Plant	2023	0.67	3.90	4.30	68	27	0
	2024	0.62	4.18	4.55	76	32	0
	2025	0.45	3.61	3.99	64	29.4	0
Malaysia Plant	2024	0	0.825	1.886	11.34	7.138	3.69
	2025	0	1.16	3.07	14.08	10.31	5.01

Plant	Year	Zinc Stearat	Cutting Fluid	Ytria-Stabilized Zirconia
Kunshan Plant	2023	9.42	2.64	3.15
	2024	9.99	1.60	3.53
	2025	4.6	1.78	4.48
Guangzhou Plant	2023	11.745	17.2	2.85
	2024	13.595	17.6	5.45
	2025	12.245	17.6	5.275

Packaging Recycling (GRI 301-3)

The Company's soft ferrite powder is packaged in bulk bags and shipped to the two plants in mainland China. Besides outer carton packaging, the soft ferrite core products contain cushioning materials such as buffer materials, bubble wrap, and EPE foam bags inside the boxes.

The Guangzhou Plant recycles bulk bags, centrally transporting some back to the Taoyuan Plant for reuse. The remainder is either used internally or resold to local recyclers for reuse (to hold solid wastes such as waste grinding mud, waste powder, waste green bodies, and waste ferrite cores). In 2025, 750 recycled bulk bags were transported back to Taoyuan.

The Kunshan Plant has been recycling bulk bags and returning them to the Taoyuan Plant for reuse since 2023. In 2025, a total of 1,300 bulk bags were recycled, and the rest were reused for the grinding mud powder-making project.

The Taoyuan Plant used a total of 6,576 bulk bags to ship to the two plants in mainland China in 2025. A total of 2,050 recycled bulk bags were used, resulting in a recycling ratio of 31%.

The unrecycled bulk bags from the two plants are used within the mainland China plants to package waste offcuts (waste grinding mud, waste powder, waste green bodies, waste ferrite cores, etc.), and the excess is sold to local recycling vendors.

Plant	Year	Shipped Quantity (Bags)	Returned Quantity (Bags)	Recycling Ratio
Kunshan Plant	2025	6,576	1,300	31%
Guangzhou Plant	2025		750	

3.1.2 Water Resources Management (GRI 303-1、303-2)

The increasing scarcity of water resources due to climate change and global warming is another major environmental impact humanity currently faces. Based on the effective utilization of water resources and corporate sustainable operations, the Company continuously promotes water-saving measures and advocates water conservation concepts among colleagues to reduce water consumption. To identify areas within the value chain that have high dependency on water resources or are vulnerable to changes in water quality and quantity, the Company uses the World Resources Institute's risk assessment tool to evaluate the water stress levels at each plant.

Plant	Taoyuan Plant	Guangzhou Plant	Kunshan Plant	Malaysia Plant
Main Source of Water	Shimen Reservoir	Zengjiang River	Kuilei Lake	Kinta River
Baseline Water Stress	Low-Medium Risk (10-20%)	Low-Medium Risk (10-20%)	Low-Medium Risk (10-20%)	Low-Medium Risk (10-20%)

The water source for the Taoyuan Plant is the Shimen Reservoir area, and tap water is used throughout the plant. Production in 2025 decreased by 17.9% compared to the previous year, and water consumption decreased by 7.33% compared to 2024.

The Kunshan and Guangzhou plants mainly use water for product cleaning in the grinding process section. Compared to the Kunshan Plant, products from the Guangzhou Plant are lighter, thinner, shorter, and smaller, and automotive chain products have higher cleanliness requirements, thus requiring pure water cleaning. All units cherish water resources and strive to save water, resulting in a decrease in water consumption per unit of product relative to 2024. Production in 2025 was 2,948 tons, an increase of 210 tons in total production compared to 2024, while total plant water consumption decreased by 5,140 tons.

In 2025, the Kunshan Plant consolidated and modified its process grinding water and cleaning water. The process grinding/cleaning water is filtered clean through automatic filter press equipment and then recycled back to the workshop for use. In 2025, it decreased by 17,690 tons compared to 2024 and 9,910 tons compared to 2023, resulting in a significant drop in both water consumption per unit of product and wastewater discharge per unit of product.

The water quality monitoring program in Malaysia is currently underway. The project's progress is at the quotation stage for new piping systems and water meter installations.



Plant	Year	Consumption (Thousand Tonnes)	Water Consumption per Unit Product (Thousand Tonnes/Thousand Tonnes)	Wastewater Discharge (Thousand Tonnes)	Water Consumption per Unit Product (Thousand Tonnes/Thousand Tonnes)
Taoyuan Plant	2023	32.14	4.38	9.08	1.24
	2024	41.05	5.36	9.56	1.25
	2025	38.04	6.05	10.51	1.67
Kunshan Plant	2023	69.07	20.56	23.21	6.91
	2024	76.85	20.66	38.82	10.44
	2025	59.16	14.96	33.23	6.56
Guangzhou Plant	2023	212.51	86.49	87.55	35.63
	2024	231.67	84.55	101.34	36.99
	2025	226.53	86.49	110.04	37.3
Malaysia Plant	2024	101.81	89.31	N/A	N/A
	2025	116.31	112.05	N/A	N/A

* Note 1: In 2025, the water source for the Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant was third-party tap water, all belonging to the category of "Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)," with a total water withdrawal of 440.04 thousand tonnes, and the data is disclosed to the second decimal place.

* Note 2: The wastewater discharge of the Taoyuan Plant, Guangzhou Plant, and Kunshan Plant was 153.78 thousand tonnes, and the total water consumption was 169.95 thousand tonnes, both belonging to the category of "Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)".

* Note 3: According to local regulations in Malaysia, there is no monitoring required for wastewater discharge; therefore, the Malaysia Plant does not disclose discharge data.

In terms of wastewater recycling and reuse, the Taoyuan Plant utilizes RO water in its processes, so tap water must first be treated into RO water before entering process use; approximately 70% of the tap water is converted into RO water during the treatment process, and about 30% of the tap water becomes wastewater recycled for reuse, with the RO wastewater recycled volume reaching approximately 11,547 tonnes in 2025. Recycled wastewater can be applied to scrubber wastewater recycling, employees' domestic use, and on-site cleaning. We continuously reduce the frequency of water replacement in scrubber circulation to achieve the objective of further saving water from the user side.

Regarding wastewater treatment and discharge, the Taoyuan Plant has obtained the "Water Pollution Prevention and Control Measures" and discharge permits approved by the competent authority, and sets up and operates wastewater treatment facilities in accordance with the provisions of the discharge permits to avoid polluting water bodies. Both the volume and quality of discharged wastewater are regularly tested and reported to the competent authority, and the testing results all comply with and are far below the effluent standards. The Taoyuan Plant is located in the Guanyin Industrial Park, where wastewater is collected and discharged to the Guanyin Industrial Park Wastewater Treatment Plant, and the water quality is treated again at the backend by the industrial park's wastewater treatment plant to confirm that the water quality complies with discharge standards; therefore, the discharge from the Taoyuan Plant will not exert a significant impact on the biodiversity of the receiving water bodies.

The Taoyuan Plant is situated in the northwestern part of Guanyin District, Taoyuan, adjacent to the Taiwan Strait and located between Dahu Creek and Fulin Creek, possessing diverse habitat biodiversity, such as the natural ecology of the Quantang Algal Reefs which includes protected species; the Company cooperates with the Guanyin Industrial Park mutual defense organization to work together for environmental protection and jointly safeguard the natural ecology.

Water use in the Kunshan Plant is divided into production water and domestic water; production water is not discharged externally and is recycled for use, which is filtered through the filtration tank in the grinding sludge pressure filtration treatment equipment and then recycled to the workshop for use; domestic wastewater is discharged into the municipal pipe network according to the requirements of the environmental impact assessment report, and the plant drainage pipe network implements storm-sewage separation.

The Guangzhou Plant implements storm-sewage separation; production wastewater and domestic sewage, after initial sedimentation, are collected at the self-built wastewater treatment station for advanced treatment, and when the water quality reaches the "Wastewater Quality Standards for Discharge to Municipal Sewers", it is discharged into the urban sewage pipe network and eventually flows into the Licheng Wastewater Treatment Plant for treatment again.

The Malaysia Plant adopts a sedimentation method for discharge, utilizing the physical phenomenon of settling to separate and discharge settleable suspended solids from the wastewater.

ACME 2025 Effluent Testing Results

Unit: mg/L

Testing Item	Taoyuan Plant		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
	Discharge Limit	Actual Discharge Value	Discharge Limit	Actual Discharge Value	Discharge Limit	Actual Discharge Value	Discharge Limit	Actual Discharge Value
Suspended Solids (SS)	480	60	400	8	400	43	100	3
Chemical Oxygen Demand (COD)	560	135	500	22	500	51	200	<15

* Source: Effluent testing reports; the Taoyuan Plant uses the average value of two tests per year, while the testing frequency for the Kunshan, Guangzhou, and Malaysia plants is once a year, and their results are single test values.

3.1.3 Waste Reduction and Reuse

(GRI 306-1、306-2、306-3、306-4、306-5、RT-EE-150a.1)

The Company's concept of waste reduction is mostly implemented in product design and process improvement to prevent the generation of waste.

Waste generated by the Company is properly stored in accordance with relevant regulations, and classification is vigorously promoted; depending on the type and characteristics of the waste, qualified clearing contractors are entrusted to remove it from the plant for proper disposal according to law via incineration, landfill, physical methods, chemical methods, etc.; in terms of waste contractors and disposal monitoring management, the Company's environmental protection unit conducts regular audits and establishes contracts with qualified transport and disposal institutions; vehicles are equipped with a real-time GPS system during the transport process to grasp transport routes and flows, and transport manifests are ultimately used to ensure that waste is transported and disposed of in compliance with regulatory provisions; there were no breaches of contract by clearing and disposal institutions in 2025.

Waste that can be reused or recycled into resources is recycled in-plant for reuse or sold; in 2025, the Company's Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant collectively recycled for reuse or sold 20 tonnes of waste paper, 76.4 tonnes of scrap iron, and 18.53 tonnes of waste plastics.



ACME 2023-2025 Resource Recycling and Reuse Volumes by Type

Unit: Ton

Plant	Year	Paper	Scrap Iron	Waste Plastics
Taoyuan Plant	2023	4	37	0
	2024	4	50	0
	2025	3	44	0
Kunshan Plant	2023	2	4	6
	2024	4	7	8
	2025	5	6	10
Guangzhou Plant	2023	10	12	6
	2024	14	17	6
	2025	12	21	6
Malaysia Plant	2024	0	14	2
	2025	0	5.44	2.53

*The Malaysia Plant started data statistics in 2024.

