



越峯電子材料股份有限公司
ACME Electronics Corporation

2025 ESG REPORT



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About This Report

Editorial Explanation (GRI 2-2、2-5)

ACME Electronics Corporation (ACME) formally established its Corporate Social Responsibility Committee in 2015, with the support of the USI Group and the Company's senior management. In the same year, ACME began publishing its Corporate Social Responsibility Reports. The committee was subsequently renamed the Sustainable Development Committee (ESG) Committee. Since its establishment, ACME has remained committed to formulating and advancing various social responsibility initiatives, aligning its efforts with the United Nations Sustainable Development Goals (SDGs).

From the publication of the 2014 Corporate Social Responsibility Report to renaming it the Sustainability Report (ESG Report) in 2020, this is our twelfth report. We hope to continue responding to issues of concern to stakeholders through the publication of the sustainability report, allowing stakeholders to understand our efforts in sustainable operations.

Report Scope and Boundaries (GRI 2-2、2-3、2-4)

The disclosure scope of this report is consistent with the consolidated financial statements of ACME Electronics Corporation, covering the headquarters, Taoyuan plant, and subsidiaries (Guangzhou plant, Kunshan plant, and Malaysia plant).

Where certain environmental and social statistical indicators do not fully cover specific overseas subsidiaries due to differences in operational models, these instances have been clearly denoted in the respective chapters and data tables.

The disclosure period is from January 1, 2025, to December 31, 2025. The report presents the Company's management and performance in Environmental, Social, and Governance (ESG) aspects. The financial information is consistent with the CPA-audited financial report data. Some statistical data are cited from the annual report, government agencies, and related public websites. Unless otherwise specified, the currency used is the New Taiwan Dollar (NTD).

Reporting Framework

The content of this report is compiled in accordance with the Global Reporting Initiative (GRI) Universal Standards 2021, the Sustainability Accounting Standards Board (SASB), and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. It also references the Task Force on Climate-related Financial Disclosures (TCFD) framework and the United Nations Global Compact (UNGC) to formulate the report content, and responds to The Sustainable Development Goals (SDGs) by setting goals and action plans.

Explanation of Information Restatement

During the preparation of the 2025 Sustainability Report, the Company re-examined historical data and discovered data misplacements in the "Energy Management Statistical Table" and "Greenhouse Gas Management Statistical Table" of the 2024 report. The information has been restated in this year's report in accordance with GRI 2-4.

Restatement Reason 1:

Due to manual processing errors in the data compilation process, the data for the Kunshan Plant and Guangzhou Plant in 2023 and 2024 were misplaced.

Restatement Reason 2:

Due to manual processing errors in the data compilation process, errors occurred in the [Scope 1, Scope 2, and Production Volume] data of the Guangzhou Plant in 2023.

Impact Scope: Corrected the individual data of the Kunshan Plant and Guangzhou Plant; the overall aggregated data of the Company remains unchanged.

Corrective Action: The Company has strengthened the data review mechanism and incorporated a cross-comparison process for data from all plants into the procedures to prevent such incidents from happening again.

Internal Review and External Assurance (GRI 2-3、2-5)

Data and information disclosed in this report were provided by the three task forces under the ESG Committee, each responsible for its respective business functions. The project secretary of the ESG Committee compiled and prepared the initial draft, which was then reviewed and revised by committee members and task force representatives based on their areas of responsibility. The draft was subsequently reviewed by the Group's Division of Equipment Preventive Maintenance and Environmental Risk Control, and submitted to the President and Chairman for approval through internal procedures. The final report was approved by the ESG Committee and the Board of Directors in August and subsequently published.

This report complies with the GRI Universal Standards. Deloitte Taiwan serves as the independent third-party assurance provider, reviewing compliance with the GRI Universal Standards and executing limited assurance engagements on 5 ESG indicators in accordance with Assurance Standard 3000, issuing a limited assurance report.

Publication Time (GRI 2-3)

The Sustainability Report is published annually, and this report is the twelfth edition.

Previous Publication Date	Previous Publication Date August 2025
Current Publication Date	Current Publication Date August 2026
Next Scheduled Publication Date	Next Scheduled Publication Date August 2027

Report Download

To support environmental protection and promote paperless operations, you can download the electronic version of the report via the "Corporate Sustainability" section on our Company website.

Company Website	https://www.acme-ferrite.com.tw/
Corporate Sustainability Section URL	https://www.usig.com/ACMECSR/Index.aspx

Contact Us (GRI 2-3)

If you have any feedback or suggestions regarding the content of this report, please feel free to contact us through the following channels.

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ESG Email	kevinpp@usig.com

Message from the Chairman (GRI 2-22)

Facing violent fluctuations in international political and economic situations, urgent challenges of climate change, and structural shifts in the petrochemical industry chain, we continued to uphold the philosophy of "Creating Sustainable Value Together, Building a Sustainable Society Together" in 2025 to create long-term mutual benefits for all stakeholders, including customers, shareholders, employees, society, and the environment. In the face of a highly uncertain macro-environment, we deepened corporate resilience and drove comprehensive transformation through more agile action and firm governance decisions.

Precise Transformation, Deepening High-Value Blue Oceans

Over the past year, the general-purpose resin market faced severe overcapacity, plunging the petrochemical industry into unprecedented red ocean competition. We deeply realize that moving towards high value-added products is the only answer to sustainable operations. Therefore, we actively invested in the development of lightweight, high-quality, and low-carbon circular materials. USI Corporation (USI), Asia Polymer Corporation (APC), Taita Chemical Company, Limited (TTC), and China General Plastics Corporation (CGPC) have all passed ISO 14021 Pre-Consumer material certification, developed recycled circular products, and continued to expand the scope of Business to Consumer (B2C) applications. We promise to provide customers with higher quality and more innovative and competitive solutions to ensure long-term profitability for shareholders and a lasting foundation for the enterprise.

Agile Collaboration, Empowering Operations Management with AI

In an era of highly compressed profit margins, we actively optimized our internal operational health. We are comprehensively promoting the practical application of AI technology, introducing artificial intelligence into manufacturing, administrative management, and R&D processes to significantly improve resource utilization efficiency and process yield through data-driven approaches. Meanwhile, we are committed to shaping an efficient "One Team" cross-departmental collaboration culture. This not only empowers all colleagues with higher combat capabilities amidst changes, but we also hope to extend this efficient and lean management experience outward to drive supply chain partners to simultaneously move toward modernized operational excellence.

Climate Resilience, Deepening TNFD Disclosures

We deeply understand the interdependence between corporate operations and the natural environment. Regarding climate action, USI Corporation (USI) and China General Plastics Corporation (CGPC) both achieved a B (Management) rating in the Carbon Disclosure Project (CDP) Climate Change and Water Security questionnaires. This outstanding achievement reflects the Company's excellent transparency in environmental governance and its practical capability to actively respond to climate risks and implement resource management. We are more firmly moving toward the long-term goals of "reducing carbon emissions by 27% compared to the baseline year by 2030" and achieving "Carbon Neutrality by 2050". To implement low-carbon operations, the Group's USI Green Energy Corporation has continuously expanded its green power layout. In 2025, solar grid-connected capacity increased to 9MW, with annual power generation exceeding 11,250 MWh, and aims to further reach a 12MW installation scale by 2027. Furthermore, in response to global concerns over biodiversity, five listed/OTC companies under the Group have fully launched the Taskforce on Nature-related Financial Disclosures (TNFD) program. By systematically verifying our operational activities' dependence on and impact on natural capital, we elevate environmental risk management to a whole new level and concretely implement our commitment to protecting the ecological environment.

2025 ESG Achievements

- ACME's 2024 Sustainability Report participated in the 18th Taiwan Corporate Sustainability Awards (TCSA) and won the "Platinum Award" in the Corporate Sustainability Reporting Awards and the "Excellence Award" in the Premier Sustainability Performance Award.
- Based on the results of the 12th "Corporate Governance Evaluation of TWSE/TPEX Listed Companies", we became one of the TPEX-listed companies to enter the top 5% "for the first time since being evaluated."
- In 2025, greenhouse gas emissions decreased by 22% compared to the baseline year (2017), and we continued to carry out related climate adaptation activities.
- In terms of occupational safety and health, disabling-injury-free work hours reached 1.868 million hours by 2025, and the record continues. This year, we also won the "Outstanding Enterprise Award" in the Proactive Evaluation of Occupational Health and Safety Performance Disclosed in Corporate Sustainability Reports by the Occupational Safety and Health Administration, Ministry of Labor.

Human Rights Protection and Social Inclusion

Employees are the foundation of corporate transformation. We are committed to building a diverse, inclusive workplace that prioritizes occupational safety. At the same time, we share the fruits of corporate growth with society through the USI Education Foundation. In 2025, the Foundation invested a total of approximately NT\$10.04 million to continually support diverse public welfare projects, including scholarships and grants for outstanding students, rural education and regional revitalization in Hualien and Taitung, rural medical services, after-school tutoring for disadvantaged students, indigenous cultural revival, and coastal cleanups, exerting a substantive and far-reaching social impact.

Looking ahead, market challenges remain severe, but our direction forward is exceptionally clear. We will continue to use our ability to take action and cross-boundary collaboration as cornerstones to advance steadily on the path of sustainable development. We appreciate the long-term trust and support from all stakeholders and look forward to working hand-in-hand with you to co-create a more resilient and valuable long-term future.

Acme Electronics Corporation (ACME)
Chairman Quintin Wu



2025 Overview of Sustainability

Governance Aspect

Revenue of **NT\$3,069,021** thousand, an annual decrease of **1%**

Operating net loss **NT\$66,748** thousand

Total sales volume of **8,375** tons, an annual increase of **12%**

The results of the 12th Corporate Governance Evaluation of **TWSE/TPEX Listed Companies** showed we were one of the TPEX-listed companies to enter the top**5%** for the first time since being evaluated."

The 18th Taiwan Corporate Sustainability Awards (TCSA) Taiwan's Excellent Sustainable **Companies Award**

The 18th Taiwan Corporate Sustainability Awards (TCSA) "**Platinum Award**" in Corporate Sustainability Reporting Awards

Environmental Aspect

Total environmental costs amounted to **NT\$19,609** thousand

Greenhouse gas emissions of **44,211** tons CO₂e, a **22%** reduction compared to the baseline year (2017)

Implemented various energy-saving and carbon reduction programs, reducing carbon emissions by **3,211.67** tons CO₂e, achieving an attainment rate of **138%**

Taoyuan Plant reached a power saving rate of **1.5 %**, complying with the Energy Administration's requirement of "**1%** annual average power saving."

Renewable electricity accounted for **15.80%** of total energy consumption

Waste recycling rate of **99.03%**

Continuously promoted **ISO 14001** Environmental Management Systems

Social Aspect

Total employee occupational safety training hours were **38,834** hours, accounting for approximately **28%** of the total **136,600** education and training hours

Disabling-injury-free work hours reached **186.8** million hours by 2025

Continuously promoted Occupational Health and Safety Management Systems (**ISO 45001**)

Sponsored **NT\$1 million** to the USI Education Foundation

Received the "**Outstanding Enterprise Award**" in the Proactive Evaluation of Occupational Health and Safety Performance Disclosed in Corporate Sustainability Reports by the Occupational Safety and Health Administration, Ministry of Labor

Sponsored the Taoyuan City Guanyin District Air Pollution Disaster Prevention and Patrol Association for the 2025 "Energetic, Healthy, Love Guanyin Walking Activity"

In accordance with "Article 38 of the People with Disabilities Rights Protection Act", the Taoyuan Plant has a statutory employment quota of 2 people. The actual employment is 2 people with mild disabilities and 1 with severe disabilities (weighted as 2 people by law). The total statutory calculated number reaches 4 people, outperforming regulatory requirements with an excess employment rate of 100%.

ESG Awards in 2025



2025 Sustainability Activities





1

ACME Sustainable Operations

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ACME Sustainable Operations

1.1 Sustainability Vision and Goals (GRI 2-22、2-23)

1.1.1 Sustainability Vision and Operating Strategy

Acme Electronics Corporation (ACME) (Stock Code: 8121) was mainly established through an investment by USI Corporation (USI) on September 5, 1991. The USI Group originated with the founding of USI in 1965. In 1997, it joined forces with UPC Technology Corporation to acquire a controlling interest in CGPC Group, establishing its position as a leading conglomerate in Taiwan's petrochemical and plastics industry. Leveraging the Group's strong foundation in petrochemicals and plastics, and through the effective integration of its resources, USI Group has successfully expanded its business portfolio into electronics, advanced materials, venture capital, and other strategic investment areas.

The USI Group's sustainability vision is "Creating Sustainable Value and Advancing a Sustainable Society," which reflects the Group's commitment to leveraging its core competencies to generate long-term value and contribute meaningfully to societal sustainability.

This vision is supported by three core strategies: R&D Innovation, Stable Operations, and Inclusive Society, all aimed at co-creating value with stakeholders. Based on these strategies, the Group has identified seven key sustainability topics, which are collectively advanced with integrity-driven partners as the foundation for shared development.



As a member of the Group, the Company follows the Group's vision to set three major sustainability principles: "Governance and Value Chain Management," "Resource Recycling and Eco-Friendliness," and "Happy Workplace and Social Participation." By linking to material topics, we annually review the consistency of the analysis results with the sustainability principles, and examine and discuss the achievement status of annual performance. The Company's sustainability strategy and its economic, environmental, and social promotion plans are as follows:

ACME Sustainability Strategy



Governance and Value Chain Management



Technical R&D



Product Quality



Economic
Benefits



Customer
Relationship
Management



Supply Chain
Management



Happy Workplace and Social Participation



Occupational
Health and Safety



Talent Cultivation



Talent Attraction
and Retention



Resource Recycling and Eco-Friendliness



Air Pollution
Prevention



Raw Material
Management

Sustainability Strategies and Short-Term and Mid-to-Long-Term Plans



Short-Term Plan (2025)

Mid-Term Plan (2027)

Long-Term Plan (2030)

Aspect

Action Plan

Goal



Governance

- Enhance product competitiveness and operational performance through innovative product R&D and market expansion, maintaining continuous company growth and corporate sustainable development.
- The ferrite core business drives revenue and profit growth through market development, quality improvement, and cost reduction.
- The SiC new business continues to see revenue and profit growth.
- The ferrite core and SiC businesses continue to grow and increase profitability. Continuous development of new products.
- The ferrite core and SiC businesses continue to grow and increase profitability. Continuous development of new products.



Environmental

- Actively promote waste reduction, reuse, and recycling measures. Comply with environmental protection laws, commit to pollution prevention, and meet customer environmental and quality requirements.
- Continue to implement energy-saving and carbon reduction improvement actions.
- Taoyuan, Kunshan, Guangzhou, and Malaysia plants carbon reduction target of 2,323 tons CO₂e.
- Use the Task Force on Climate-related Financial Disclosures (TCFD) methodology to identify transition risks and physical risks in operational processes, annually review response actions, and build a resilient climate change culture.
- The Taoyuan, Kunshan, Guangzhou, and Malaysia plants will follow USI Group's target of "reducing carbon emissions by 10% in 2027 compared to 2017," continuing energy saving, carbon reduction, and increasing green power usage.
- Use the Task Force on Climate-related Financial Disclosures (TCFD) methodology to identify transition risks and physical risks in operational processes, annually review response actions, and build a resilient climate change culture.
- The Taoyuan, Kunshan, Guangzhou, and Malaysia plants will follow USI Group's target of "reducing carbon emissions by 27% in 2030 compared to 2017" and the 2050 Carbon Neutrality goal, continuing energy saving, carbon reduction, and increasing green power usage.



Social

- Recruit talents widely, build brilliance together, match personnel appropriately, and share results. Continue to reduce safety and health risks, prevent and reduce occupational disasters, and promote employee health.
- Employee satisfaction: Taiwan 76%, Kunshan Plant 90%, Guangzhou Plant 84%, Malaysia Plant 70%.
- Recruitment attainment rate: Taiwan 100%, Kunshan Plant 100%, Guangzhou Plant 100%, Malaysia Plant 100%.
- Average employee training hours: Taiwan 48 hr, Kunshan Plant 48 hr, Guangzhou Plant 48 hr, Malaysia Plant 48 hr. Zero disasters, zero accidents, zero injuries and illnesses, zero violations, and zero emissions.
- Establish a scientific and complete training system along with a professional and complete technology transfer system to meet the various levels of training needs during employees' career planning periods, achieving mutual growth for the enterprise and employees.
- Continue to achieve the highest goal of zero disasters, zero accidents, zero injuries and illnesses, zero violations, and zero emissions.
- Establish a scientific and complete training system along with a professional and complete technology transfer system to meet the various levels of training needs during employees' career planning periods, achieving mutual growth for the enterprise and employees.
- Continue to achieve the highest goal of zero disasters, zero accidents, zero injuries and illnesses, zero violations, and zero emissions.

1.1.2 ESG Committee (GRI 2-14)

In order to fulfill corporate social responsibility and promote economic, environmental, and social progress to achieve sustainable development goals, the Company formulated its "Sustainable Development Best Practice Principles" for compliance, with reference to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies." Our ESG development strategy is based on business philosophy and corporate culture. We fulfill social responsibilities to stakeholders, allowing customers and suppliers to establish a trusted cooperative relationship with us due to our integrity and sound corporate governance. We attract investors to invest long-term by identifying with our core values. Employees develop cohesion based on their identification with the Company. Driven by these internal and external aids, we achieve the goals of corporate sustainable operations and continuous growth.



The Company established the Corporate Social Responsibility Committee in 2015, which was later renamed the Sustainable Development Committee (ESG Committee). To strengthen corporate governance, ensure the effective implementation of sustainability policies, and enhance ESG performance, the Committee was elevated to a functional committee under the Board of Directors on July 31, 2023.

The ESG Committee of the Company comprises five members, including the Chairman, Independent Directors Shun-Tian Lin, Piao-Chun Chen, and Ting-Chang Wang, and the President. Independent Director Shun-Tian Lin serves as the Chairperson of the Committee, while the President serves as the Vice Chairperson. The term of office for all members is from July 31, 2023 to May 25, 2026. Dr. Shun-Tian Lin holds a Ph.D. in Materials Science from a university in the United States and is currently a professor at the National Taiwan University of Science and Technology. He possesses expertise in green energy and advanced materials, which supports the Company's ESG-related initiatives.

Overview of Professional Background and Diversity of the ESG Committee

Name		Lin, Shun-Tian	Wu, Wen-Hao	Quintin Wu	Chen, Piao-Chun	Wang, Ding-Chang
Position		Chairperson (Independent Director)	Vice Chairperson (Director & President)	Member (Chairman)	Member (Independent Director)	Member (Independent Director)
I. Strategic & Governance Competency	ESG Strategy Planning and Management	●	●	●		●
	Board of Directors/Functional Committee Governance Practices	●		●	●	●
	Internal Control and Sustainability Governance Policy Design					●
	Sustainable Supply Chain Management					●
II. Environmental Competency	Green Product Design	●		●		
	Circular Economy and Resource Efficiency	●				●
	Energy Saving & Carbon Reduction Technology and Energy Management	●	●	●	●	●
	Environmental Regulations and Pollution Prevention					●
III. Social & Human Rights Competency	Human Rights Due Diligence and Risk Management (UNGP)					
	Employee Rights and Diversity & Inclusion Policies	●	●	●	●	●
	Occupational Health and Safety Management (OHS)					●
	Social Participation and Charitable Practice			●		●
IV. Industry-specific Sustainability	Sustainable Finance/Green Finance Knowledge	●				●
	Green R&D and Innovative Product Management	●		●		
	Practical Experience in Integrating ESG into Core Business Operations*	●	●		●	●
	Smart Manufacturing and Digital Sustainability Solutions	●	●	●		●

* For example, manufacturing, information and communication technology, construction, energy, etc.

The ESG Committee held 2 meetings in 2025, and the members' personal attendance rate reached 100%. For the ESG Committee's authority and operational status, please refer to the Sustainable Development Committee's operational status and committee meeting minutes on the Company's website. It explains the Company's achievements and efforts in ESG material topic management, stakeholder communication status, as well as corporate governance, environmental protection, employee care, and Social Participation. At the same time, it also reports the execution status of the greenhouse gas inventory and assurance for the Company and its consolidated subsidiaries.

Meeting Minutes

Meeting Date	March 4, 2025.	August 5, 2025.
Attending Members	Shun-Tien Lin, Wen-Hao Wu, Quintin Wu, Piao-Chun Chen, Ting-Chang Wang.	Shun-Tien Lin, Wen-Hao Wu, Quintin Wu, Piao-Chun Chen, Ting-Chang Wang...
Reporting Items	Proposal 1: Outcomes of stakeholder engagement, including stakeholder identification, material topics, communication channels, and response methods, submitted for review and reference. Proposal 2: 2024 sustainability performance and 2025 work plans, submitted for review and reference. Proposal 3: Execution progress and planning of the 2024 Sustainability Report, submitted for review and reference.	Proposal 1: The Company's sustainability performance in the first half of 2025, submitted for review and reference. Proposal 2: The Company's carbon reduction project execution status in 2024, submitted for review and reference.

The ESG Committee has established three taskforces: the Corporate Governance Taskforce, the Environmental Protection Taskforce, and the Social Relations Taskforce. The members of the three working groups are composed of a task-force team involving relevant department heads or their assigned representatives. They are responsible for issue planning, internal and external data collection, and goal-setting deliberations, and jointly compile and publish the annual sustainability report based on their responsibilities. The Project Secretary is responsible for coordinating the overall corporate sustainable development policies and strategy development plans, formulating and reviewing sustainable development policies, systems, or related management guidelines, and tracking the progress of each group's action plans and performance improvements.



Sustainable Development Implementation Results in 2025 and Work Plan for 2026

Item	2025 Execution Results	2026 Work Plan
 Environmental Sustainability	- Implement energy-saving and carbon reduction programs. - Taoyuan Plant's existing solar power generation for self-consumption was 247kW; an additional 76kW was installed this year. - Malaysia Plant used 93.2% green power.	- Operations related to International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. - Continuously promote the Company's various energy-saving and carbon reduction programs.
 Social Sustainability	- Participated in various activities, such as: community care, charity blood donations, etc. - Conducted labor occupational safety and health education and training, and fire safety management practical training. - Listed as an Outstanding Enterprise in Occupational Health by the Occupational Safety and Health Administration, Ministry of Labor.	- Continuously participate in social welfare activities. - Continuously conduct various educational trainings.
 Governance Sustainability	- Taiwan Corporate Sustainability Awards (TCSA): Corporate Sustainability Reporting Awards - "Platinum Award" and Premier Sustainability Performance Award- "Taiwan's Excellent Sustainable Companies Award" . - Ranked in the top 5% of the Corporate Governance Evaluation. - Outstanding performance in the declared amount for green procurement. - Set goals for material topics management.	- Publish the Chinese version of the 2025 Sustainability Report in August. - Publish the English version of the 2025 Sustainability Report in September. - Update 2025 information in coordination with the Task Force on Climate-related Financial Disclosures (TCFD) framework. - Continuously introduce internal control operations related to sustainability. - Continuously participate in sustainability-related evaluation activities.

1.2 ACME's Value Chain

1.2.1 ACME Introduction

The Company's soft ferrite core products belong to inductor-type passive components, mainly applied in communication, information, consumer, and automotive electronic products.

To expand our advanced materials product portfolio, the Company is also dedicated to producing high-purity silicon carbide (SiC) powder and SiC ceramic blocks. These provide excellent mechanical strength and thermal conductivity to meet the demands of semiconductor equipment in harsh operating environments. This key material also endows next-generation components in fields like electric vehicles, aerospace, and power electronics with superior performance, enabling them to operate stably at higher voltages, frequencies, and temperatures.

ACME achieves "Achieve Customers' Mission & Expectations" by being "Always Committed to Manufacturing Excellence."



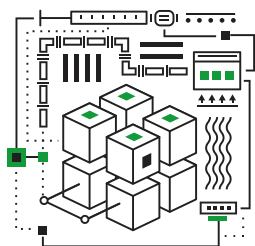
Company Profile (GRI 2-1)

Company Name	Acme Electronics Corporation (ACME)
Industry Sector	Electronic Components Industry
Headquarters Location	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan
Taoyuan Plant Address	No. 2, Guojian 2nd Rd., Guanyin Industrial Park, Guanyin Dist., Taoyuan City 328, Taiwan
Guangzhou Plant Address	No. 1, Fuqian Rd., Zengjiang St., Zengcheng Dist., Guangzhou City, Guangdong Province, China
Kunshan Plant Address	No. 533, North Huangpujiang Rd., Kunshan City, Jiangsu Province, China
Malaysia Plant Address	Plot 15, Jalan Industri 6 Kawasan Perindustrian Jelapang II(ZPB) Jelapang 30020 Ipoh, Perak, Malaysia.
Paid-in Capital	NT\$2.129 billion (As of December 31, 2025)
Total Number of Employees	1,850 people (As of December 31, 2025, including Taipei headquarters, Taoyuan, Kunshan, Guangzhou, and Malaysia plants)
Main Products	Mn-Zn soft ferrite powder Ni-Zn soft ferrite powder Mn-Zn soft ferrite cores Ni-Zn soft ferrite cores High purity SiC powders
Taoyuan Plant Capacity	Ferrite powder monthly capacity: 1,000 tons (As of December 31, 2025) Silicon carbide (SiC) powder monthly capacity: 25tons (As of December 31, 2025)
Guangzhou Plant Capacity	Ferrite core monthly capacity: 550 tons (As of December 31, 2025)
Kunshan Plant Capacity	Ferrite core monthly capacity: 700 tons (As of December 31, 2025)
Malaysia Plant Capacity	Ferrite core monthly capacity: 200 tons (As of December 31, 2025)

1.2.2 Our Value Chain (GRI 2-6)

Passive electronic components (Passive Components) play the role of basic components in electronic circuits; they cannot operate on their own and must operate by supplementing and connecting to active components. Passive component products can be divided into resistors (Resistor), capacitors (Capacitor), and inductors (Inductor), etc., which are indispensable and important basic components for equipment such as various information, communication, consumer, and industrial electronic products. In terms of their functions, resistors are used to adjust the voltage and current in a circuit; the main uses of capacitors include charge storage, AC filtering or bypassing, cutting off or blocking DC voltage, and providing tuning and oscillation; inductors are mainly used for preventing electromagnetic interference, filtering noise in current, and power conversion, and in addition to the above functions, they can be paired with resistors and capacitors to demonstrate filtering functions.

Introduction to the Passive Component Industry Chain



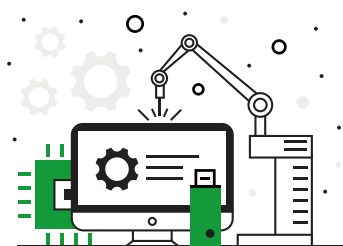
Upstream

- **Resistor Materials**
(alumina ceramic substrates, conductive paste/ink)
- **Capacitor Materials**
(such as etched/anodized aluminum foil, interface ceramic powders)
- **Inductor Materials**
(such as ferrites, conductive paste/ink)
- **Filter and Oscillator Materials**
(lithium tantalate/niobate wafers/discs, quartz substrates, metal and ceramic packaging materials)



Midstream

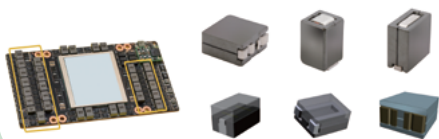
- **Resistors**
- **Capacitors**
- **Inductors**
- **Filters and oscillators**



Downstream

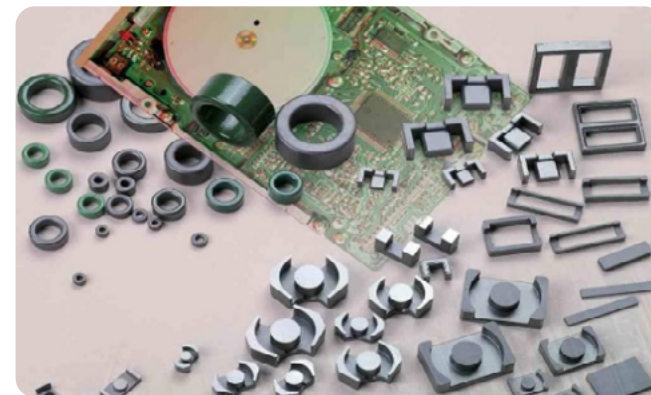
- **Electronic products**

AI Server Applications



The Mn-Zn and Ni-Zn soft ferrite cores produced by the Company fall under inductive materials within the category of passive components. They serve as upstream materials for filters, chokes, electronic ballasts, switching power supplies (SPS), and various types of transformers such as inverters, converters, inductors, and telecom transformers. Major customers include Delta Electronics, Lite-On, FSP Technology, AcBel Polytech, Sumida, Würth, as well as their subsidiaries and partner factories in Mainland China. These electronic components are further applied in common electronic products such as chargers, cloud servers, desktop computers, notebook computers, LCD monitors, LED TVs, smartphones, automotive electronics, and communication network equipment. Because inductors stabilize current, suppress noise, and reduce electromagnetic radiation, they are widely used in information technology and consumer electronics.

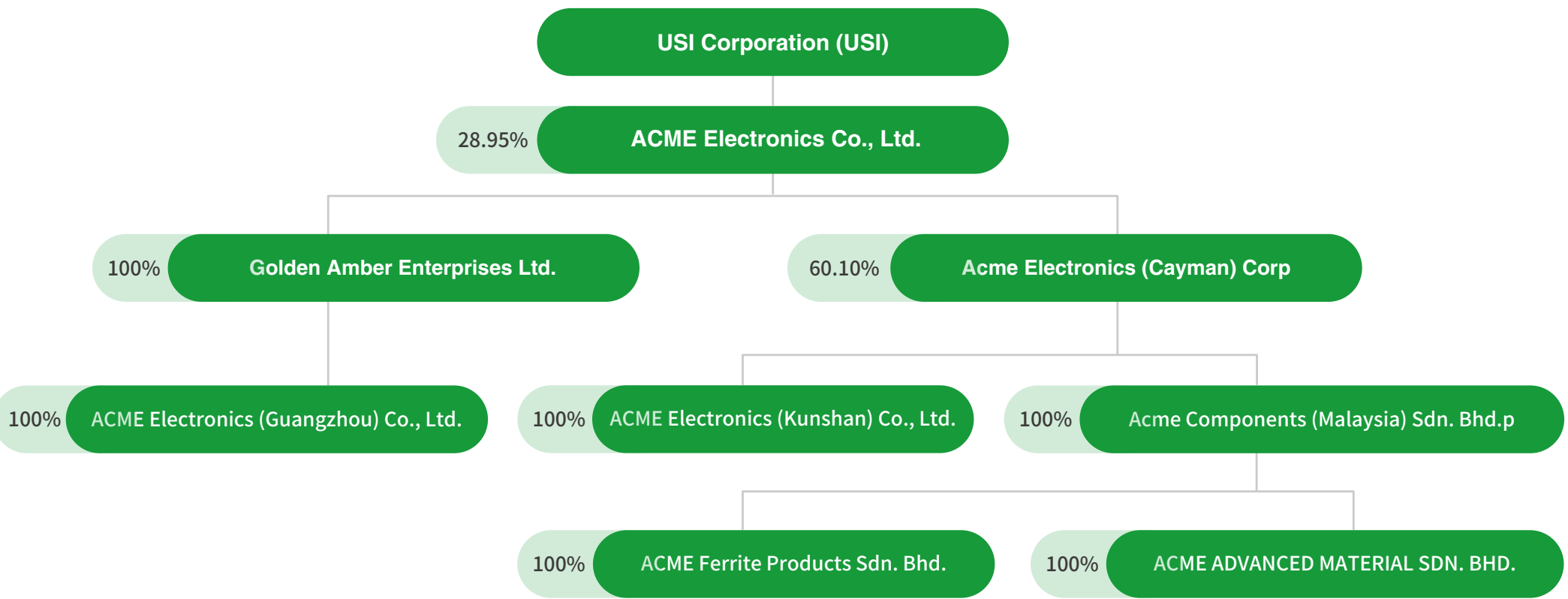
Mn-Zn and Ni-Zn soft ferrite cores of ACME



Silicon Carbide (SiC), composed of silicon (Si) and carbon (C), features excellent properties such as high temperature stability, high power density, and high electron mobility. These attributes contribute to enhanced energy efficiency and performance, making SiC a key material in electric vehicles, power conversion systems, solar power generation, and other applications in the semiconductor and energy industries. Its efficient power conversion and low energy consumption help reduce carbon emissions and support the global shift toward green energy and environmental sustainability.

1.2.3 Introduction to Affiliated Enterprises

The Company's 2025 consolidated financial report includes the Company and 8 subsidiaries (equivalent to various affiliated enterprises) controlled by the Company in total.



The production process of the Company's main product, soft ferrite cores, consists of four primary stages: powder production, forming, sintering, and grinding. The Taoyuan Plant is mainly responsible for powder production. After completion, the powder is shipped to the two plants in Mainland China, where the forming, sintering, and grinding processes are carried out. The finished cores are then supplied to domestic customers in China or exported to regions such as Europe and the Americas. The Malaysia Plant is equipped with all four production stages and mainly supplies its ferrite cores to customers in Malaysia and exports to Europe.

In general, the division of responsibilities among affiliates is aimed at maximizing operational performance by leveraging mutual support in technology, production capacity, marketing, and services to reduce production costs and meet customer needs.