The Company's Taoyuan Plant generated a total of 595.09 tonnes of industrial waste in 2025. The 65.33 tonnes of general industrial waste disposed of via incineration was mainly domestic waste; the 529.76 tonnes of recycled general industrial waste was primarily inorganic sludge and waste flexible intermediate bulk containers (FIBCs), with recycled aggregates as the main utilization direction; 13.76 tonnes was hydrofluoric acid waste liquid, recycled into recycled fluorite, and the industrial waste recycling rate was 89%. Production output decreased in 2025, and waste generation decreased compared to 2024; hazardous industrial waste was generated from the manufacturing process of the new silicon carbide product business, and the calculation method for hazardous industrial waste generation was changed to the weight of the reused product calcium fluoride, calculated as 13 tonnes.

Recycled general industrial waste from the Guangzhou, Kunshan, and Malaysia plants was mainly scraps generated during the production process of magnetic cores (such as waste powder, waste green compacts, and waste grinding sludge) and defective products; recycling vendors can re-powder them to produce lower-grade magnetic core products. Because it is not disposed of on a regular and quantitative basis, the disposal volume varied significantly across the three fiscal years.

Regarding domestic waste at the Kunshan Plant, based on the waste clearance entrustment, approximately 5 bins are cleared daily, with each bin weighing about 30 kg, resulting in an annual disposal volume of approximately 54.75 tonnes. Domestic waste at the Guangzhou Plant is entrusted to the local sanitation department for clearance, with an average of approximately 10 bins cleared daily, each bin weighing about 15 kg, resulting in an annual disposal volume of approximately 54.75 tonnes. Domestic waste at the Malaysia Plant is outsourced for clearance, and the volume is calculated by the number of vehicle trips.

Waste Processing Volume of ACME, 2023 – 2025

Unit: Ton

Category	Final Disposal Operation	Taoyuan Plant				Kunshan Plant				Guangzhou Plant				Malaysia Plant		
		2023	2024	2025	Percentage	2023	2024	2025	Percentage	2023	2024	2025	Percentage	2024	2025	Percentage
Waste	Incineration	73.01	77.15	65.33	11%	0	0	0	0%	0.00	0.00	0	0%	NA	0.00	0%
	Landfilling	0	0	0	0%	0	0	0	0%	0.00	0.00	0	0%	NA	0.00	0%
	Recycling for reuse ^(Note)	485.61	629.39	529.76	89%	1,080.43	1,264.79	1,043.64	100%	494.75	473.96	455.02	100%	101.82	0.00	0%
	Total Weight	558.62	706.54	595.09	100%	1,080.43	1,264.79	1,043.64	100%	494.75	473.96	455.02	100%	101.82	0.00	0
Hazardous Waste	Incineration	0	0	0	0%	0	0	0	0%	25.39	20.14	20.87	99.94%	0.00	0.00	0%
	Landfilling	0	0	0	0%	0	0	0	0%	0	0	0	0%	0	0	0%
	Physicochemical treatment ^(Note)	0	0	0	0%	0	0	0	0%	0	0	0.01	0.06%	0	0	0%
	Recycling for reuse ^(Note)	30	128.72	103.16	100%	18.44	14.52	10.11	100%	0.28	0.07	0.00	0%	10.60	12.11	100%
	Total Weight	30	128.72	103.16	100%	18.44	14.52	10.11	100%	25.67	20.21	20.88	100%	10.60	12.11	100%

* Note 1: In 2025, the total general industrial waste was 2,093.75 tonnes, of which recycling for reuse accounted for 2,028.42 tonnes or 96.88%; the total hazardous industrial waste was 146.25 tonnes, of which recycling for reuse accounted for 125.38 tonnes or 85.73%, and data is disclosed to the second decimal place.

* Note 2: Because it is not disposed of on a regular and quantitative basis, the disposal volume varied significantly across the three fiscal years. The inventory at the end of 2024 was 2.12 tonnes; the hazardous waste generation at the Guangzhou Plant in 2025 was 22.93 tonnes, with 20.88 tonnes disposed of, and the inventory at the end of 2025 was 4.17 tonnes.

* Note 3: Excluding general industrial waste domestic waste disposed of via incineration, the overall waste reuse rate in 2025 was 99.03%.

* Note 4: The Guangzhou Plant added disclosure descriptions for physicochemical treatment in 2025.

3.2 Climate Change and Energy Management

Management Policy (GRI 3-3)

Strategic Policy



Continuously implement the ISO 50001 Energy Management Systems, enhance energy efficiency through energy-saving measure improvements and monitoring of energy performance indicators, voluntarily inventory and monitor greenhouse gas emissions to comply with voluntary greenhouse gas reduction commitments and laws, and analyze climate change risks and opportunities to reduce financial losses in production operations caused by extreme weather.

Commitment



Cooperate with the Group's energy and resource management department to review in-plant energy conservation and carbon reduction programs year by year.

Sustainability Principle



Resource
Recycling and
Eco-Friendliness

Impact Management Positive/Negative Impacts



- Positive actual impact - Investing in renewable energy - Reducing carbon emissions and enhancing industrial competitiveness.
- Positive potential impact - Investing in renewable energy - Reaching green power goals.

- Negative actual impact - Soaring energy fees - Electricity tariff hikes.
- Negative actual impact - Insufficient power supply - Interruption of production.
- Negative potential impact - Carbon fee levying - Increases in production costs.

Impact Management Negative Impact Remediation and Preventive Measures

- Cooperate with the Group to review in-plant energy conservation and carbon reduction programs year by year.
- Perform green power strategic planning and execution, and install solar power generation at each plant.

Goal

- Reduce carbon by **2,323** tonnes of \$CO_2e\$.

Goal

- Continuously conserve energy, reduce carbon, and increase the use of green power.

2025

2025

Performance

- Reduced carbon by **3,211.67** tonnes of CO₂e.

2027

Goal

- 2030 carbon emissions **reduced by 27%** compared to 2017, reaching **15,302** tonnes of CO₂e.

2030

3.2.1 Climate Change (GRI 2-23、2-24)

ACME actively responds to the challenges of climate change; the Company takes the Board of Directors as the highest governance body, with its subordinate "ESG Committee" responsible for strategic review and supervision, and implements risk monitoring through the "Risk Management Team". In addition, ACME integrates ESG performance into the remuneration system for senior executives to strengthen the accountability of organizational climate actions.

In terms of strategy and risk management, USI Corporation (USI) references the IFRS S2 standard to establish a comprehensive process for climate risk identification, assessment, and financial impact analysis. To achieve our sustainability vision, the Company has explicitly formulated a carbon reduction pathway for the consolidated company: with 2017 as the base year, the goal is to reduce carbon by 27% by 2030 and stride towards carbon neutrality by 2050. Through concrete response actions such as equipment replacement, renewable energy installation, and production optimization, alongside regular disclosures of carbon emissions data, ACME demonstrates its determination to dedicate itself to climate resilience and value chain sustainability development.

Climate Change Management Framework

Category	Management Strategy & Actions
 Governance	<Governance Body> ACME takes the Board of Directors as the highest governance body for responding to climate change and supervises climate change management practices; its subordinate ESG Committee is chaired by an independent director, reviewing the Company's climate change strategies and goals, managing actions for climate-related risks and opportunities, and examining execution status annually, and reporting to the Board of Directors. <Management Level> • Group Operations Management Meeting: Chaired by the Chairman, occasionally carrying out promotional planning and results reporting for major energy conservation and carbon reduction policies. • Group's Equipment Preventive Maintenance Environmental Risk Control Division (Environmental Protection Department) Quarterly Report Meeting: Serving as the highest unit for executing energy management within the USI Group, reporting promotional planning and progress to the Chairman in each quarter to make decisions. • Risk Management Team: Submits risk identification results to the Board of Directors annually, and the identified content covers risks caused by topics such as global climate change, energy, and related fiscal taxes. • Remuneration Committee: Reviews senior executives' performance in ESG-related areas (including climate change topics) annually, and incorporates climate-related targets into senior executives' performance evaluations and remuneration systems to monitor the realization of goals for climate-related topics.
 Strategy	• Identify risks and opportunities: Identify material items based on the likelihood of occurrence and impact of risk and opportunity items. • Assess potential financial impacts: Perform potential financial impact assessments for identified material risks and opportunities. • Scenario analysis: Establish settings according to net-zero pathways that may be achieved under different scenarios.
 Risk Management	• IFRS S2: Reference the IFRS S2 framework to identify risks and opportunities, communicate with various responsible units, and have senior executives confirm the promotional items for each fiscal year. • The Company establishes qualitative and quantitative evaluation criteria based on the nature, likelihood of occurrence, and potential impact level of risks, and identifies, assesses, prioritizes, and monitors climate-related risk and opportunity items. • Identification results: Assess climate-related risks and opportunities that can be reasonably expected to affect the Company, as well as information on the current and anticipated impacts on the business model and value chain.
 Metrics & Targets	• Group carbon reduction targets: Establish 2017 as the base year, with carbon emissions in 2030 reduced by 27% compared to the base year, and achieve carbon neutrality by 2050. • Climate response strategies: Equipment replacement, installation of renewable energy equipment, production schedule optimization, building HVAC planning, energy management systems, and extreme weather emergency response plans. • Greenhouse gas emissions disclosure: Disclose Scope 1, Scope 2, and Scope 3 emissions data in the ESG report every year, and regularly review the reasons for increases or decreases.

* For detailed risk management processes and mechanisms, please refer to Section 2.2.3 Risk Management and Internal Control.

Identification of Climate-Related Risks and Opportunities

To strengthen climate risk management and align with international standards, the Company references the IFRS S2 "Climate-related Disclosures" standard to evaluate the impacts of climate-related risks and opportunities on corporate strategies and financial conditions. Key factors are identified through scenario analysis, and response strategies are incorporated into business decision-making processes.

"Physical risks" reference the research data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) "Atlas of Key Climate Change Indicators in Taiwan: AR6 Statistically Downscaled Version" and the National Science and Technology Center for Disaster Reduction, adopting the IPCC AR6 scenarios combined with "Shared Socioeconomic Pathways (SSP)" and "Representative Concentration Pathways (RCP)". The Company chose the SSP5-8.5 (very high greenhouse gas emissions) scenario as the baseline, under which carbon dioxide emissions are anticipated to double by 2050, and performed financial impact analyses for hazards such as "high temperatures," "flooding," and "droughts".

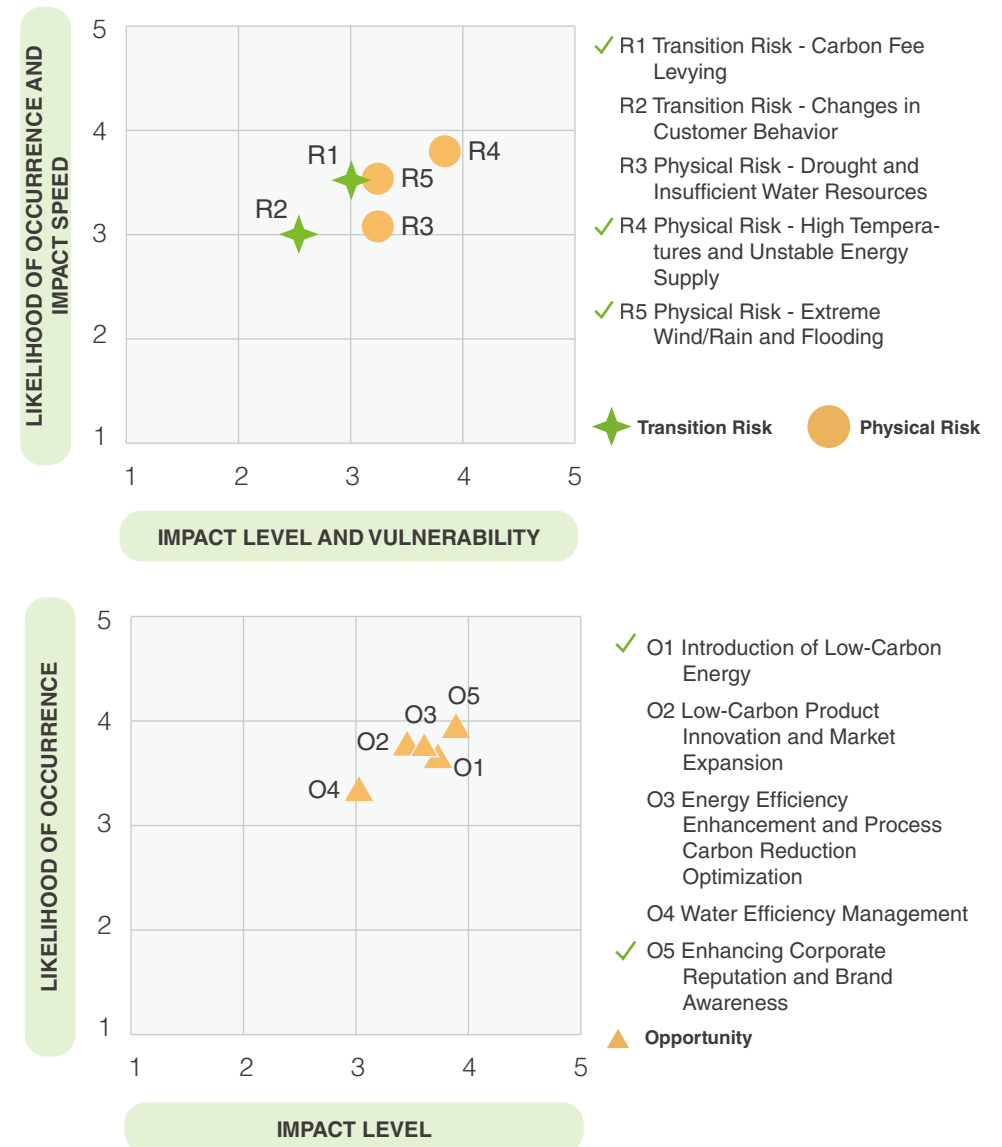
"Transition risks" reference the World Energy Outlook (WEO) published in 2021 by the International Energy Agency (IEA); the report divides trends into 3 scenarios based on different energy trends and climate policies—namely STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net Zero Emissions scenario). Among them, NZE assumes that all countries will achieve net-zero emissions by 2050, representing the most aggressive scenario for driving reduction measures. Beyond that, we also referenced the "Taiwan's Pathway to Net-Zero Emissions in 2050 and Strategy General Description" released in 2022 by the National Development Council to echo the nation's carbon reduction pathway and ensure that the Company still possesses the resilience for sustainable operation under the impacts of extreme climate change.

To ensure that the evaluation results match operational practices, the Company distributed questionnaires to senior unit managers to evaluate 5 climate risks across four major dimensions: "impact level," "likelihood of occurrence," "vulnerability," and "impact speed"; simultaneously, 5 climate opportunities were evaluated based on "impact level" and "likelihood of occurrence".

After questionnaire statistics and quantitative model analysis, and plotting two-dimensional scatter diagrams, 5 key material topics that need to be prioritized in risk management and strategic planning were ultimately identified:

- 3 high-priority risks: R1 Transition Risk - Carbon Fee Levying, R4 Physical Risk - High Temperatures and Unstable Energy Supply, R5 Physical Risk - Extreme Wind/Rain and Flooding.
- 2 high-potential opportunities: O1 Introduction of Low-Carbon Energy, O5 Enhancing Corporate Reputation and Brand Awareness.

In response to the above material climate topics, ACME launched scenario simulations and financial impact assessments, and formulated corresponding response strategies and management mechanisms. To ensure the practical effectiveness of risk management, the Company executes regular annual monitoring for climate change-related risks, and compiles the execution results into the Company's risk management operational conditions, submitting reports to the Audit Committee and the Board of Directors every year to ensure that risk management measures are effectively implemented, aiming to accurately grasp and reduce operational impacts brought by extreme weather and dedicating efforts to establishing a resilient climate change culture.



Potential Financial Impacts and Response Measures of Risk and Opportunity Items GRI 201-2

To tackle the uncertainties brought by climate change, the ACME Group has identified major climate physical risks, transition risks, and climate-related opportunities relevant to its operations, and evaluated their potential impacts on company business, operational strategies, and financial performance across different time horizons.

The Company defines the time horizons based on its own operational characteristics and industrial environment as follows:

- Short-term: 2025 to 2027.
- Medium-term: 2027 to 2030.
- Long-term: 2030 to 2050.

Sustainable and climate-related risk and opportunity items reasonably expected to have impacts:

Type	Item	Description	Potential Impact Timeframe	Focus on Which Part of the Business Model / Value Chain	Impact on Business Model / Value Chain
Transition Risk	Carbon Fee Collection	According to the "Climate Change Response Act," Taiwan will officially levy a carbon fee starting from 2025, targeting enterprises with annual carbon emissions exceeding 25,000 MT. ACME's Taoyuan Plant has not yet reached the collection threshold at this stage and will continue to promote low-carbon and energy-saving projects, which can reduce the impact of this risk.	Medium-term, Long-term	• Suppliers • Own Operations • Customers	Current Business Model, Value Chain • Formulate a low-carbon transition plan • Establish an internal carbon pricing mechanism, incorporate potential carbon fee expenditures into the annual operating cost budget, and evaluate specific impacts on gross profit and cash flow. Expected Business Model, Value Chain • Accelerate the promotion of the company's low-carbon transition policy • Upstream suppliers may pass on carbon fee costs, leading to increased raw material procurement costs (green premium). • Downstream customers' requirements for "low-carbon products" or a "green supply chain" are becoming increasingly strict. Failure to comply with carbon reduction requirements may lead to the risk of losing orders.
Physical Risk	High Temperatures and Unstable Energy Supply	As climate change intensifies, the continuous rise in average annual temperatures and the significant increase in the number of high-temperature days have become a common global trend. According to data from the Central Weather Administration, Taiwan's average annual temperature and the frequency of high-temperature events have shown a significant upward trend, indicating that high summer temperatures may become a normalized source of risk in the future. High temperatures increase the risk of unstable power supply from public utility companies. Regular maintenance of power equipment will be conducted to increase resilience against power instability.	Long-term	• Suppliers • Own Operations • Customers	Current Business Model, Value Chain • Need to strengthen the inspection and maintenance of backup generators or uninterruptible power supply (UPS) systems in the plant to cope with sudden power curtailment or outages. Expected Business Model, Value Chain • Increased demand for air conditioning cooling in factories and offices leads to higher electricity consumption and daily operating costs (electricity bills). • Need to budget capital expenditures to replace old, energy-consuming equipment and introduce smart energy management systems to improve energy efficiency. • Costs incurred by upstream suppliers to enhance climate resilience may lead to rising procurement costs. • If downstream customers are forced to halt work due to high-temperature power rationing or sudden outages, they may reduce procurement volumes and pulling frequencies.

Type	Item	Description	Potential Impact Timeframe	Focus on Which Part of the Business Model / Value Chain	Impact on Business Model / Value Chain
Physical Risk	Extreme Wind, Rain, and Flooding	According to observations from the Central Weather Administration and IPCC reports, typhoons, heavy rainfall, and localized rainstorm events in Taiwan have increased significantly in recent years. This not only causes repeated flooding in cities and low-lying areas but also brings immediate and severe impacts to industrial operations, classifying it as an acute physical risk.	Medium-term, Long-term	- Suppliers - Own Operations - Customers	Current Business Model, Value Chain - Inventory the flooding potential of operational sites, incorporate potential flood control facility construction, disaster damage repair expenditures, and insurance costs into the annual operating cost budget, and evaluate their specific impacts on gross profit and cash flow. Expected Business Model, Value Chain - Accelerate the upgrade of protective resilience at the company's operational sites and the promotion of climate adaptation policies. - Upstream suppliers may suffer plant damage or traffic interruptions due to extreme rainfall and flooding, causing delays in raw material supply and supply chain disruption risks, leading to increased procurement and transportation costs. - Downstream customers' requirements for "supply chain climate resilience" and "stable delivery capability" are becoming increasingly strict. If extreme weather causes production halts or delivery delays, the company may face the risk of default compensation or lost orders.
	Introduction of Low-Carbon Energy	Driven by stricter global climate policies and the 2050 net-zero carbon emission goal, the corporate energy use structure is rapidly transitioning. The introduction of renewable energy has become a crucial opportunity for enterprises to fulfill their carbon reduction commitments and maintain international competitiveness. For carbon-intensive manufacturing industries, establishing or purchasing renewable energy such as solar, wind, and geothermal power can effectively reduce indirect energy greenhouse gas emissions generated during electricity use.	Short-term, Medium-term, and Long-term	- Suppliers - Own Operations - Customers	Current Business Model, Value Chain - Inventory the potential for establishing renewable energy in the plant area, and incorporate the capital expenditure for related equipment construction and green electricity procurement costs into the annual operating budget. Expected Business Model, Value Chain - Expand the usage proportion of low-carbon and renewable energy. - Upstream suppliers may face pressure from brand manufacturers to increase their proportion of green electricity use, prompting them to increase renewable energy procurement, thereby leading to a rise in operating costs. - Given downstream customers' strong demand for "green manufacturing" and "low-carbon products," by providing products with a low-carbon dividend, we can prioritize securing green procurement opportunities and expanding market share.
Opportunity	Enhancement of Corporate Reputation and Brand Awareness	By developing and promoting low-carbon, environmentally friendly innovative products and services, we actively respond to the rising green demands of consumers. This move not only serves as a way for the enterprise to explore emerging sustainable markets but also enables it to stand out in fiercely competitive existing markets by leveraging the differentiated advantage of green value, comprehensively enhancing market competitiveness.	Short-term, Medium-term, and Long-term	- Own Operations - Customers	Current Business Model, Value Chain - Invest R&D resources in sustainability-related products. Expected Business Model, Value Chain - As market demand for low-carbon and energy transition rises, continuously develop various emerging sustainable products. - Given downstream customers' strong demand for "green manufacturing" and "low-carbon products," by providing products with a low-carbon dividend, we can prioritize securing green procurement opportunities and expanding market share.