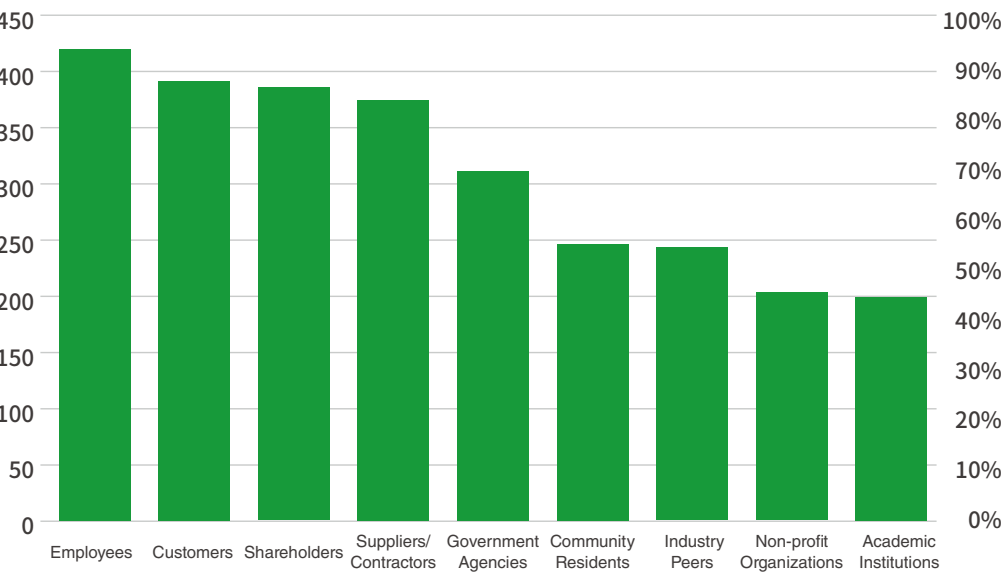
The entity of this report is primarily focused on Acme Electronics Corporation (ACME) (Taoyuan Plant), and Chapters 3 and 4 cover the subsidiaries ACME (Guangzhou) Co., Ltd., Acme (Kunshan) Co., Ltd., and ACME Ferrite Products Sdn. Bhd. in Malaysia; therefore, the scope of this report does not include information on all subsidiaries, but the scope of the report will be expanded to various subsidiaries in the future to gradually promote sustainable development strategies and implement corporate sustainability.

1.3 Stakeholder Engagement

(GRI 2-29、2-26)

Gaining the trust and support of stakeholders is the driving force for the Company's sustainable development; based on the five principles, strategic needs, and responsibility communication standards of AA1000 SES 2015 (Stakeholder Engagement Standards), and considering the daily operations and external business communications of relevant departments, the Company identified six main categories of stakeholders: employees, customers, government agencies, shareholders/investors, suppliers/contractors, and community residents.

Stakeholder Identification



Through establishing transparent and effective multi-directional communication channels with stakeholders, we understand their needs and expectations for the Company, and obtain feedback from them to serve as an important reference for formulating sustainable development policies and related plans; at the same time, we respond to stakeholders through the ESG report to gain more of their trust and support. The communication channels and topics of concern between the Company and major stakeholder groups are shown in the table below:



Employees



Significance to the Company

Employees are ACME's vital assets. Through a sound salary structure, welfare system, and education and training, we build employee cohesion, enhance professional knowledge and skills, and coexist and prosper with the company's sustainable development.



Topics of Concern

- Economic Performance
- Talent Attraction and Retention
- Occupational Health and Safety
- Climate Change and Energy Management



Communication Channels and Frequency

- Employee Welfare Committee (4 times / year)
- Occupational Safety and Health Committee (4 times / year)
- Employee Health Examination (1 time / year)
- Education and Training (Executed according to plan)
- Labor Pension Reserve Supervisory Committee (2 times / year)
- Labor-Management Meeting (4 times / year)
- Performance Evaluation (4 times / year)
- Materiality Questionnaire Survey (1 time / 2 years)



Responses to Topics of Concern

- Annual reports and financial reports are disclosed regularly according to regulations.
- Through occupational health and safety education and training for workers and emergency response drills, we aim to achieve the goal of zero industrial safety disasters.
- Provide appropriate compensation and a sound welfare system, annual performance-based salary adjustments, and comprehensive job education and training to achieve the goals of talent cultivation and retention.



Communication Effectiveness

- Annual reports and financial reports disclosed according to regulations
- Employee Welfare Committee meetings: 4 times
- Annual performance evaluations: 4 times, and salary adjustment: 1 time
- Occupational Safety and Health Committee meetings: 4 times
- Labor Pension Reserve Supervisory Committee meetings: 2 times
- Employee Health Examination: 1 time
- Contracted physician health services: 16 hours in total
- Occupational health and safety education and training: 1,968 hours

Customers



Significance to the Company

Customers are important partners in ACME's operations and development. Through technical cooperation and product improvement, we provide satisfactory product quality and services to our customers.



Topics of Concern

- Climate Change and Energy Management
- Technology R&D
- Supply Chain Management



Communication Channels and Frequency

- Sales personnel customer visits (Irregularly every month)
- Customer Satisfaction Survey (At least 1 time / year)
- Market Survey (Irregular)
- Customer Feedback and Customer Complaint Handling (Irregular)



Responses to Topics of Concern

- Set energy-saving and carbon reduction targets, identify climate change risks and opportunities, and assess potential financial impacts.
- ACME requires that raw materials provided by suppliers must be free of relevant restricted substances to comply with sustainable material regulations.
- Complete the signing of supplier commitment letters and conduct supplier on-site audits. For suppliers failing to meet ACME's social and environmental evaluations, guidance will be provided and improvements required.



Communication Effectiveness

- Carbon reduction in ACME's powder manufacturing decreased by 17.6% in 2025 compared to the previous year
- SiC carbon emissions in 2025: 4,578 tons CO₂e
- All ACME products are free of relevant restricted substances
- Sales representatives' customer visits averaged 20 times / month
- Customer technical services provided to 10 companies throughout the year
- Overall customer satisfaction: 93%
- Customer feedback resolution rate: 100%
- Supplier social commitment signing has been incorporated into supplier evaluation items

Government Agencies



Significance to the Company

Government agencies are an important indicative direction for enterprise development and market expansion. Responding to the regulatory compliance of government agencies is the basic philosophy and principle for the survival and development of the enterprise.



Topics of Concern

- Regulatory and policy compliance
- Cooperation with laws and activities
- Transparent information disclosure
- Occupational health and safety
- Water resource management
- Air pollution prevention and control
- Climate change and energy management
- Waste management



Communication Channels and Frequency

- Official document correspondence, material information, and data reporting (Handled according to regulations)
- Regulatory advocacy meetings or public hearings (Handled according to regulations)
- Symposiums, seminars, or annual meetings (Handled according to regulations)
- On-site inspections (Handled according to regulations)
- Market Observation Post System (MOPS) (Published according to regulations)
- Ministry of Environment Waste Declaration Platform (1 time / month)



Responses to Topics of Concern

- Comply with relevant regulations of government agencies to achieve the occupational health and safety policy goal of "zero industrial safety disasters."
- Establish water-saving plans and measures to cooperate with and respond to the government's phased water rationing implementation.
- Monitoring and control of air pollutant emissions.
- Execute energy saving and carbon reduction according to the Group's 2030 carbon reduction target, which aims to reduce emissions by 27% compared to the baseline year.
- Meet the Energy Administration's target of an average annual electricity saving rate of 1%.
- Compile waste clearance and disposal manifests and make regular monthly declarations.



Communication Effectiveness

- Official government document correspondence averaged 18 pieces / month
- Regulatory advocacy meetings averaged 1 time / month
- On-site inspections: 67 times / year
- Carbon reduction in Taoyuan Plant's powder manufacturing decreased by 17.6% in 2025 compared to the previous year
- The average electricity saving rate from 2015 to 2024 was 2.02%, and the electricity saving rate in 2025 was 1.5%.
- The total amount of waste processed was 608.85 MT, a decrease of 27.10% from the previous year.

Customers



Significance to the Company

Shareholders / investors are important supporters of ACME's survival and development. Through capital investment and corporate governance oversight, they enable the enterprise to survive and develop sustainably.



Topics of Concern

- Economic performance
- Occupational health and safety
- Technology R&D
- Climate change and energy management



Communication Channels and Frequency

- Annual General Shareholders' Meeting (1 time / year)
- Market Observation Post System (MOPS) (Published according to regulations)
- Issue financial reports and annual reports (Published according to regulations)
- Spokesperson contact information (Irregular)
- "Investor Services" section on the company website (Irregular)
- "Joint Service Network" information on the company website (Irregular and immediate)
- Issue Sustainability Report (1 time / year)
- Issue TCFD Report (1 time / year)
- Audit Committee Mailbox (Irregular)
- Institutional Investor Conference (2 times / year)
- Materiality Questionnaire Survey (1 time / 2 years)



Responses to Topics of Concern

- Hold "Institutional Investor Conferences" to explain the company's operational status and future prospects. (Accounting Dept.)
- Publish quarterly financial reports and annual reports according to regulations. (Accounting Dept.)
- Real-time release of material information. (Accounting Dept.)
- The Group formulated the "USI Group Safety Incentive Measures" 【待對照公司固定用詞】 to achieve the goal of "zero industrial safety disasters." (Occupational Health and Safety Dept.)
- Market development to meet customer needs. (R&D Dept.)
- Execute carbon reduction according to the Group's 2030 carbon reduction target, which aims to reduce emissions by 27% compared to the baseline year. (Project)
- Plan and construct a solar power plant for self-generation and self-consumption.



Communication Effectiveness

- Convened the Annual General Shareholders' Meeting in May 2025
- Published quarterly financial reports and annual reports according to regulations.
- Held Institutional Investor Conferences 4 times
- As of 2025, disabling-injury-free work hours without disabling injuries reached 1.868 million hours.
- 100 new products developed and 19 improvement proposals made.
- In 2025, the newly built 75.9kW solar power plant for self-generation and self-consumption at the Taoyuan Plant began generating power in November, reaching 322.7 kW of self-generation and self-consumption.

Suppliers / Contractors



Significance to the Company

Suppliers are important partners providing raw materials and equipment for ACME's manufacturing, impacting production operations and product quality.



Topics of Concern

- Supply chain management
- Process safety management
- Occupational health and safety
- Raw material management



Communication Channels and Frequency

- Procurement procedures (Executed upon request)
- Supplier questionnaire survey (When there are new suppliers)
- Contract performance review meetings (Held upon request)
- Face-to-face review meetings (Held by product category)
- Procurement personnel visits (Irregular)
- Market survey (1 time / week)
- Raw material supply stability confirmation (Irregular)
- Contractor joint operation agreement organization meetings (Irregular)



Responses to Topics of Concern

- Complete the signing of supplier commitment letters and conduct supplier on-site audits. For suppliers failing to meet ACME's social and environmental evaluations, guidance will be provided for improvement.
- Reduce process risks through Group audits.
- Establishment of the "USI Group Safety Incentive Program" to achieve zero workplace accidents.
- FIBC (bulk bag) recycling rate target $\geq 10\%$.



Communication Effectiveness

- Procurement secondary materials planning meetings: 2 times
- Market survey reports: 1 time per week
- Process safety incidents: 0
- As of 2025, disabling-injury-free work hours reached 1.868 million hours.

Community Residents



Significance to the Company

Customers are important partners in ACME's operations and development. Through technical cooperation and product improvement, we provide satisfactory product quality and services to our customers.



Topics of Concern

- Climate Change and Energy Management
- Technology R&D
- Supply Chain Management



Communication Channels and Frequency

- Sales personnel customer visits (Irregularly every month)
- Customer Satisfaction Survey (At least 1 time / year)
- Market Survey (Irregular)
- Customer Feedback and Customer Complaint Handling (Irregular)



Responses to Topics of Concern

- Set energy-saving and carbon reduction targets, identify climate change risks and opportunities, and assess potential financial impacts.
- ACME requires that raw materials provided by suppliers must be free of relevant restricted substances to comply with sustainable material regulations.
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Communication Effectiveness

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- Supplier social commitment signing has been incorporated into supplier evaluation items

1.4. Materiality Management

The Company follows the materiality identification process of the GRI Universal Standards, establishing three major steps: identification, analysis, and confirmation. We regularly conduct materiality analysis and incorporate double materiality thinking to analyze sustainability issues in terms of their "impact on company operations" and "impact on the economy, environment, and people (including human rights)." The materiality identification process and results are discussed by the Group's ESG experts, reported to the ESG Committee, and finally submitted to the Board of Directors for approval to ensure that the direction of sustainable operations and the reported content meet the concerns and expectations of internal and external stakeholders.

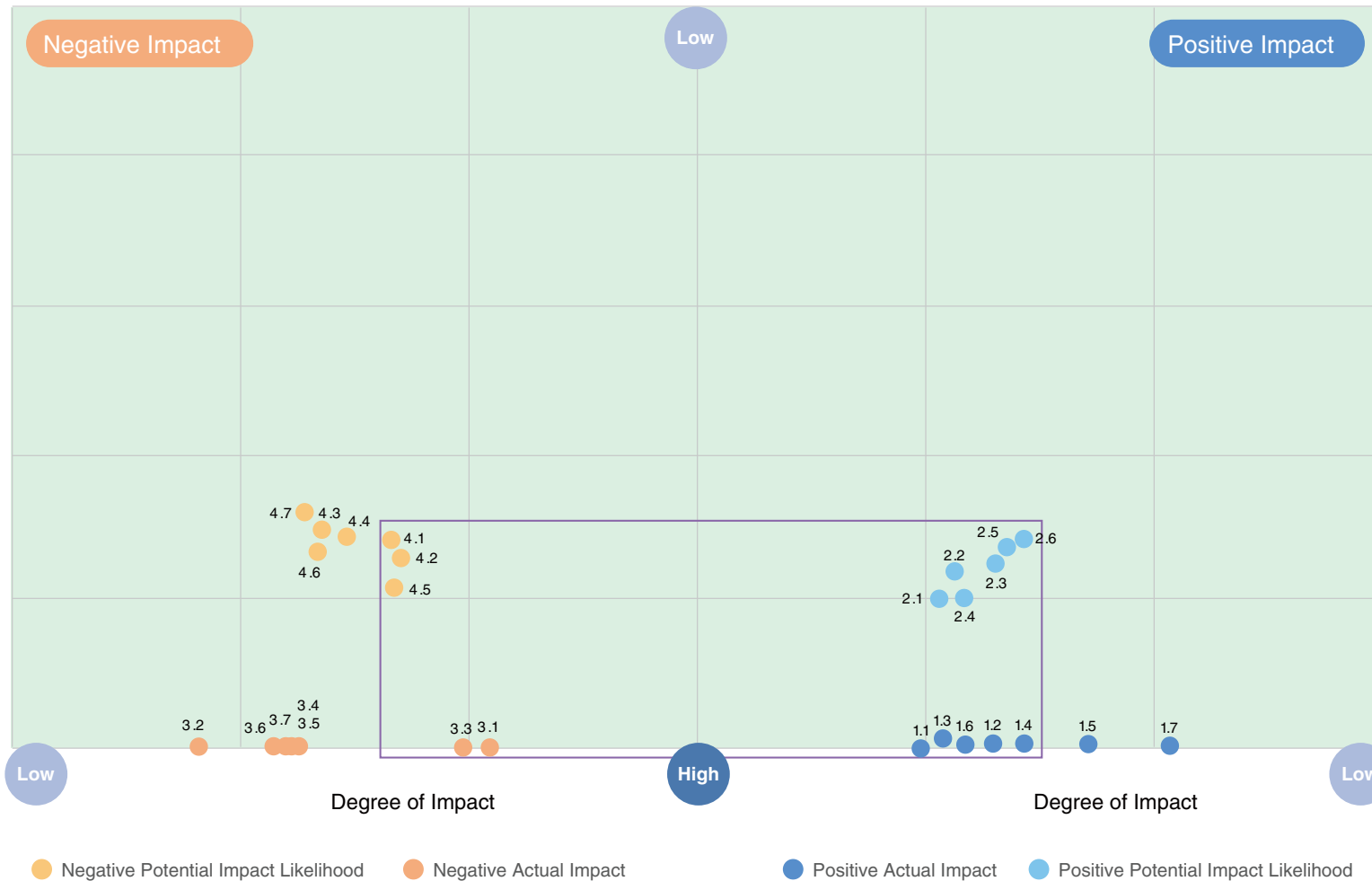
1.4.1 Process to Determine Material Topics (GRI3-1)

 Identification	Communication Targets	Following the five dimensions of the AA1000 SES Stakeholder Engagement Standard, stakeholder identification questionnaires were sent to the heads of the ESG Working Group. The distribution frequency is once every two years, conducted in the same year as the materiality analysis. After the statistical results were approved by the project secretary and team leaders of the ESG Committee, 6 categories of core stakeholder groups were determined based on the identification scores: employees, customers, government agencies, shareholders/investors, suppliers/contractors, and community residents.	6 Categories of Core Stakeholders
	Issue Collection	Referring to international sustainability norms and standards (GRI Universal Standards: 2021, SASB, SDGs, TCFD), as well as the company's operational goals and vision, the working group compiled 28 positive/negative actual and potential sustainability issues.	28 Sustainability Issues
 Analysis	External Impact Survey	In 2024, a questionnaire survey was conducted among core stakeholders, scoring issues based on the degree of positive and negative impact. A total of 89 valid responses were received, including: employees (35), customers (25), shareholders/investors (5), suppliers/contractors (18), government agencies (0), correspondent financial institutions (5), and others (1).	89 Valid External Questionnaires
	Internal Impact Survey	In 2024, a questionnaire survey was conducted among the Company's internal unit heads and directors, scoring issues based on the degree of positive and negative impact and the likelihood of occurrence. A total of 25 valid responses were received. The weightings were adjusted based on the questionnaire results of the highest governance body level, and statistical analysis was performed.	25 Valid Internal Questionnaires
	Materiality Analysis	The materiality analysis methodology incorporates sustainable development impact items regarding the economy, environment, and people (human rights), and combines the EU's Double Materiality concept to conduct material issue analysis. The frequency of material issue analysis is once every two years. Based on the questionnaire analysis results, material topics were ranked, and 16 significant ESG issues were selected. These were classified by environmental, social, and governance aspects and subjected to double materiality analysis, converging into 6 material issues.	16 Significant Issues
 Confirmation	Material Issues	To continue the management and tracking of material issues for 2024, the working group merged [Air Pollution Prevention and Control], [Occupational Health and Safety], [Talent Cultivation and Development], [Product Quality], and [Customer Relationship Management] into the 2024 material issues, resulting in a total of 11 items. The results were submitted to the ESG Committee for approval and reported to the Board of Directors.	11 Material Issues

Materiality Analysis

To ensure comprehensive coverage of ESG topics, the Company referenced the GRI Standards, SASB topics for the Electronic Components industry, the SDGs, and key sustainability trends in both domestic and international industries. A total of 28 stakeholder concerns were collected through various communication channels. Based on the level of impact and the likelihood of occurrence, the Company plotted the results onto a sustainability matrix. In consultation with the ESG task forces, stakeholders, and internal and external experts, the Company established a significance threshold: an impact score of 3.5 or above and a likelihood score of 3.7 or above. A total of 16 ESG topics that met these criteria were identified as significant topics.

Likelihood of Occurrence



Negative Potential Impact Likelihood

- 4.1 R&D technology failing to meet end-consumer needs
- 4.2 Incomplete supply chain management leading to increased raw material procurement costs and chain breaks
- 4.5 Carbon fee imposition leading to increased production costs

Negative Actual Impact

- 3.1 Poor market conditions leading to oversupply
- 3.3 Soaring energy expenses leading to electricity rate hikes

Positive Potential Impact Likelihood

- 2.1 Successful development of sustainable materials leading to revenue expansion
- 2.2 Actively seeking alternative raw materials
- 2.3 Introducing advanced AI technologies to improve efficiency
- 2.4 Investing in renewable energy to achieve green power targets
- 2.5 Carbon capture and storage technology development to achieve carbon neutrality targets
- 2.6 Promoting a female-equal workplace environment to increase the company's talent retention rate

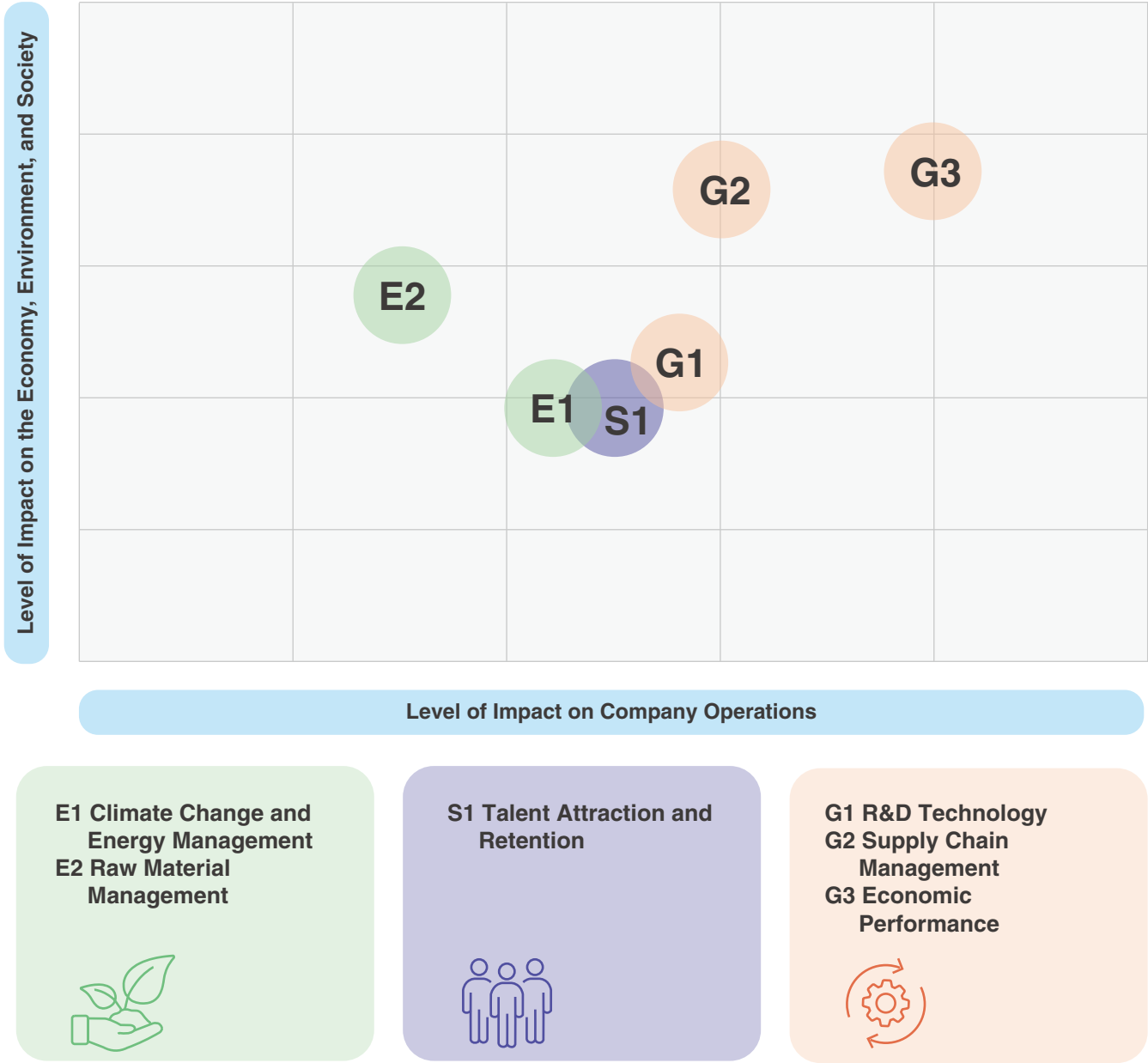
Positive Actual Impact

- 1.1 Developing new products and product diversification
- 1.2 Introducing automated processes to enhance production efficiency
- 1.3 Proper supply chain management leading to quality improvement
- 1.4 Investing in renewable energy to comply with regulatory requirements
- 1.6 Creating a friendly workplace environment to reduce turnover rates

Selection of Material Topics

The Company classified the 16 significant topics into environmental, social, and governance dimensions, and performed double materiality analysis based on the "degree of impact on company operations" and the "degree of impact on the economy, environment, and people (including human rights)," converging them into 6 material topics.

In addition, to continue the management and follow-up of material topics identified in 2024, the task forces incorporated Air Pollution Control, Occupational Health and Safety, Talent Cultivation and Development, Product Quality, and Customer Relationship Management into the list of material topics for 2025, bringing the total to 11. The results were submitted to the ESG Committee for approval and subsequently reported to the Board of Directors



2024 Material Topic Identification Results (GRI 3-2)

16 Significant Topics



E Environmental

- 1 Positive, Actual • Regulatory Compliance Through Renewable Energy Investment
- 2 Positive, Potential • Investment in Renewable Energy – Achieving Green Power Goals
- 3 Negative, Actual • Increased Electricity Expenses Driven by Rising Energy Prices
- 4 Negative, Potential • Increased Production Costs Resulting from Carbon Fee Imposition
- 5 Positive, Potential • Development of Carbon Capture and Storage Technologies – Achieving Carbon Neutrality Goals
- 6 Positive, Potential • Actively Seeking Alternative Raw Materials
- 7 Negative, Actual • Supply Chain Disruptions Due to Poor Management and Rising Procurement Costs

Continue the management and follow-up of material topics identified in 2024



S Social

- 8 Positive, Actual Turnover Reduction Through a Friendly Workplace Environment
- 9 Positive, Potential Promoting a Gender-Equal Workplace – Increasing Talent Retention Rate

Continue the management and follow-up of material topics identified in 2024



G Governance

- 10 Positive, Actual Product Innovation and Diversification
- 11 Positive, Actual Productivity Enhancement Through Process Automation
- 12 Positive, Potential Revenue Growth Through Sustainable Material Development
- 13 Positive, Potential Adoption of Advanced AI Technologies – Improved Efficiency
- 14 Negative, Potential Insufficient R&D Capability to Meet End-User Needs
- 15 Positive, Actual Product Quality Improvement Through Effective Supply Chain Management
- 16 Negative, Potential Market Oversupply Due to Weak Economic Conditions

Continue the management and follow-up of material topics identified in 2024

11 Material Topics

Climate Change and Energy Management (GRI 302 Energy 2016)

Raw Material Management (GRI 301 Materials 2016) (GRI 306 Waste 2020)

Air Pollution Control (GRI 305 Emissions 2016)

Talent Attraction and Retention (GRI 401 Employment 2016)

Occupational Health and Safety (GRI 403 Occupational Health and Safety 2018)

Talent Cultivation and Development (GRI 404 Training and Education 2016)

R&D Technology

Supply Chain Management (GRI 308-2 Supplier Environmental Assessment 2016) (GRI 414-2 Supplier Social Assessment 2016)

Economic Performance (GRI 201 Economic Performance 2016)

Product Quality

Customer Relationship

1.4.2 Boundaries of Material Topics (GRI3-2)

● : Direct Impact ◎ : Indirect Impact

Dimension	Material Topic	Rationale for Materiality	Corresponding Topic-Specific GRI Standard	Value Chain				Corresponding Chapter
				Supply Chain	Operations	Product	Society	
 Governance	Economic Performance	Sustained profitable growth is a prerequisite for ensuring corporate sustainability and safeguarding stakeholder interests.	GRI 201: Economic Performance 2016	◎	●	●	◎	2.1 Economic Performance
	R&D and Innovation	New product and business development, combined with product quality improvement, can enhance market competitiveness and serve as the foremost driver of corporate growth and sustainable development.	Company-defined Material Topic	◎	●	●		2.3 Product and R&D Innovation
	Product Quality	Implementing an efficient quality system and systematic management to stabilize quality, reduce defect rates, and enhance customer satisfaction	Company-defined Material Topic	●	●	●		2.5 Customer Service and Product Quality
	Customer Relationship Management	Customer requirements and expectations drive the company's continuous growth.	Company-defined Material Topic	◎	●	●		2.5 Customer Service and Product Quality
	Sustainable Supply Chain Management	Suppliers are vital partners providing raw materials and equipment for manufacturing, directly influencing production operations and product quality.	GRI 308-2: Supplier Environmental Assessment 2016 GRI 414-2: Supplier Social Assessment 2016	●	●	●		2.4 Supply Chain Management
 Environmental	Materials Management	Enhancing raw material production efficiency and resource recycling directly impacts production costs.	GRI 301: Materials 2016 GRI 306: Waste 2020	◎	●	●		3.1 Resources, Materials, and Recycling Management
	Climate Change and Energy Management	Extreme weather issues caused by climate change are challenges that enterprises must confront; improving energy efficiency and reducing greenhouse gas emissions are imperative tasks.	GRI 302: Energy 2016 GRI 305: Emissions 2016	◎	●		●	3.2 Climate Change and Energy Management
	Air Pollution Control	Air pollutant emissions not only pose regulatory compliance challenges but also affect the air quality of the living environment, making it a critical global issue currently.	GRI 305: Emissions 2016	◎	●		●	3.3.1 Air Pollution Control and Management
 Social	Talent Attraction and Retention	High-quality human capital is a cornerstone of corporate success. Employing individuals based on merit and placing them in the right roles enables employees to work with peace of mind, fully showcase their expertise, and maximize their potential.	GRI 401: Employment 2016		●	◎	●	4.1 Talent Attraction and Retention
	Talent Cultivation and Development	Employees' professional and managerial skills, along with their overall competitiveness, shape their career development and form the bedrock of corporate sustainable development.	GRI 404: Training and Education 2016		●	◎	●	4.2 Talent Cultivation and Development
	Occupational Health and Safety	A healthy and safe working environment is the primary requirement for workers' labor conditions.	GRI 403: Occupational Health and Safety 2018	◎	●	◎	●	4.3 Occupational Health and Safety

1.4.3 Management Policy for Material Topics (GRI3-2、GRI3-3)

Dimension	Material Topic	Management Purpose	Management Policy and Targets	Mechanism for Evaluating the Effectiveness of the Management Policy	Grievance Mechanism
 Governance	Economic Performance	Pursue stable growth and maintain corporate sustainable development.	- Short-term target (2025): Reduce production costs and increase the sales of high-profit products. - Medium-term target (2027): Ensure continuous growth and increased profitability in the ferrite core and SiC businesses. - Long-term target (2030): Consolidate the core business foundation and advantages, and diversify into more varied products and fields.	- Revenue growth rate - Gross profit margin - Revenue growth rate of new business	
	R&D and Innovation	Continuous technical refinement and innovation constitute the core value of the company and serve as the source of momentum for maintaining competitive advantage.	- Short-term target (2025): Jointly develop new materials and new products with customers to maintain competitive advantage. - Long-term target (2030): Develop new businesses to pursue sustainable development.	R&D expenses as a percentage of revenue > 5%	
	Product Quality	Stabilize quality, reduce defect rates, and enhance customer satisfaction.	Achieve Six Sigma quality levels with zero customer complaints, and continuously enhance process capabilities to achieve maximum customer satisfaction.	- Number of established customer complaints: 0 - RoHS compliance rate for finished products: 100% - Zero incidents regarding EHS regulations - Six Sigma certification rate: 100%	- Shareholders' Meeting - Dedicated line for Spokesperson or Deputy Spokesperson "Contact Us" on the company website
	Customer Relationship Management	Enhance product functions and refine services to improve customer trust in the corporate brand.	Periodically understand and respond to customer needs and feedback via meetings/questionnaires to provide the best customer service.	- Number of process improvements: 8 - Customer satisfaction score ≥ 92	- Audit Committee Email on the company website - Customer Satisfaction Survey - Annual regular evaluation of suppliers
	Supply Chain Management	Establish long-term stable cooperative relationships with suppliers characterized by mutual trust, assistance, and shared prosperity.	- Prioritize procurement from local suppliers. - Conduct conflict minerals due diligence on suppliers. - Conduct regular evaluation of suppliers regarding "quality, delivery, cooperation, and pricing".	- Short-term target (2025): - Qualified mineral utilization rate: 100% - Critical supply chain risk management: 100% *Medium-term target (2027): - Qualified mineral utilization rate: 100% - Critical supply chain risk management: 100% - Increase the proportion of local procurement: 50% (excluding raw materials) - Long-term target (2030): - Qualified mineral utilization rate: 100% - Critical supply chain risk management: 100% - Increase the proportion of local procurement: 60% (excluding raw materials)	

Dimension	Material Topic	Management Purpose	Management Policy and Targets	Mechanism for Evaluating the Effectiveness of the Management Policy	Grievance Mechanism
 Environmental	Materials Management	Enhance raw material production efficiency and resource recycling to reduce operating costs and strengthen corporate competitiveness.	Actively promote waste reduction and recycling measures to enhance resource efficiency.	Waste recycling rate > 99%	Internal grievance handling: EHS-related grievances are raised through "Labor-Management Meetings," "Safety and Health Meetings," and other channels. If communication or responses are required, the responsible department reviews the matter, and it is publicized upon approval by the highest plant supervisor. External grievance handling: External entities submit EHS grievances via phone, verbal, or written formats. Upon receipt by any unit at the Taoyuan plant, the grievance is forwarded to the responsible department for verification. Once confirmed as a valid case, it is addressed with an appropriate response.
	Climate Change and Energy Management	Fulfill voluntary greenhouse gas reduction commitments and ensure regulatory compliance; analyze climate change risks and opportunities to reduce financial losses in production operations caused by extreme weather.	Establish an ISO 50001 Energy Management System to enhance energy efficiency through energy-saving improvements and the monitoring of energy performance indicators.	- Short-term (2025) and medium-term (2027) targets: Sustain energy conservation, carbon reduction, and increase green electricity usage. - Long-term target (2030): Achieve a 27% reduction in carbon emissions by 2030 compared to 2017, equivalent to 15,302 tonnes CO₂e.	
	Air Pollution Control	Comply with environmental protection regulations and improve ambient air quality.	Devote efforts to pollution prevention and control to satisfy environmental regulations.	Zero non-compliance	
 Social	Talent Attraction and Retention	Attract top talents to build a brilliant future and share achievements together.	Increase employee satisfaction, talent readiness rates, and recruitment achievement rates. Decrease employee turnover rates.	- Short-term target (2025): - Employee satisfaction: 75% - Recruitment achievement rate: 100% - Medium-term target (2027): - Employee satisfaction: 76% - Recruitment achievement rate: 100% - Long-term target (2030): - Employee satisfaction: 78% - Recruitment achievement rate: 100%	- All Hands Meeting - Labor-Management Meeting - Welfare Committee Meeting - Occupational Health and Safety Committee Meeting - Employee Grievance and Suggestion Box Management - Audit Committee Email
	Talent Cultivation and Development	Provide a well-developed training and evaluation system to ensure employees are placed in matching roles and can maximize their talents.	- Build a scientific and sound training system. - Construct a comprehensive and efficient talent echelon system. - Establish a professional and complete technical inheritance system.	Average training hours per employee: 48 hours	
	Occupational Health and Safety	Properly safeguard employee health, improve safety and health, emphasize workplace safety, and collectively pursue the highest goal of zero injury, zero accident, and zero occupational illness.	Achieve the "Five Zeros": zero injury, zero accident, zero illness, zero regulatory non-compliance, and zero emission.	Zero injury, zero accident, zero illness, zero regulatory non-compliance, and zero emission	

1.5 The United Nations Sustainable Development Goals (SDGs) (GRI 2-24)

As a global citizen, we believe that sustainable development must stem from core values and align with the United Nations Sustainable Development Goals. We conduct SDG correlation identification across three phases and integrate relevant targets into our operational plans.