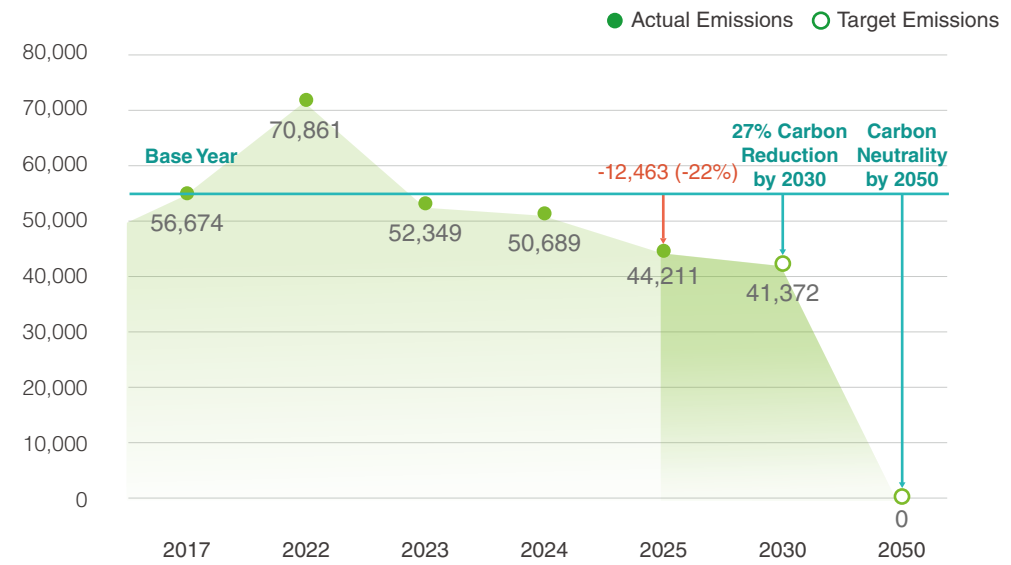
Strategic Decisions and Financial Impacts of Sustainability and Climate-Related Risks and Opportunities

Type	Item	Financial Impact	Response Strategy and Decision Impact
Transition Risk	Carbon Fee Collection	The relevant financial impacts for the current period are as follows: - To reduce future carbon emissions in response to the impact of carbon fees, a capital expenditure of NT\$800 thousand was invested this period for waste heat recovery in the RK9 calcination process, resulting in an increase in non-current assets and cash outflows from investing activities. - Although equipment investment leads to increased depreciation expenses and cash outflows in the short term, in the long term, the reduced electricity expenses through energy efficiency improvements and the reduction in carbon fee costs will help optimize overall operational efficiency and maintain profitability.	- The Company has introduced internal carbon pricing, set via a shadow price method, incorporating carbon costs into investment evaluations to enhance the execution opportunities for carbon reduction projects. - Establish an energy management system to analyze various figures and seek room for improvement. - Deploy rooftop solar power equipment to generate and consume green electricity internally.
Physical Risk	High Temperatures and Unstable Energy Supply	The relevant financial impacts for the current period are as follows: - To ensure the stable operation of production equipment under extreme climate conditions, routine maintenance and calibration of core equipment such as compressors, generators, and air compressors were strengthened this period. There are no capital expenditures and expense items for this period, but a budget has been allocated for execution in 2027 to implement power monitoring circuits and system integration for existing diesel generators. - By strengthening energy infrastructure and equipment resilience, although capital expenditures and maintenance costs increase in the short term, it can effectively reduce business interruption losses caused by high-temperature shutdowns or power rationing in the future.	- Continue plant heat insulation engineering and strengthen uninterruptible power supply (UPS) system operations. - Promote energy-saving and carbon-reduction projects, replace old equipment, and enhance energy conservation and operational stability.
	Extreme Wind, Rain, and Flooding	The relevant financial impacts for the current period are as follows: - Considering the protection needs against long-term physical risks, relevant capital expenditures of NT\$8,000 thousand were invested this period in drainage system upgrades and flood control facility improvement projects to enhance the operational resilience of the plant, resulting in an increase in non-current assets. - Through preventive dredging, insurance transfer, and hardware facility strengthening, the Company strives to reduce recovery costs and business interruption risks when medium-to-long-term extreme climate events occur, maintaining long-term financial robustness.	- Reduce water usage and water consumption. - Invest in wastewater treatment systems and strengthen improvements to the drainage system for sudden heavy rainfall.
Opportunity	Introduction of Low-Carbon Energy	The relevant financial impacts for the current period are as follows: - To increase energy autonomy and implement energy transition, a capital expenditure of NT\$2,670 thousand was incurred this period to construct solar photovoltaic renewable energy equipment in the plant area, resulting in an increase in non-current assets and cash outflows from investing activities. - Through self-built solar power generation, although the Company's electricity costs increase in the short term, in the long term, it can reduce reliance on traditional fossil fuels, effectively avoid the impact of future carbon fee cost increases, and enhance the enterprise's green competitiveness and brand value.	At the current stage, the 791kW rooftop solar power generation at the Taoyuan Plant is leased out; the long-term plan is to switch to self-consumption to reduce electricity carbon emissions.
Opportunity	Enhancement of Corporate Reputation and Brand Awareness	The relevant financial impacts for the current period are as follows: As market demand for green product transition rises, to increase the development of green products, capital expenditures amounted to NT\$36,915 thousand and R&D expenses amounted to NT\$116,130 thousand this period, which were used for green product development and promotion. This resulted in an increase in non-current assets and cash outflows from investing activities.	Research and develop various new products, actively develop sustainable products, and enhance resource efficiency.

Climate-Related Risk Resilience Assessment

Risk	Key Assumptions	Selected Scenarios	Assessed Impacts and Resilience Capability
Transition Risk - Carbon Fee Collection	1. Taiwan will continue to adopt the "2050 Net-Zero Emissions Pathway". The Company expects to reduce carbon emissions by 27% by 2030 and achieve carbon neutrality by 2050. 2. The Company proposes an autonomous reduction plan and achieves the designated reduction target, complying with the designated reduction rate of the technical benchmark in Annex II of the "Designated Greenhouse Gas Reduction Targets for Collection Subjects" announcement. 3. According to official reports such as the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform and national meteorological observations, in terms of climate models, Taiwan's winter will gradually shorten, total annual rainfall will gradually increase, and the intensity of heavy rainfall events shows an increasing trend.	- Stated Policies Scenario (STEPS) - Net Zero Emissions by 2050 Scenario (NZE)	1. Assessed Impacts - STEPS: The Ministry of Environment's review committee initially recommends raising carbon fees in phases, with the rate expected to rise to between NT\$1,200 and NT\$1,800 after 2030. - NZE: According to IEA research, the effective carbon price in developed countries should reach US\$140 per ton (approx. NT\$4,500) by 2030. 2. Resilience Capability - More actively promote energy-saving and carbon-reduction plans to reduce the financial impact of carbon fee expenditures. - Actively introduce high-efficiency energy-saving equipment and low-carbon energy, transform the pressure of carbon neutrality into a driving force for process optimization, and consolidate the company's competitive advantage in international low-carbon supply chains.
Physical Risk - High Temperatures and Unstable Energy Supply		SSP 5-8.5	1. Assessed Impacts - An increase in the number of consecutive days of extreme high temperatures will cause cooling demands to remain high for a long time, significantly accumulating electricity expenditure burdens. The increased threat of power rationing or outages due to regional power grid overloads could cause unplanned production line shutdowns and loss of product yield. - A long-term high-temperature environment increases the risk of heat hazards in the workplace. In addition to affecting the health of frontline personnel, it may also shorten equipment lifespan due to cooling equipment operating at full load for extended periods. 2. Resilience Capability - Implement equipment maintenance: Strengthen routine maintenance of core equipment such as compressors, generators, and air compressors to ensure stable operation of production equipment under extreme climate conditions. Through equipment replacement, effectively reduce future business interruption losses caused by high-temperature shutdowns or power rationing. - Strengthen the heat insulation of factories and the thermal insulation efficiency of pipelines to reduce energy consumption.
Physical Risk - Extreme Wind, Rain, and Flooding			1. Assessed Impacts - A significant increase in the intensity and frequency of extreme rainfall could cause inadequate drainage around the plant area, triggering flood disasters and directly resulting in physical losses from damaged production equipment and raw materials. - Traffic infrastructure damage and logistics paralysis caused by extreme wind and rain will lead to interrupted raw material supply and inability to ship finished products in a timely manner, further affecting overall operational performance and customer fulfillment capabilities. 2. Resilience Capability - Strengthen the plant area's flood control infrastructure and implement elevation projects for critical equipment rooms to reduce the risk of damage to physical assets from extreme flooding events. - Optimize supply chain diversification and Business Continuity Plans (BCP): Establish cross-regional backup supplier lists and logistics contingency plans to respond to supply chain disruption crises triggered by extreme wind and rain.

ACME Carbon Reduction Roadmap



* Note: The carbon reduction target covers the emissions generated by the product lines and services already existing in the base year (2017); product lines and services newly established after the base year are not included in the scope of this target calculation.

Years	2025			2026
Item	Target Value	Actual Value	Achievement Rate	Target Value
Greenhouse Gas Emissions (tonnes CO ₂ e)	52,696	44,211	119.19%	46,500

* Note 1: Achievement rate = 2025 target emissions / 2025 actual emissions.



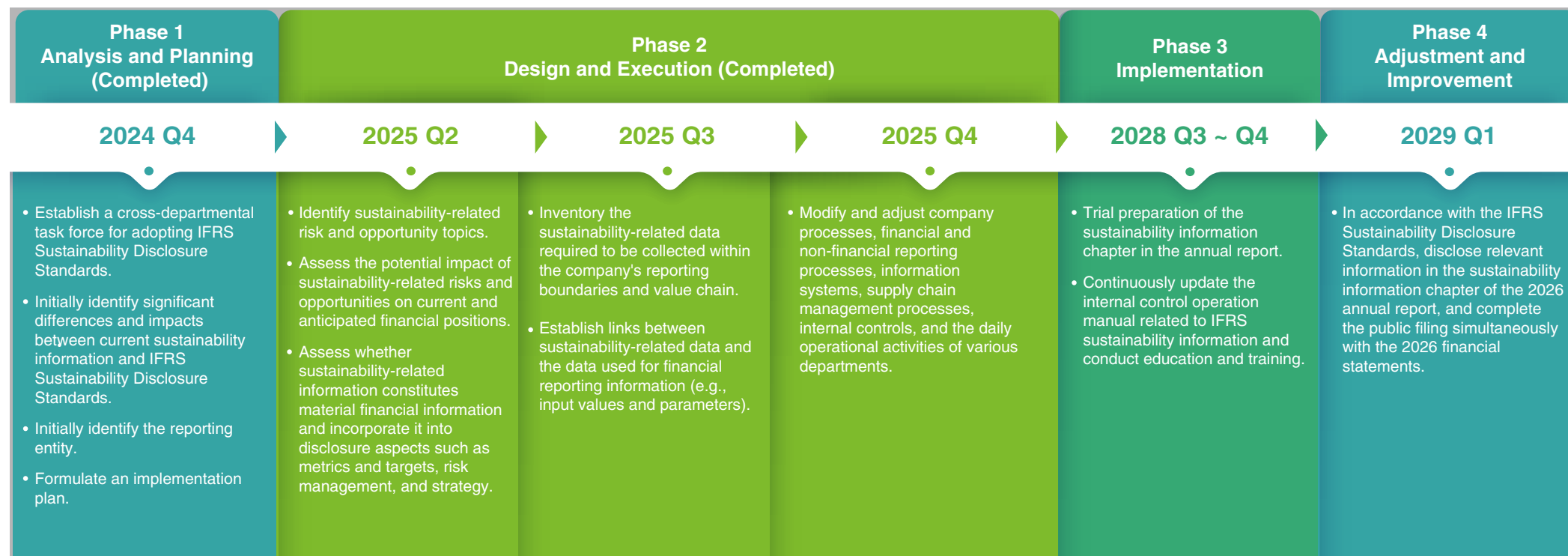
Group Promotion of Internal Carbon Pricing

To respond proactively to the government's carbon fee policy, effectively cope with climate change, and mitigate carbon risks, USI Corporation (USI) introduced an internal carbon pricing system in 2024. The implementation scope covers all plant sites in Taiwan, and the pricing references the domestic carbon fee pricing basis, with the initial carbon price set at NT\$300 per tonne, subject to rolling reviews and phased adjustments. This system primarily integrates carbon costs into the corporate decision-making and investment evaluation processes, assesses the impact of carbon emissions on business operations, accelerates the implementation of carbon reduction measures, and drives low-carbon investments.

To ensure the effective implementation of the mechanism, the Group regularly manages and confirms the execution status each year. In May 2025, the review of each unit's actual performance in incorporating carbon pricing into project evaluations was completed, ensuring that the mechanism can substantively transform into a driving force for low-carbon transition, thereby achieving the enterprise's long-term sustainable development goals.

Response to IFRS Sustainability Disclosure Standards

According to the "Roadmap for Promoting the Adoption of IFRS Sustainability Disclosure Standards in Taiwan" released in August 2023, listed OTC and emerging companies in Taiwan will apply the IFRS Sustainability Disclosure Standards in three phases starting from 2026. USI Corporation (USI) established a cross-departmental IFRS project team in 2024 and reports the execution status quarterly to the Board of Directors of USI Corporation (USI) for control. The IFRS project team is comprehensively led by the Group's Chief Financial Officer through cross-departmental cooperation between the "Operational Impact Task Force" and the "Financial Impact Task Force" to assess the potential financial impacts and effects of material risks and opportunities on the company. Acme Electronics Corporation (ACME) is a member of the Operational Impact Task Force and has completed the phase two items in 2025, with the disclosure of relevant information expected in the sustainability information special chapter of the annual report published in 2029.



Biodiversity

1. Biodiversity Policies and Initiatives

Biodiversity is the core foundation for maintaining the stable operation of the Earth's ecosystems, exerting a critical influence on key ecosystem services such as climate regulation, water cycle, soil productivity, and food supply, and is further essential to the long-term development, health, and well-being of human society. In 2022, countries worldwide reached a consensus at the Conference of the Parties to the Convention on Biological Diversity (COP15) to clearly set global action directions and management targets for biodiversity conservation before 2030 through a brand-new Global Biodiversity Framework (GBF).

Confronted with the challenges brought by climate change and the continuous loss of biodiversity, the pressure on natural resources is increasing day by day. Proceeding from the perspectives of risk management and sustainable operations, Acme Electronics Corporation (ACME) actively strengthens natural capital management and has introduced the Taskforce on Nature-related Financial Disclosures (TNFD) for the first time. While formulating the Biodiversity and Zero Deforestation Policy, the company follows international conventions and initiatives such as the United Nations Convention on Biological Diversity and the Kunming-Montreal Global Biodiversity Framework, joining hands with upstream suppliers and major business partners to co-create a sustainable future, step-by-step achieving "No Net Loss (NNL)" and moving towards "Net Positive Impact (NPI)".

2. Taskforce on Nature-related Financial Disclosures

Acme Electronics Corporation (ACME) follows the LEAP methodology of the Taskforce on Nature-related Financial Disclosures (TNFD) to systematically identify and assess nature-related risks and opportunities. The company recognizes that the correlation between the state of natural capital and operational activities depends heavily on the "geographical location" of operational sites and the "degree of dependence and impact" on ecosystems. Whether it is the operation of our own production sites or the supply and manufacturing processes of upstream raw materials in the chemical industry, both may exert direct or indirect impacts on local ecosystems. Based on this, the company utilizes scientific methods to inventory key operational sites and value chain activities, assesses their degree of dependence and impact on natural resources, and further identifies high-risk areas and key topics to serve as the foundation for subsequent risk management and action strategies. The specific practices are as follows; please refer to the 2025 Climate and Nature-related Disclosure Report for the complete content.

Explanation of the TNFD LEAP Approach

Locate Step	ACME's Assessment Results
L1: Identify business footprint and value chain	- ACME's value chain is located in the mid-to-upstream of the chemical industry. The upstream covers basic chemical suppliers, while the downstream extends to end-consumer customers, completely connecting the industrial chain from raw material acquisition to product application. - In defining the assessment scope, the Company takes each operational site as the core and sets a buffer zone with a radius of 1 kilometer as the analysis scope. This incorporates the potential impacts on stakeholders around the plant and adjacent ecosystems, treating it as an indirect impact area to ensure the completeness and representativeness of the natural capital impact scope. - After converging the aforementioned scope, ACME inventoried a total of 4 main operational sites. Their operational attributes cover functions such as manufacturing and raw material storage and transportation. The characteristics of relevant sites will serve as an important basis for subsequent evaluation of natural resource dependency and environmental impacts.
L2: Screen value chains for high dependency and impact sectors	- Utilizing the ENCORE database recommended by TNFD, we compiled the ecosystem services and impact factors that have a dependency relationship with ACME's value chain sectors. The identification results for ecosystem services and impact drivers classified as moderate or above are as follows: (1) Ecosystem services of concern: stable water supply, water flow regulation, soil and sediment retention, flood control, rainfall pattern regulation, water purification, and storm mitigation. (2) Impact drivers of concern: disturbances, greenhouse gas emissions, land use, solid waste generation and emissions, air pollution emissions, soil and water pollution emissions, and water consumption.
L3: Interface with natural ecosystems	ACME utilized international and national-level biodiversity spatial databases, combined with the buffer zone scope defined in the L1 stage, to systematically analyze the spatial correlation between each operational site and surrounding ecosystems. By integrating key indicators such as important biodiversity areas, water resource stress, and ecological integrity, we assessed the locational sensitivity and species sensitivity of the buffer zone at each site to identify whether it belongs to an ecologically sensitive area.
L4: Identify priority locations in the value chain	Based on the two major evaluation factors of "high dependency and high impact sector identification" and "ecologically sensitive areas," ACME screened the priority locations of concern in the value chain. After incorporating the buffer zone analysis of each operational site, a priority grading mechanism was established, dividing them into first to third priority levels of concern. The evaluation results show that ACME has 1 operational site listed as a first-priority site of concern and 1 operational site listed as a second-priority site of concern.