SDG Identification Process

Phase 1: SDG Understanding and Operational Development Discussion 01

- Conduct SDG educational training to discuss impacts on corporate operations.
- Consider the prioritization of sustainable development goals.

Phase 2: Identifying Impacts and Opportunities 02

- Link sustainable development goals with material topics.
- Identify key opportunities and allocate resources accordingly.

Phase 3: Responding to SDGs with Targets and Actions 03

- Discuss the feasibility of target setting.
- Formulate short-, medium-, and long-term plans, and discuss their integration into corporate operational plans.

Linking Material Topics with SDGs

Dimension	Material Topic	SDG Target
 Governance	Economic Performance	SDG 8 Decent Work and Economic Growth
	R&D and Innovation	SDG 8 Decent Work and Economic Growth
	Product Quality	SDG 9 Industry, Innovation and Infrastructure
	Customer Relationship Management	SDG 8 Decent Work and Economic Growth
	Supply Chain Management	SDG 17 Partnerships for the Goals
 Environmental	Materials Management	SDG 12 Responsible Consumption and Production
	Climate Change and Energy Management	SDG 7 Affordable and Clean Energy SDGs 13 Climate Action
	Air Pollution Control	SDGs 11 Sustainable Cities and Communities
 Social	Talent Attraction and Retention	SDG 8 Decent Work and Economic Growth
	Talent Cultivation and Development	SDG 4 Quality Education
	Occupational Health and Safety	SDG 3 Good Health and Well-being

Linking SDGs with Corporate Sustainability Goals

SDGs	Target	2025 Actual Performance	Corresponding Chapter
	Maintain a safe factory working environment and employee health.	Work-related injury categories at the Guangzhou plant: 2 persons, a rate of 15%; at the Malaysia plant: 1 person, a rate of 17%; Taoyuan plant and Kunshan plant reported zero incidents this year, resulting in a combined occupational injury rate of 11%.	4.3 Occupational Health and Safety
	Provide a sound training and evaluation system to ensure talent suitability.	- Average training hours per employee met the target. - Six Sigma Green Belt training project courses. - TRIZ training project courses.	4.2 Talent Cultivation and Development
	Expand operational scope, reduce costs, and steadily increase revenue and profitability.	- Ferrite core business revenue reached NT\$2,652,850 thousand, an increase of 7% compared to 2024. - New SiC business revenue was NT\$416,171 thousand, a decrease of 33% compared to 2024.	2.1 Economic Performance 2.3 Product and R&D Innovation 2.5 Customer Service and Product Quality 4.1 Talent Attraction and Retention
	Continuously refine technology and innovate to maintain competitive advantages.	- R&D expenditures accounted for 11% of revenue. - Number of customer complaints: 1. - RoHS compliance rate for finished products: 100% - Zero incidents regarding EHS regulations. - Six Sigma certification rate: 0% (for newly recruited engineers). - CIP project improvements: 20 cases (CIP: Continuous Improvement Process). - Target number of process improvements: 9 cases.	2.3 Product and R&D Innovation 2.5 Customer Service and Product Quality
	Comply with environmental regulations, dedicate efforts to pollution prevention, and satisfy customer requirements for environment and quality.	Zero environmental law violations.	3.3 Air Pollution Control and Management
 	Fulfill voluntary greenhouse gas reduction commitments and ensure regulatory compliance; analyze climate change risks and opportunities to reduce financial losses in production operations caused by extreme weather.	- Utilize TCFD methodology to identify transition risks and physical risks in operational processes, annually review response actions, and foster a resilient culture towards climate change. - Implemented various energy-saving and carbon-reduction initiatives, reducing a total of 3,211.67 tonnes of CO₂e emissions.	3.2 Climate Change and Energy Management 3.2 Climate Change and Energy Management
	Enhance raw material production efficiency and resource recycling.	Excluding municipal solid waste treated via incineration, the overall waste recycling rate reached 99.03% in 2025, successfully achieving the target.	3.1 Resources, Materials, and Recycling Management
	Establish long-term stable cooperative relationships with suppliers characterized by mutual trust, assistance, and shared prosperity.	- Scheduled process audits and system audits for main raw material suppliers in 2025. Maintained 100% compliance in avoiding minerals from the Democratic Republic of the Congo veins designated as non-conflict-free by the United Nations Security Council. - Conducted "Monthly Supplier Evaluations" for approximately 29 key raw and auxiliary material suppliers, showing zero non-conformities.	2.4 Supply Chain Management



2

Governance and Value Chain Management

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2.1 Economic Performance (GRI 201-1)

| Management Policy (GRI 3-3)

Strategic Policy



Enhance product competitiveness and operational performance through product innovation, R&D, and market expansion to maintain continuous growth and corporate sustainable development.

Commitment



Implement sound corporate governance, safeguard shareholders' rights, and sustain corporate profitability.

Sustainability Principle



Governance and Value Chain Management

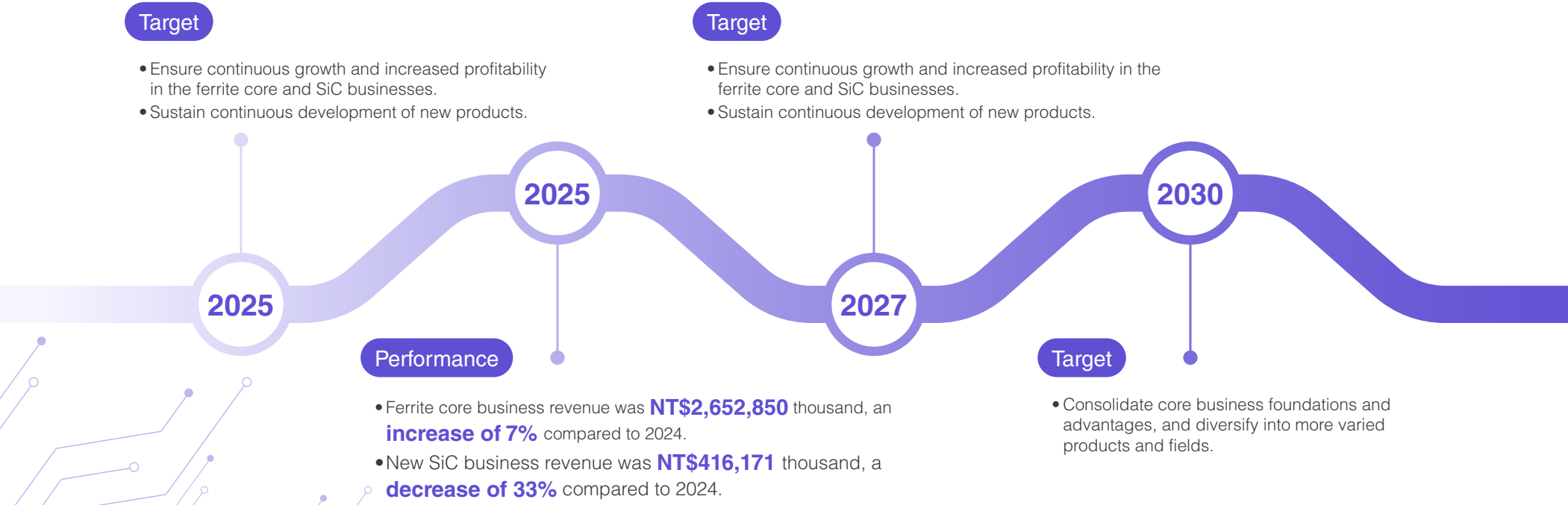
Impact Management

Positive/Negative Impacts

- Positive actual impact: Steady growth in financial performance increases investor willingness.
- Positive actual impact: Implementing automated processes and systems improves production efficiency and lowers production costs.

Impact Management

Negative Remediation and Preventive Measures



Factors such as the Russia-Ukraine war and inflation caused global consumer power to freeze, leading to weakening demand for consumer electronics like mobile phones and laptops; despite continuous growth in demand for automotive electronics and cloud servers, overall demand in the ferrite core market remained stagnant. Rising raw material prices caused by inflation, along with factory shutdowns and supply chain disruptions from pandemic lockdowns in Mainland China, further intensified the operational pressure on the ferrite core business. In 2025, driven by a slight recovery in demand from inventory destocking across the general ferrite core market, revenue grew compared to 2024. Regarding SiC products, market demand for SiC power devices fell short of expectations due to slowing electric vehicle demand, impacting sales; however, the company has actively extended its efforts into high-purity SiC ceramic product development, achieving solid progress and aiming to turn it into a new opportunity for next-stage development.

The consolidated net loss after tax for this year was NT\$94,591 thousand. Net loss after tax attributable to non-controlling interests was NT\$28,209 thousand, and consolidated net loss after tax attributable to the parent company was NT\$66,382 thousand, resulting in a loss per share of NT\$0.31.

In terms of R&D and market development, applications in high-end automotive, data centers, AI, industrial, medical, aerospace, 5G, and IoT will continue to thrive; the company stays closely aligned with this market context, actively developing relevant products. In the automotive electronics market, the rise of electric vehicles has driven substantial growth in passive component demand: power applications include charging piles, on-board chargers, and DC-DC converters, while sensor applications comprise keyless entry antenna bars, tire pressure monitoring systems (TPMS), and internet of vehicles (IoV) products. Thanks to years of intensive efforts and dedication, the company is experiencing continuous growth currently.

In terms of production, confronting a fiercely competitive external business environment necessitates stable quality and tight cost control to satisfy customer needs and sustain profit margins. The company continues to vigorously promote lean manufacturing, Six Sigma, and TRIZ system training alongside project implementation, introducing automated and information-integrated MES production systems to render production processes rationalized, automated, and intelligentized, thereby bolstering overall quality and cost competitiveness.

Regarding new business development, market applications for SiC have gradually taken shape due to the rapid growth of electric vehicles. Countries worldwide have categorized SiC as a strategic critical material, and Taiwan has also incorporated it into its policy-driven development items. The company has achieved solid progress in developing high-purity SiC powders, with sales continuing to grow. Looking ahead, we will align with market directions—such as the development of electric vehicles and PV solar industries—to expand production and sales scales, while actively extending into high-purity SiC ceramic product application market development to layout the next milestone of development.

Inflation and geopolitical risks continue to affect economic development. As the COVID-19 pandemic has eased, operations in countries globally and Mainland China have returned to normal tracks. The electronics industry introduces new applications constantly, leaving the market full of emerging opportunities. The company expects to continue growing and progressing to create better profitability by constantly reinforcing the competitiveness of the ferrite core business and actively developing new ventures.

ACME Direct Economic Value Generated and Distributed, 2023-2025

Unit: NT\$ Thousand

Item	2023	2024	2025
Consolidated Net Revenue	2,551,746	3,095,379	3,069,021
Consolidated Gross Profit	237,499	637,789	509,235
Consolidated Operating Income (Loss)	(248,196)	97,150	(66,748)
Consolidated Net Income (Loss) Before Tax	(249,465)	145,529	(91,101)
Consolidated Net Income (Loss) After Tax	(211,917)	130,197	(94,591)
Consolidated Net Income (Loss) After Tax Attributable to Parent Company	(171,224)	155,298	(66,382)
Consolidated Net Income (Loss) After Tax Attributable to Non-controlling Interests	(40,693)	(25,101)	(28,209)

To enable shareholders and investors to obtain more real-time and accurate information when making investment decisions, besides monthly revenue announcements, quarterly financial reports, and Annual Reports for the Shareholders' Meeting, relevant information can be accessed on the company website (<https://www.acme-ferrite.com.tw>) under the "Investor Services" section or on the Market Observation Post System (<https://mops.twse.com.tw>). Additionally, shareholders and investors can utilize channels such as the dedicated phone lines for the Spokesperson or Deputy Spokesperson, "Contact Us" on the company website, and "Contact Us" on the USI Stock Website (<https://www.usig.com/USIGStockHome.aspx>) to raise any questions or suggestions, all of which will be handled and answered by dedicated personnel.



Company Website



Market Observation
Post System



USI Stock Website



2025 Annual Report
for the Shareholders'
Meeting

ACME Direct Economic Value Generated and Distributed, 2023-2025

Unit: NT\$ Thousand

Item	Key Components	2023	2024	2025
Direct Economic Value Generated	Operating Revenue ^(#1)	1,188,771	1,630,367	1,430,367
Economic Value Distributed	Operating Costs ^(#2)	1,213,182	1,478,707	1,487,977
	Employee Wages and Benefits ^(#3)	230,215	255,222	266,080
	Payments to Providers of Capital ^(#4)	23,233	31,697	37,751
	Payments to Government ^(#5)	1,256	1,253	1,211
	Community Investments ^(#6)	0	0	0
Community Investments ^(#7)		(171,224)	155,298	(66,382)

* Note 1: Operating revenue refers to sales revenue.

* Note 2: Operating costs refer to cost of goods sold + operating expenses.

* Note 3: Employee wages and benefits are already included in the aforementioned operating costs.

* Note 4: The company did not distribute cash dividends; hence, this includes interest expenses only.

* Note 5: Payments to government refer to various property taxes paid to the Taiwan government.

* Note 6: The company's Taoyuan plant is located inside the Guanyin Industrial Park; aside from paying management fees, there were no other relevant community investment expenditures.

* Note 7: This does not comprise the Taiwan region alone, but also includes profits and losses recognized from overseas re-investments.

In 2025, the cost of goods sold was approximately NT\$1.2 billion, accounting for about 82% of operating revenue, with raw material costs representing approximately 22% of the total manufacturing cost. The Company paid various taxes and duties in accordance with the law, with the paid tax amount totaling NT\$10 million, accounting for 0.08% of the individual operating revenue.

In 2025, employee benefit expenses (including post-employment benefits, salaries, insurance, and others) were approximately NT\$300 million.

Financial Assistance Received from Government (GRI 201-4)

The company invests actively in innovative R&D activities every year. R&D expenditures can be leveraged to offset the profit-seeking enterprise income tax payable for the current year; however, as there was no tax payable in 2023 and 2024, no R&D investment tax credit was utilized.

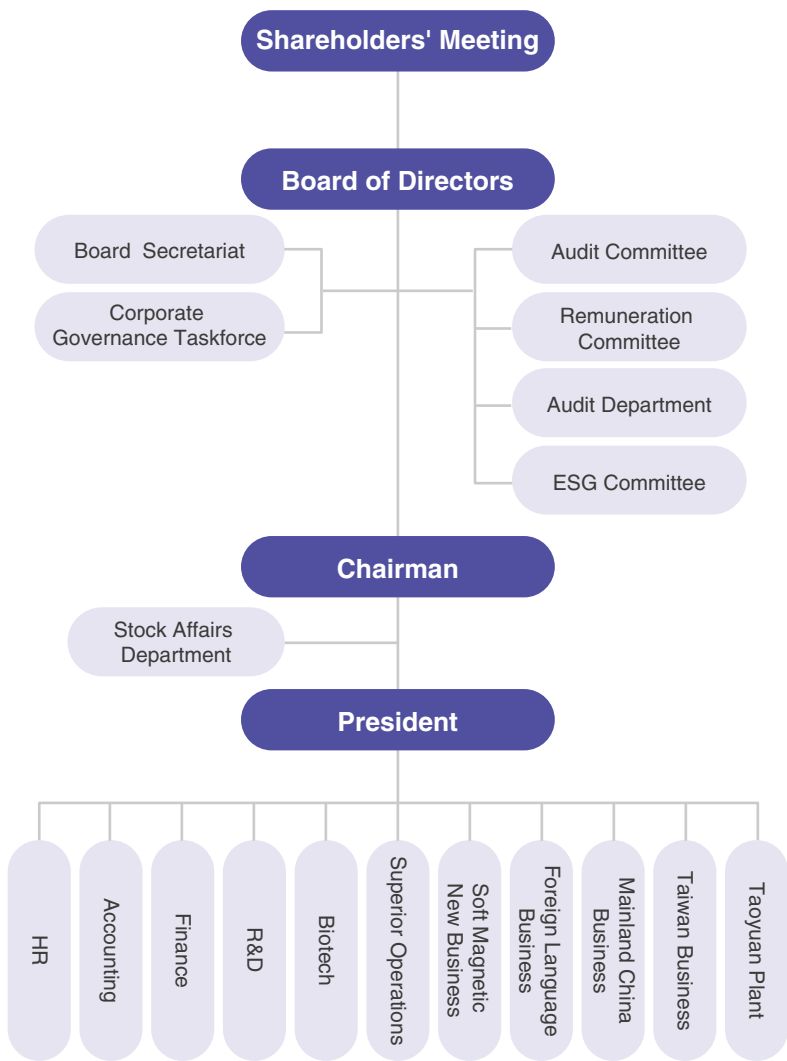
In 2025, the company obtained subsidies of NT\$9,255 thousand from the Industrial Development Administration, Ministry of Economic Affairs, under the Taiwan Industry Innovation Platform Program and the Low-carbon and Intelligent Upgrading and Transformation Subsidy for Manufacturing Industry (Grand Companies Leading SMEs).



2.2 Corporate Governance

2.2.1 Governance Structure

Management Organizational Structure (GRI 2-9)



Director of Corporate Governance

To protect shareholders' rights and strengthen the functions of the Board, the Company's Board of Directors resolved on May 7, 2019, to appoint Mr. Yong-Zhi Chen, Head of Legal Affairs, as the Corporate Governance Officer. He serves as the most senior executive responsible for corporate governance matters. Mr. Chen is a licensed attorney with over 20 years of legal practice and more than 10 years of experience as a legal executive in a listed company. His primary responsibilities include organizing meetings of the Board of Directors and Shareholders in accordance with applicable laws, preparing meeting minutes, assisting directors with onboarding and continuing education, providing directors with the information necessary to carry out their duties, supporting regulatory compliance, and reporting to the Board on the qualifications of independent directors during nomination, election, and throughout their tenure. He is also responsible for handling matters related to changes in board composition. In 2025, Mr. Yong-Zhi Chen, the Corporate Governance Officer, completed 50 hours of continuing education.

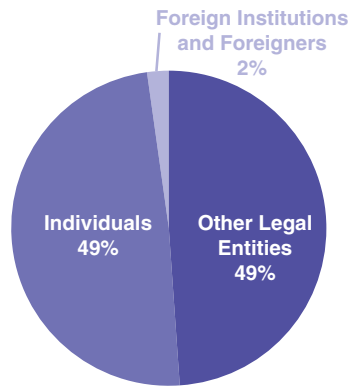
For detailed key business execution and continuing education in 2025, please refer to [the company website](#) (Corporate Governance).

Protection of Shareholders' Equity and Information Transparency

As of March 28, 2026, the Company's shareholder structure was mainly composed of individuals and other legal entities. For the shareholder structure and the list of major shareholders (Note), please refer to the company website ([Shareholder Structure](#)).

* Note: Shareholders with a shareholding ratio of 5% or more, or shareholders ranking in the top ten by shareholding ratio.

Shareholder Structure	Financial Institutions	Other Legal Entities	Individuals	Foreign Institutions and Foreigners	Total
Quantity					
Shareholding Ratio	0%	49.18%	48.76%	2.06%	100%



To fulfill the protection of shareholders' equity, the Company is committed to providing shareholders with transparent and real-time company information and actively establishing excellent two-way communication channels with shareholders. These include the Annual General Shareholders' Meeting, Institutional Investor Conferences, Market Observation Post System (MOPS), Chinese and English "Investor Services" web pages, annual reports, and sustainability reports. We promptly disclose financial and non-financial information such as corporate governance status, operational status, financial statements, sustainable operations, and company updates. We also continuously collect shareholder feedback and relay it to the management team as a reference for decision-making.

Furthermore, the Company values the rights of foreign investors and the trend of corporate internationalization. Since 2018, we have strengthened the disclosure of various English information through channels such as annual reports, the Market Observation Post System (MOPS), and the company website. Through various methods, we actively establish good two-way communication channels with shareholders to realize the protection of shareholders' equity.

2.2.2 Board Composition and Operations (GRI 2-9、2-10、2-11、2-13、2-17、405-1)

Board of Directors

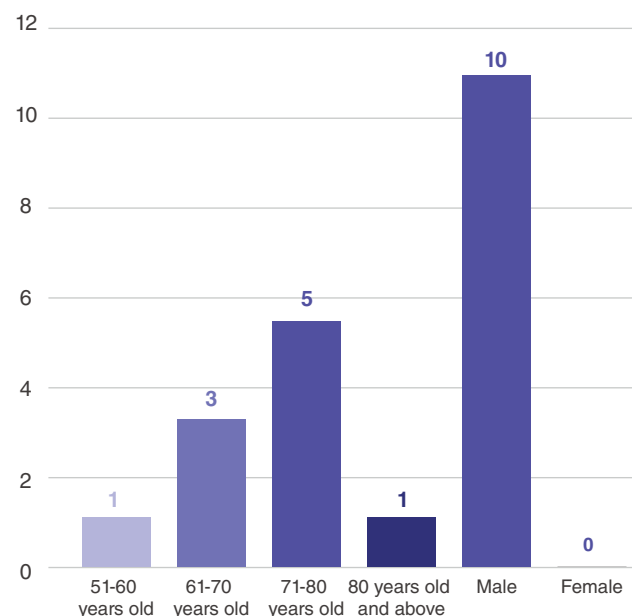
The Board of Directors is the highest governance body of the Company; the Company strictly requires board members to comply with laws and regulations, taking lawful action as the highest guideline for operations.

The election of the Company's directors (including independent directors) adopts a candidate nomination system; shareholders holding 1% or more of the total number of issued shares and the Board of Directors may submit a list of director candidates, which is proposed to the shareholders' meeting after the Board of Directors reviews and confirms that they meet the qualifications required for directors, and shareholders shall elect them from the list of director candidates. The Company's Board of Directors was fully re-elected in 2023, composed of 10 senior directors with rich experience from different professional fields, and 4 independent directors were set among the number of directors, with independent director seats accounting for 40% of the Board of Directors. The term of office for the Company's directors is 3 years, and they are eligible for re-election. ([Board of Directors Election Method](#))

Board Composition

Current term	May 26, 2023 to May 25, 2026
Members	- Directors : Quintin Wu (Chairman), Shan-Ke Hsu, Hui-Ming Cheng, Wen-Hao Wu (President), Hsien-Tsung Wu, Chun-Hui Huang - Independent Directors : Chen, Ta-Hsiung, Piao-Chun Chen, and Shun-Tien Lin, Ting-Chang Wang
Age of Board Members	All members are male.
Gender Distribution of Board Members	51 ~ 60 歲 1 位 61 ~ 70 歲 3 位 71 ~ 80 歲 5 位 80 歲以上 1 位

Age and Gender Distribution of Board Members



* Note: The Company bi-elected Mr. Chen, Ta-Hsiung as an independent director on May 27, 2025.

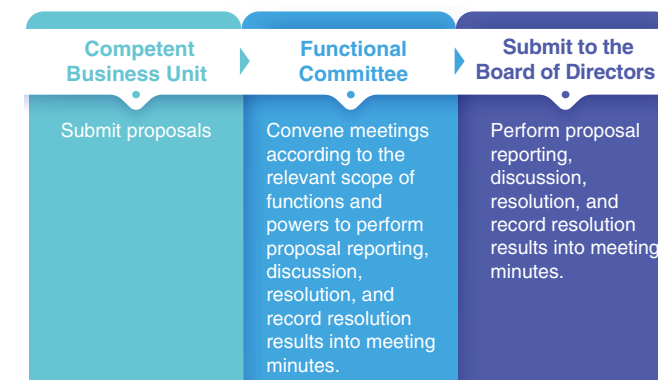
The Company held a total of 6 Board of Directors meetings in 2025, and the personal attendance rate of all directors (including independent directors) reached 94.74% (100% including attendance by proxy). The Board of Directors is led by the Chairman; please refer to [page 29 of the Company's 2025 Annual Report](#) for detailed operational conditions.

Board of Directors Agenda Submission

Process GRI 2-9、2-10、2-11、2-12、2-13、2-16

Proposals are submitted by the competent business units to each functional committee for reporting, discussion, and resolution, and then submitted to the Board of Directors for reporting, discussion, and resolution; after the meetings, each functional committee and the board affairs unit record the discussion processes and resolution results into meeting minutes respectively.

For information on the proposal submission process, the responsibilities of the Board Secretariat, and key resolutions passed by the Board in 2025, please refer to the table below.



Important resolutions of the Board of Directors for the 2025, GRI 2-16, please refer to [page 105 of the Company's 2025 Annual Report](#) and the Company's official website ([Important Resolutions of the Board of Directors](#)).

In addition, the Company has established a Board Secretariat as the administrative unit for board operations, responsible for planning and handling board affairs to enhance the efficiency of Board of Directors meetings and assist in promoting the execution of resolved matters.

Functional Committees GRI 2-9、2-19、2-20、2-21

The Company has established three functional committees under the Board of Directors according to their functions—namely the Audit Committee, the Remuneration Committee, and the ESG Committee—responsible for formulating and reviewing policies related to the scope of duties of the committees to strengthen corporate governance.

Title	Name	Audit Committee	Remuneration Committee	Committee
Chairman	Quintin Wu	---	---	Member
General Manager	Wen-Hao Wu	---	---	Vice Chairman
Independent Director	Chen,Ta-Hsiung	Member	Member	---
Independent Director	Piao-Chun Chen	Convener	Convener	Member
Independent Director	Shun-Tien Lin	Member	Member	Chairman
Independent Director	Ting-Chang Wang	Member	---	Member

Implementation of Board Member Diversity Policy GRI 2-10

I. Board Member Diversity Policy

According to Article 20 of the Company's "[Corporate Governance Best Practice Principles](#)", the composition of the Board of Directors should consider diversity, and members should possess the knowledge, skills, and literacy required to perform their duties. To achieve the ideal goal of corporate governance, the capabilities that the Board of Directors as a whole should possess are as follows:



In addition to possessing the above eight required capabilities, considering the increasing global emphasis on corporate governance and environmental protection related topics, the Board of Directors targets to include professional capabilities in "law" and "environmental protection" in terms of member diversity.

II. Specific Management Objectives for Board Member Diversity GRI 2-17

The seats of female directors on the Company's Board of Directors have not yet reached 1/3; the main reason is that due to the industry characteristics of the Company, women with deep industry qualifications are relatively scarce, making it temporarily impossible to reach the standard of 1/3 of the board seats in the short term. In the future, we will increase female director seats conforming to standards in accordance with laws and regulations, and multiple aspects will be considered to select suitable talents from different fields during the selection of director candidates to achieve the objective of board diversity. In addition, in response to the trend of increasing global emphasis on corporate sustainability development, the Company intends to add board members familiar with and specialized in relevant fields to enhance the Company's sustainability competitiveness and further improve the functions of the Board of Directors.

Avoidance of Conflicts of Interest by Directors GRI 2-11、GRI2-15

The Company attaches great importance to corporate governance; to ensure the independence and objectivity of board decision-making, a comprehensive conflict of interest avoidance mechanism has been established, as explained below:

- Institutional Regulations:** The Company has established rules of procedure for board meetings, code of ethical conduct for directors and managers, corporate virtues code, and operating procedures and behavior guidelines for corporate virtues code, explicitly regulating the recusal measures that directors should adopt when facing conflicts of interest.
- Meeting Procedures:** When the Board of Directors discusses proposals involving conflicts of interest with a director, recusal procedures will be strictly executed. The meeting chairman will remind relevant directors to leave the meeting, and will designate another director to act as proxy chair when the chairman themselves faces a conflict of interest.
- Information Disclosure:** The board affairs unit will record in detail the recusal of directors in each meeting and incorporate relevant information into the board meeting minutes.
- Annual Report:** The Company has completed the board conflict of interest avoidance procedures according to law; please refer to "Board Operations" in the Company's Annual Report for relevant details. For response content regarding conflicts of interest related to board members and stakeholders, please refer to "Director Profiles," "Top Ten Shareholders by Ownership Percentage" in the Annual Report, and "Related Party Transactions" in the Financial Report.
- Continuous Improvement:** The Company will continuously review and perfect the conflict of interest avoidance mechanism to ensure the transparency and fairness of corporate governance.

Implementation of Performance Evaluation for the Board of Directors and Functional Committees GRI 2-18、GRI 2-19

To continuously strengthen the operational effectiveness and functional performance of the Board of Directors, the Company revised the "Board Performance Evaluation Measures" in 2025, explicitly stipulating that the board performance evaluation shall be entrusted to an external professional independent institution or expert team every three years. The Company immediately appointed the "Taiwan Academy of Corporate Virtues" to conduct the external performance evaluation of the Board of Directors for 2025, and reported the evaluation results to the Board of Directors in November of the same year. The Company has planned improvement measures according to the evaluation recommendations to refine board decision-making quality and enhance the overall operational resilience and risk response capability of the Company, dedicating efforts to promoting long-term stable operations and sustainability development.

In addition to regular external evaluations, the Company conducts internal self-evaluations annually for the overall Board of Directors, individual board members, and functional committees. The internal performance evaluation for fiscal 2025 was completed in early 2026; after self-evaluation by board members, the results showed that the operations of the Board of Directors are in good condition, and the operational effectiveness was highly recognized. The evaluation results confirmed that board operations demonstrate high effectiveness, and we will continuously use this as a foundation to pursue a higher benchmark of corporate governance performance in the future.

The operational procedures for external board performance evaluation include: (1) Planning and Entrustment, (2) Data Preparation and Questionnaire Completion, (3) Written Review, (4) Interview and Verification, (5) Report Compilation and Feedback Refinement.

For the board performance evaluation measures, please refer to the Company's official website ([Board Performance Evaluation Measures](#)).

For the complete operational procedures, descriptions, evaluation implementation status, and evaluation results, please refer to the Company's official website ([Board Performance Evaluation](#)).

Audit Committee

Operational conditions of the Audit Committee:

1. The Audit Committee of the Company is composed of 4 independent directors, namely Piao-Chun Chen, Shun-Tien Lin Ting-Chang Wang, and Chen, Ta-Hsiung; 5 meetings were held in 2025 (Year 114), and the personal attendance rate of the members reached 100%.
2. The Audit Committee held meetings 5 times (A) during the most recent fiscal year (2025/Year 114); the attendance status of independent directors is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) ^(#1、#2)	Remarks
Independent Director	Li-Chiu Chang	1	0	100	Re-elected (Re-elected on May 26, 2023) Resigned on March 25, 2025
Independent Director	Piao-Chun Chen	5	0	100	Re-elected (Re-elected on May 26, 2023)
Independent Director	Shun-Tien Lin	5	0	100	Re-elected (Re-elected on May 26, 2023)
Independent Director	Ting-Chang Wang	5	0	100	Newly appointed on May 28, 2024
Independent Director	Chen, Ta-Hsiung	2	0	100	Newly appointed on May 27, 2025

* Note 1: If an independent director resigns before the end of the fiscal year, the resignation date shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held and their actual attendance during their tenure.

* Note 2: If independent directors are re-elected before the end of the fiscal year, both newly appointed and outgoing independent directors shall be listed, and it shall be specified in the remarks column whether the independent director is outgoing, newly appointed, or re-elected along with the election date. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held and their actual attendance during their tenure.

Remuneration Committee

1. The current term is from June 6, 2023 to May 25, 2026; the committee consists of 3 members in total, all of whom are independent directors.
2. The committee meets at least twice a year; a total of 3 meetings were held in fiscal 2025, and the personal attendance rate of the members reached 100%. Regarding the operational conditions of the committee, please refer to the Company's official website, Annual Report, or link to the Market Observation Post System for inquiries.
3. The committee regularly reviews (1) the policies, systems, standards, and structures of remuneration and (2) the performance evaluations of directors and senior managers; it references factors such as the median remuneration level of peers, individual time commitment, responsibilities assumed, individual objective achievement, remuneration of equivalent positions, company short-term and long-term performance target achievement, and the company's financial status to formulate and evaluate the remuneration of directors and senior managers, which is approved by the Board of Directors. (GRI 2-20)

- Remuneration: Remuneration items for directors include remuneration, director compensation, and business execution expenses; remuneration items for senior managers include monthly salary, fixed bonuses, year-end bonus, employee compensation, annual special bonuses, and legally contributed pensions and welfare funds, among which director compensation and employee compensation are handled according to Article 34 of the Articles of Incorporation. (GRI 2-19) Annual total compensation ratio for 2025: 10.22; annual total compensation change ratio: 72% (GRI 2-21)

- Performance Evaluation:

- (1) The dimensions of director performance evaluation cover mastery of company goals and missions, cognition of duties, degree of participation in company operations, internal relationship management and communication, professionalism and continuous professional education, and internal control, and separate performance evaluations are conducted for the ESG Committee.
- (2) Performance evaluation of senior managers covers financial aspects (revenue, operating income, and income before tax), customer aspects (customer satisfaction, service quality, key market expansion, etc.), product aspects (brand management, quality innovation, etc.), talent aspects (talent cultivation, potential development, etc.), safety aspects (zero pollution, zero emissions, zero occupational injuries, zero incidents, zero breakdowns), and project aspects (digital transformation, energy conservation and carbon reduction, circular economy, net-zero emissions, etc.).
- (3) For related indicators linked to sustainability performance, the General Manager needs to plan a weight of at least 30%, which should include at least 10% of climate-related items, and other senior managers should plan related sustainability performance indicators of no less than 5%.

Target	Performance Indicators	Execution Method (Weight)
General Manager	Financial Performance (25%)	-
	Market and Customers (25%)	-
	Market and Customers (25%)	Talent Cultivation Program (10%) Occupational Health and Safety (10%) Energy Conservation and Carbon Reduction Effectiveness (10%) Product Innovation and Production Line Expansion (20%)
Senior Managers	Sustainability Development Performance (30%)	Talent Cultivation Program (10%) Energy Conservation and Carbon Reduction Effectiveness (10%) Occupational Health and Safety (10%)

* Note 1 Annual total compensation ratio: Annual total compensation of the highest-paid individual / Median annual total compensation of all employees (excluding the highest-paid individual)

* Note 2 Annual total compensation change ratio: Percentage increase in annual total compensation of the highest-paid individual / Percentage increase in the median annual total compensation of all employees (excluding the highest-paid individual)

ESG Committee

1. The current term is from July 31, 2023 to May 25, 2026; the committee consists of 5 members.
2. The committee meets at least twice a year; a total of 2 committee meetings were held in fiscal 2025, and the personal attendance rate of the committee reached 100%.
3. The overall evaluation results of the internal performance self-evaluation for the overall Board of Directors, individual board members, and functional committees in 2025 are as follows:

Evaluation Dimension	Score
Degree of participation in company operations	4.80
Cognition of duties of the ESG Committee	4.80
Enhancing decision-making quality of the ESG Committee	4.97
Composition and member selection of the ESG Committee	4.90
The self-evaluation results of the ESG Committee show that the average scores of the four major dimensions reached above 4.8, indicating a good overall evaluation result.	

* Note: Evaluation scores are expressed in a range of 0 to 5 points, with a maximum score of 5 points; the evaluation period is from January 1, 2025 to December 31, 2025.

The performance evaluation results of the overall Board of Directors, individual board members, and functional committees will be reported to the Board of Directors in the first quarter of 2026.

Enhancing Directors' Professional Competence GRI 2-17

To strengthen the professional competence of directors (including independent directors), the Company regularly provides information on continuing education courses to directors and assists them in registration. In addition, 6 hours of internal continuing education courses were planned, including a 3-hour lecture on "Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-making" on July 29, 2025, delivered by Professor Chen-Fu Chien, Vice President of Tsinghua University and General Manager of Zhen Ding Tech. Group; and a 3-hour continuing education course on "U.S.-China Economy and Taiwan Industry Outlook After the U.S. Election" on October 16, 2025, delivered by Vice President Wang, Jiann-Chyuan of the Chung-Hua Institution for Economic Research. To enhance directors' professional competence, the Company arranges various continuing education courses and hours for directors every year; in fiscal 2025, internal continuing education courses totaled 6 hours, and the total number of internal and external course hours was 69 hours, with sustainability development related courses accounting for over 60.87% (42 hours in total). The continuing education content and hours of the newly appointed independent director, Mr. Chen, Ta-Hsiung, comply with Paragraph 3, Article 14 of the "Taipei Exchange Directions for Compliance Official Matters by TPEX Listed Companies in Establishing Board of Directors and Exercising Powers"; furthermore, the continuing education hours of all directors comply with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies". Please refer to [page 33 of the Company's 2025 Annual Report](#) for detailed continuing education courses and hours.



Arranged a 3-hour continuing education course on July 29, 2025, with Professor Zhen-Fu Jian, former Vice President of Tsinghua University and General Manager of Chen-Fu Chien. Group, lecturing on "Industrial Empirical Evidence of Smart Manufacturing and Digital Decision-making."



Arranged a 3-hour continuing education course on October 16, 2025, with Vice President Wang, Jiann-Chyuan of the Chung-Hua Institution for Economic Research lecturing on "U.S.-China Economy and Taiwan Industry Outlook After the U.S. Election."

2.2.3 Risk Management and Internal Control

Risk Management (GRI 2-25)

In 2022, the global economy was clouded by a slowdown in demand caused by inflation and interest rate hikes, geopolitical and economic conflicts of the Russia-Ukraine war, China's repeated dynamic zero-COVID lock-down measures, financial risks brought by climate change and energy crises, and the 2050 net-zero emissions trend, making risk management an important part of corporate governance.

To strengthen corporate governance, reduce potential operational risks, and ensure the stable operation and sustainability development of the Company, the "Risk Management Policy and SOP" was approved by the Audit Committee and the Board of Directors in December 2020; the main content includes items such as risk management policies, risk management organizations, risk management processes, and risk management categories and mechanisms, based on which risks generated by business activities are effectively controlled, and the operational status of risk management for the fiscal year is reported annually to the Audit Committee and the Board of Directors.

The Company has embedded risk management into its daily operations. All departments continuously carry out risk assessments and implement control measures to protect the interests of the Company, employees, shareholders, and stakeholders, in pursuit of long-term sustainability.

The operational conditions of each risk management unit in 2025 (Year 114) are shown in the table below:

No	Risk Category	Operational Conditions in 2025 (Year 114)
1	Financial Risk	- Interest rate risk: - Responses to global inflation gradually easing and major countries expected to enter an interest rate cut cycle: - Short-term capital demand: Closely monitor changes in the Taiwan Central Bank's overnight call loan rate and rates of negotiable certificates of deposit of various maturities, and adjust borrowing tenors appropriately to effectively reduce costs and prepare sufficient short-term funds for operational needs. - Medium and long-term capital demand: Obtain medium and long-term lines of credit from financial institutions, and plan to increase the proportion of floating-rate borrowings to respond to interest rate downside risks. - Control borrowing limit levels based on demand, and adjust the proportion of short-term / medium and long-term borrowings, maintaining the short-term facility drawdown rate below 50% to make the overall financial structure more robust and reduce risks arising from interest rate fluctuations. - Foreign exchange risk: The U.S. Federal Reserve initiated an interest rate cut cycle; considering that global political and geopolitical risks can easily increase fluctuations in international foreign exchange markets, foreign exchange operations adopt 100% hedging of the Company's net exposure in principle; however, when exchange rate trends are clearly favorable to the Company, the hedging ratio will be adjusted appropriately within a controllable risk scope. - Property loss risk: Based on business and asset scale, the Company has purchased various property insurances based on replacement cost to appropriately transfer risks to insurance companies. - Endorsement and guarantee risk: The target of the Company's endorsements and guarantees is a 60.1% owned subsidiary; providing credit line endorsements helps reduce its funding costs and increase capital dispatch flexibility, which aligns with established business strategies, and the risks assumed are within the Company's tolerable scope. - Accounts receivable risk: For overdue customers, shipments are suspended first, and customers are visited immediately to clarify reasons for being overdue and inquire whether there are abnormalities in payments; if necessary, provisional attachment preservation procedures are adopted to seal customer property. Meetings are held regularly to review customer business conditions or analyze customer financial reports; if problematic customers are found, it is recommended to suspend shipments or reduce open accounts.
2	Strategic and Operational Risk	- Business units report strategic topics to directors regularly to reduce strategic risks through recommendations and supervision from board members. - Convene weekly cross-plant video conferences to continuously review the operational conditions of each plant and adjust and formulate operational strategies. - Convene weekly sales and R&D meetings to closely monitor and grasp changes and dynamics among peers, markets, industries, and customers at all times, to respond and serve as a reference for production, technology, and product development directions.

No	Risk Category	Operational Conditions in 2025 (Year 114)
3	Raw Material Prices and Supply Chain Risk	- Changes in raw material prices: In view of the overall market remaining stable, but with raw material prices showing a slight upward trend, procurement should grasp market conditions and in-plant raw material demand in real time, and perform dynamic adjustments based on price fluctuations to ensure optimization of procurement benefits and cost control. - Raw material inventory and logistics management: Through a rolling demand forecasting mechanism, continuously confirm demand with user units, plan material preparation and logistics arrangements in advance, ensure raw material inventories remain at reasonable levels, and enhance supply chain operational efficiency and stability. - Production equipment spare parts plan: Production units should regularly review spare parts demand for major equipment and formulate annual spare parts plans. Procurement needs to proactively coordinate with suppliers according to the plan, master spare parts supply capability and lead times, and place orders timely to reduce equipment failure risks and ensure production continuity.
4	Occupational Safety Risk	- As of the end of September 2025, through the efforts of various units, the Taoyuan Plant continuously maintained zero occupational injuries performance. - Accumulated zero-injury days and hours were: zero occupational injury days: 1,499 days; zero occupational injury hours: 1,740,473 hours. - To enhance the effectiveness of occupational health and safety management, the ISO 45001 occupational health and safety management system was introduced in April 2022 and passed verification in December 2022; the management system was continuously operated in 2025, reaching the zero occupational injury objective and demonstrating corporate social responsibility by formulating goals, identifying risks, and adopting relevant occupational health and safety measures. - Cooperate with the Group's Division of Equipment Preventive Maintenance and Environmental Risk Control to regularly conduct safety publicity of incidents within the Group or major domestic and foreign industrial safety and environmental protection news, serving as references and learning from others' incidents. - Appoint on-site health management medical personnel to perform employee health management, organize health activities, and perform related health education work, enhancing employee health awareness and reducing occupational disease risks. - To implement contractor management, a contractor facial recognition system was established in September 2024 to effectively manage entry and exit controls of contractor personnel, controlling over 2,000 person-times as of the end of September 2025.
5	Cybersecurity Risk	- Appoint professional cybersecurity consulting companies to execute social engineering drills every half year, and provide cybersecurity education training and testing for colleagues who do not pass the test. Colleagues in the IT execution department undergo professional cybersecurity course training and testing twice a year to strengthen the cybersecurity awareness of corporate colleagues. - Periodically dispatch personnel to plants to conduct cybersecurity inspection and asset inventory for OT computers, strengthen cybersecurity control of OT computer equipment, and execute USB port locking control operations to reduce cybersecurity risks arising from external USB devices. - Annually appoint professional ISO cybersecurity consultants to assist the IT execution department in conducting cybersecurity audits, strengthening internal cybersecurity controls, and reviewing cybersecurity processes of various operations, executing host vulnerability scanning and subsequent vulnerability remediation twice a year. - The IT execution department appoints professional ISO cybersecurity consultants to conduct cybersecurity health checks on the IT environment, executing packet traffic collection and analysis for equipment such as server hosts, client computers, and core network switches. - The IT execution department regularly invites internationally renowned certification companies every year to perform ISO 27001 certification check, passing the ISO 27001 certification, and passed the ISO 27001:2022 version upgrade verification in June 2025. The Group's internal audit department conducts cybersecurity audits twice a year. - Configure anti-virus software in company-issued computers to prevent virus intrusion, and configure endpoint protection software for computer equipment of critical business and high-risk colleagues, detecting abnormal behaviors in real time and automatically executing blocking and isolation. - Continuously perform system version and cybersecurity protection suite updates for external network firewalls to ensure firewalls possess the latest protection and anti-hacking capabilities; regularly execute external firewall disaster recovery and backup drills every year to enhance the corporate resilience for continuous firewall operation. - Set network connection access control list (ACL) rules through next-generation firewall equipment to block suspicious connections from specific IP locations or ports, and use its DDoS protection function to monitor and filter abnormal network traffic, reducing the impact of external malicious attacks on company services. - Core system hosts of the Group regularly execute disaster recovery drills to strengthen system recovery speed and capability, aiming to rapidly restore to normal operational states when disasters occur to ensure the Group's continuous operational capability. - Introduce email MFA (Multi-Factor Authentication) mechanisms, enforced especially when accessing emails outside the Company's internal network or office locations, to effectively reduce unauthorized access risks and strengthen the security of remote logins. - Establish a dedicated cybersecurity unit based on the Financial Supervisory Commission's recommendations, appointing dedicated cybersecurity supervisors and dedicated cybersecurity personnel, etc., responsible for planning, monitoring, and executing information security management and supervision operations. - For critical information assets, configure two sets of mutually heterogeneous endpoint detection and response (EDR) software as complementary anti-hacking solutions. - For the Company's official website, introduce third-party corporate cybersecurity exposure services, adopting non-intrusive collection of public data, network honeypot mechanisms, and integrated threat intelligence, paired with vulnerability search engine operations to perform network cybersecurity risk analysis, continuous safety monitoring, and vulnerability remediation from the exterior of the enterprise.

No	Risk Category	Operational Conditions in 2025 (Year 114)
6	Legal Risk	1. Compliance risk: • For legal doubts raised by various requesting units in this fiscal year, the Group's Legal Department timely provided written and verbal consultation and handling recommendations to ensure that corporate activities comply with laws and regulations. • Compile, evaluate, and study relevant proposals regarding domestic and foreign policy laws and dynamics of competent authorities to timely provide references for relevant corporate personnel. • Consult competent authorities or external professional opinions when necessary to confirm the appropriateness of relevant legal insights. • Operations were normal this year. 2. Transaction risk: • The Group's Legal Department handles the drafting and review of various transaction-related legal documents, fully understanding the background facts, our position, and contracting purposes through individual discussions or meetings, and provides appropriate and feasible recommendations to promote transaction completion while ensuring company rights and avoiding default risks and responsibilities. • According to company regulations, dedicated personnel manage and apply the company seals, and the Group's Legal Department requests clarification or correction for non-compliant legal or contract documents to faithfully perform gatekeeping duties. • Operations were normal this year. 3. Litigation resolution: • The management and handling principles of litigation events managed by the Group's Legal Department are as follows: (1) Comprehensively consider factors such as the resolution procedures, required manpower, time and fee costs of each litigation case, the final certainty of litigation results, and the feasibility of subsequent compulsory execution, to evaluate and formulate suitable dispute resolution strategies. (2) Fully understand case facts, study complete defense or negotiation strategies, and present effective and complete evidence and witnesses. (3) Consult external professional opinions and entrust suitable professional agents to effectively control fee expenditures. • The Group's Legal Department did not manage any litigation events for ACME in this fiscal year (2025/Year 114). 4. Compliance awareness and behavior: • Assist relevant units in conducting internal education training, participate in education training held by competent authorities or external units, or provide opportunistic education during individual discussions or meeting discussions when providing legal assistance, timely reminding and strengthening the legal risk awareness of colleagues in various departments, internalizing it into colleagues' daily work behaviors, and thereby reducing company risks. • Operations were normal this year.



No	Risk Category	Operational Conditions in 2025 (Year 114)
7	Human Resources Risk	In addition to controlling risks according to last year's assessment, we also monitor relevant risk changes at all times and adjust control mechanisms flexibly to ensure the effectiveness of risk management. - Talent supply shortage risk (talent shortage): Diverse recruitment and industry-academia cooperation to expand talent sources: Recruit talent through channels such as campus or on-site recruitment, job banks, ESG websites, headhunting companies, and the Company's official website, and establish industry-academia cooperation relationships with domestic and foreign colleges and universities. In 2025, participated in a total of 2 on-site recruitment events for overseas Chinese and foreign students, obtaining over 20 submitted resumes. - Talent retention risk (talent drain) - Diverse training course design to strengthen employee skills: The Group designs various courses based on different "course types," "common domains," and "training targets"; the execution rate of physical and digital education training for new recruits was 100%. - Robust promotion systems to build a talent pipeline: To strengthen the building of a talent pipeline, the Group established an annual promotion submission system and a Talent Development Committee, reviewing promotion plans for excellent employees in July each year. In fiscal 2025, 20 people were promoted, realizing "suitable talent, suitable nature, suitable position" development and enhancing organizational vitality and competitiveness. - Implement the successor system: Designate successors when employees retire, and the Company continuously implements the successor system and related training; for plant successors, promote horizontal training to ensure key talents possess both professional field and production process experience, enhancing talent configuration flexibility. - Labor-management relationship maintenance: Convened 4 labor-management conferences, continuously performing daily communication with employees through occasional meetings to maintain good labor-management cooperation relationships. - Establish competitive remuneration systems: The Company establishes market-competitive remuneration systems, participating in external salary surveys annually (such as GET , 104 Corporations, and Jye-Baw Manufacturing), and clearly stipulates the annual employee remuneration contribution ratio in the Articles of Incorporation, enabling employees to share operational results according to the actual profitability of the Company to encourage long-term contributions and promote mutual growth. - Introduce EAP programs to strengthen employee psychological support: Introduce the Employee Assistance Program (EAP) to provide professional confidential consultation services. Employees can consult one-on-one with qualified psychologists via phone, email, or LINE to help clarify problems, relieve stress, and enhance psychological resilience. In 2025 (Year 114), 63 people across the Group utilized EAP consultation services (not broken down by company due to confidentiality), and the system won the trust of employees. - Regulatory compliance risk: - Strengthen corporate virtues and implement codes of conduct: The Company has established the "Corporate Virtues Code" and "Operating Procedures and Behavior Guidelines for Corporate Virtues Code," and the Group formulated regulations such as the "Code of Ethical Conduct for Directors and Managers" and "Employee Part-time Behavior Specifications"; the passing rate of the 2025 employee code of conduct test was 100%, and the Group had no illegal events. - Compliance supervision mechanism: Externally retain a legal team with expertise in labor law to serve as company legal counsel, providing compliance consultations, and designate dedicated personnel to regularly review the execution status of SOP personnel regulations, benchmarking against newly revised laws and updating them immediately. - Establish whistleblowing and grievance systems: Formulate "Measures for Handling Whistleblowing Cases of Illegal, Unethical, or Unvirtuous Behaviors." Provide diverse whistleblowing channels, encouraging employees and external stakeholders to report illegal, unethical, or unvirtuous behaviors through the company website and the Whistleblowing Hotline of the Audit Division. Reiterate the Group's zero-tolerance attitude toward illegal infringements, setting up dedicated grievance mailboxes, emails, and hotlines for sexual harassment prevention and prevention of unlawful infringements. All cases are handled by designated personnel according to confidentiality principles to protect whistleblower rights. There were no related violations or reporting of illegal events in 2025 (Year 114).

No	Risk Category	Operational Conditions in 2025 (Year 114)
8	R&D Risk	- To elevate industrial status and safeguard existing technological achievements, the Company submitted the "Intellectual Property Management Plan" to the Board of Directors on August 11, 2020, which was approved to implement the Company's intellectual property management policy. - On November 4 of this year, reported to the Board of Directors and obtained approval for the "Execution Status of the Company's 2025 Intellectual Property Management Plan and the 2026 R&D Plan." - Convene weekly sales and R&D meetings to closely monitor and grasp changes and dynamics among peers, markets, industries, and customers at all times, to respond and serve as references for production, technology, and product development directions. - Participate in power supply technology and silicon carbide materials seminars and exhibitions annually to fully grasp market dynamics and development directions. - Require belonging employees to sign non-disclosure agreements to implement trade secret and intellectual property protection. °
9	Climate Change and Environmental Risk	- Environmental impacts of carbon emissions during operations: - Analyze potential crises of climate change through TCFD and international research reports, search for possible opportunities and responses, perform financial impact analysis, and explain response methods. - Establish the ISO 50001 energy management system, enhance energy efficiency through energy-saving measure improvements and monitoring of energy performance indicators, and voluntarily inventory and monitor greenhouse gas emissions to comply with voluntary greenhouse gas reduction commitments and laws, analyzing climate change risks and opportunities to reduce financial losses in production operations caused by extreme weather. - The Group's routine energy conservation and carbon reduction factory visit itinerary reached the plant on October 21 for an exchange meeting, continuously promoting energy conservation and carbon reduction through a series of audit activity training courses. - The Group held the 2025 Group Plant Technical Exchange Conference on October 28, organizing case presentations and selection awards to encourage plants to continuously execute and refine industrial safety, environmental protection, equipment preventive maintenance, and energy conservation and carbon reduction. - The 2025 emissions of the Taoyuan Plant were verified by Ernst & Young, totaling 48,761 MT of CO₂e/year for Scope 1 plus Scope 2 emissions. Scope 3 emissions under ISO 14064-1 greenhouse gas inventory were 1,140 tons of CO₂e/year. - Continuously monitor changes in energy and carbon management related policies, laws, and regulations, and actively participate in public hearings on the formulation and revision of related regulations. - Environmental pollution during operations: - Execute the Group's safety and environmental protection audits, checking and correcting compliance with laws regarding industrial safety, environmental protection, and fire fighting. - Execute annual safety and environmental education training plans, training and enhancing the skills and new regulatory knowledge of environmental business personnel at each plant. - Continuously monitor domestic and foreign environmental protection regulation changes, actively participating in regulatory formulation and revision discussions and hearings through industry associations. - The Group's Legal Department occasionally produces publicity single-pages on major domestic and foreign industrial safety and environmental protection news for reference and learning from others' incidents.
10	Disaster and Incident Risk	- As of September 2025, the Taoyuan Plant had zero occupational injuries. - For mechanical machinery maintenance and various process check, the number of maintenance and improvement cases totaled 314 items as of September 2025, with 100% completed; checking operations executed 3,489 cases as of September 2025, with 100% completed.
11	Technology Risk	- Annually inventory accounts using SSLVPN and use "maintaining minimized privileges" as a cybersecurity control guideline. - Monitor various cybersecurity topics at all times (such as cybersecurity information released by the National Institute of Cyber Security) to perform Group information communication environment inspection and vulnerability correction references. - Continuously conduct cybersecurity management according to the three-stage (pre-event, mid-event, and post-event) principles formulated by the Group's operational practices. - Corporate laptops cooperate with SSLVPN connection management mechanisms to implement cybersecurity controls for colleagues during remote use. - Responding to changes in market customer demands and lagging production technologies: - Introduce Six Sigma and TRIZ, establishing systematic and scientific innovation and problem-solving models to make production processes rational, automated, and intelligent, enhancing overall quality and cost competitiveness. - Introduce the ISO 50001 energy management system, and plan to introduce smart factory management systems, which can systematically collect and analyze production data while simultaneously collecting energy consumption data of various production equipment to continuously implement energy conservation and carbon reduction improvements. - Optimize existing equipment process conditions to enhance production capacity, and utilize opportunities of phasing out age-reaching equipment to jointly develop equipment with lower energy consumption and higher production efficiency with suppliers, meeting customer production capacity demands while simultaneously reducing carbon emissions.

Internal Control and Internal Audit Systems

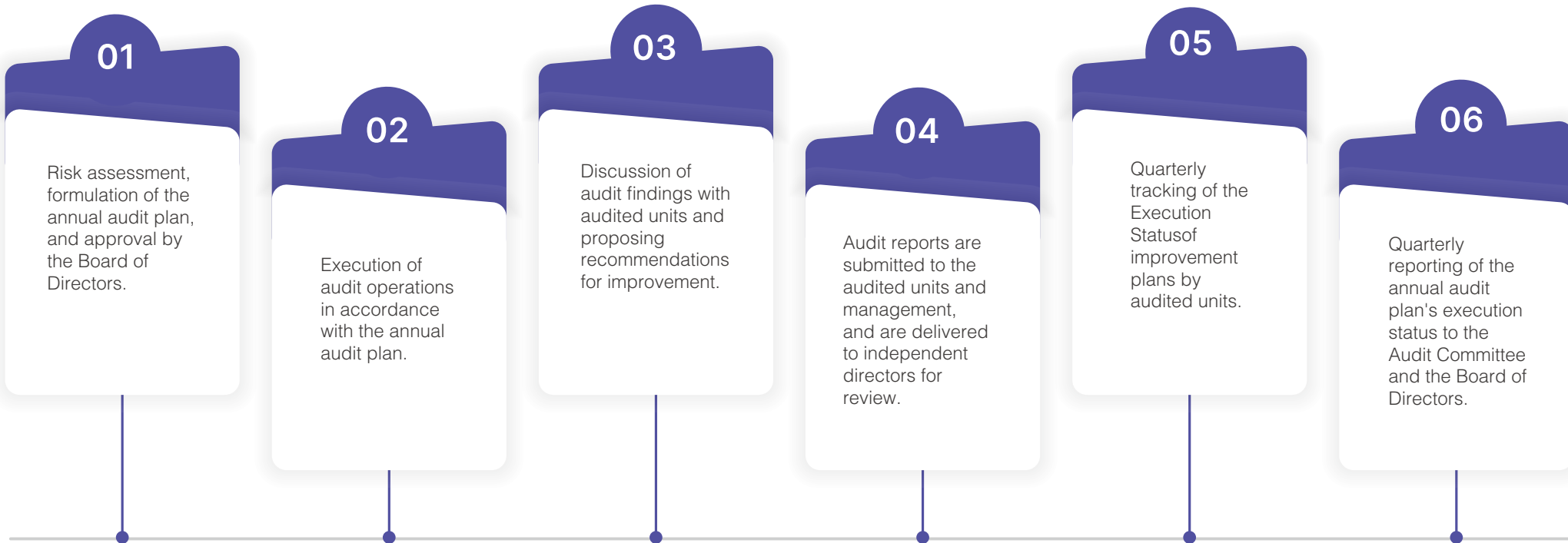
The company's Internal Audit Department is directly subordinate to the Board of Directors, assisting the Board and management in inspecting and reviewing internal control systems to achieve the three major objectives of internal control: "effectiveness and efficiency of operations," "reliability, timeliness, transparency, and compliance of financial reporting," and "compliance with applicable laws and regulations."

In accordance with the company's "Internal Control System," the Internal Audit Department formulates annual audit plans. In addition to including the company's eight major operational cycles of control activities, management operations, computerized information system management, and various regulatory compliance matters into continuous audit items, various risk assessments are performed prior to formulating the audit plan. These are linked to the company's annual strategic objectives and implemented across all relevant operational levels. All annual audit plans are submitted to the Board of Directors for approval, while various risk management and regulatory compliance actions are embedded into the daily operational management of each unit according to the internal control system.

In 2025, the Company's Audit Department issued a total of 51 audit reports and 15 improvement follow-up reports. Execution status of audit plans, audit findings, and descriptions of improvements are reported quarterly to the Audit Committee and the Board of Directors, and are filed online within statutory timeframes and delivered to the Audit Committee for review.

The company revised its internal control system for sustainability information management in November 2024, and will continue to make timely adjustments in response to relevant laws or operations going forward. Starting from 2025, the management of sustainability information has been incorporated into annual audit items, with reports issued following execution according to the annual audit plan.

Every year, the company regularly and effectively manages identified risks, simultaneously combining them with control activity objectives to examine the effectiveness of internal control design and execution at each operational level. Additionally, in February 2026, the Internal Audit Department completed the review of the 2025 internal control system self-assessment data from all units and subsidiaries and issued a review report, serving as the primary basis for the Board of Directors and the President to issue the Statement of Internal Control System.



Whistleblowing and Advisory Channels (GRI 2-25、2-26)

To address incidents violating company regulations and national laws, the company has established grievance, whistleblowing, and disciplinary systems, providing legitimate reporting channels and maintaining strict confidentiality regarding the whistleblower's identity and the content of the report.

Internal whistleblowing and advisory mechanisms: The company has enacted the "Regulations Governing Employee Grievance and Suggestion Box Management," "Operational Procedures for the Audit Committee Email," and "Regulations Governing the Handling of Whistleblowing Cases for Illegal, Unethical, or Dishonest Behavior" to establish reporting and grievance channels. Receipt, handling, and responses are assigned to the human resources unit, auditing unit, or the Audit Committee respectively, depending on the nature of the matter. Employees may submit complaints or reports through face-to-face meetings, telephone (+886-2-26503783), written submissions (7F, No. 37, Jihu Rd., Neihsu Dist., Taipei City, Group Audit Department), or via the Audit Committee e-mail (auditcomm@usig.com).

External whistleblowing and advisory mechanisms: External stakeholders can communicate any suggestions or grievances to the company via the "Contact Us" section on the company website or the Audit Committee Email.

Adhering to the corporate code of integrity management, all employees are required to sign various job-related commitment statements or non-disclosure agreements and comply with the company's regulations and policies. In 2025, the company detected no cases of fraud or statutory violations.

Integrity Management (RT-EE-510a.1)

On December 8, 2006, the company formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Officers," requiring directors and officers to handle company affairs with self-disciplined attitudes rooted in honesty, trustworthiness, compliance, fairness, justice, and ethics. They must avoid personal conflicts of interest, prevent opportunities for personal gain, safeguard business secrets, engage in fair trade, abide by laws and regulations, and protect and properly use corporate assets.

We maintain that integrity management is the foundation of excellent corporate governance. The Board of Directors has approved and formulated the "Ethical Corporate Management Best Practice Principles" and, based on these principles, established the "Procedures for Ethical Management and Guidelines for Conduct." These explicitly state that, in addition to complying with laws prohibiting insider trading, directors of the company shall not trade the company's shares during the blackout periods of 30 days prior to the publication of annual financial reports and 15 days prior to the publication of quarterly financial reports.

The company's integrity management policy is grounded in corporate philosophies of honesty, transparency, and accountability, establishing integrity-based policies and developing sound corporate governance and risk control mechanisms to create an operational environment for sustainable development.



The "Ethical Corporate Management Best Practice Principles" stipulate that directors, officers, employees, or material controllers of the company, during commercial activities, shall not directly or indirectly offer, promise, request, or receive any improper benefits, or commit other dishonest, unlawful, or fiduciary-breaching behaviors to obtain or maintain interests. Prohibited actions include bribery and kickbacks, illegal political contributions, improper charitable donations or sponsorships, unreasonable gifts, services, hospitality, or other abnormal benefits.

To implement integrity management, the company adopts the following measures:

1

Explicitly state policies regarding integrity management status in corporate regulations and external documents.

2

The Corporate Governance Task Force is responsible for formulating preventive programs—including operational procedures, guidelines for conduct, and educational training—and reports regularly (at least once a year) to the Board of Directors.

3

Establish and abide by effective accounting systems and internal control systems.

4

Provide legitimate whistleblowing channels and specify disciplinary and grievance systems for violations of integrity management rules.

To help directors, officers, and employees understand, publicize, and strictly follow the Group's integrity and ethical standards, the company mandates compliance with integrity management policies as a condition of employment. Newly appointed directors and senior executives must sign a statement of compliance with integrity management policies. In 2025, the signing rate for the company's directors and executives reached 100%.

Regulatory Compliance (GRI 2-27)

The company's efforts in regulatory compliance are built upon our most important core value of "integrity management." To ensure all employees comprehend regulatory compliance issues, information on latest regulatory announcements and trends is publicized via internal employee training, external training courses, and routine functional meetings, enabling employees to acquire data on new and amended regulations. Concurrently, the Legal Department of USI Group provides legal consulting recommendations.

To familiarize colleagues with professional ethical codes, besides publicizing relevant rules on the corporate website, the company continuously invites renowned scholars, experts, or attorneys to conduct educational training and awareness programs for directors, officers, employees, and material controllers. This ensures they fully understand the company's determination, policies, preventive programs for integrity management, and the consequences of violating ethical conduct. In 2025, the company organized educational training related to integrity management topics (including Fair Trade Act regulations and case analysis, prevention of unlawful workplace harassment, and labor law seminars for human resources personnel), reaching 363 person-times and totaling 426 hours.

In 2025, the company experienced no non-compliance incidents or environmental administrative fines related to customer privacy and products/services.