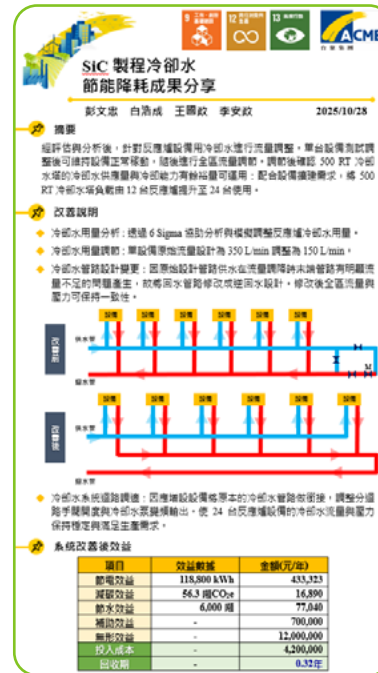
Evaluate Step	ACME's Assessment Results
E1: Identify natural capital, ecosystem services, and impact drivers	Utilize the map data referenced in the Locate phase to identify surrounding natural capital, and refer to the ecosystem services that specific ecosystem assemblages in the literature might provide, to further expand on the ecosystem services that ACME may depend on or impact.
E2: Establish dependency and impact pathways of operational activities	- To understand the interactive relationship between dependencies, impacts, and us, we referred to the Natural Capital Protocol and TNFD guidelines to establish the Dependency Pathway and Impact Pathway for the operational activities of each plant. The relevant explanations are as follows: - Dependency Pathway: When potential external environmental or social changes occur, they may impact the state of nature, causing changes in the ecosystem services we depend on, which in turn affects ACME's operational activities. - Impact Pathway: Impact drivers from operational activities cause changes in the state of nature, leading to the reduction or loss of ecosystem services, which in turn triggers external environmental or social changes.
E3: Measure dependencies and impacts E4: Materiality assessment	- Based on the characteristics of each operational site, ACME evaluates its degree of dependency on specific ecosystem services, as well as the potential impact of related impact drivers on surrounding stakeholders and the environment, conducting systematic analysis and classification through a four-quadrant matrix. - The results of the ecosystem services analysis are as follows: - Areas requiring monitoring: Stable water supply - Low-risk areas: Water flow regulation, soil and sediment retention, flood control, rainfall pattern regulation, water purification, and storm mitigation. - The results of the impact driver analysis are as follows: - General monitoring areas: Disturbances, greenhouse gas emissions, land use, solid waste generation and emissions, air pollution emissions, soil and water pollution emissions, and water consumption.
Assess, Prepare Steps	ACME's Assessment Results
A: Assess risks and opportunities	- Based on the TNFD risk and opportunity framework and international report analysis, we have identified and preliminarily assessed potential risk and opportunity issues in the value chain. For details, please refer to the Company's Nature-Related Disclosures Thematic Report. - According to our risk and opportunity assessment process, we will identify, rank, and manage risks and opportunities classified as moderate or above. For details, please refer to the Company's Nature-Related Disclosures Thematic Report.
P: Prepare to respond and report	- For material risks and opportunities, we have formulated corresponding response strategies to address the related impacts, and we regularly follow up on the progress with the responsible units to evaluate the implementation of the strategies. For details, please refer to the Company's Nature-Related Disclosures Thematic Report. - Regarding the setting of nature-related metrics and targets, ACME prioritizes the main driver of climate change, setting specific and aggressive carbon reduction targets to respond to related risks and opportunities. At the same time, for air pollution emission issues, corresponding management targets and control measures have also been established to continuously reduce environmental impacts and strengthen overall environmental management performance.

3.2.2 Energy Management

Group Energy Management Targets (GRI 302-4)

As early as 2016, USI Corporation (USI) voluntarily set energy management targets, followed our national energy development policies, and continuously tracked international trends and national regulations for dynamic reviews. After weighing internal and external factors, USI Corporation (USI) set the 2030 carbon reduction target at the beginning of 2022 to be a "27% reduction in carbon emissions by 2030 compared to 2017." The Group's 9 core domestic production plants (including the company's Taoyuan plant) have successively introduced the ISO 50001 Energy Management Systems since 2018 and obtained certificates, effectively managing energy performance, and continuously implementing energy-saving and carbon-reduction improvement actions, hoping to exert influence and further lower environmental impacts.

USI Corporation (USI) convenes the annual "plant technology exchange meeting" and several "northern/Kaohsiung plants resource integration meetings", achieving resource sharing and enhancing energy-saving and carbon-reduction performance through cross-plant technology sharing and problem discussions. The 2025 plant technology exchange meeting was held in October as a case presentation competition, with "industrial safety & environmental protection," "equipment preventive maintenance," and "energy saving & carbon reduction" as core themes. Following the submission of plant technology cases and document reviews, 7 final cases were selected for presentations. The Group's senior executives and various participating plants jointly voted for three excellent and two good cases. The company's Taoyuan plant won third place with the energy saving and consumption reduction results of the SIC process cooling water, and the Group's Chairman presented certificates and awards, jointly enhancing the Group's technical standards through selection incentives and peer learning.



Taoyuan Plant Energy Management Targets

The energy saving rates (%) of the company's Taoyuan plant from 2023 to 2025 are shown in the table below.

Energy Management Item	2023	2024	2025
Energy Saving Rate (%)	1.84	1.42	1.5

According to the "Regulations on Energy Users Formulating Energy Saving Targets and Execution Plans" of the Energy Administration, Ministry of Economic Affairs, the Taoyuan plant achieved an average energy saving rate of 2.02% from 2015 to 2024. For 2025 to 2029, a 5-year average energy saving target of 1% was set, and the Taoyuan plant's energy saving rate in 2025 was 1.5%, complying with the requirements of the "Energy Administration Annual Average 1% Energy Saving Regulation."

In terms of energy saving and carbon reduction, the Taoyuan plant will align with the efforts for the target of "a 27% reduction in carbon emissions by 2030 compared to 2017" formulated by USI Corporation (USI) at the beginning of 2023. In 2025, the self-inventoried greenhouse gas emissions were 44,211 tCO₂e, representing a 22% reduction compared to the base year (2017). The new SIC business's unit carbon emissions in 2025 decreased by 10% compared to 2024 (tCO₂e / ton).

In 2021, the Taoyuan Plant obtained the ISO 50001 Energy Management Systems certification (certification validity period: November 26, 2024, to November 25, 2027), using the ISO 50001 system to improve its own energy efficiency, thereby achieving reductions in both energy costs and greenhouse gas emissions. We look forward to achieving win-win sustainable operations between business development and environmental friendliness through continuous energy saving, carbon reduction, and increased green electricity usage.



Guangzhou Plant Energy Management Targets

The energy conservation competent authority of Zengcheng District, Guangzhou City, in accordance with the "Notice of the Bureau of Development and Reform of Zengcheng District, Guangzhou City on the Energy 'Dual Control' Targets of Regionally Regulated Key Energy-Using Units and the Strengthening of Relevant Matters on Energy 'Dual Control'", assigned the 14th Five-Year energy "dual control" targets to the Guangzhou plant (as shown in the table below).

In terms of total energy consumption, compared with 2024, the production capacity in 2025 increased by 12.57%, and the total energy consumption increased by 187 tonnes of standard coal.

Guangzhou Plant Total Energy Consumption Control Targets (tonnes of standard coal)

Item \ Year	2023	2024	2025
Target	5,750	5,700	5,650
Actual	4,511	4,784	4,971

In terms of energy consumption intensity, the unit product energy consumption in 2025 decreased by 0.018 tonnes of standard coal/tonne compared to 2024.

Indicator Name	Item	2023	2024	2025
Energy Consumption per Unit of Product (tons of standard coal/ ton of output)	Target	1.7	1.7	1.7
	Actual	1.836	1.747	1.729

* Note: The Guangzhou plant previously used quantity as the disclosure unit, which was revised to weight in 2024.

Kunshan Plant Energy Management Targets

The Kunshan plant's production capacity increased by 6% in 2025, with an overall electricity increment of approximately 6.8%.Among this, the power generated by solar photovoltaic equipment reached 2.2567 million kWh, showing an 8% increment in solar photovoltaics compared to 2024.In 2026, the purchased municipal grid electricity consumption was 31.20602 million kWh, representing a 7% increment in municipal grid electricity compared to 2024.Due to the ongoing impact of reduced orders throughout the year, although the output volume rose slightly, the cumulative shutdown duration during holidays was longer across the year. Maintaining the sintering furnace temperature and the operation of some equipment consumed electricity without generating output, keeping the "unit product energy consumption" ratio relatively high.

The energy saving targets and achievement status of the Kunshan plant are as follows:

Indicator Name		2023	2024	2025
Energy Consumption per Unit of Product (tons of standard coal/ ton of output)	Target	0.94	0.94	0.94
	Actual	1.0	1.05	1.05

Malaysia Plant Energy Management Targets

The Malaysia plant set an energy saving target of 1%. In 2025, the internal compressor main unit temperature was reduced from 95° C to 90° C. Following the cooling measure implementation, the electricity saving rate reached approximately 3.65%, achieving the target.



Energy Consumption (GRI 302-1、GRI 302-3、RT-EE-130a.1)

The company's Taoyuan plant, Kunshan plant, Guangzhou plant, and Malaysia plant have dedicated environmental protection units responsible for planning, promoting, supervising, and executing various energy-saving and carbon-reduction management programs to reduce energy consumption and lower environmental impacts. The energy consumption status over the past 3 years is shown in the table below.

The Taoyuan plant utilizes electricity and natural gas as the primary energy sources for its operations. Although the production volume of magnetic powder decreased, waste heat recovery was leveraged to reduce energy consumption, resulting in a 21% reduction in natural gas unit energy consumption in 2025 compared to 2024. Silicon carbide production decreased, and electricity usage dropped by 7,327 GJ compared to 2024. Consequently, the total energy consumption in 2025 was 110,927.41 GJ, representing a 16.73% decrease compared to 2024, while the "unit product energy intensity" increased by 1.46%.

The two plants in Mainland China utilize electricity as the main energy source for operations, and their primary power-consuming equipment is the sintering furnace in the sintering process.

The Kunshan plant was continuously affected by reduced orders throughout 2025, with long holiday shutdowns during the Lunar New Year, Labor Day, and National Day. Compared with 2024, the production capacity in 2025 increased by 6.21%, but the total energy consumption rose by 6.82% compared to 2024. Concurrently, during holiday shutdown periods, the sintering furnace still had to use electricity to maintain a certain temperature, and some equipment also had to keep running, consuming electricity without producing output. Thus, the "unit product energy intensity" remained basically flat compared to 2024.

The Guangzhou plant's production volume in 2025 increased by 7.65% compared to 2024; its total energy consumption in 2025 increased by 4.66% compared to 2024, while the "unit product energy intensity" decreased by 2.78%.

The Malaysia plant's production volume in 2025 decreased by 9.23% compared to 2024; its total energy consumption in 2025 increased by 5.68% compared to 2024, and the "unit product energy intensity" increased by 16.43%.

In 2024, total energy consumption amounted to 461,368.06 GJ. Purchased and self-generated renewable electricity totaled 48,514.84 GJ, accounting for a renewable energy ratio of 10.5%.