2.3 Product and Technology R&D

| Management Policy

Strategic Policy



Innovative corporate culture, accumulating innovative energy
Develop new materials and new products to maintain competitive advantages
Develop new businesses to pursue sustainable development

Commitment

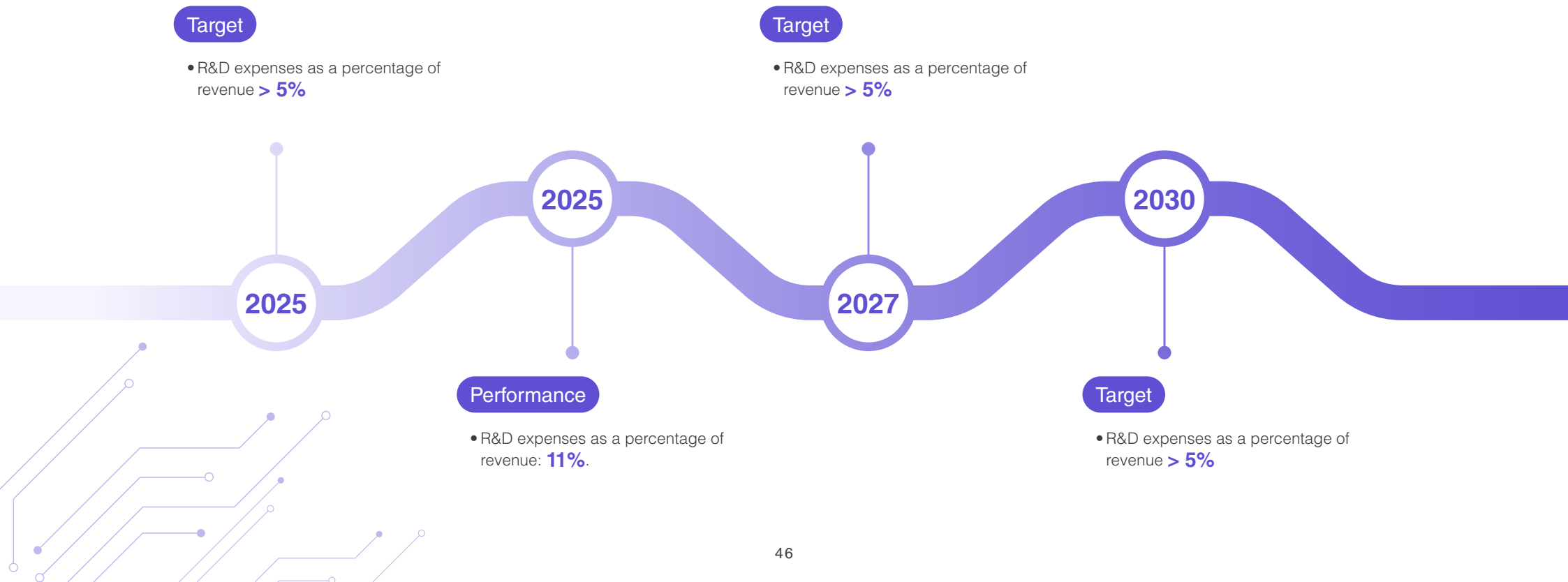


Maintain R&D expenses as a percentage of revenue at 5%

Sustainability Principle



Governance and Value Chain Management



Continuous technical refinement and innovation constitute the core value of the company and serve as the source of momentum for maintaining competitive advantage, not only securing a leading market position but also rapidly satisfying customers' diverse design requirements.

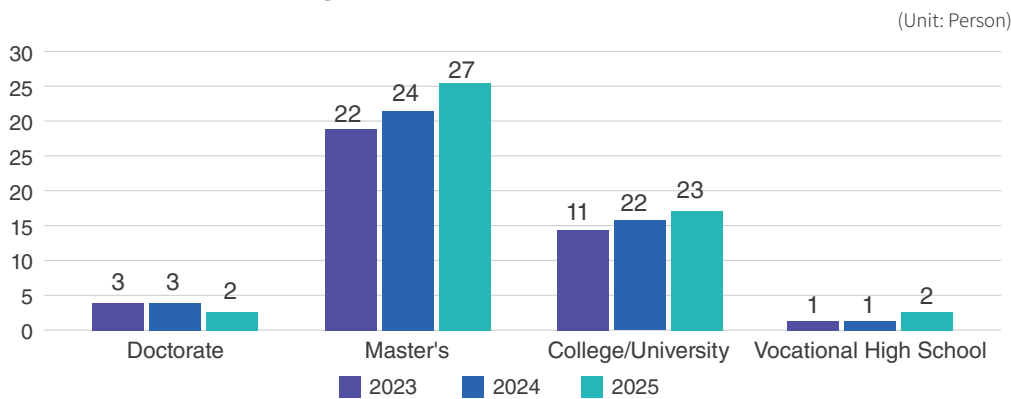
Over the past three years, the company's R&D expenditures have increased continuously, remaining at around 8% of revenue, an investment proportion on par with world-class enterprises. Driven by the increased allocation of R&D budgets, we have not only reinforced the headcount and competence of the R&D team but also added high-end laboratory equipment, actively accumulating innovative energy, fostering an innovative environment, and realizing the value of innovation.

ACME R&D Expense Allocation, 2023-2025

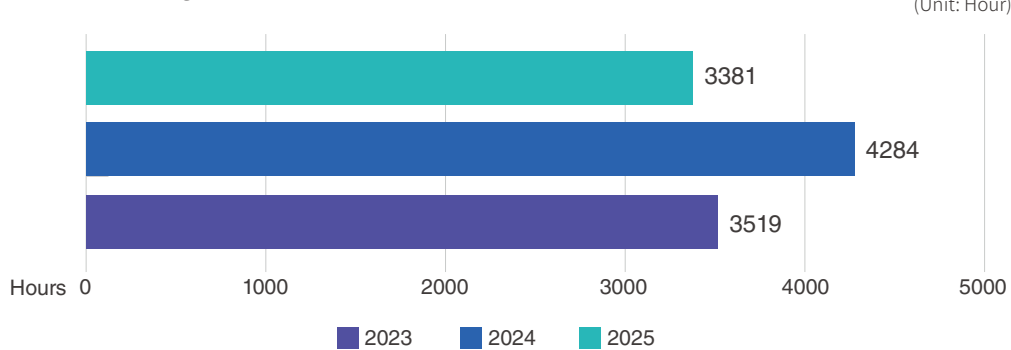
(Unit: NT\$ Thousand)

Year	2023	2024	2025
R&D Expenses	11,185	132,004	157,648
Percentage of Revenue	10.3%	8.1%	11%

ACME Educational Background Distribution of R&D Personnel, 2023-2025



ACME Training Hours for R&D Personnel, 2023-2025



In terms of material development, the company focuses on electric vehicle power applications, CAN-BUS communication applications, and high-frequency power supply product development for servers. In terms of product development, emphasis is placed on miniaturized high-frequency high-power inductor ferrite cores, power supply products for 5G communications, and low-power consumption products for EV-related applications. Concurrently, we collaborate with industry leaders to co-develop green materials characterized by high frequency, high power, and lower core loss to satisfy market demands and development trends. Furthermore, in response to green energy progress, low-power amorphous alloys and nanocrystalline alloy materials/products have also been designated as key development focus items for 2025.

Regarding new business development, Silicon Carbide (SiC) is a power semiconductor material capable of achieving low power consumption, high efficiency, and miniaturization. Compared to traditional Silicon (Si) devices, SiC can significantly reduce switching losses and maintains excellent operational characteristics even in high-temperature environments. SiC power devices have been introduced into solar inverters, electric vehicles, and railway systems; semi-insulating SiC is also anticipated to become substrate materials for power amplifiers in 5G applications. Additionally, SiC ceramic structural parts, given their superb high-temperature resistance and corrosion resistance, are widely applied in processing equipment for semiconductors and optoelectronics.

Driven by the rapid progress of electric vehicles, market applications for SiC have formed progressively. Countries worldwide designate SiC as a strategic critical material, and Taiwan has also included this material as a policy-driven development item. The company has achieved solid progress in developing high-purity SiC powders, with sales growing continuously. Looking ahead, we will align with market directions—such as the development of electric vehicle and PV solar industries—to expand production and sales scales, while actively extending into application market development for high-purity SiC ceramic products to layout next-generation business opportunities.



ACME Successfully Developed Technologies or Products, 2023-2025

Year	Successfully Developed Technology or Product	Application
2023	Development of submicron Mn-Zn ferrite materials	Improvement of high-frequency model efficiency
	Development of P453 material wide temperature, low loss power supply for automotive	Wide Temperature power for Automotive
	Development of SiC/AlN sintered ceramic powder and forming/sintering technology	SiC Sintered Powder
	Development of A051 material automotive filtering high Tc	High Tc EMI Application for Automotive
	Ni-Zn ferrite for EMI, suppression and antenna(F32)	Controller Area Network for Automotive
	Development of P53i medium frequency 500kHz-100mT material	High Frequency DC-DC Application for On-Board Battery
	Development of Ni-Zn High Permeability and High Tc(K101) automotive EMI	Ni-Zn High Permeability and High Tc $\geq 170^{\circ}\text{C}$ (Automotive EMI application)
	Development of P454 ultra-wide temperature (-160°C), low loss Power Ferrite for automotive	Ultra-Wide Temperature, power for Automotive (Automotive OBC power supply)
2024	Development of AlN / SiCB powder and sintered polycrystalline wafer.	SiC Sintered Powder (Silicon Carbide Semiconductor Material)
	P492 High temperature, high current resistant Mn-Zn High Bs Power Ferrite	Wide temperature, low power consumption 100 ~ 200 kHz and good +DC Bias in high Temp (Automotive electronics, Power Transformers.)
	P452i Material 300kHz, $\Delta B = 120\text{mT}$	200~500kHz Wide Temperature low power loss for server
	Development of P65 material high-frequency power chokes	High-frequency DC-DC power chokes
	Development of A072 material automotive filtering high Tc	High Tc EMI Application for Automotive
	Development of NiZn ferrite for high Bs=480mT material	mini DC-DC converters and inductors
	Development of P61i broadband 500kHz-1.2MHz, $\Delta B \geq 100\text{mT}$ material	Automotive DC-DC converters, Data center power.
	Development of Ni-Zn High Permeability and High Tc(K201) automotive EMI	Ni-Zn-ferrite EMI suppression high-temperature filtering inductor
2025	Development of P453i material wide temperature, ultra-low loss power supply for automotive	Wide Temperature power for Automotive
	Development of Ferrite powder 10~30 μm forming technology	Improvement of high-frequency power supply model efficiency
	Optimization of AlN / SiCB powder and development of sintered polycrystalline wafer	Meets the demands of high-end applications like EVs and 5G for power semiconductors and high heat dissipation substrates. New applications include SiC AI server power supplies and AI/AR glasses.
	Optimization of SiC / AlN sintered ceramic powder forming and sintering technology development	Applied in on-board chargers (OBC), DC-DC converters, and main traction inverters in electric vehicles to improve cruising efficiency and reduce conversion energy loss.
	Development of P455 material 300kHz, $\Delta B \geq 120\text{mT}$ wide temperature, low loss server power supply	200~500kHz wide temperature, large field, low loss (high-performance server power supply)
	Development of P471 wide temperature, high Bs, low loss	EFD series models have excellent high current resistance characteristics at a wide temperature range of $-40\sim 150^{\circ}\text{C}$.
	Development of P66 material high-frequency, large-field Transformer	High Frequency DC-DC Application for AI Server or 5G Power Supply
	Development of A105 material automotive filtering high Tc	Automotive filtering high Tc, with bandwidth characteristics of 200kHz up to 9500. Saturation magnetic flux density (Bs), impedance (Z), and Curie temperature (Tc) are superior to the existing A10 material.
	Development of A103 material broadband, high impedance EMI filtering high Z	Broadband, high impedance EMI filtering high Z, with bandwidth characteristics of 200kHz up to 10500. Impedance (Z) and Curie temperature (Tc) are superior to the existing A102 material.
	Development of high-frequency 500kHz-1.2MHz, $\Delta B \geq 120\text{mT}$ material	Development of power supply materials for new medium-high frequency applications LLC / Boost SRC with a wide temperature range of $110\sim 120^{\circ}\text{C}$.
	Development of Ni-Zn High Permeability and High Tc(K152) automotive EMI	Ni-Zn Ferrite EMI Suppression high-temperature filtering inductor
	Development of P454 ultra-wide temperature, low loss automotive power supply material	DC / DC Converters, OBC for vehicles. The material is designed to have lower heat generation during operation above 100°C to prevent thermal runaway caused by a rapid temperature rise, meeting customers' high-temperature performance requirements.
	Development of high-frequency, high-temperature power inductor material with inductance drop < 10%	High temperature reliability, high frequency, and low loss to meet customers' packaging design requirements.

2.4 Supply Chain Management

| Management Policy

Strategic Policy



Conflict minerals management: Conduct conflict minerals due diligence on suppliers to ensure a 100% qualified mineral utilization rate.

Supply chain risk management: Regularly evaluate suppliers based on "quality, delivery, cooperation, and pricing" to ensure they meet company requirements and maintain supply chain stability.

Commitment



The company's core production sites are based in Taiwan. Under similar alternative conditions, the company prioritizes procurement from local suppliers to establish long-term sustainable cooperative relationships.

Integrate major ESG corporate environmental and social responsibility indicators—such as RoHS, ISO 14001, ISO 45001, and ISO 50001—as supplier evaluation and management criteria.

Sustainability Principle



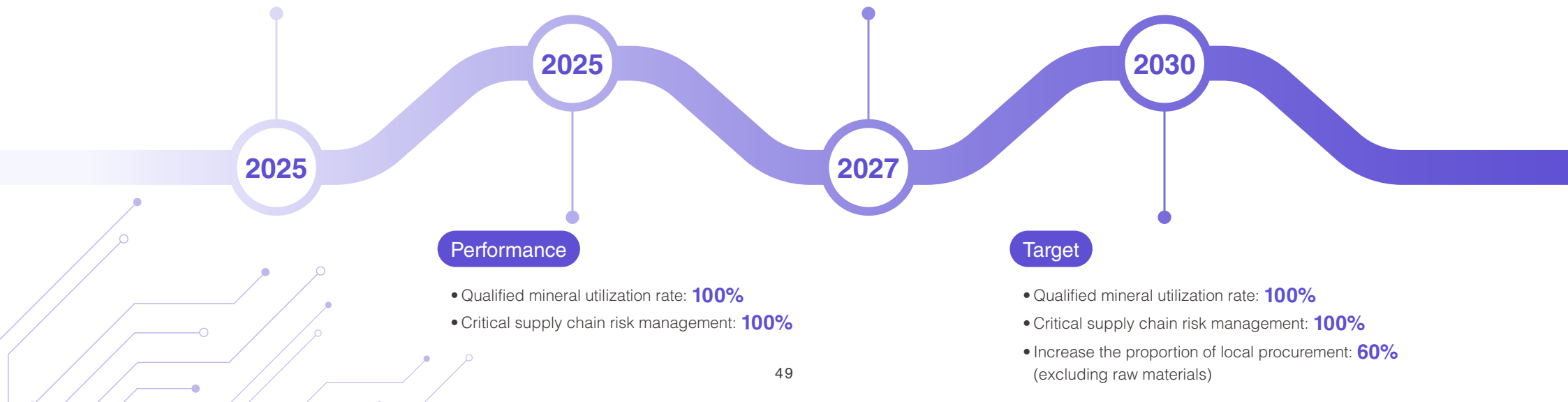
Governance and Value Chain Management

Target

- Qualified mineral utilization rate: **100%**
- Critical supply chain risk management: **100%**

Target

- Qualified mineral utilization rate: **100%**
- Critical supply chain risk management: **100%**
- Increase the proportion of local procurement: **50%** (excluding raw materials)
- Increase the proportion of procurement from suppliers utilizing green energy or green processes
- Support and adopt suppliers complying with environmental responsibility indicators



2.4.1 Procurement Strategy

As topics such as sustainable operations and supply chain risk management gain prominent attention, the company, in addition to actively fulfilling its own social responsibilities, increasingly recognizes the necessity of deepening our understanding of suppliers' environmental, social, and governance (ESG) performance.

The company implements a strict policy of avoiding conflict minerals and has enacted environmental hazardous substances management regulations, requiring qualified raw material suppliers to complete the Conflict Minerals Report Template (CMRT) under the Conflict-Free Sourcing Initiative (CFSI), specify smelter sources, and sign an Environmental Hazardous Substances Warranty. In 2025, all raw metal materials utilized by the company complied with conflict-free criteria (DRC Conflict-Free), completely avoiding minerals from Congolese veins identified as non-conflict-compliant by the United Nations Security Council.

Upholding the values of building long-term cooperative partnerships of mutual trust, assistance, and shared prosperity with suppliers, the company has maintained stable vendor relationships for many years. Long-term commercial suppliers are categorized into raw materials, production materials, maintenance parts, machinery/equipment, and miscellaneous/clerical supplies. In 2025, the company had a total of 344 qualified suppliers, whose categories and distribution are detailed below:

Category	Raw Materials	Production Materials	Maintenance Parts	Machinery & Equipment	Miscellaneous & Clerical Supplies
Definition	Provide raw materials and additives for manufacturing	Auxiliary materials required for product manufacturing	Spare parts for maintenance and repairs	Machinery, equipment, instruments, and corresponding engineering for manufacturing	Plant engineering, components, and office supplies, etc.
Proportion of Qualified Suppliers	6%	10%	22%	17%	45%
Proportion of Procurement Value	66%	5%	4%	19%	6%

In 2025, the procurement value of the company's main raw materials (including iron oxide, manganese oxide, zinc oxide, and calcined pellets, as well as carbon and silicon materials for the new Silicon Carbide venture) accounted for 66% of the annual total procurement expenditure. To address potential raw material supply risks, the following countermeasures have been implemented:

Category	Potential Risk	Strategy	Action
Raw Material Risk	Insufficient supply or disruption	Diversified sourcing	Maintain two or more suppliers for major raw materials like iron oxide, manganese oxide, and zinc oxide
		Geographical diversification	Distribute the geographical location of suppliers for identical material items across different countries
		Procurement strategy	Periodically analyze market dynamics and establish safety stocks based on factors like supplier locations and production processes
		Friendly exchange	Arrange regular and ad-hoc technical exchanges and courtesy visits with suppliers to reinforce bilateral cooperative relationships



2.4.2 Supply Chain Management

Supporting Local Procurement

The company's core production sites are based in Taiwan. Under similar alternative conditions, the company prioritizes procurement from local suppliers to establish long-term sustainable cooperative relationships.

In 2025, approximately 39% of the company's raw material procurement value was derived from local sourcing, whereas 61% of procurement values for office supplies and mechanical parts was focused on local small-and-medium enterprises in the Taoyuan region, aiming to boost local economic dynamics and minimize transportation steps to lower carbon footprints.

The structural shift in comparative data between 2024 and 2025 was primarily due to the company's vigorous promotion of green procurement guidelines in 2025, expanding local raw material procurement agreements and item counts substantially. This synergistic effect resulted in a noticeable growth rate, and the company will continue to maintain this normalized scale of local procurement in the future.

Localized Procurement Proportion of Raw Materials, 2023-2025

Year	Proportion of Local Procurement (Taiwan)	Proportion of Non-local Procurement (Imported)
2023	56%	44%
2024	27%	73%
2025	39%	61%

Localized Procurement Value Proportion of Miscellaneous Supplies and Components, 2023-2025

Year	Proportion of Localized Procurement (Taoyuan Area)	Proportion of Non-localized Procurement (Non-Taoyuan Area)
2023	75%	25%
2024	62%	38%
2025	61%	39%

Supply Chain Management Mechanism

Based on conditions such as quality, capability, environmental safety, and occupational health and safety (OHS) policies, the company collaborates with top-tier suppliers for long-term cooperation to fulfill corporate social responsibility. In accordance with ISO 14001, ISO 45001, and ISO 50001, we convey environmental and OHS policies and data to suppliers and contractors. Meanwhile, by adhering to RoHS criteria, we reinforce suppliers' environmental and OHS management performance and bolster environmental education for engineering contractors to ensure construction safety across plant sites and jointly refine risk management.

In conjunction with the ISO 50001 certification at the Taoyuan plant, we introduced energy design procurement criteria and supplier energy performance evaluation reporting forms. When procuring energy-using equipment, systems, or installations, preference is given to specifications matching energy-saving designs, in addition to the functional requirements of user units. Suppliers' energy efficiency performance (such as green factory classification or implementation of energy management systems) is also integrated into supplier selection criteria.

To coordinate with the ISO 45001 certification at the Taoyuan plant, when requisitioning equipment or awarding engineering contracts, user units must inform suppliers of specific occupational health and safety specifications, verify that bidding vendors understand the content, and collect counter-signed receipts.

Through regular evaluations and audits, the company gains insight into suppliers' human rights management and publicizes ESG concepts, planning to further integrate these into routine evaluation items in the future.

The company establishes long-term strategic cooperative relationships with primary raw material suppliers and maintains safety stocks derived from supplier bases and production processes to ensure an unhindered supply chain.



To encourage continuous improvement among suppliers and ensure the Company obtains excellent raw materials and services at the right time, right quantity, and right price, we evaluate supplier quality, delivery time, and degree of cooperation every month, and conduct regular annual audits. According to the Company's Supplier Evaluation Management Regulations, the supplier evaluation mechanism is as follows:

 Supplier Assessment Investigation of newly developed suppliers	Evaluation methods are: • Sample approval • Market inquiry and price comparison • Rate a potential supplier based on the evaluation items in the "Supplier Evaluation Report" and inspection items in the "Regular Environmental and HSF System Evaluation Checklist" and occupational safety and Occupational Health and Safety Audit – "Occupational Health and Safety System Audit: Regular Evaluation Checklist." Suppliers scoring 70~80 points can submit an improvement report for re-evaluation. Suppliers with a score of 80 or above and possessing ISO 9001 certification are registered as qualified suppliers. All qualified suppliers are required to sign a "Letter of Ethical Commitment."
 Supplier Evaluation Monthly abnormality management for qualified suppliers	• To avoid risks arising from accidents or changes in the supply chain, the procurement department shall submit the "Supplier Monthly Evaluation Form" based on anomalies observed during the month. These may include quality issues (quality inspection defects), delays in delivery (actual delivery date later than the P/O delivery date), cooperation level, and HSF management performance. • The "Supplier Monthly Assessment Form" allocates 50, 30, and 20 points for quality, delivery time, and degree of cooperation (including HSF management capability), respectively. In 2025, monthly assessments were completed for 29 key suppliers, and the overall compliance status was good. For a very small number of minor defects assessed as low risk, a special concession mechanism has been initiated, and the supplier's improvement progress is continuously tracked to maintain 100% stability in material supply quality. • The evaluation results will serve as a reference for selecting suppliers, and as a basis for rewards and punishments such as priority procurement, reduced procurement, or non-procurement for existing suppliers. • Suppliers are required to regularly provide HSF reports issued by impartial third-party organizations every year. • When necessary, propose quality goals to suppliers and require them to conduct quality control and improvement activities.
 Supplier Audit Annual regular evaluation of qualified suppliers	• Regular evaluations are divided into raw materials, secondary materials (excluding coatings), coatings, molds and fixtures, and outsourced processing. Corresponding audit checklists are formulated based on the importance of the products delivered by the supplier. The evaluation items are divided into: 1. System Audit - "System Evaluation - Regular Evaluation Checklist" 2. Environmental Audit - "Environment and HSF System Audit - Regular Evaluation Checklist" 3. Occupational Health and Safety Audit - "OHS System Audit - Regular Evaluation Checklist" • The company forms an evaluation team to conduct on-site evaluations of suppliers. • Before February of the following year, the procurement unit formulates the "Regular Evaluation Plan" for the next year based on the previous year's qualified supplier evaluation report and the supplier development status and plan. Suppliers whose transaction amount in the previous year was less than NT\$200,000 or RMB 40,000, parent/subsidiary companies, suppliers with no quality abnormalities in the previous year, and suppliers with no direct impact on product quality may be exempted from the annual regular evaluation. • Excellent suppliers scoring 90 points or above (Grade A) in regular evaluations can continue normal delivery; qualified suppliers scoring 80~89 points (Grade B) can maintain the status quo; suppliers requiring improvement within a time limit scoring 70~79 points (Grade C) will face reduced procurement; unqualified suppliers scoring below 70 points will have procurement stopped immediately. • In 2025, it was originally planned to conduct annual supplier audits for 6 suppliers, but audit operations were actually completed for 3 suppliers. • During 2025, one supplier decided to stop accepting relevant products because the assessed cooperation benefits did not meet their expectations. The Company has completed the evaluation and transfer of supply sources to ensure production operations are not affected, and adjusted the annual audit list accordingly. Visits to the other 2 suppliers were cancelled temporarily due to no transactions. • In 2026, 11 suppliers are scheduled for annual regular audits, and main raw material suppliers will undergo product and process audits as needed.

ACME 2023 to 2025 Annual Regular Supplier Audit Results

Year	Number of Qualified Suppliers	Number of Key Suppliers Assessed Monthly	Number of Audited Suppliers	Grade A 90 points or above	80~89 分 Grade B 80~89 points	70~79 分 Grade C 70~79 points
2023	288	22	1	100-	-	-
2024	322	29	6	50%	50%	-
2025	344	29	6	100%	-	-

In 2025, 3 new suppliers of raw and secondary materials (pallets, hydrochloric acid, fuming nitric acid) were introduced. The number of suppliers meeting the environmental screening of the supplier evaluation mechanism was 3, achieving a qualification rate of 100%.

2.5 Customer Service and Product Quality

2.5.1 High-Quality Customer Service

The Company's R&D center is mainly dedicated to developing new materials to serve Taiwanese customers locally and coordinate with their new product development. The Company also has subsidiaries in Kunshan, Jiangsu Province, China; Zengcheng, Guangzhou, China; and Ipoh, Malaysia, to serve nearby customer production bases. The Company has formulated the "Customer Service Management Measures" to visit customers irregularly and interact effectively with them through the ERP information management system and customer trading platform to understand and meet their needs.

Management Policy (GRI 3-3)

Strategic Policy



Regularly understand and respond to customers' needs and voices through meetings/questionnaires to provide the best customer service.

Commitment



Based on customer satisfaction analysis, enhance product functions and refine services to increase customers' trust in the Acme Electronics Corporation (ACME) brand.

Sustainability Principle



Governance and Value Chain Management



Impact Management Positive/Negative Impacts

- Continuous management tracking since 2022

Impact Management Negative Impact Remediation and Preventive Measures

Goal

- Customer satisfaction ≥ 92 points

2025

2025

Performance

- Customer satisfaction of 93 points

Goal

- Customer satisfaction ≥ 93 points

2027

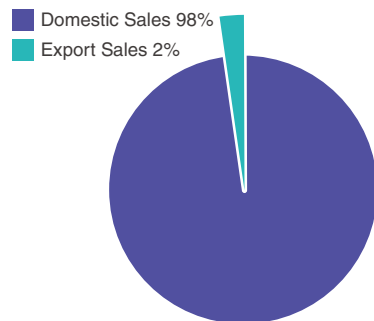
2030

Goal

- Customer satisfaction ≥ 93 points

Sales Market

The Company's main products are sold to Taiwan, China, Japan, South Korea, Singapore, the Philippines, Malaysia, Thailand, Indonesia, India, the United States, Mexico, Germany, France, Spain, and other regions. In 2025, the Company's domestic sales accounted for 98% and export sales accounted for 2%, both based on sales value.



Technical Support

The Company is customer-oriented. Each subsidiary has an R&D center to cooperate with customers in developing new applications and products, providing customized product services. R&D personnel are also irregularly arranged to visit customers for material introductions and technical cooperation and exchanges, while sales personnel attend overseas exhibitions to develop new market customers.

The Company prints complete product catalogs providing detailed material characteristics and product specifications for customers' reference and selection. Electronic product catalogs are available in the "[Product Display](#)" section on the Company's website, allowing customers to inquire about product-related information in a timely manner.

Customer Privacy

To safeguard the security of customer data, the IT Department of USI Group has established several internal regulations, including the "General Principles for Information Security Management Policies," "System Development and Maintenance Specifications," "Guidelines for Launching Applications," "Guidelines for Database Management," and other specifications. Measures to enhance personal data protection and prevent data breaches include reinforced firewall management, strict access controls, segregation between testing and production environments, and the de-identification of data containing personally identifiable information.

In addition, the Company has established the "Customer Property Management Regulations" to properly keep items provided by customers. If such items involve the customer's intellectual property rights, a non-disclosure agreement is signed with the customer; The Company understands and shall take necessary measures to maintain the trade secrets known or held during the cooperation period and keep them confidential. Except for normal use within the scope of duties, without the prior written consent of the customer, the Company shall not arbitrarily leak, inform, deliver, or transfer them to a third party, publish them externally, or use the trade secrets for itself or a third party; Only when the customer or the owner of the trade secret publicly discloses it or releases its confidentiality shall the Company simultaneously be relieved of its confidentiality responsibility for the trade secret.

To implement personal data protection awareness, the Company has incorporated relevant education and training into its annual plans. This year's courses related to personal data protection strengthened colleagues' concept of the rule of law through case sharing and regulatory lectures by prosecutors and lawyers. The total number of participants in the courses reached 63, with cumulative training hours totaling 126 hours, effectively enhancing employees' awareness and practical application capabilities regarding personal data protection.

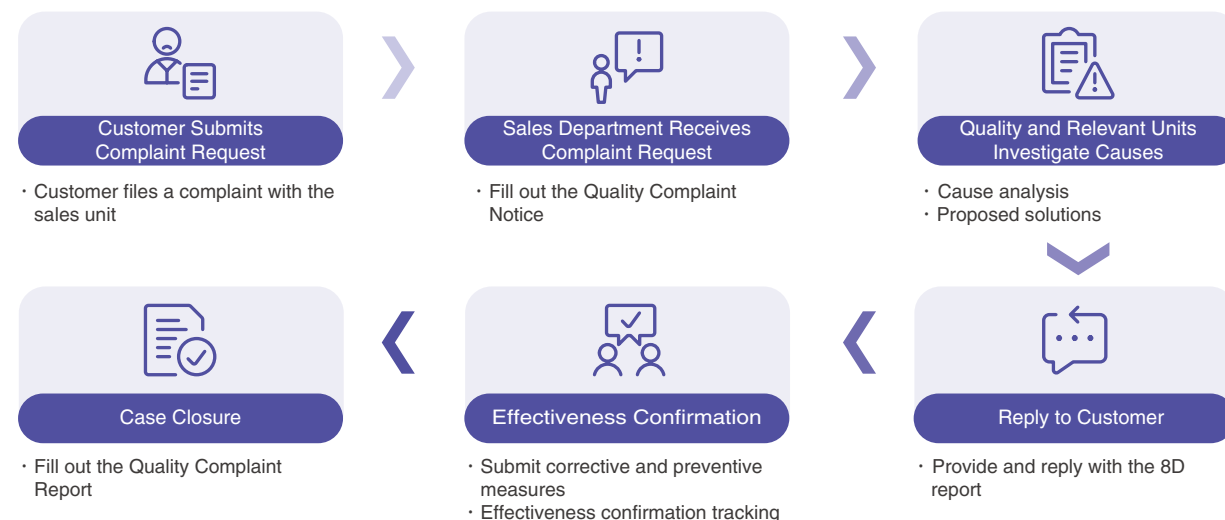
The Company abides by its commitments to customers and ensures that customers' intellectual property rights and privacy are respected while conducting business activities. Therefore, no complaints regarding the violation of customer privacy or damage to customer property occurred in 2025.

Customer Complaint Handling

The Company has established the "Customer Quality Complaint Management Regulations." Customers can file complaints with the sales department verbally, by phone, or in writing. After receiving the message, the sales department immediately confirms the situation and reports it to the quality department and other relevant units. The quality department first conducts a preliminary analysis of the cause of the problem, reviews it with relevant units, and responds to the customer in a timely manner. If necessary, personnel are dispatched to handle the customer complaint issue, and both parties communicate and review the problem. After the problem is clarified, a formal reply is given to the customer. If the quality department confirms that it is a major customer complaint case, the quality department heads, plant managers, and president of each plant are notified by email in a timely manner, and it is included in the quality department's daily work report for tracking and reporting progress to maintain long-term and good cooperative relationships with customers.

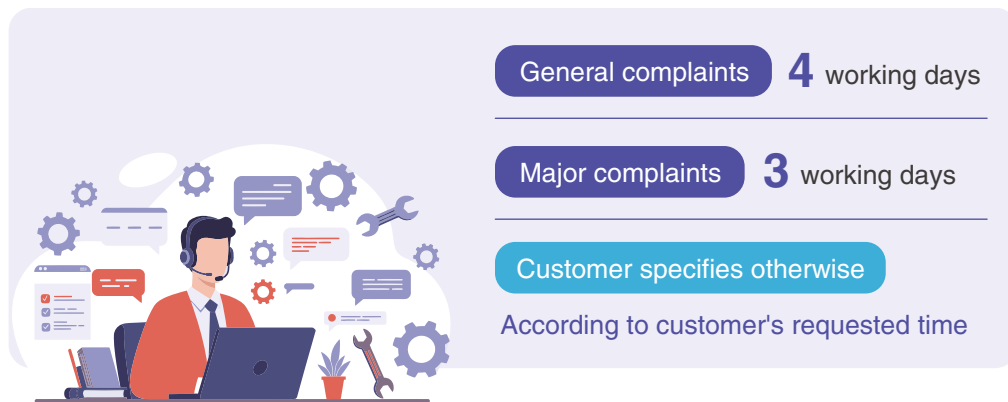
The Company has a complete customer complaint problem-handling process. Through the electronic sign-off system operation process for customer complaints, we analyze the causes of customer complaints, track the relevant responsible units and the processing progress of corrective and preventive measures, and use the 8D (Eight Disciplines) Problem Solving Report to analyze and solve customer complaint problems step by step with a team. We discuss them in the weekly routine meetings of the quality department to ensure the execution of quality improvement activities, thereby improving product quality.