Energy Type	Unit	Taoyuan Plant			Kunshan Plant			Guangzhou Plant			Malaysia Plant	
		2023	2024	2025	2023 ^(Note 5)	2024 ^(Note 5)	2025	2023 ^(Note 5)	2024 ^(Note 5)	2025	2024	2025
Natural Gas	GJ	61,527.71	71,428.61	56,691.02	-	-	-	-	-	-	-	-
Liquefied Petroleum Gas	GJ	-	-	-	-	-	-	-	-	-	6,420.70	5,314.99
Purchased Non-renewable Electricity	GJ	40,332.06	59,848.51	52,422.18	96,969.84	105,446.99	112,367.25	134,654.25	142,786.19	148,751.14	20,945.79	3,854.66
Purchased Renewable Electricity	GJ	-	-	-	-	-	-	-	-	-	33,831.91	51,094.57
Self-generated Renewable Electricity for Self-use	GJ	967.51	894.64	994.31	3,838.49	7,543.16	8,126.07	-	6,245.13	7,531.62	-	4,553.53
Gasoline	GJ	49.41	40.39	44.27	349.74	358.31	293.58	1,021.39	850.93	836.67	143.48	99.61
Diesel	GJ	876.42	1,000.96	775.63	1,103.66	1,035.01	1,316.92	2,472.36	2,469.68	2,329.26	170.84	73.18
Total Energy Consumption	GJ	103,753.11	133,213.11	110,927.41	102,261.73	114,305.47	122,103.83	138,148.00	152,351.93	159,448.70	61,497.55	64,990.55
Renewable energy usage	GJ	967.51	894.64	994.31	3,838.49	7,543.16	8,126.07	-	6,245.13	7,531.62	33,831.91	55,648.10
Renewable energy ratio	%	0.93%	0.67%	0.90%	3.75%	6.60%	6.66%	0.00%	4.10%	4.72%	55.01%	85.62%
Unit Product Energy Intensity	GJ/tonne	14.13	17.39	17.64	30.43	30.69	30.87	56.23	55.64	54.09	53.80	62.64

* Note 1: The Malaysia plant was included in the data statistics for the first time in 2024.

* Note 2: Referencing the energy consumption conversion factors announced by the Energy Administration, Ministry of Economic Affairs for gasoline, electricity, diesel, and liquefied petroleum gas, which are 7,520 kcal/L, 860 kcal/kWh, 8,629 kcal/L, and 5,958 kcal/L, respectively, where 1 cal equals 4.187 KJ. For natural gas, conversion is performed using the monthly average heating value coefficient provided by CPC Corporation, Taiwan, with the value for 2025 being 9,502 kcal/L.

* Note 3: The Taoyuan, Kunshan, and Guangzhou plants have no sales of electricity, heating, cooling, or steam energy, and the production processes have no cooling or steam energy consumption.

* Note 4: The Malaysia plant has installed solar panels for self-generation and self-use. However, the solar panel circuits were damaged due to plant expansion engineering, and were repaired in March 2025. Therefore, accurate statistics could not be compiled for January to March of this year.

* Note 5: Due to human processing oversight in the data aggregation process, data for the Kunshan and Guangzhou plants in 2023 and 2024 were misplaced. Information has been restated in this year's report in accordance with GRI 2-4; please refer to the restatement explanation table in the appendix for details.

3.2.3 Greenhouse Gas Management (GRI 305-1、GRI 305-2、GRI 305-4、GRI 305-5)

Companies dedicated to energy saving and carbon reduction not only contribute to society but also reduce operating costs by improving energy efficiency. The Taoyuan Plant is classified as a stationary pollution source required to be declared by the Ministry of the Environment; declarations are filed quarterly and government audits are fully cooperated with. In 2025, the Company continued to conduct greenhouse gas inventory on a consolidated basis (covering the Taipei HQ, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant). Adhering to our principles, the Company continuously promotes various sustainability policies to achieve sustainable operations and continuous corporate growth.

Due to the decrease in the production volume of magnetic powder at the Taoyuan plant and the energy saving and consumption reduction improvements in the calcination process, natural gas consumption decreased slightly in 2025. The production of the new silicon carbide venture products decreased. Therefore, the greenhouse gas emissions in 2025 were 9,776 tonnes CO₂e, representing a 15.6% reduction compared to 2024, while the unit product energy intensity increased by 2.98%.

In 2025, the greenhouse gas emissions of the Kunshan Plant were 18,356 MT of CO₂e, representing a slight increase compared to 17,884 MT of CO₂e in 2024, with a CO₂e increment of 2.6% in 2025. Over 99% of the greenhouse gas emission sources were purchased electricity. In 2025, purchased electricity amounted to 31.206 million kWh, and the CO₂e emissions from purchased electricity were 18,655 MT of CO₂e. In addition, a portion of the electricity was generated through a self-consumption solar photovoltaic model. In 2025, solar power generation reached 2.2567 million kWh, representing a 7.7% increase in solar photovoltaic power generation compared to 2024. The "greenhouse gas intensity per unit of product" decreased by 3.31% compared to 2024.

The Guangzhou plant's production volume in 2025 increased by 7.65% compared to 2024; its greenhouse gas emissions in 2025 were 19,396 tonnes CO₂e, a decrease of 11.7% compared to 2024, and the "unit product greenhouse gas intensity" dropped by 17.96%.

The Malaysia plant's product output in 2025 decreased by 9.23% compared to 2024; its greenhouse gas emissions in 2025 were 1,234 tonnes CO₂e, representing a 74.8% decrease compared to 2024, and the "unit product greenhouse gas intensity" dropped by 72.21%.

The consolidated company of ACME had a Scope 1 carbon emission volume of 4,200 tonnes CO₂e and a Scope 2 carbon emission volume of 44,561 tonnes CO₂e, totaling 48,761 tonnes of CO₂ emissions, and obtained a third-party assurance report.

Category	Unit	Taoyuan Plant			Kunshan Plant			Guangzhou Plant			Malaysia Plant	
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2024	2025
Scope 1	CO ₂ e tCO ₂ e	3,186	3,709	2,963	107	195	172	256	691	660	394	405
Scope 2	CO ₂ e tCO ₂ e	5,544	7,874	6,813	18,945	17,689	18,184	19,711*	21,278	18,736	4,502	829
Scope 1 + Scope 2	CO ₂ e tCO ₂ e	8,730	11,583	9,776	19,052	17,884	18,356	19,967*	21,969	19,396	4,896	1,234
Scope 3	CO ₂ e tCO ₂ e	-	-	566	-	-	98	-	-	448	-	27
Unit Product Greenhouse Gas Intensity	tCO ₂ e/ton	1.18	1.51	1.55	5.67	4.80	4.64	8.13	8.02	6.58	4.28	1.19

* Note 1: Scope 1 refers to direct emissions from production processes or facilities. The data in the above figure are calculated based on natural gas consumption and fuel consumption of company vehicles and diesel forklifts.

* Note 2: Scope 2 refers to energy indirect emissions. The data in the above figure are calculated based on electricity consumption.

* Note 3: Scope 3 refers to raw material transportation, product transportation, and employee commuting.

* Note 4: The inventory boundary uses the operational control approach to set the Taoyuan plant, Guangzhou plant, Kunshan plant, and Malaysia plant as the inventory scope.

* Note 5: Emission factors reference the Greenhouse Gas Emission Factor Management Table of the Ministry of Environmental Protection, China's grid electricity emission factors, and the global warming potential values from the IPCC 2021 Sixth Assessment Report.

* Note 6: GHG categories include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

* Note 7: ACME's 2025 consolidated annual emissions are self-inventoried data.

* Note 8: The 2025 Scope 1 and Scope 2 emissions were assured by Ernst & Young; Scope 3 emissions are self-inventoried data.

* Note 9: Due to human processing oversight in the data aggregation process, errors occurred in the [Scope 1, Scope 2, production volume] data of the Guangzhou plant for 2023. The total aggregated data for the overall company remains unchanged; * represents data restated in accordance with GRI 2-4.

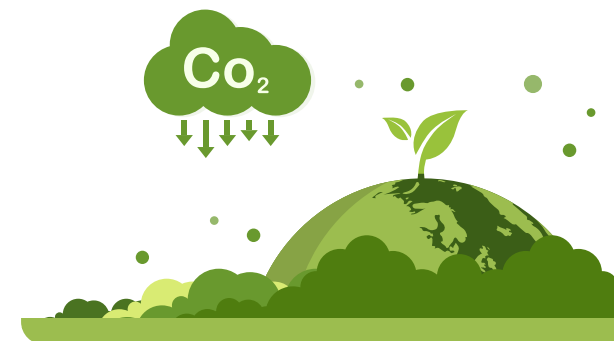
3.2.4 Implementation of Energy Saving and Carbon Reduction (GRI 305-5)

The company planned and actually executed various energy-saving and carbon-reduction programs in 2025 as shown in the table below, with an invested cost of NT\$28,948 thousand, reducing a total of 3,211.67 tonnes of CO₂e carbon emissions. The waste heat recovery and reuse of the calcination furnace at the Taoyuan plant achieved benefits that fell short of expectations, but still reached the 2025 target volume of 2,323 tonnes CO₂e.

2025 年節約能源措施				
Plant	Improvement Scheme	Energy Saving Calculation Method	Actual Carbon Reduction (CO ₂ e)	Investment Amount (NT\$ Thousand)
Taoyuan Plant	Reduce DO45 oven operation frequency	• Reduced from 4 times to 2 times daily; 50% power saving rate; 2,177 kWh electricity saved	1.08 tonnes	0
	Solar Photovoltaics (PV)	• In 2025, cumulative solar power generation reached 276,134 kWh	130.89 tonnes	0
	Reduce heat loss in SiC reaction furnace	• Replaced insulation materials in areas with severe heat loss, saving 2% electricity (23,328 kWh)	11.52 tonnes	1,840
	Calcination Furnace RK7	• Utilized waste heat recovery for green pellet preheating, reducing natural gas consumption by 18% and saving \$23,525 of natural gas	47.31 tonnes	1,500
Guangzhou Plant	Phasing out old air compressor	• The Processing Section at Guangzhou Plant operates a 55 kW air compressor for over 18 years (manufactured in 2006). High energy consumption and low output require replacement with a more energy-efficient model. • Before improvement: 55 kW*20h* 30days*12months = 396,000 kWh/year • Electricity saved after improvement: 396,000kWh*23.8% = 94,248kWh	41.65 tonnes	467
	Installation of rooftop solar photovoltaics	• PV power supply reached 2,089,560 kWh in 2025	923.38 tonnes	0
Kunshan Plant	Installation of rooftop solar photovoltaics	• In 2025, cumulative solar power generation reached 2,256,729 kWh	1,349.0 tonnes	0
Malaysia Plant	Solar power generation	• By 2025, solar power generation reached 1,264,581 kWh	695.52 tonnes	25,110
	Lowering air compressor main unit operating temperature	• Lowering the main unit temperature of the compressor from 95° C to 90° C saves 3.25% energy. Before improvement: 80kWh* 22h* 30 days*12 months = 633,600 kWh Electricity saved after improvement: 633,600*3.25% = 20,592kWh	11.32 tonnes	31
Total			3,211.67 tonnes	28,948

* Note 1: The exchange rate of RMB to NTD for the Guangzhou and Kunshan plants is converted at 1:4.534 (2026/01/12).
* Note 2: The exchange rate of MYR to NTD for the Malaysia plant is converted at 1:7.726 (2026/01/30).