Customer Quality Complaint Handling Process



* Note: The 8D report includes Improvement Team (D1) → Problem Description (D2) → Emergency Action (D3) → Root Cause Verification (D4) → Corrective Action for Failure Cause (D5) → Long-Term Countermeasures (D6) → Mistake-proofing, Horizontal Deployment, and Standardization (D7) → Affirmation of Improvement Results (D8).

Deadline for Handling Customer Quality Complaints



Customer Satisfaction

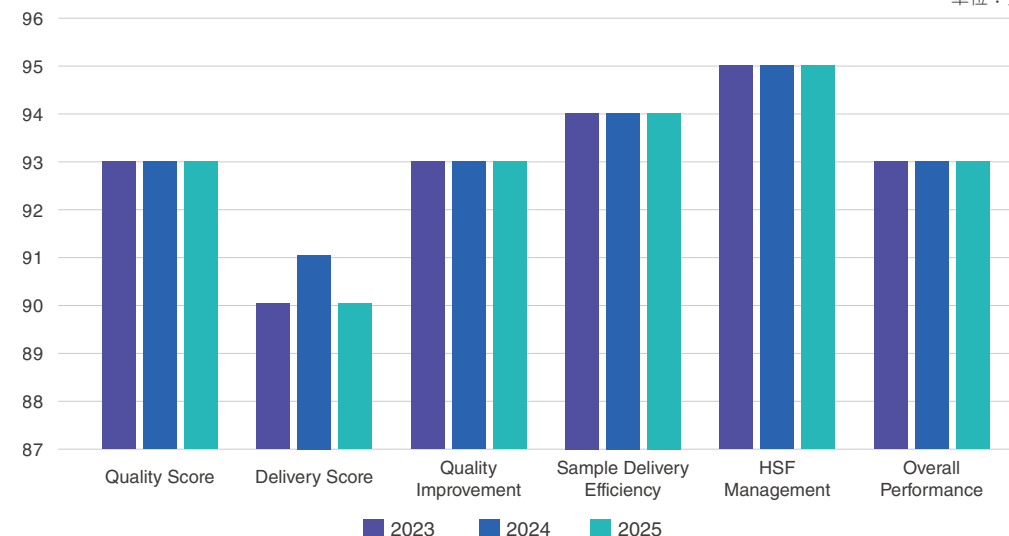
To fully understand customers' opinions on the products and services provided by the Company, in addition to feedback messages through the Company's website, occasional telephone interviews, or personal visits by sales colleagues, the Company conducts a customer satisfaction survey every six months via questionnaires. This helps us understand customer needs and problem feedback for improvement reference. Through management review meetings, we propose improvement plans based on customer opinions and track the execution results to continuously improve product and service quality.

The sampling method for the customer satisfaction survey is to conduct questionnaire surveys on the top 30 customers by transaction volume in the first and second half of the year in the Taiwan region, as well as newly developed Taiwanese customers with potential. The evaluation items include five categories: quality, delivery time, improvement status of quality complaints, sample delivery efficiency, and Hazardous Substances Free (HSF) management.

In the 2025 customer satisfaction survey, quality, sample delivery service, and HSF management were recognized by most customers. Customers still gave the Company an overall average score of 93 points, indicating they are very satisfied. This helps us stabilize and deepen our presence in existing markets and customer bases, and is conducive to developing potential customers.

Customer Satisfaction Survey Results of ACME, 2023–2025

單位：分



Year	Quality Score	Delivery Score	Quality Improvement	Sample Delivery Efficiency	HSF Management	Overall Performance
2023	93	90	93	94	95	93
2024	93	91	93	94	95	93
2025	93	90	93	94	95	93

* Note 1: The score for each evaluation item is the average of the first and second half of the year.

* Note 2: 86-100 points indicates very satisfied, 70-85 points indicates acceptable, 55-69 points indicates needs improvement, and below 54 points indicates dissatisfied.

Participation in Organizations and Associations

As a formal member of the Taiwan Electrical and Electronic Manufacturers' Association (TEEMA), the Company collaborates with industry peers through TEEMA to enhance its influence and leverages the association's resources to strengthen product development and customer service.

To meet customers' quality requirements, all of the Company's products comply with regulations such as RoHS, REACH (SVHC - Substances of Very High Concern), and the non-use of conflict metals. Therefore, the shipping packaging bears RoHS-related labels, and we have passed the verifications for Quality, Energy, and EHS management systems including ISO 9001, IATF 16949, ISO 14001, Energy Management Systems (ISO 50001), Occupational Health and Safety Management Systems (ISO 45001), and ISO 14064-1.

2.5.2 Excellent Product Quality

| Management Policy (GRI 3-3)

Strategic Policy



Quality services that
amaze customers

Commitment



Achieve six sigma quality and zero customer complaints by continuously improving process capabilities to ensure the highest level of customer satisfaction.

Sustainability Principle



Governance and Value Chain
Management



Impact Management Positive/Negative Impacts

- Actual positive impact - Proper supply chain management - Quality improvement.
- Potential positive impact - Introduction of AI and other advanced technologies - Efficiency and quality improvement.

Impact Management Negative Impact Remediation and Preventive Measures

Goal

- Number of customer complaints: **0** cases
- Finished product RoHS testing passing rate: **100%**
- Zero accidents regarding EHS regulations

- Six Sigma: **100%** (New engineers)
- CIP (Continuous Improvement Process) Project improvements: **25** cases
- Process improvement target: **8** cases (Black powder: **6** cases, SiC: **2** cases)

Goal

- Number of customer complaints: **0** cases
- Finished product RoHS testing passing rate: **100%**
- Zero accidents regarding EHS regulations

- Six Sigma: **100%** (New engineers)
- CIP (Continuous Improvement Process) Project improvements: **20** cases
- Process improvement target: **8** cases (Black powder: **6** cases, SiC: **2** cases)

Goal

- Number of customer complaints: **0** cases
- Finished product RoHS testing passing rate: **100%**
- Zero accidents regarding EHS regulations

- Six Sigma: **100%** (New engineers)
- CIP (Continuous Improvement Process) Project improvements: **40** cases
- Process improvement target: **8** cases (Black powder: **6** cases, SiC: **2** cases)

2025

2025

2026

2028

2030

Performance

- Number of customer complaints: **1** cases (Black powder: **1** case)
- Finished product RoHS testing passing rate: **100%**
- Zero accidents regarding EHS regulations

- Six Sigma: **0%** (New engineers)
- CIP (Continuous Improvement Process) Project improvements: **20** cases
- Process improvement target: **9** cases (Black powder: **7** cases, SiC: **2** cases)

Goal

- Number of customer complaints: **0** cases
- Finished product RoHS testing passing rate: **100%**
- Zero accidents regarding EHS regulations

- Six Sigma: **100%** (New engineers)
- CIP (Continuous Improvement Process) Project improvements: **30** cases
- Process improvement target: **8** cases (Black powder: **6** cases, SiC: **2** cases)

Upon the arrival of raw materials and packaging materials at the Company's Taoyuan Plant, inspections are conducted in accordance with raw/auxiliary material specifications and operational standards. This includes confirming supplier inspection reports, conducting loss-on-ignition tests, moisture content tests, and restricted substance XRF (X-ray fluorescence) independent testing. During the process, on-site personnel continuously perform independent checks. Every completed batch of soft ferrite powder undergoes physical and electrical testing, as well as XRF independent testing for composition ratios, RoHS compliance, and halogens.

The Company has established a product identification and traceability management system. Products of various materials are coded based on the batch number structure of the soft ferrite powder to facilitate product traceability. In addition, all Engineering Change Requests (ECR) and Engineering Change Notices (ECN) of the Company are managed and jointly reviewed via an online electronic system, making product change information transparent so that all operating locations can synchronously understand the product change history.

To implement the operation of the internal quality audit system, the Company conducts weekly production process audits, product audits, and cross-plant soft ferrite powder quality meetings. In 2025, the R&D and engineering units executed a total of 100 quality R&D project plan improvements and process technology improvements, along with 19 employee improvement proposals. Two management review meetings are held annually for review. Furthermore, two process audits for ISO 9001 and IATF 16949 management systems, and one audit each for the ISO 14001 environmental management system, Energy Management Systems (ISO 50001), and Occupational Health and Safety Management Systems (ISO 45001) are executed annually to ensure the effective operation of all management systems.

In 2025, the unit promoting Six Sigma certification experienced personnel changes and, additionally, due to the ongoing development of new businesses, the certification schedule was postponed, hence the target was not met.

To further ensure that the Company's products comply with international regulations and customer environmental specification requirements, samples of products of various materials are randomly tested annually and sent to independent third-party certification units. Moreover, all testing instruments undergo secondary laboratory instrument calibration. Therefore, the Company had no violations related to product information and labeling regulations in 2025.



3

Resource Recycling and Eco-Friendliness

3.1	Resources, Materials, and Recycling Management	60
3.2	Climate Change and Energy Management	66
3.3	Air Pollution Control and Management	83



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

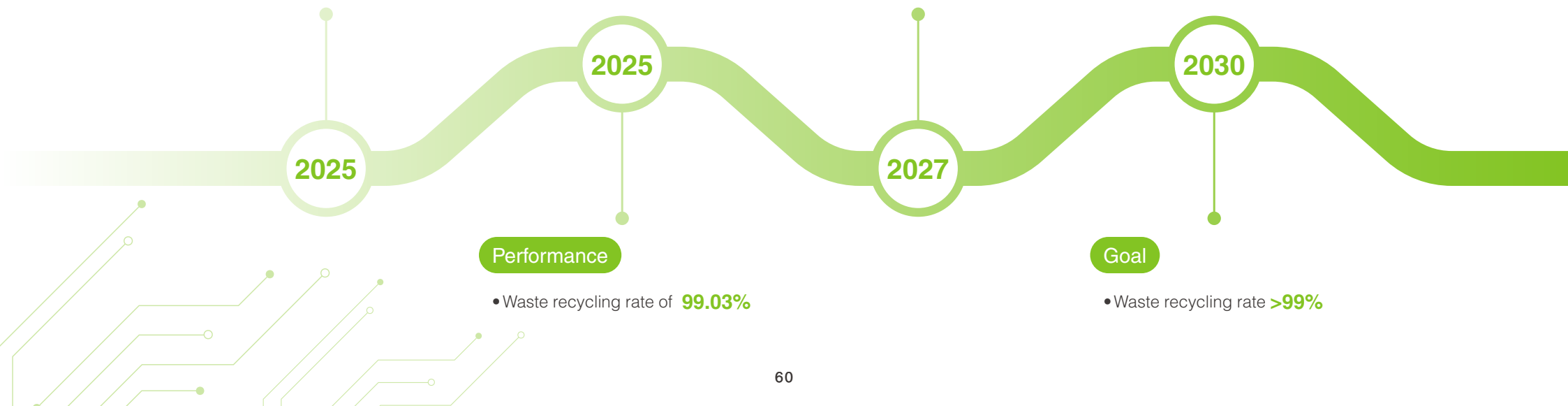
- Resource circulation as the core, increasing the reuse rate.

Goal

- Waste recycling rate >99%

Goal

- Waste recycling rate >99%



3.1.1 Raw Material Input and Circulation

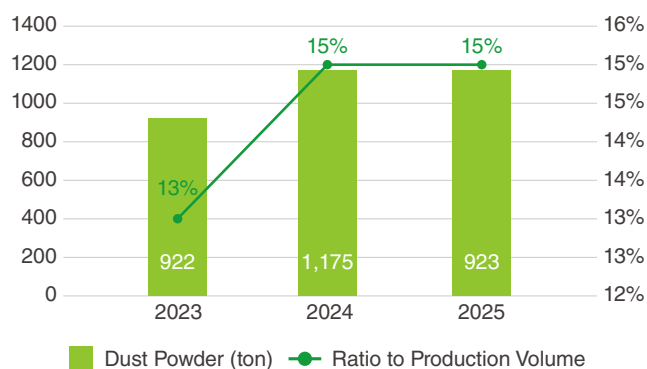
Main Raw Materials and Recycling

(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 Guantang 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

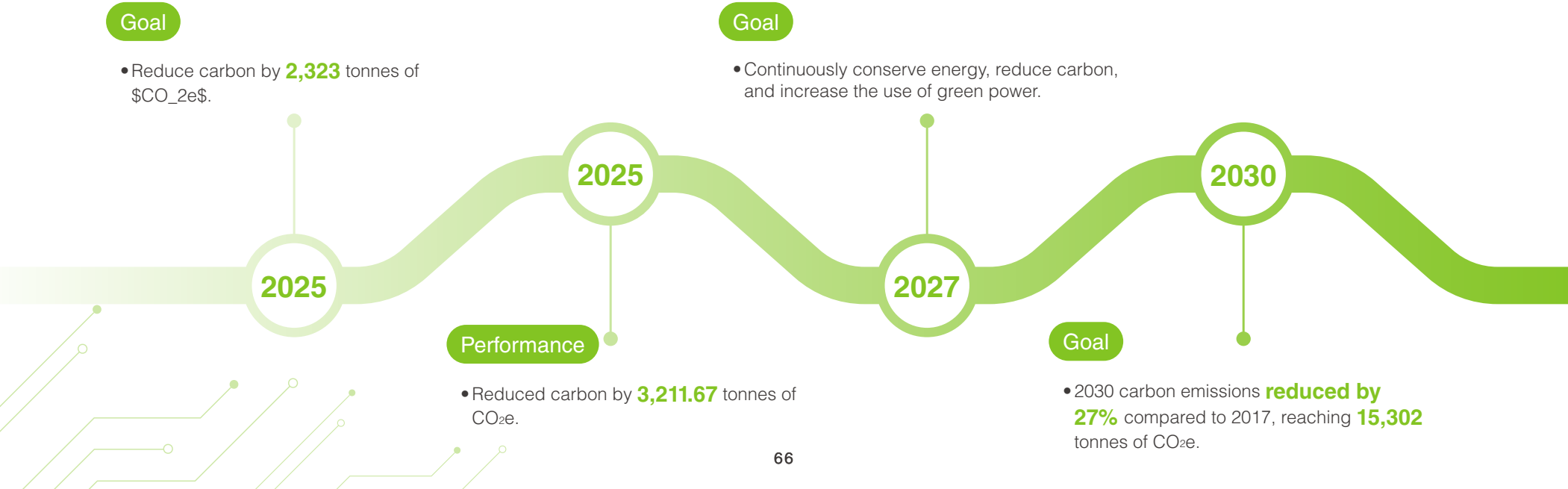


- Positive actual impact - Investing in renewable energy - Reducing carbon emissions and enhancing industrial competitiveness.
- Positive potential impact - Investing in renewable energy - Reaching green power goals.
- Negative actual impact - Soaring energy fees - Electricity tariff hikes.
- Negative 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.



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".

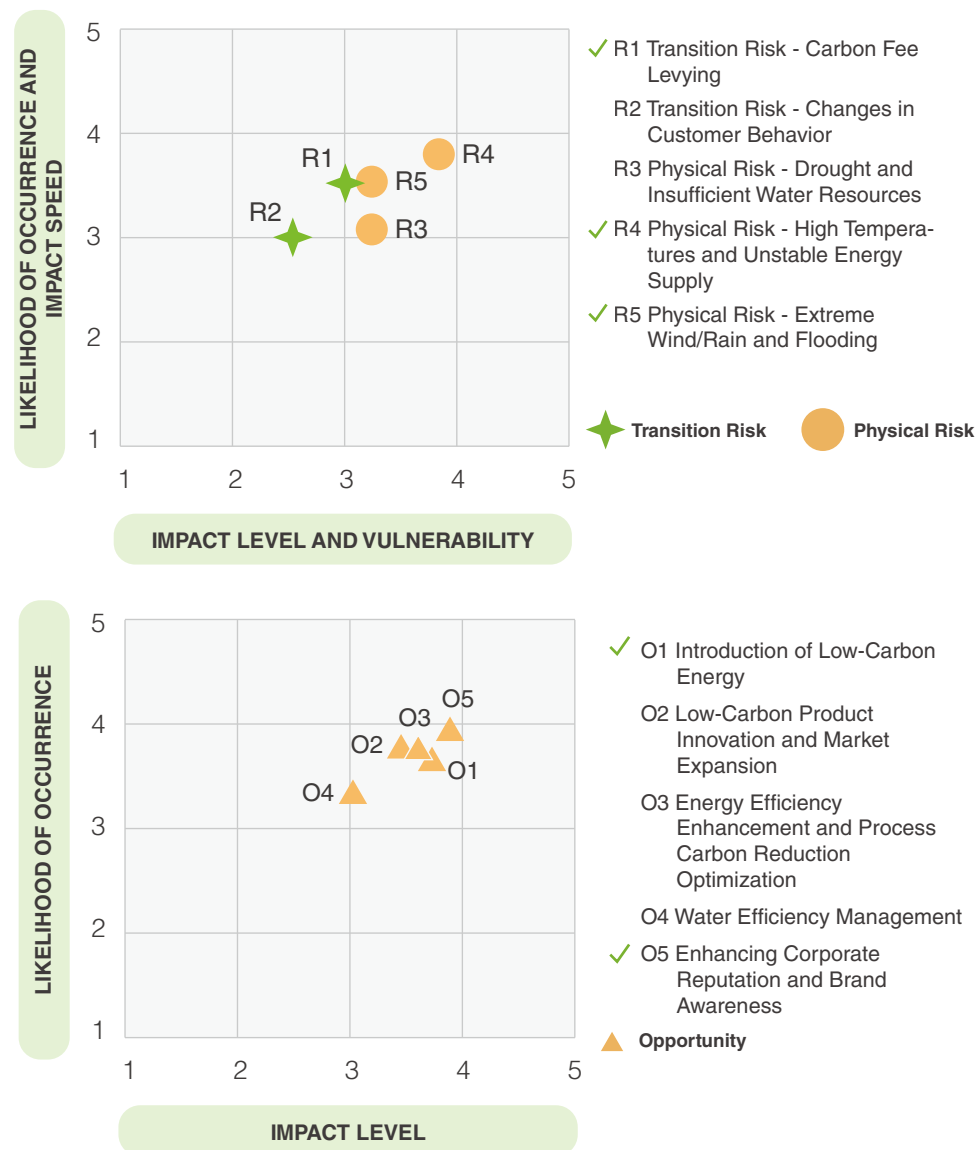
"Transition risks" reference the World Energy Outlook (WEO) published in 2021 by the International Energy Agency (IEA); the report divides trends into 3 scenarios based on different energy trends and climate policies—namely STEPS (Stated Policies Scenario), APS (Announced Pledges Scenario), and NZE (Net 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.

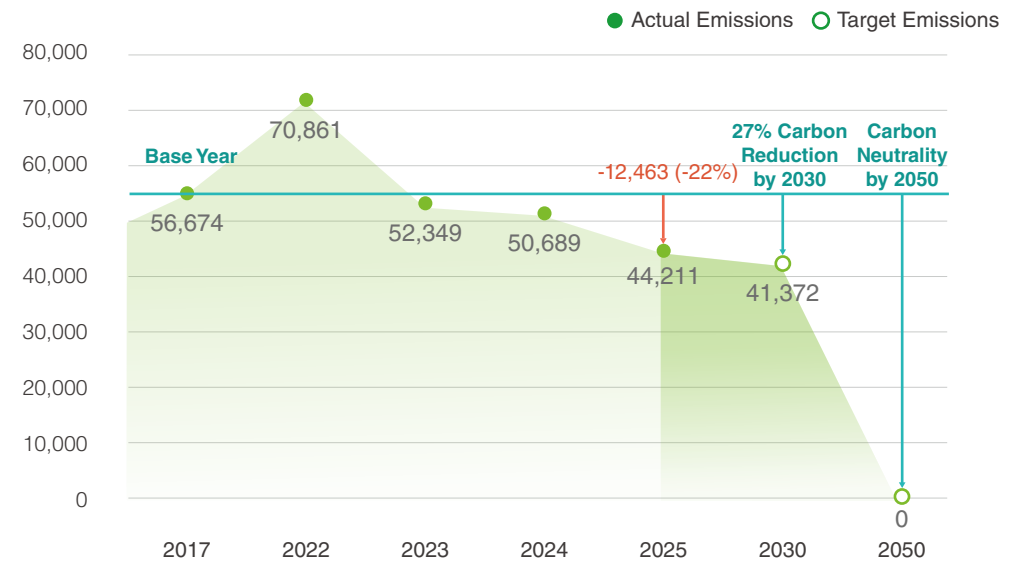
Strategic Decisions and Financial Impacts of Sustainability and Climate-Related Risks and Opportunities

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	- 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. - 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. - 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)	- 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. - 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	- 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. - 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			- 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. - 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.



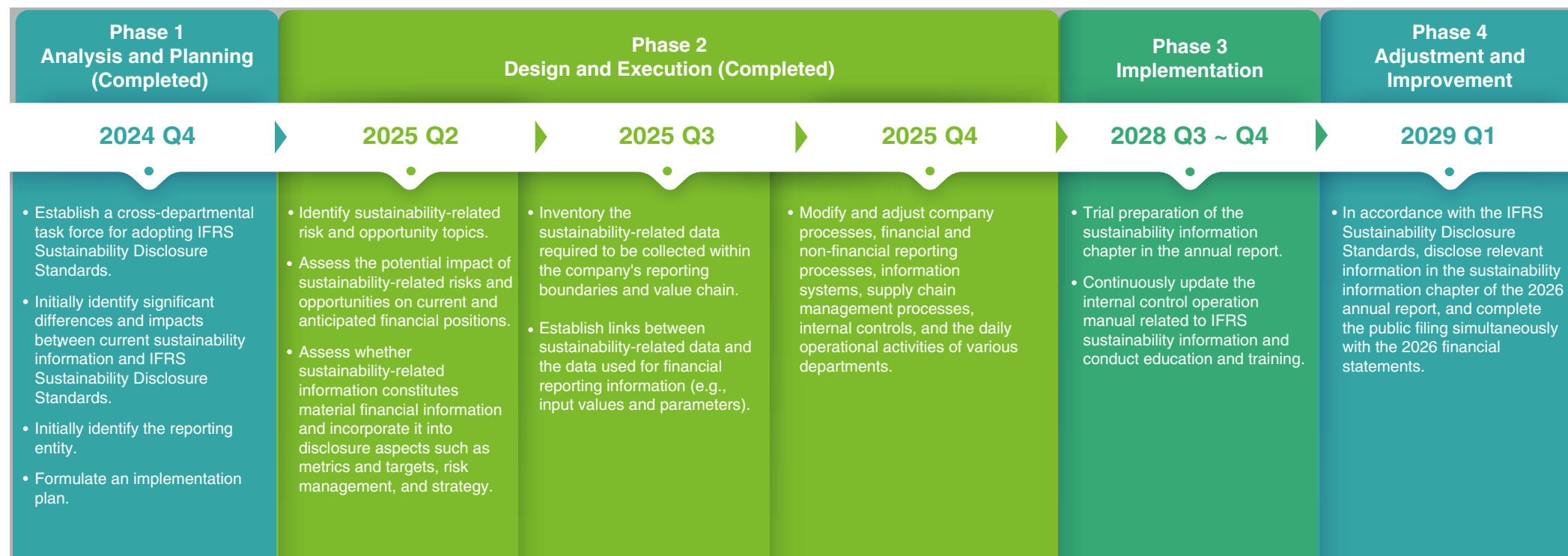
Group Promotion of Internal Carbon Pricing

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.

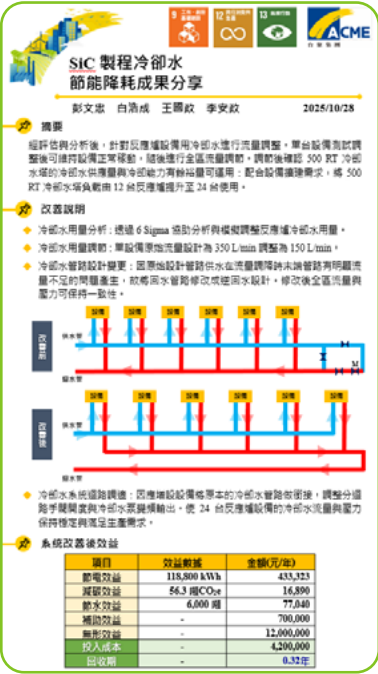
Evaluate Step	ACME's Assessment Results
E1: Identify natural capital, ecosystem services, and impact drivers	Utilize the map data referenced in the Locate phase to identify surrounding natural capital, and refer to the ecosystem services that specific ecosystem assemblages in the literature might provide, 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)

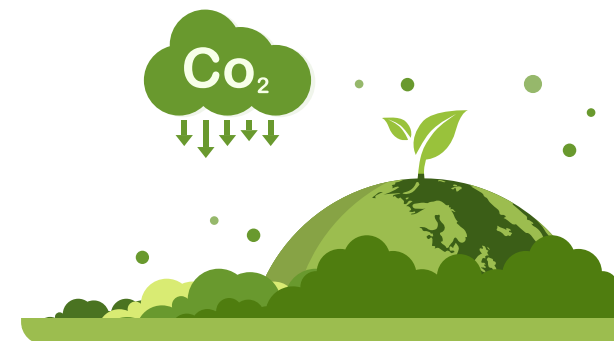
The company planned and actually executed various energy-saving and carbon-reduction programs in 2025 as shown in the table below, with an invested cost of NT\$28,948 thousand, reducing a total of 3,211.67 tonnes of CO₂e carbon emissions. The waste heat recovery and reuse of the calcination furnace at 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.



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.

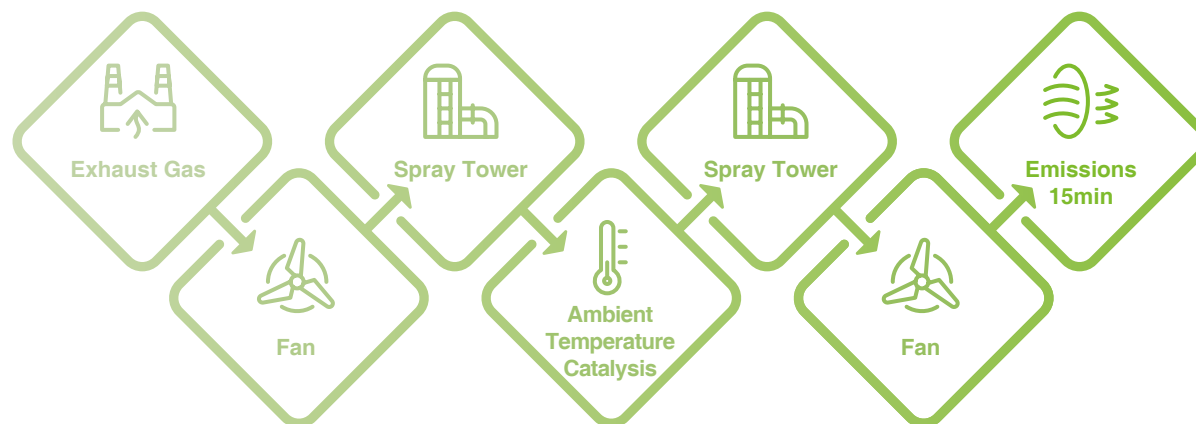
The fixed pollution sources of the Company's Taoyuan Plant are all equipped with pollution prevention equipment. The pollutants consist of Particulate matter (PM) and Nitrogen Oxides (NOx); pollution prevention equipment includes cyclone separators, baghouse dust collectors, and scrubbing towers; Pollution 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.

污染源名称	计算单位	排放	全年总量	污染源名称	计算单位	排放	全年总量
废气	吨	—	—	颗粒物粉尘产生量	吨	67	—
工业废气	万立方米	88	4428.728	颗粒物粉尘排放量	吨	68	—
工业废水产生量	吨	88	—	氨氮粉尘产生量	吨	88	—
工业废水排放量	吨	88	—	氨氮粉尘排放量	吨	79	—
工业固体废物产生量	吨	81	—	氨氮粉尘产生量	吨	71	—
工业固体废物排放量	吨	82	—	氨氮粉尘排放量	吨	72	—
固体废物产生量	吨	83	24.763	氨氮粉尘产生量	吨	73	—
固体废物排放量	吨	84	2.029	氨氮粉尘排放量	吨	74	—
挥发性有机物 (VOCs) 产生量	吨	88	2924.206	氨氮粉尘产生量	吨	76	—
挥发性有机物 (VOCs) 排放量	吨	88	2924.206	氨氮粉尘排放量	吨	78	—

* 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.

4

Happy Workplace and Social Participation

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4.1 Talent Attraction and Retention

| Management Policy (GRI 3-3)

Strategic Policy



Recruit talents widely, build
brilliance together.

Commitment



Ensure proper alignment of
people and roles, and create value
together

Sustainability Principle



Happy Workplace and Social
Participation



Impact Management Positive/Negative Impacts

- Potential positive impact - Achieving a fulfilling workplace enterprise - Increasing employee identification with the Company.

Impact Management Negative Impact Remediation and Preventive Measures

- Enhance employee benefits and improve the working environment.

Goal

- Employee satisfaction: Taiwan **75%**, Kunshan Plant **90%**, Guangzhou Plant **84%**
- Recruitment attainment rate: Taiwan **100%**, Kunshan Plant **100%**, Guangzhou Plant **100%**

Goal

- 員工滿意度 台灣 **76%**、昆山廠 **90%**、廣州廠 **84%**、馬來西亞廠 **76%**
- 招募達成率 台灣 **100%**、昆山廠 **100%**、廣州廠 **100%**

2025

2025

2027

2030

Performance

- Employee satisfaction: Taiwan **76.33%**, Kunshan Plant **97.93%**, Guangzhou Plant **96.9%**, Malaysia Plant **70%**
- Recruitment attainment rate: Taiwan **100%**, Kunshan Plant **95%**, Guangzhou Plant **100%**, Malaysia Plant **100%**

Goal

- Employee satisfaction: Taiwan **78%**, Kunshan Plant **90%**, Guangzhou Plant **84%**, Malaysia Plant **78%**
- Recruitment attainment rate: Taiwan **100%**, Kunshan Plant **100%**, Guangzhou Plant **100%**

* Note: Recruitment attainment rate: Based on the manpower needs of the hiring unit, the ratio of the actual number of recruits achieved to the number of people to be recruited. Calculation formula: Number of recruits achieved / Number of people to be recruited.

Manpower Structure (GRI 2-7)

In 2025, the total number of employees in the Company's Taipei Office and Taoyuan Plant was 222, including 170 males (76.58%) and 52 females (23.42%). Except for the Chairman who concurrently serves as the Chief Executive Officer in a part-time capacity, all are formal full-time employees. Because the nature of work at the Taoyuan Plant often requires heavy lifting, the proportion of male employees is relatively high. To protect employees' employment rights, except for the Chairman serving concurrently as CEO in a part-time capacity, the rest are employed in a typical employment manner with indefinite contracts, allowing employees to work with peace of mind.

The total number of employees at the Kunshan and Guangzhou plants is 1,213, including 659 males (54%) and 554 females (46%), all of whom are formal full-time employees. Compared to the Taoyuan Plant, the two plants in mainland China involve backend processing, and the work is more delicate; thus, the proportion of female employees is higher than that of the Taoyuan Plant. According to mainland Chinese laws and regulations, after concluding fixed-term labor contracts twice consecutively, an open-ended labor contract should be signed upon the third renewal. The proportion of employees at the Kunshan Plant with more than six years of service and an open-ended labor contract is 3.6%, while the ratio at the Guangzhou Plant is 36.1%.

The total number of employees at the Malaysia Plant is 415, including 278 males (67%) and 137 females (33%).

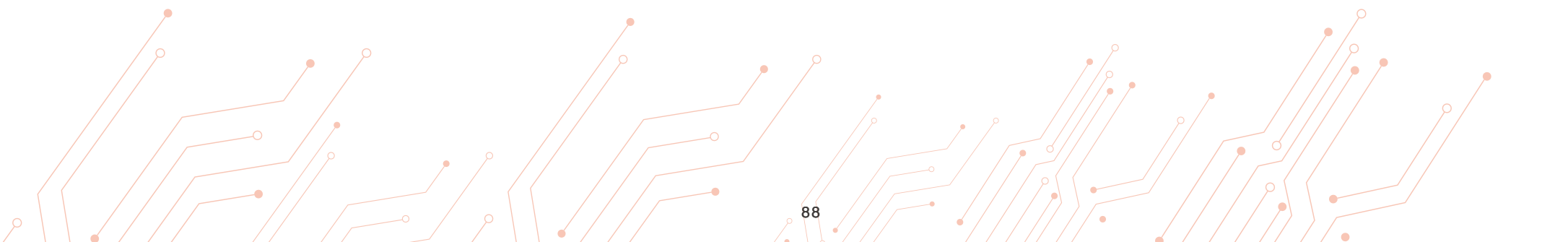
We encourage disadvantaged groups in society to contribute their strengths. As of the end of 2025, there were a total of 16 active employees with disabilities (13 at the Guangzhou Plant, 0 at the Kunshan Plant, and 3 at the Taoyuan Plant).

In accordance with "Article 38 of the People with Disabilities Rights Protection Act", the Taoyuan Plant's statutory employment quota is 2 people. Through practical actions to fulfill social responsibilities, it actually employed 2 people with mild disabilities and 1 with severe disabilities (weighted as 2 people by law). The statutory calculated number totaled 4 people, outperforming regulatory requirements with an excess employment rate of 100%.

ACME 2025 Employee Composition

Unit: Persons

Item Description			Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Gender	Male		170	239	420	278
	Female		52	171	383	137
	Total		222	410	803	415
Function	Non-managerial	Direct	81	295	655	296
		Indirect	62	64	91	37
	Senior Management	Male Manager	48	12	11	12
		Female Manager	8	4	3	8
	Junior/ Mid-level Management	Male Manager	15	19	32	33
		Female Manager	8	16	11	29
	Total		222	410	803	415
Employment Contract	Permanent Employees		222	18	296	318
	Fix-term Employees		0	392	507	97
	Total		222	410	803	415
Employment Type	Full-time		221	410	803	415
	Part-time		1	0	0	0
	Total		222	410	803	415



Item Description		Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant	Total
Mid-to-high-level management	Male Manager	79.1%	65.38%	73.08%	52%	71.43%
	Female Manager	20.9%	34.62%	26.92%	48%	28.57%
	Total	100.00%	100.00%	100.00%	100.00%	100.00%

* Note 1: Mid-to-high-level management refers to managers at section chief level and above; junior management refers to foremen and team leaders.

The gender and age distribution of the Company's senior, mid-to-lower-level management, and general employees are shown in the table below. Managers are predominantly males aged 30 and above. General employees are mainly distributed in the 31-50 age group, and the male-to-female ratio varies by region, but overall the difference is not significant. Because the Taoyuan Plant employs some employees seconded to mainland China to serve as managers, the proportion of senior executives is relatively high. Consequently, the Kunshan Plant only locally hired two senior executives aged 51 and above, and the Guangzhou Plant only locally hired three senior executives aged 51 and above.



ACME 2025 Employee Age Distribution

Unit: Persons

Item Description		Gender	Taiwan	Kunshan	Guangzho	Malaysia
Senior Management (Assistant Manager and Above)	Under 30	Male	0	0	0	0
		Female	0	0	0	0
	31-50	Male	20	9	10	5
		Female	6	4	2	3
	51 and above	Male	28	3	1	7
		Female	2	0	1	5
Junior and Mid-Level Management (Supervisor, Team Leader, and Section Chief)	Under 30	Male	0	0	6	6
		Female	0	0	0	13
	31-50	Male	7	19	25	15
		Female	6	16	11	14
	51 and above	Male	9	0	1	12
		Female	1	0	0	12
General Employees	Under 30	Male	19	49	176	84
		Female	4	21	98	28
	31-50	Male	77	131	185	135
		Female	23	106	265	59
	51 and above	Male	11	28	16	14
		Female	9	24	6	13

The educational background distribution of the Company's employees across various levels is shown in the table below. The Taoyuan Plant is the location for developing new materials, new products, and new businesses; therefore, there are more employees with bachelor's and master's degrees or higher. The Kunshan and Guangzhou plants are production bases; therefore, there are more employees with high school/vocational school degrees or below.

2025 ACME Educational Background Distribution

Unit: Persons

Item Description		Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Total Employees	Junior High School	11	222	621	125
	Senior High School / Vocational School	69	72	66	144
	Junior /Technical College	35	76	61	95
	Bachelor's Degree	56	33	53	40
	Master's Degree	47	7	2	10
	Ph.D.	4	0	0	1

Talent Recruitment and Employment (GRI 401-1)

To maintain the stability of human resources, the Company aims to select excellent and competent talents through a fair, open, just, and efficient selection system to strengthen the business structure. We take diversity and equal opportunity into consideration, and there is no discrimination in employment based on race, skin color, age, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership, or marital status. The Company complies with the relevant regulations of the Labor Standards Act and meets the standards of the Responsible Business Alliance (RBA) Code of Conduct.

Based on business needs, organizational planning, or employee turnover, when vacancies need to be filled or expanded, the hiring unit first fills out a "Personnel Requisition Form." After approval, internal group recruitment and job rotation are prioritized, while external recruitment is also conducted simultaneously. Recruitment methods mainly include multiple channels such as job websites, employment service stations, employee referrals, and campus recruitment to recruit talents at all levels. Priority is given to recruiting local talents to provide local employment opportunities and give back to the community.

In 2025, the employment mainly focused on employees under 50 years old. The Kunshan Plant primarily hired personnel aged 31-50, while the Guangzhou Plant hired more personnel under 30. The source of employees for the two plants in mainland China is predominantly from other provinces (69% for Guangzhou Plant, 75.6% for Kunshan Plant). Employees from other provinces often experience a year-end wave of returning home due to family reasons and home-town development, leading to employee turnover and requiring continuous replenishment of manpower gaps.

In 2025, the recruitment attainment rates for the Kunshan and Guangzhou plants were 95% and 100%, respectively. The Kunshan Plant missed the target because employees resigned before the year-end to return home for the Lunar New Year, reducing available market manpower. Overall, required manpower was successfully recruited according to the needs raised by each hiring unit, maintaining manpower stability. Although Taiwan faces severe labor shortages (including direct labor and general staff) and recruitment difficulties, through continuous efforts and the successful introduction of foreign migrant workers, the recruitment attainment rate of the Taoyuan Plant still reached 100% in 2025.

ACME 2023 to 2025 Talent Recruitment Overview (GRI 401-1)

Unit: Persons

Item Description		2023	2024	2025
Taiwan	Number of new hires	52	48	39
	Number of employees at year-end	186	212	222
	New hire rate	28%	23%	18%
Kunshan Plant	Number of new hires	403	315	423
	Number of employees at year-end	405	354	410
	New hire rate	100%	89%	103%
Guangzhou Plant	Number of new hires	469	553	431
	Number of employees at year-end	717	781	803
	New hire rate	65%	71%	54%
Malaysia Plant	Number of new hires	55	58	82
	Number of employees at year-end	373	377	415
	New hire rate	15%	15%	19.76%

* Note: New hire rate = (Number of new hires / Total number of employees)

ACME 2025 New Employee Gender, Age, and Regional Distribution (GRI 405-1)

Unit: Persons

Item Description	Taiwan		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
	Male	Female	Male	Female	Male	Female	Male	Female
New Employees by Household Registration								
Under 30	5	2	83	58	198	121	34	16
31-50	16	9	105	139	66	46	21	9
51 and above	7	0	20	18	0	0	1	1

New Employees by Household Registration	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Taiwan	30	0	0	1
Mainland China	0	423	431	1
Thailand	8	0	0	0
Indonesia	0	0	0	0
Malaysia	0	0	0	80
Nepal	0	0	0	0
Pakistan	1	0	0	0

Talent Turnover (GRI 401-1)

The Company respects employees' personal plans. Departing employees under 30 accounted for 35%, and those aged 31-50 accounted for 5%. Due to changes in the macroeconomic environment, the turnover rate at the two plants in mainland China is very high due to optional reasons such as employees from other provinces returning home, starting their own businesses, taking care of families, or pursuing further education.

The turnover categories in 2025 were predominantly other departing personnel (such as unpaid leave / contract expiration, etc.). The main reasons for voluntary resignation in Taiwan were salary factors, while in mainland China, the main factors were employees from other provinces returning home for employment, family care, further education, and health reasons.

The main reasons for resignation at the Malaysia Plant in 2025 were changes in career planning, family issues, foreign workers returning home after contract completion, and continuing studies.

The overall turnover rate in 2025 increased compared to 2024. Resignations were mainly due to the lower stability of new hires, who found it difficult to adapt to the working environment, corporate culture, and collegial relationships. The number of new hires resigning within six months at the Kunshan and Guangzhou plants accounted for 71% of the total resignations.

To increase the stability of new hires, we adopted the following measures at each stage:

**Interview Stage**

Directly lead applicants to visit the work site and explain the job content in detail.

**Probation Stage**

Provide care and timely counseling; conduct training to enhance understanding of the Company.

**Formal Employment Stage**

Provide employee services and counseling, assist in career planning, strengthen capabilities through continuous on-the-job training, and provide reasonable performance evaluations and remuneration benefits.



Most employees at the two plants in mainland China are from other provinces. To help new employees adapt to the new working and living environment as quickly as possible, we organize new employee symposiums, various entertainment activities, and birthday parties, allowing employees to feel the warmth of the collective.

ACME 2023 to 2025 Talent Turnover Overview (GRI 401-1) (GRI 401-1)

Unit: Persons

Item Description		2023	2024	2025
Taiwan	Number of departing employees	19	30	29
	Number of employees at year-end	194	212	222
	Turnover rate	10%	14%	13%
Kunshan Plant	Number of departing employees	289	338	308
	Number of employees at year-end	383	354	410
	Turnover rate	75%	95%	75%
Guangzhou Plant	Number of departing employees	373	485	409
	Number of employees at year-end	713	781	803
	Turnover rate	52%	62%	51%
Malaysia Plant	Number of departing employees	74	52	48
	Number of employees at year-end	373	377	415
	Turnover rate	20%	14%	12%

* Note: Turnover rate = (Number of departing employees / Total number of employees)

ACME Turnover Rate Distribution by Gender and Age (GRI 401-1)

Interval	2025				2024			
	Female		Male		Female		Male	
	Count (Persons)	Percentage (%)	Count (Persons)	Percentage (%)	Count (Persons)	Percentage (%)	Count (Persons)	Percentage (%)
Under 30 years old	158	21%	258	23%	89	13%	336	33%
31-50 years old	172	23%	166	15%	173	25%	161	16%
51 years old and above	15	2%	25	2%	7	1%	13	1%
Total	345	46%	449	41%	269	38%	510	50%
Turnover Gender Ratio	43%		57%		16%		65%	

* Note 1: Employee turnover rate (%) = Number of employees resigned in each category / Total number of employees at the end of the year.

* Note 2: Employee turnover gender ratio (%) = Number of resigned employees of each gender / Total number of resigned employees.

ACME 2025 Departing Employee Gender, Age, and Regional Distribution (GRI 401-1)

Unit: Persons

Item Description	Taiwan		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
Distribution of Departing Employees by Gender and Age	Male	Female	Male	Female	Male	Female	Male	Female
30 and below	3	0	62	47	173	102	20	9
31-50	15	2	73	100	67	64	11	6
51 and above	8	1	15	11	2	1	0	2

Departing Employees by Household Registration	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Taiwan	23	0	0	0
Mainland China	0	308	408	0
Thailand	6	0	0	0
Malaysia	0	0	0	43
Nepal	0	0	0	4
Myanmar	0	0	0	1

Turnover Category	Taiwan	Kunshan Plant	Guangzhou Plant	Malaysia Plant
Voluntary Resignation	12	290	364	41
Contract Expiration, Retirement, Internal Transfer, Unpaid Leave	14	16	5	7
Involuntary Resignation	3	2	40	0

Human Rights Protection

Human Rights Policy (GRI 2-23)

By researching and referencing internationally recognized human rights standards such as the International Bill of Rights and the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work," a human rights policy applicable to the Company and all affiliated enterprises of the USI Group was formulated and approved by the Company's Chairman to eliminate actions that infringe upon or violate human rights; in addition to providing a reasonable and safe workplace, it also ensures that current colleagues of the Company receive reasonable and dignified treatment.

Human Rights Risk Identification and Assessment

Human rights risk identification is conducted annually, and compliance checks and third-party assessments are executed for the identified human rights topics of concern; based on the risk assessment results and deficiencies found in internal and external reviews, mitigation and corrective measures are adopted and continuously improved to achieve the purpose of risk management.

Human rights topics involve different business units; through the HR unit targeting different affected subjects and human rights topics, human rights due diligence and risk management operations are conducted.

The Company established the steps and deployment processes for each stage of human rights management to serve as the foundation for maintaining and protecting human rights, including the following:



Human Rights Due Diligence Process (GRI 2-24)



2025 Human Rights Management Results (GRI 2-24)

There were no major illegal incidents this year; human rights-related education and training will be continuously conducted, and for content related to human rights training, please refer to the [Company's website](#).After conducting risk identification according to the Company's human rights policy execution guidelines, a total of 13 human rights topics were included this year, among which 9 items were topics of major concern; the item with risks was "excessive working hours," and the executed mitigation measures and impact remediation measures are as follows:

Mitigation and Remediation Measures for Human Rights Management Items

Topic	Mitigation Measures	Remediation Measures
 Excessive working hours	1. Comply with relevant regulations on working hours under labor laws, regularly conduct compliance reviews of company regulations, and implement them thoroughly. 2. Accurately record employee attendance times through the attendance and overtime management system. 3. The system sends daily overtime reminders based on clock-in/out records. In addition to reminding employees of regular working hours and regulations on extended working hours, it confirms whether staying late constitutes overtime. If so, employees can choose to receive overtime pay or compensatory time off. 4. Regularly review the overtime status of each unit. 5. Promote the Group's electronic operations and smart production to simplify administrative processes. 6. Continuously organize professional training courses and introduce generative AI tool training programs to refine employee skills and enhance office work efficiency.	1. If overtime work occurs, overtime pay is distributed in accordance with the law. 2. Understand colleagues' workloads and reasons for overtime, actively carry out process improvements and optimize operations, and help enhance work efficiency. 3. Employees with excessive working hours are included in the list for identifying abnormal workloads and risk assessments. Regular employee health examinations are conducted, and relevant operations and manpower status are adjusted as appropriate. 4. Understand colleagues' workloads and reasons for excessive working hours, actively carry out process improvements and optimize operations, and help enhance work efficiency.
	Percentage of Impact Implemented Compensation (%)	Results
	100%	The system confirms the reasons for overtime daily. If an impact from excessive working hours occurs, the due overtime pay or compensatory time off will be distributed according to compensation measures, and relevant operations and manpower status will be adjusted as appropriate.

Remuneration System (GRI 405-2)

Adhering to the concept of sharing profits with employees, the Company attracts, retains, cultivates, and motivates excellent talents from all areas, providing a diversified and competitive remuneration system.

The starting salary of the Company's new recruits is based on the principle of equal pay for equal work; those with the same educational and experiential background engaging in the same position receive the same remuneration, and after employment, appropriate salary adjustments or performance bonuses are given based on individual performance.

For the basic-level personnel salaries at the Taoyuan Plant, except for migrant workers who are paid according to the government-announced basic wage, Taiwanese domestic workers are paid equally regardless of gender, and slightly higher than the basic wage.

The standard salaries of basic-level personnel at the Kunshan Plant, Guangzhou Plant, and Malaysia Plant are equivalent to the local minimum wages, and are equal regardless of gender.

Ratios of standard entry-level wage by gender compared to local minimum wage

Region	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Taiwan	1.12	1.10	1.09	1.13	1.1	1.1
Guangzhou Plant	1	1	1	1	1	1
Kunshan Plant	1	1	1	1	1	1
Malaysia Plant	1	1	1	1	1	1

To seek the stability of human resources and retain excellent talents, the Company regularly assesses market salary levels, makes appropriate adjustments and plans for employee salaries, and provides special salary adjustments for excellent talents with outstanding performance, to achieve a market-competitive salary level.

Salaries of Full-time Employees Not in Managerial Positions

The number, average salary, and median salary of full-time employees not in managerial positions in the Company in 2025 are shown in the table below. Both the average and median salaries decreased compared to the previous year; the main reason is that the Company's profits decreased compared to the previous year, resulting in a drop in employee year-end bonuses.

Item Description	Fiscal 2025	Difference from Previous Year
Number of full-time employees not in managerial positions	169	+11
Average salary of full-time employees not in managerial positions (NT\$ Thousand)	883	-55
Median salary of full-time employees not in managerial positions (NT\$ Thousand)	793	-68

* Note: This table excludes the two plants in mainland China and the Malaysia Plant, and only includes full-time employees not in managerial positions at the Taoyuan Plant and Taipei Office.

Happy Workplace (GRI 401-2)

Comprehensive and thoughtful welfare measures are key factors in retaining talent; in the Taiwan region, whether for employees in the Taipei Office or Taoyuan Plant, and whether migrant workers or domestic workers, in addition to legally required enrollment in labor and health insurance and contributions to labor pensions, the Company also offers the following employee care benefits:

Provides employee group insurance, and employee dependents can also join at preferential prices.



Preventive health checks, offering health examinations once a year, which exceeds legal requirements.



Meal and transportation subsidies, as well as providing uniforms, safety shoes, and dormitory facilities to care for employees' food, clothing, housing, and transportation needs; and providing free ground coffee given the increasingly popular coffee culture.



Labor Day bonus, celebrating Labor Day together with employees.

Various monetary gifts for weddings, funerals, and celebrations, sharing in the joys and sorrows of employees.



Various specially contracted stores, including restaurants, hotels, leisure and entertainment, or medical checkups, providing comprehensive assistance to employees.



Providing travel subsidies and occasional one-day trips, dining events, etc., to promote camaraderie among employees and family harmony.



Two Plants in Mainland China Region

In addition to legally purchasing the Five Social Insurances and One Housing Fund for mainland China employees, festival bonuses are issued during traditional holidays such as the Mid-Autumn Festival and Dragon Boat Festival; various monetary gifts are issued for weddings, funerals, and celebrations; birthday vouchers are issued to employees or birthday parties are held; employees are provided with free occupational health checkups, and group accident insurance is purchased; the company provides three free meals, etc.

Malaysia Plant

- Insurance for supervisors, engineers, executives, managers, and above levels.
- The company provides uniforms for all officially employed employees. For those working in production areas, the company also provides safety shoes and tools. For foreign workers, the company provides dormitories, transportation, and pays for utilities.
- The Family Committee fund also provides cash to employees for the following activities/situations:
 - In the event of the death of an immediate family member (i.e., spouse, parents, and children), a contribution of RM150 is given to the employee (who has worked at ACME for more than 1 year).
 - Provides RM100/- in cash for employees admitted to the hospital (excluding deliberate self-harm, drunk or reckless driving, and substance abuse).
 - Provides a wedding gift of RM100 to recognize the employee's first legal marriage in Malaysia.
 - Upon the confirmed birth of the employee's first child in Malaysia, an RM100 baby gift is awarded (not applicable if hospitalization claims have already been applied for, then not applicable).

The Taoyuan Plant and Taipei Office legally established the Employee Welfare Committee (EWC), composed of 13 members in total, including 11 representatives voted on independently by employees and 2 business executors designated by the employer; meetings are held once every three months, and ad hoc meetings may be held when necessary. The EWC is responsible for handling the distribution of employee monetary gifts for three major festivals, weddings, funerals, and celebrations, as well as year-end banquets, employee travel, and dining events; the Company contributes 0.05% of its total monthly revenue and 40% of its scrap material sales income to fund the various activities of the EWC; in 2025, a total of NT\$ 744 thousand was contributed to EWC funds, accounting for approximately 0.5% of total salaries.

The Kunshan Plant established a labor union in 2016, setting up 1 Union Chairman, 1 Vice Chairman, and 5 committee members, accounting for 1.7% of the total number of employees, with the union arranging employee welfare matters. The Guangzhou Plant has not established a labor union; employee welfare matters are centrally arranged by the company's administrative units. (GRI 2-30)

The Malaysia Plant established a Family Committee, composed of 1 Chairman, 1 Vice Chairman, 1 Advisor, 1 Secretary, and 12 members, accounting for 3.61% of the total number of company employees. Family Committee members discuss employee welfare, and administrators proceed with the final decisions made by management.

Taoyuan Plant 2025 Employee Travel



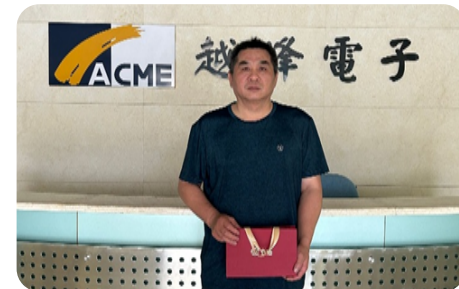
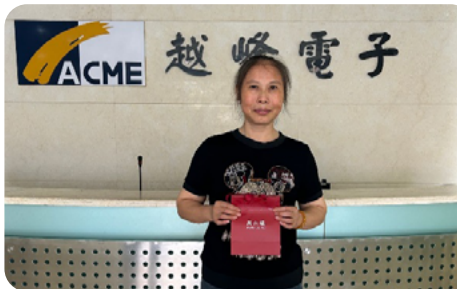
Taoyuan Plant 2025 Year-end Banquet



Kunshan Plant held a points meeting in 2025



Kunshan Plant distributed souvenirs to retired employees



Guangzhou Plant 2025 Monthly Employee Birthday Parties



Guangzhou Plant held a Summer Charity Camp activity from July to August 2025



Malaysia Plant Senior Service Award Dinner



Guangzhou Plant 2025 Year-end Banquet



Migrant Workers

International human rights equality is something that companies committed to globalization must value; because the Company employs migrant workers, we hold special insights regarding this.



New Recruits

Pre-employment briefings are provided, including national laws, health information, county and city government consultation service centers, and Thai language radio stations.



Agency Requirements

Must possess the highest Level A evaluation standard from the Ministry of Labor, with professionals assisting in handling relevant service operations such as residence permits, health checkups, tax filings, and vacations.



Dietary Needs

For 1 to 2 out of 3 meals, migrant workers can independently decide to choose Thai cuisine.



Communication Channels

Agency interpreters visit at least 3 times a month for two-way communication; a company suggestion box is provided, and 1 migrant worker dormitory management staff member is in place to respond to needs at any time.



Living Environment

Equipped with Chinese-Thai translation devices, respecting beliefs by bringing in an Erawan Shrine for worship, providing living spaces and comfortable air-conditioning superior to regulatory requirements, and equipped with free unlimited broadband internet, satellite channels, and audio-visual equipment.



Welfare Measures

In addition to enjoying rights equivalent to those of domestic workers, foreign colleagues are additionally issued a Songkran Festival bonus to comfort their hardships of being away from home.



Parental Leave Without Pay (GRI 401-3)

For colleagues' childcare needs, they can apply for parental leave without pay before their child turns three years old, for a maximum of up to two years, and their original positions are retained for colleagues to be reinstated; if necessary, fixed-term contract personnel are hired to temporarily cover for them, allowing employees to work at the Company with peace of mind and confidently raise the next generation.

In addition to providing parental leave applications according to regulations, a comfortably air-conditioned lactation room, a clean breast milk storage space, and flexible and autonomous lactation times are equipped; furthermore, special contracts have been signed with locally operated kindergartens to provide childcare discounts, offering spaces for toddler activities, and planting a variety of plants to provide for teaching and playing.

ACME 2025 Parental Leave Without Pay Application Headcount, Reinstatement, and Retention Status

Item Description	Taiwan	
	Male	Female
Number of employees eligible to apply for parental leave without pay in the current year	2	3
Number of employees who actually applied for parental leave without pay in the current year	0	0
Number of employees due for reinstatement from parental leave without pay in the current year	0	0
Number of employees actually reinstated from parental leave without pay in the current year	0	0
Reinstatement rate (actual reinstated headcount / expected reinstated headcount)	0	0
Number of employees still employed 12 months after returning from parental leave without pay in the previous year	-	1
Retention rate (number of employees still employed 12 months after reinstatement in the previous year / actual reinstated headcount in the previous year)	-	100%

* Note: This table excludes the two plants in mainland China and the Malaysia Plant.

Pension Contributions (GRI 201-3)

In the Taiwan region, in accordance with the provisions of the Labor Standards Act and the Labor Pension Act, a retirement scheme has been formulated for all official employees, contributing labor retirement reserve funds monthly to the Trust Department of Bank of Taiwan and the individual employee pension accounts at the Bureau of Labor Insurance. Furthermore, starting from 2017, in response to the full allocation requirements for retirement reserve funds following the amendment of the Labor Standards Act, the amount required to be made up for the following year is estimated at the end of each year and deposited into the dedicated account before the end of March, guaranteeing that every employee who applies for retirement according to law can receive the pension they deserve. The Five Social Insurances and One Housing Fund purchased for mainland China employees by the two plants in mainland China according to law includes endowment insurance.

Malaysia's legally mandated contributions to the Employees Provident Fund (EPF) are a compulsory savings program and retirement scheme for private sector workers in Malaysia. Funds are contributed into the personal Employees Provident Fund (EPF) of each employee. Contribution amounts are determined by the employee's monthly salary. For workers with a monthly income of RM 5,000 or below, the company contributes 13%, and employees contribute 11% of their monthly income. Employees with wages exceeding RM 5,000 contribute 11%, while employers contribute 12%. Deposited monthly into the employee's account. In addition, the company provides a retirement gratuity plan (one-time lump-sum payment) for all retirees based on their years of service.

Item	Proportion of Pension Contributions to Salary	Degree of Employee Participation in Retirement Plans
Pension under the Old System of the Labor Standards Act	Employer: Contributes 2% of the monthly salary to the labor retirement reserve fund	100%
Pension under the New System of the Labor Pension Act	Employer: 6% of monthly salary Employee: 0~6% of monthly salary	100%

Communication Channels (GRI 2-30)

There are no labor union organizations in the Taiwan region, thus no collective bargaining agreements, but the Company's employee communication channels are unobstructed and brisk; the Kunshan Plant established a labor union in 2016 to serve as a communication channel between employees and the company; the Guangzhou Plant has not established a labor union, and administrative units holistically coordinate to review at all times and respond in a timely manner.

Malaysia has a Family Committee, with members coming from different departments and serving as representatives for each department. There are also internal memos and bulletin boards used for official announcements. An employee suggestion box is established for employees to provide their suggestions to the company.

Official Operations	Informal Operations
- All Hands Meetings, labor-management conferences, EWC meetings, Labor Pension Supervisory Committee meetings, and other ad hoc meetings. - Public information such as bulletin boards, the USI Group service website, company website, and public observation information station. - Employee suggestion boxes, proposal improvement drop-off areas, employee satisfaction surveys.	- Telephone calls. - E-MAIL - Face-to-face meetings. - Informal meetings.

Official meetings such as All Hands Meetings, labor-management conferences, Employee Welfare Committee meetings, and labor pension committee meetings have meeting minutes and tracked response results, and relevant resolved matters are put into practice. Any public information is published on various websites by category to facilitate employee inquiries; if employees have any questions, they can get answers at any time through various channels such as face-to-face meetings, phone calls, e-mails, or informal meetings.

Employee suggestion boxes and proposal improvement drop-off areas are set up in public areas, allowing employees to provide personal opinions at any time; and a workplace unlawful infringement prevention team is legally established to handle such cases specifically, and the roster of workplace unlawful infringement prevention team members is published to facilitate employee complaints; no such cases have occurred in recent years.

Regular employee satisfaction surveys are conducted annually to understand employee expectations, doing our utmost to fulfill relevant employee needs within reasonable and legal bounds.

Employee Opinion Survey Report

The employee satisfaction surveys conducted in the Taiwan region are analyzed and compared year by year according to unit, job level, or region; the satisfaction survey results in 2025 were better than those in 2024.

The two plants in mainland China conduct annual employee satisfaction surveys aimed at diagnosing problems and deficiencies in management and systems that have existed in the company over the past year, while simultaneously allowing middle and senior management personnel to practically understand the true feelings of employees, enabling the company to provide effective plans, enhance employee satisfaction, improve production efficiency, and ultimately achieve a win-win situation for both the company and employees. Employee satisfaction surveys focus on measurement factors related to the vital interests of employees, primarily surveying four aspects: work, life, management, and meals.

For 2025 employee satisfaction, both plants in mainland China achieved their targets. Employee satisfaction with the three major factors of "work," "life," and "management" was relatively high, reaching the company's satisfaction management goals; in terms of management at the Guangzhou Plant, satisfaction was the highest; in terms of management at the Kunshan Plant, satisfaction was the highest.

The aspect with lower satisfaction was "meals," primarily reflected in the two survey elements of meal taste and meal portion sizes; in response to this phenomenon, the company has conducted a current situation analysis on the dissatisfied items of the satisfaction survey and proposed improvement measures in 2025.

In addition to continuously improving meals in 2025, the Guangzhou Plant also continued to help employees settle their residency in Guangzhou and resolve their children's school admissions, allowing employees to fully feel a sense of belonging and happiness.

The Kunshan Plant and Guangzhou Plant convened employee symposiums in June 2025 to timely understand employee needs, listen to employee suggestions, and make improvements to reasonable suggestions, increasing employees' sense of identity and belonging to the company, and establishing a sense of responsibility as masters of the company.

The satisfaction survey at the Malaysia Plant in 2025 was conducted in an informal manner, marking the first time the company conducted an annual survey of all employees, including foreign employees and new recruits. The survey was conducted verbally and in different formats across various departments. However, the focus of the survey centered on the four major factors of work, life, management, and food and beverage. The overall satisfaction for the four factors was approximately 70%. Acme MA (Acme Malaysia) will conduct an official satisfaction survey in a standardized format for every employee in 2026, with a target of 75%.

ACME 2025 Employee Satisfaction Survey

Plant	Target	Actual
Taiwan	75%	76.33%
Kunshan Plant	90%	97.93%
Guangzhou Plant	84%	96.9%
Malaysia Plant	-	70%

Taoyuan Plant 2025 Employee Satisfaction Survey

Target Audience	All staff and workers at the Taoyuan Plant.
Topics	Dimensions including supervisors, compensation, colleagues, work, development, corporate culture, sustainable management, and organizational commitment.
Number of Respondents	125 persons.
Coverage Rate	Staff response rate is 83%, and worker response rate is 37%. To expand coverage, the Company has included workers in the survey for the first time.
Responsible Survey Department	Human Resources Division of the Group.
Survey Frequency	Once a year.
Survey Period	2025/07/28~2025/08/08
Overall Satisfaction Survey Results	4.57 points (Minimum 1 point, Maximum 6 points).
Improvement Initiatives	Based on the survey results across all dimensions, the two items with the lowest satisfaction are compensation and development. The following improvement measures will be implemented and continuously optimized in the future: • Monitor the market competitiveness of the salary structure, reference the salary levels of benchmark enterprises, enhance job evaluation, professional skills, work performance, and other factors to optimize the salary structure and system, and improve internal fairness and external competitiveness of compensation. • Introduce EAP (Employee Assistance Program) to enhance colleagues' physical and mental health. • Strengthen the training quality system, promote reskilling, and facilitate the mutual development of talents and the organization. • Cultivate key talents, establish succession pipelines, and optimize performance management and promotion mechanisms. • Clearly communicate the Company's vision, mission, and values in major company events, meetings at all levels, and training courses, and concretely implement them in various regulations and company policies.

4.2 Talent Cultivation and Development

Management Policy (GRI 3-3)

Strategic Policy



Build a scientific and complete training system. Construct a complete and efficient talent pipeline system. Establish a professional and complete technical inheritance system.

Commitment



Meet the training needs of employees at different levels during their career planning period, realizing the mutual growth of the enterprise and employees.

Sustainability Principles



Happy Workplace and Social Participation

Impact Management

Positive/Negative Impacts

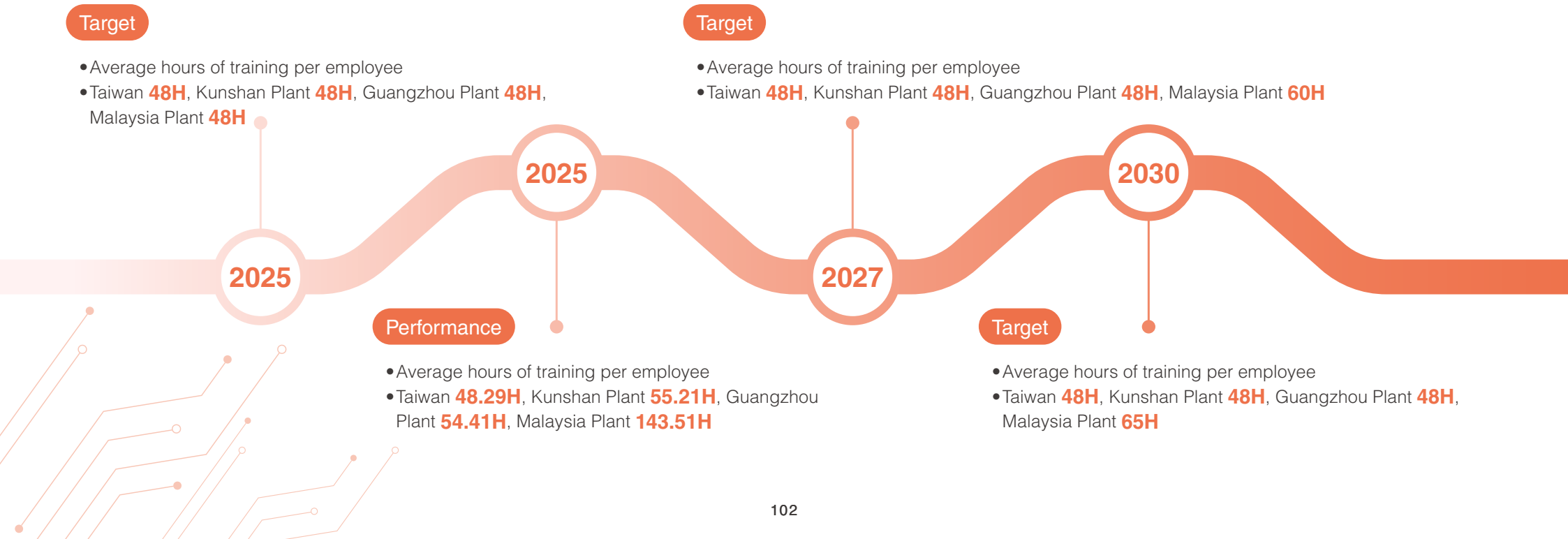


- Actual Positive Impact - Talent cultivation and retention - Reduce turnover rate.

Impact Management

Negative Impact Remediation and Preventive Measures

- Establish a systematized talent development mechanism, provide learning resources in various fields, and implement the performance evaluation system.