Plant	2025 Target Carbon Reduction (CO ₂ e)	2025 Actual Carbon Reduction (CO ₂ e)	Achievement Rate
Taoyuan Plant	174.00	190.8	109.66%
Kunshan Plant	1,200.00	1,349.00	112.42%
Guangzhou Plant	949.00	965.03	101.69%
Malaysia Plant	700.00	706.84	100.9%
Total	2,323.00	3,211.67	138.26%



The company plans to execute energy-saving and carbon-reduction schemes in 2026 as shown in the table below, targeting a reduction of 3,916.06 tonnes of CO₂e carbon emissions.

2026 Energy Saving and Carbon Reduction Planned Schemes				
Plant	Improvement Plan	Energy Saving Calculation Method	Estimated Energy Savings	Target Carbon Reduction CO ₂ e
Taoyuan Plant	Replacement of 75HP equipment with a high-efficiency direct-drive air compressor	After replacement, the efficiency of the air compressor system increased from 5.5kW/m ³ to 4kW/m ³ , an efficiency improvement of 35%. Operating 8,640 hours annually, with total power consumption of 483,840 kWh.	483840*35%= 169,344 kWh	84 tons
	Replacement of level 5 energy efficiency packaged air conditioner with level 1 energy efficiency	Energy consumption of old machine is 2.8 kWh, new machine is 1.06 kWh, operating 3,600 hours annually.	69,264kWh	32.83 tons
	Replacement of lighting with high-efficiency fixtures	Original 20w lighting replaced with 481 high-efficiency 13w tubes, operating 7,200 hours annually, an efficiency improvement of 35%.	69,264*35%=24,242kWh	11.49 tons
Kunshan Plant	Solar photovoltaics	Based on the actual average of 2025 Estimated average monthly reduction of 120 tons of CO ₂ e		1,440 tons
Guangzhou Plant	Replacement of air compressor	The processing section of the Guangzhou Plant has one 55kw air compressor that has been in operation for over 18 years (production date: 2006). With high energy consumption and low output, it needs to be replaced with a more energy-saving and efficient air compressor.	46,728 kWh	25 tons
	Replacement of old three-phase asynchronous motor with a high-efficiency energy-saving permanent magnet synchronous motor	Annual energy saving rate of 5%~15%. Initial plan is to replace 8 motors, with a total power of 90.5KW.	70,947kWh	37.64 tons
	Installation of solar photovoltaics on factory roof	Average PV power supply of 174,130 kWh Estimated average monthly reduction of 128 tons of CO ₂ e		1536 tons
Malaysia Plant	Replacement of air compressors with new inverter air compressors	The existing two 50 HP air compressors have been running for 22 years and are now beyond repair. Replacing them with new inverter air compressors can save 30% of energy.	540,000kWh x 30% = 162,000 kWh	89.1 tons
	Solar power generation	By 2025, PV power generation will reach 1,264,581 kWh.	Estimated average monthly PV power generation is 100,000 kWh	660 tons
Total			Energy saving 642,525kWh	3,916.06 tons

* Note 1: The calculation method for energy saving and carbon reduction has been adjusted since 2024, uniforming the annualized benefit into the scheme execution year.

3.3 Air Pollution Control and Management

Management Policy (GRI 3-3)

Strategic Policy



Comply with environmental protection laws, commit to pollution prevention, and meet customer environmental and quality requirements.

Commitment



Achieve zero environmental violations.

Sustainability Principle



Resource Recycling and Eco-Friendliness



Impact Management Positive/Negative Impacts

- Continuous management tracking since 2021.

Impact Management Negative Impact Remediation and Preventive Measures

- Negative remediation: Adopt peripheral roads and maintain street trees.
- Preventive measures: Strengthen air pollution environmental equipment to reduce air pollution emissions.

Goal

- Zero environmental violations

2025

2025

Performance

- Zero environmental violations

Goal

- Zero environmental violations

2027

2030

Goal

- Zero environmental violations

In 2025, all operating locations of the Company (including Taipei Headquarters, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant) had "no" incidents of significant fines or non-monetary penalties due to violations of environmental laws and/or regulations, nor were there any administrative or judicial sanctions caused by environmental impacts, or environmental litigation cases filed through dispute resolution mechanisms.

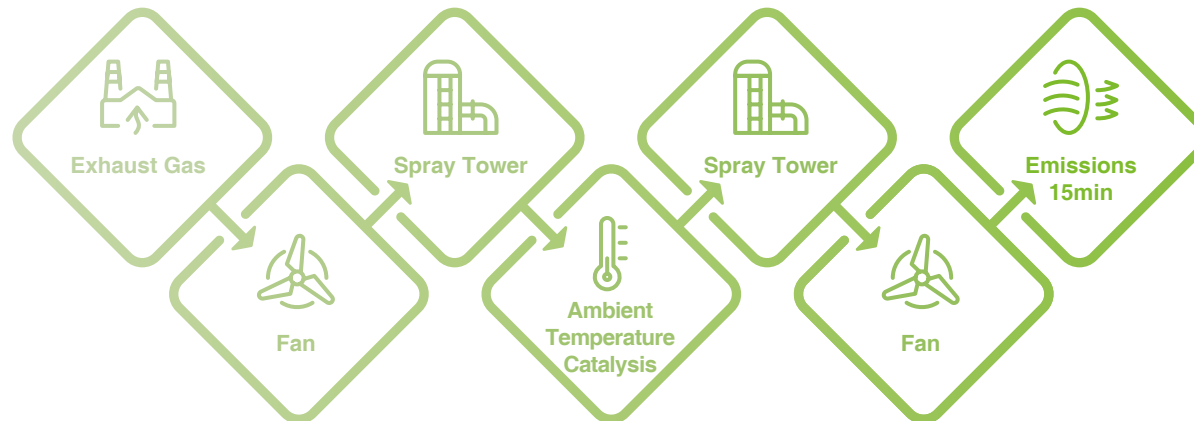
The fixed pollution sources of the Company's Taoyuan Plant are all equipped with pollution prevention equipment. The pollutants consist of Particulate matter (PM) and Nitrogen Oxides (NOx); pollution prevention equipment includes cyclone separators, baghouse dust collectors, and scrubbing towers; Pollution emission reduction equipment includes the installation of baghouse dust collectors in the feeding and discharging processes of calcination equipment, and the installation of automatic lifting equipment for batch barrel loading in the discharging process to reduce fugitive emissions.

Installing prevention equipment not only significantly improves the working environment and reduces the dust and fugitive emissions of particulate matter (PM) but also allows the collected dust to be recycled back into the manufacturing process, reducing resource waste.

The collection process is conducted at the original process pipelines, which does not affect the quality and purity of the products.

According to the Air Pollution Control Act, the Taoyuan Plant implements testing and declares the emissions of fixed pollution sources. Approved by the Ministry of Environment, it meets the air pollutant emission standards for fixed pollution sources, and there are no Sulfur Oxides (SOx) emissions. The Taoyuan Plant's stationary pollution source operating permit expired and was renewed in 2021, modifying the operation and installation permit content. In accordance with the "Management Regulations for the Establishment, Operation, and Fuel Use Permits of Stationary Pollution Sources", an application for extending the operating permit period was submitted, and the extension of the operating permit until 2026 has been successfully completed.

The Kunshan Plant and Guangzhou Plant conduct annual testing of fixed pollution sources according to the law. All testing data in 2025 complied with the emission standards of relevant regulations.



The Malaysia Plant's 2025 stationary pollution source emission testing complied with all limits according to local regulations.

Location	Tested Substance	Test Result (mg/m³)	Limit *(mg/m³)
AFP I - Chimney No. 2 (Dust Collector 2, 3, 4)	Total PM	10.5	50
	Cu	0.36	5.0
	Zn	1.85	5.0
	As	< 0.01	0.2
	Sb	< 0.01	5.0
	Pb	< 0.01	1.0
	Cd	< 0.01	0.2
	Hg	< 0.01	0.2
AFP II - Chimney Leading from Rotary Kiln	Total PM	8.6	50
	Cu	0.15	5.0
	Zn	1.32	5.0
	As	< 0.01	0.2
	Sb	< 0.01	5.0
	Pb	< 0.01	1.0
	Cd	< 0.01	0.2
	Hg	< 0.01	0.2
AFP II - Chimney Leading from Spray Dryer	Total PM	9.4	150
	Cu	0.22	5.0
	Zn	1.45	5.0
	As	< 0.01	0.2
	Sb	< 0.01	5.0
	Pb	< 0.01	1.0
	Cd	< 0.01	0.2
	Hg	< 0.01	0.2

ACME 2025 Stationary Pollution Source Emissions (GRI 305-7)

Unit: Tons/Year

PlantPlant	Pollutant	Emission Volume
Taoyuan Plant	Particulate matter (PM)	0.114
	Nitrogen Oxides (NOx)	2.279
	Volatile Organic Compounds (VOCs)	3.913
	Hazardous Air Pollutants (HAPs)	NA
Kunshan Plant	Particulate matter (PM)	0.381
	Nitrogen Oxides (NOx)	NA
	Volatile Organic Compounds (VOCs)	NA
Guangzhou Plant	Particulate matter (PM)	2.699
	Nitrogen Oxides (NOx)	NA
	Volatile Organic Compounds (VOCs)	2.904

* Note 1: The stationary pollution source emissions of the Guangzhou Plant are based on ecological and environmental statistical requirements. If automatic online monitoring equipment is not installed or manual monitoring is not conducted quarterly, the pollutant emission volume is calculated using the coefficient method.

The screenshot displays a table from the EIR report, detailing emission data for various pollutants. The table is organized into columns for pollutant name, unit, and emission volume. The pollutants listed include PM, NOx, VOCs, and HAPs. The emission volumes are provided in tons per year (t/a). The table also includes a section for the calculation of emission volumes using the coefficient method.

污染物名称	计算单位	排放	全年总量	排放浓度	计算单位	排放	全年总量
PM	kg	0.114	0.114	kg	0.114	0.114	0.114
NOx	kg	2.279	2.279	kg	2.279	2.279	2.279
VOCs	kg	3.913	3.913	kg	3.913	3.913	3.913
HAPs	kg	NA	NA	kg	NA	NA	NA

* Note 2: According to the environmental impact assessment report, the Kunshan Plant does not involve NOx and VOCs. According to local ecological statistical requirements for stationary pollutant emission sources, automatic online monitoring equipment is not required, so the pollutant emission volume is calculated using the emission concentration and emission rate from the annual testing report. According to the inspection report, there are no HAP emissions. The emission volume is calculated using the emission concentration and emission rate from the annual testing report. The emission volume is extremely low, thus not disclosed.