Education and Training (GRI 404-1、404-2)

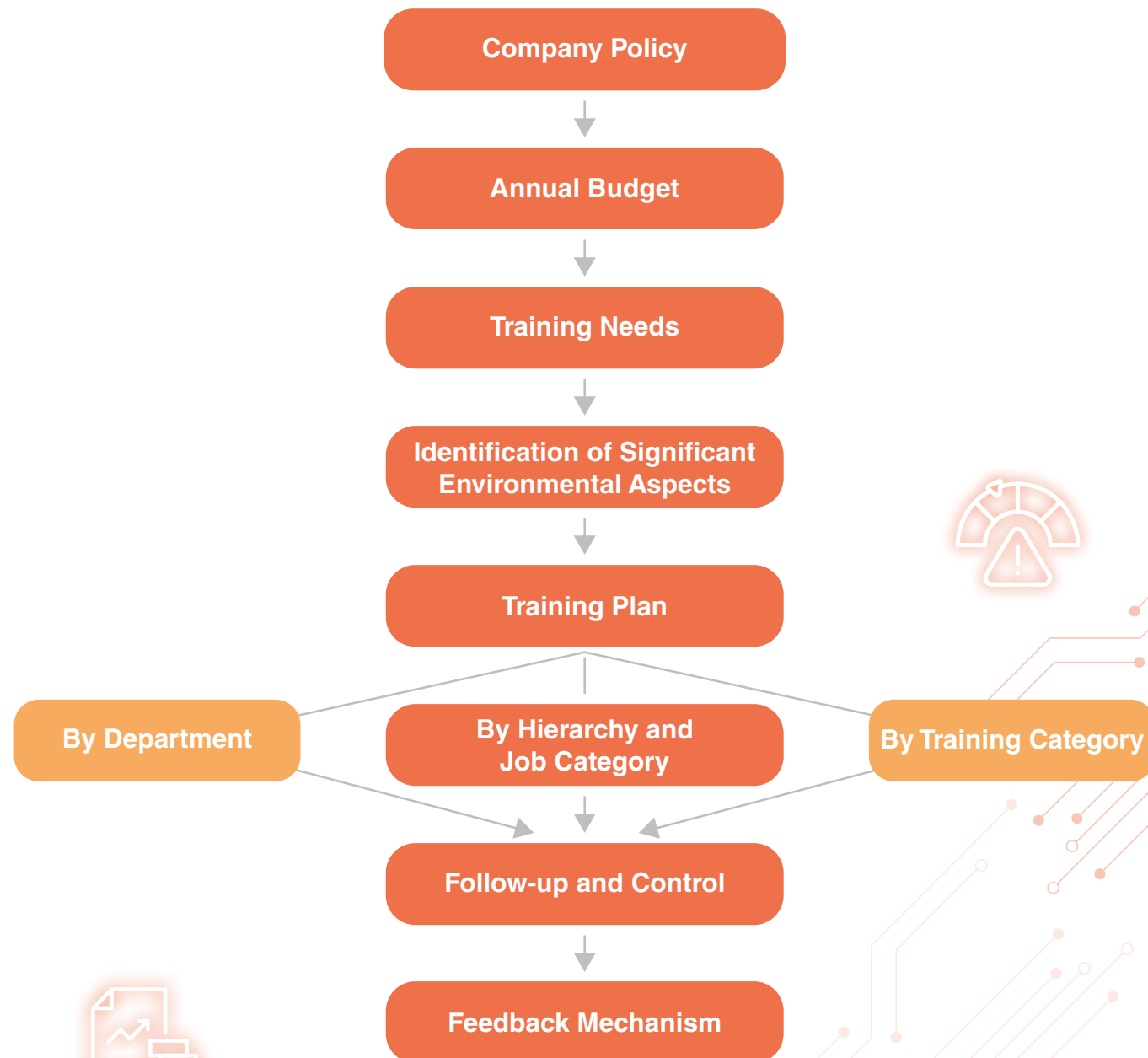
The company's overall training system is integrated into the ISO system, detailed by the "Employee Training and Qualification Certification Management Regulations", which include training methods and requirements, formulation of annual training plan schedules and forms, training plan follow-ups, internal and external training execution processes, and special position qualification certification conditions, etc. Internal auditors and external audits inspect the execution status annually to ensure the system operates well.

In terms of the completion rate of the 2025 training plan, the Taiwan region was 95%, and the Guangzhou Plant and Kunshan Plant were 93%; the uncompleted parts were mainly due to scheduling conflicts or cancellations because the items were no longer needed. The 2026 education and training plan is expected to focus on enhancing the professional competencies of each unit to bridge technology gaps, meet quality requirements and various legal regulations, and strengthen personnel growth to align with the training needs for the company's sustainable development.

In 2025, the total training hours for the Taiwan plant, the two mainland plants, and the Malaysia plant amounted to 136,600 hours, with an average of 73.84 training hours per person for the year. The average training hours were 48.29 hours for the Taiwan region, 55.21 hours for the Kunshan Plant, 54.41 hours for the Guangzhou Plant, and 143.51 hours for the Malaysia Plant, all achieving the 48-hour target for the Taiwan, Kunshan, and Guangzhou plants.

Regarding training categories, professional function training had the most instances, while general education categories such as health, ethics, and safety also accounted for a high proportion, showing that in addition to professional quality, the company places greater emphasis on the holistic development of individual employees. External training mainly focuses on meeting regulatory requirements and professional training for various functions. In 2025, employee training activities are planned with a target of 48 hours each for the Taiwan, Kunshan, Guangzhou, and Malaysia plants, focusing on launching training courses related to quality management, employee safety, Six Sigma certification, and employee professional skills.

ACME Training Plan Formulation and Execution Process

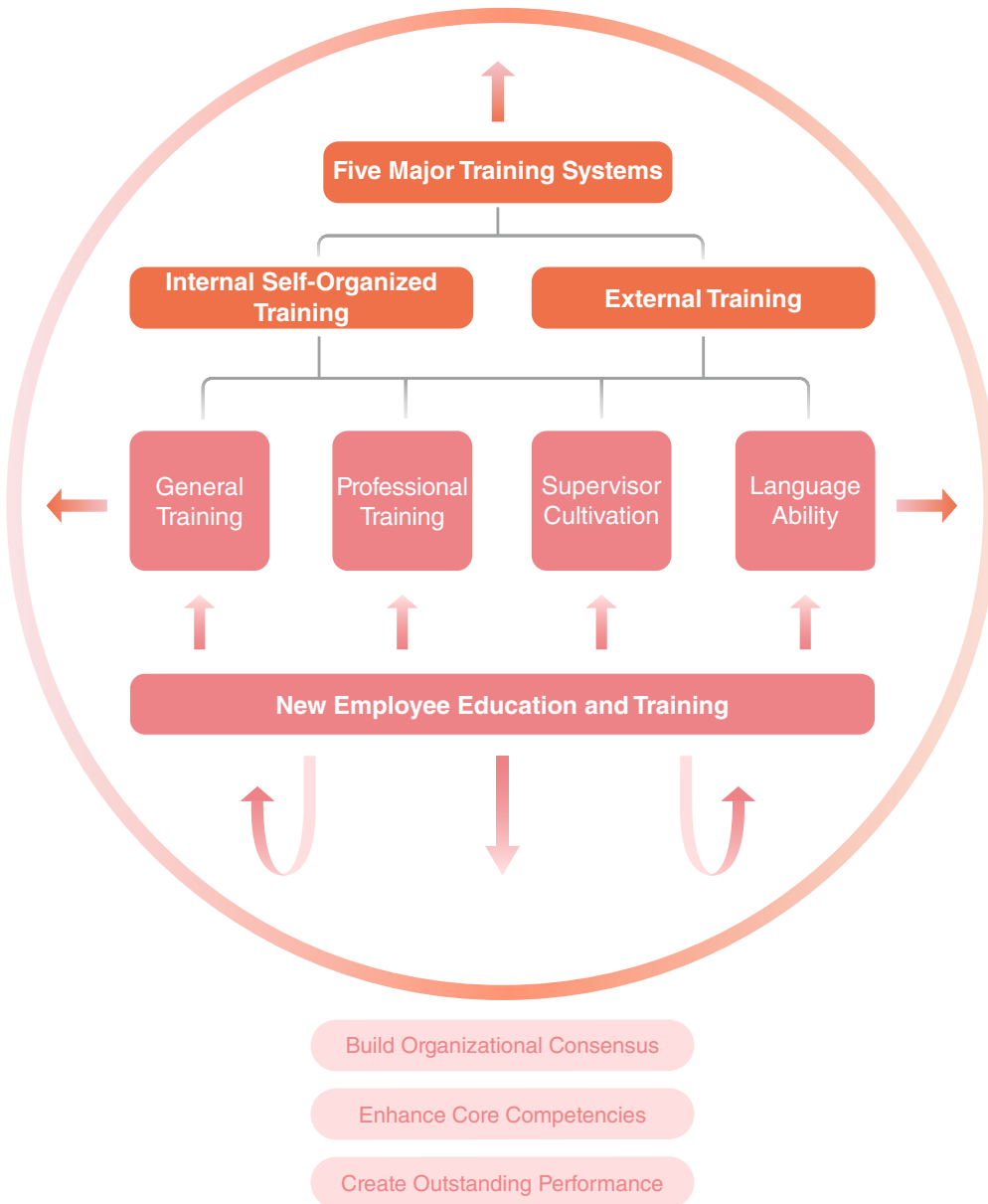


ACME 2025 Education and Training Hours Statistics

Plant	Employee Category	Unit	Male	Female	Total
Taiwan	Senior Management (Deputy Manager and above)	Number of People	48	8	56
		Hours	2,130	479	2,608.50
		Average (Hours/ Person)	44.4	59.8	46.58
	Junior/Middle Management (Foreman, Section, Department Head)	Number of People	15	8	23
		Hours	659.5	625	1,284.50
		Average (Hours/ Person)	44.0	78.1	55.85
	General Employee	Number of People	107	36	143
		Hours	4,311	2,516	6,827
		Average (Hours/ Person)	40.3	69.9	47.74
Kunshan Plant	Senior Management (Deputy Manager and above)	Number of People	12	4	16
		Hours	397	201	598
		Average (Hours/ Person)	33.08	50.25	37.38
	Junior/Middle Management (Foreman, Section, Department Head)	Number of People	16	19	35
		Hours	1,019	785	1,803.50
		Average (Hours/ Person)	63.66	41.32	51.53
	General Employee	Number of People	209	150	359
		Hours	13,510	6,725	20,235
		Average (Hours/ Person)	64.64	44.83	56.36

Plant	Employee Category	Unit	Male	Female	Total
Guangzhou Plant	Senior Management (Deputy Manager and above)	Number of People	11	3	14.00
		Hours	427	181	608
		Average (Hours/ Person)	38.818	60.333	43.43
	Junior/Middle Management (Foreman, Section, Department Head)	Number of People	32	11	43.00
		Hours	1,027	490	1,516
		Average (Hours/ Person)	32.08	44.50	35.26
	General Employee	Number of People	377	369	746
		Hours	24,060	17,505	41,565
		Average (Hours/ Person)	63.82	47.44	55.72
Malaysia Plant	Senior Management (Deputy Manager and above)	Number of People	12	8	20
		Hours	1,491	1,309	2,800
		Average (Hours/ Person)	124.25	163.59	139.98
	Junior/Middle Management (Foreman, Section, Department Head)	Number of People	33	29	62
		Hours	3,474	4,282	7,756
		Average (Hours/ Person)	105.28	147.65	125.10
	General Employee	Number of People	296	37	333
		Hours	33,013	15,987	49,000
		Average (Hours/ Person)	111.53	432.07	147.15

Human capital is an important corporate asset; we have planned five major training systems:



Details include:

- 1. New Employee Education and Training:** Understand company systems, EHS precautions, and relevant ISO policies, etc.
- 2. General Training:** Various types of courses that enhance employee knowledge or skills.
- 3. Employee Professional Training:** Enhancement of technical skills required for work based on different functions and positions.
- 4. Supervisor Cultivation Training:** Various management skills and planning abilities for future or current supervisors.
- 5. Language Training:** Coordinate with the Group to provide employee online English courses or other learning subsidies.
- 6. Special Position Qualification Certification Training:** Government legally required licenses, special certifications for automotive products, etc., to adapt to the latest government and customer requirements.
- 7. Traffic Safety Training:** Continuously promote traffic regulations to enhance employee traffic safety awareness.
- 8. All employees at the engineer level and above have undergone LEAN and Six Sigma training and certification.**

Relevant lecture materials are placed on the company's shared training material platform, allowing employees to review and learn new things at any time, and use them as reference books.

To encourage employees to continuously improve and utilize their strengths at work, a qualification certification management policy was formulated. Eligible personnel can take exams after receiving a certain period of training. Those who pass the required standards can receive additional technical allowance subsidies. The qualification certifications are divided into different levels with different subsidy amounts, and it is stipulated that if they are no longer in the position or no longer possess the technical capability, they cannot continue to receive it, keeping employees alert to continuously improve and grow together with the company.

The career development training courses implemented for in-service employees can enrich their functional skills and learning abilities, which can further extend into a foundation for personal lifelong learning. If they retire or leave mid-career in the future, it can still serve as a skill foundation for career transition or retirement life planning.

Six Sigma Green Belt Training Project Course

To enhance employees' problem analysis and resolution abilities and continuously improve product quality, the Taoyuan, Guangzhou, and Kunshan plants continue to launch the Six Sigma Green Belt training project courses.

TRIZ Training Project Course

To improve employees' abilities to use technology and advanced management tools, accelerate the R&D and innovation of the company's new products, and seize market opportunities, the Taoyuan, Guangzhou, and Kunshan plants launched TRIZ training project courses in 2022.

Performance Evaluation System (GRI 404-3)

A good performance evaluation system paired with appropriate rewards is one of the motivational factors encouraging employees to fulfill their potential. Based on different employee characteristics, the company has separately formulated evaluation methods and frequencies for direct personnel, indirect personnel, and senior executives. The target items each have quantitative and qualitative proportions to avoid bias in either one, achieving a reasonable and fair balance. In addition, to implement human capital development, consultants were introduced in 2016 to plan and execute a complete human development system, hoping to more systematically evaluate and cultivate talent, extending the function of performance evaluation to job evaluation and career planning.

All full-time employees in the company should participate in the evaluation process, except new employees with less than 1 month of service who may not participate.

The 2025 performance evaluation results for the whole company are all Grade C or above, meeting the requirements.

ACME 2025 Employee Participation in Performance Evaluation Operations

Plant	Employee Category	Unit	Male	Female	Total
Taiwan	Senior Management (Deputy Manager and above)	Number of Employees Due for Evaluation	44	7	51
		Actual Number of Evaluated Employees	44	7	51
		Evaluation Participation Rate (%)	100%	100%	100%
	Junior/Middle Management (Section, Department Head)	Number of Employees Due for Evaluation	15	8	23
		Actual Number of Evaluated Employees	15	8	23
		Evaluation Participation Rate (%)	100%	100%	100%
	General Employee	Number of Employees Due for Evaluation	106	35	141
		Actual Number of Evaluated Employees	106	35	141
		Evaluation Participation Rate (%)	100%	100%	100%
Kunshan Plant	Senior Management (Deputy Manager and above)	Number of Employees Due for Evaluation	12	4	16
		Actual Number of Evaluated Employees	12	4	16
		Evaluation Participation Rate (%)	100%	100%	100%
	Junior/Middle Management (Section, Department Head)	Number of Employees Due for Evaluation	19	16	35
		Actual Number of Evaluated Employees	19	16	35
		Evaluation Participation Rate (%)	100%	100%	100%
	General Employee	Number of Employees Due for Evaluation	208	151	359
		Actual Number of Evaluated Employees	208	151	359
		Evaluation Participation Rate (%)	100%	100%	100%

Plant	Employee Category	Unit	Male	Female	Total
Guangzhou Plant	Senior Management (Deputy Manager and above)	Number of Employees Due for Evaluation	11	3	14
		Actual Number of Evaluated Employees	11	3	14
		Evaluation Participation Rate (%)	100%	100%	100%
	Junior/Middle Management (Section, Department Head)	Number of Employees Due for Evaluation	32	11	43
		Actual Number of Evaluated Employees	32	11	43
		Evaluation Participation Rate (%)	100%	100%	100%
	General Employee	Number of Employees Due for Evaluation	377	369	746
		Actual Number of Evaluated Employees	377	369	746
		Evaluation Participation Rate (%)	100%	100%	100%
Malaysia Plant	Senior Management (Deputy Manager and above)	Number of Employees Due for Evaluation	12	8	20
		Actual Number of Evaluated Employees	12	8	20
		Evaluation Participation Rate (%)	100.00%	100.00%	100.00%
	Junior/Middle Management (Section, Department Head)	Number of Employees Due for Evaluation	33	29	62
		Actual Number of Evaluated Employees	33	29	62
		Evaluation Participation Rate (%)	100.00%	100.00%	100.00%
	General Employee	Number of Employees Due for Evaluation	188	85	273
		Actual Number of Evaluated Employees	188	85	273
		Evaluation Participation Rate (%)	100.00%	100.00%	100.00%

* Note: Grade A 90~100 points, Grade B 80~89 points, Grade C 70~79 points, Grade D 60~69 points.

4.3 Occupational Safety and Health

Management Policy (GRI 3-3 \403-1 \403-8)

Strategic Policy



Continuously reduce safety and health risks, prevent and reduce occupational disasters, and promote employee health.

Commitment



Zero disasters, zero accidents, zero injuries/illnesses, zero violations.

Sustainability Principles



Happy Workplace and Social Participation



Impact Management

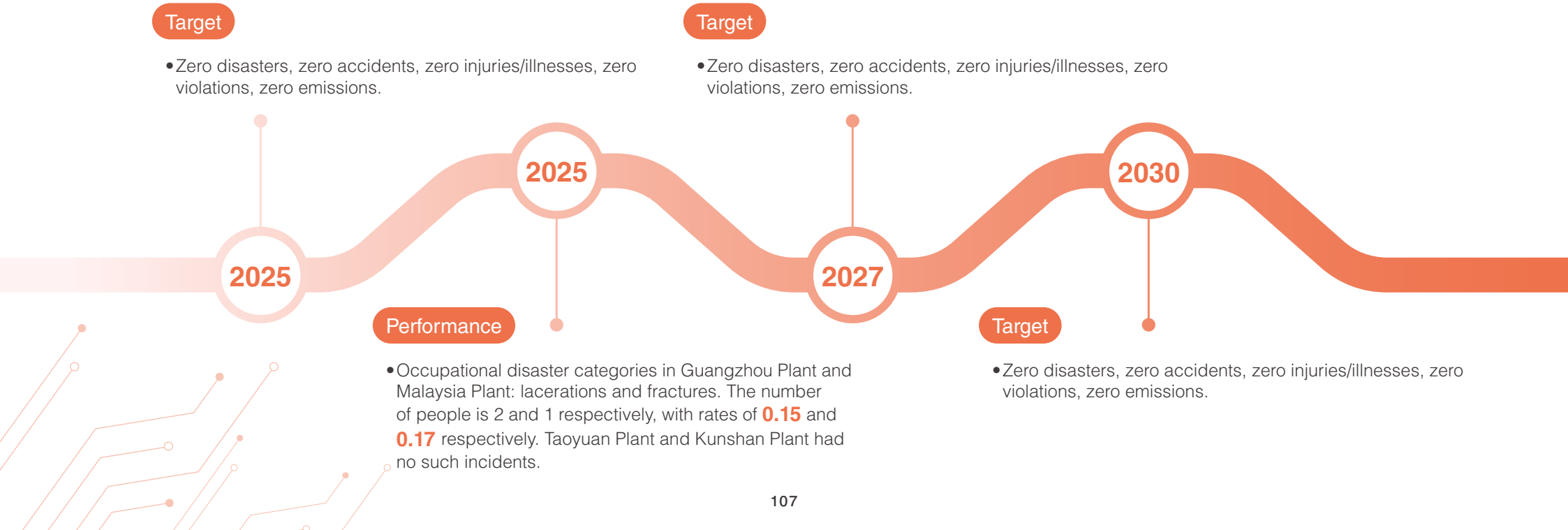
Positive/Negative Impacts

- Actual Positive Impact - Create a friendly workplace environment - Reduce turnover rate and occupational disaster incidence rate.

Impact Management

Negative Impact Remediation and Preventive Measures

- Implement ISO 45001 Occupational Health and Safety Management Systems and employee health management



To ensure the workplace safety and physical and mental health of all relevant personnel such as employees, contractors, customers, and visitors, the company continuously improves safety and health, emphasizes work safety, and jointly strives for the highest goal of zero disasters, zero accidents, zero injuries and illnesses, and zero violations. All employees strictly adhere to the following safety philosophies:

1. All injuries and occupational diseases are preventable.
2. Hazard exposures in all operations can be prevented in advance.
3. Preventing employee injuries is the responsibility of the management level.
4. Training employees to have safe working skills is essential.
5. Working safely is the duty of every employee.
6. Continuous safety audits are required.
7. Safety hazards discovered must be improved as soon as possible.
8. The safety of contractors is as important as the safety of employees.
9. Employees' safety after work is equally important.



The company's Taoyuan Plant has established the "Occupational Safety and Health Management Operational Standards." The Taoyuan, Kunshan, Guangzhou, and Malaysia plants have additionally formulated and jointly execute the "Safety and Health Management Regulations" consistent across the four plants, aiming to maintain the safety and health of employees and workers (contractors) during machine and equipment operations in the workplace, and avoid industrial safety incidents. All employees and workers (contractors) participate and comply jointly. In 2025, the safety and health regulations covered a total of 1,850 employees in the Taipei Office, Taoyuan Plant, Guangzhou Plant, Kunshan Plant, and Malaysia Plant, as well as 3,169 contractor instances across the four plants, with a coverage rate of 100%. The production model of all four plants is planned production, and there are no significant fluctuations between non-employees and employees.

To continuously improve occupational safety and health management, ISO 45001 Occupational Health and Safety Management Systems was introduced. Taoyuan Plant obtained verification on December 22, 2025, with the certificate valid until December 21, 2028. Kunshan Plant obtained verification on October 18, 2024, valid until October 17, 2027. Guangzhou Plant obtained verification on October 14, 2024, valid until October 13, 2027. Malaysia Plant obtained certification in November 16, 2023, with the certificate valid until November 1, 2026. The management systems are continuously operated. Certificate Website Link: [Company Official Website - Quality System - Quality Certification](#)

Incident Investigation Process (GRI 403-2)

The company formulates incident investigation procedures for disabling injuries, non-disabling injuries, and near-miss events occurring in various operational activities within the plant to record, investigate, and analyze/review events to prevent the recurrence of accidents or near-misses. When natural disasters and force majeure situations endangering personal safety occur, personnel should evacuate to safe assembly points according to emergency response measures to protect employee safety and health.



Employee Health Management (GRI 403-6)

To protect employee health, the Taoyuan Plant specifically hired occupational disease specialists and nurses for on-site service health management. The occupational disease physician conducts risk assessments specifically on the on-site working environment, proposes risk improvement suggestions, and reduces the risk of employees suffering from occupational diseases. Health management interviews are also conducted for employees with higher risks after annual health check-ups, providing related problem improvements to lower employee health risks and protect their physical and mental health. The nurse proposes an annual health management plan for the company, implementing graded management for overwork, ergonomics, maternity, and health check-up reports. They also conduct interviews and health education operations for some employees with abnormal reports, and jointly formulate related suggestions with occupational safety and health, administrative HR, and heads of various units to protect employee health.



Employee Health Care (GRI 403-3、403-6、SASB RT-CH 320a.2)

The Taoyuan Plant plans appropriate health check-up schemes based on colleagues' ages and working environments, aiming to detect health hazards and potential pathogenic factors early. Contracted medical personnel evaluate items needing improvement based on the annual health check-up reports, as well as the abnormal ratio of employees, annual trends, and group trends. They prioritize the urgency of items needing improvement, plan a complete intervention scheme, understand colleagues' individual needs, assist in arranging hospital follow-up visits, and irregularly conduct health care tracking to provide comprehensive health care. For employees with high risks in special operations health check-ups, one-on-one interviews with occupational disease specialists are also arranged to understand the employee's personal health check-up, providing detailed explanations regarding their personal dietary habits and daily routines.

To strengthen the management of occupational disease prevention and control and improve the level of occupational disease prevention, the Kunshan Plant and Guangzhou Plant earnestly protect the health and safety of laborers during the labor process. In accordance with the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases" 【待對照公司固定用詞】，"Provisions on the Supervision and Administration of Occupational Health in the Workplace" 【待對照公司固定用詞】 and other relevant regulations, employee health check-ups are handled legally. Pre-job, on-the-job, and off-job occupational disease health check-ups and tracking management are implemented for personnel exposed to occupational hazard factors such as dust operations, noise operations, manganese and its compounds operations, and nickel and its compounds.

Taoyuan Plant held the 2025 Annual Employee Health Check-up



Guangzhou Plant held the 2025 Annual Employee Health Check-up



Guangzhou Plant held the 2025 Annual

"Occupational Disease Prevention, First Aid Knowledge, and AIDS Prevention" Advocacy Lecture



Kunshan Plant held the 2025 Annual Employee Health Check-up



Kunshan Plant held work-related injury prevention inspections and training in 2025



Malaysia employee health examination



Employee Health Check-up Status of Each Plant

Item	Taoyuan Plant	Kunshan Plant	Guangzhou Plant	Malaysia Plant
	Check-up Rate	Check-up Rate	Check-up Rate	Check-up Rate
General Health Examination	100%	100%	100%	N/A
Noise Operations	100%	100%	100%	100%
Dust Operations	100%	100%	100%	100%
Ionizing Radiation Operations	100%	N/A	N/A	N/A
Manganese and its Compounds Operations	100%	100%	100%	N/A
Nickel and its Compounds Operations	100%	100%	100%	N/A
Lighting Operations	N/A	100%	N/A	N/A
High Temperature		100%	100%	N/A
Power Frequency Electric Field		100%	100%	N/A
Silicon Dioxide		N/A	100%	N/A
Copper Fume			100%	N/A
Benzene and its Compounds			100%	N/A
Nitrogen Oxides			100%	N/A
Methanol			100%	N/A
Ethylene Glycol			100%	N/A

Employee Health Activities

The Taoyuan Plant aims for a happy economy, employee well-being, fairness, and corporate sustainability, as protecting employee health allows the enterprise to grow stronger. Therefore, a 3-month "Health Easy Go" campaign was promoted from May 28 to August 29. Through group competitions and individual weight loss scoring, combined with weekly blood pressure and weight measurements and health education explanations to understand bodily changes, an exercise group was also established to upload exercise photos as part of a multi-faceted scoring system. After the activity, incentive bonuses were provided to the top three teams with the highest scores and the colleague with the most outstanding weight loss results, while a continuous progress award was added to encourage colleagues to keep losing weight.

During the process, going outdoors for exercise reduced energy use at home, intangibly achieving energy-saving and carbon-reducing effects. With healthy action strategies, our Earth can become healthier tomorrow.

Thanks to the 37 participants this time, "Your health can allow the company to grow even stronger."

Highlights of Taoyuan Plant's 2025 "Health Easy Go" Campaign



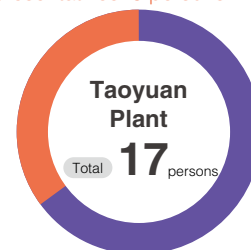
Occupational Health and Safety Organization (GRI 403-4)

The Taoyuan Plant established the "Occupational Safety and Health Committee" in accordance with the Occupational Safety and Health Management Regulations. It consists of a total of 17 members. Worker representatives are elected by the worker representatives of the labor-management meeting. The number of labor representatives is 6, accounting for 35% of the committee members and 3% of all employees. The committee meets quarterly, allowing worker representatives to speak for all employees and discuss EHS-related topics jointly with management.

The Kunshan Plant and Guangzhou Plant legally established the "Safety Production & Occupational Health Management Organization" and "Emergency Response Management Organization" in accordance with the "Work Safety Law," "Fire Protection Law," "Law on the Prevention and Control of Occupational Diseases," and "Labor Law" promulgated by the People's Republic of China. Dedicated safety management bodies and personnel are placed under these organizations, and unit heads as well as management personnel take up their posts with certificates after passing training.

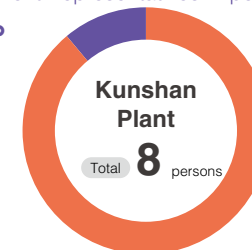
ACME Occupational Health and Safety Organization Labor-Management Ratio

Labor Representatives: **6 persons**
35%



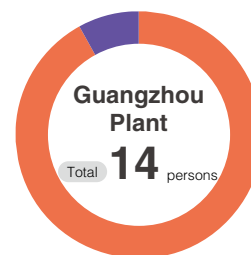
Management Representatives: **11 persons**
65%

Management Representatives: **1 person**
12.5%



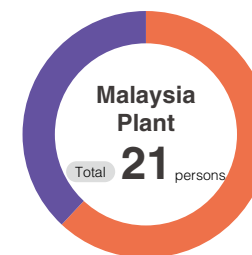
Labor Representatives: **7 persons**
87.5%

Management Representatives: **1 person**
8%



Labor Representatives: **13 persons**
92%

Management Representatives: **8 person**
38%



Labor Representatives: **13 persons**
62%

Employee Disabling Injuries and Absences (GRI 403-9、403-10)

To reduce hazard risks, in terms of equipment, sound insulation facilities are installed on operating equipment in the workshops, and the working environment is regularly tested every year. In terms of employees, new employees undergo occupational health examinations before joining. Existing employees involved in positions prone to occupational diseases receive regular annual occupational health examinations. Labor protection supplies are distributed, and employees are advocated to correctly wear safety protective equipment.

Occupational Injury Statistics of ACME in 2025

	Taoyuan Plant		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
Item	Employees	Contractors	Employees	Contractors	Employees	Contractors	Employees	Contractors
Number of occupational injury accidents	0	0	0	0	2	0	1	0
Total Annual Working Hours	490,608	-	1,202,086	-	2,614,576	-	1,154,411	-
Recordable occupational injury rate (TRIR)	0	0	0	0	0.15	0	0.17	0
Severe Occupational Injury Rate	0	0	0	0	0.15	0	0.17	0
Occupational Injury Fatality Rate	0	0	0	0	0	0	0	0
Employee Disabling Injury Frequency Rate (F.R.)	0	0	0	0	7.65	0	1.15	0
Disabling Injury Severity Rate (S.R.)	0	0	0	0	94.47	0	9.22	0
Occupational Diseases Rate (ODR)	0	0	0	0	0	0	0	0

Note:

* Recordable occupational injury rate (TRIR) = Number of recordable occupational injuries (including occupational fatalities) x 200,000 / Total working hours

* Severe Occupational Injury Rate = Number of severe occupational injuries (excluding fatalities) x 200,000 / Total working hours

* Occupational Injury Fatality Rate = Number of occupational fatalities x 200,000 / Total working hours

* Disabling Injury Frequency Rate (FR) = Number of injuries x 1,000,000 working hours / Total working hours

* Disabling Injury Severity Rate (SR) = Number of lost days x 1,000,000 working hours / Total working hours

* Occupational Diseases Rate (ODR) = Number of occupational disease cases / Total number of employees

Contractor Safety Management (GRI 2-8、403-7、403-10)

The Company has formulated regulations such as the "Stakeholder Management Measures", "Construction Permit Management Regulations", and "Occupational Safety and Health Management Operating Standards". For the safety management of contractor personnel, special operation applications must be submitted according to the operation category, and a personnel operation control system is adopted. Unscheduled audits of the contracted operations are conducted during daily operations. In addition to a comprehensive control system, we continuously enhance self-safety protection awareness to reduce the occurrence of accidents among contractors. In 2025, there were no cases of contractor work-related injuries or occupational diseases.

2025 Contractor Operation Statistics

Plant	Number of Construction Applications	Number of Entries	Total Working Hours
Taoyuan	687	2,002	16,016
Kunshan	49	207	9,718
Guangzhou	195	906	10,106.8
Malaysia Plant	13	54	1,112

Occupational Hazard Identification and Risk Assessment Process (GRI 403-2)

To prevent operations, activities, services, and facilities from endangering personnel's safety and health, which could cause losses to the safety and health of personnel in the plant or the Company's finances, early action is taken to resolve issues. Through continuous safety and health hazard identification, risk assessment, and opportunity evaluation, appropriate preventive measures are taken, necessary control methods are executed, or hazards are eliminated. We also identify improvement opportunities to control risks to an acceptable level and enhance occupational safety and health performance. The Company has formulated hazard identification and risk assessment management measures, which are divided into periodic and non-periodic assessments:

Periodic assessments are initiated by the occupational safety unit every June, requiring each unit to conduct hazard identification and risk assessment for their working environment and operation contents. Prior to the ISO 45001 internal audit, the occupational safety unit confirms the relevant content and announces it for implementation. In 2025, 16 units conducted assessments, identifying 4 unacceptable risks, all of which have been rectified.

Non-periodic assessments are carried out when the following events occur:

1. When the Company introduces new equipment, new processes, uses new chemicals, or alters operating procedures.
2. When there are major revisions to the EHS policy, or when the management representative deems it necessary.
3. New hazards or hazards resulting from changes.

Employees are irregularly educated that in the event of emergency hazards, they can handle the situation according to the emergency response management measures. To ensure personal safety, they should immediately put down the work at hand and retreat to a safe location.

Fire Protection and Emergency Response

Management (GRI 403-5)

The Company conducts regular response training and drills, including regular fire drills, for hazards that may cause significant operational risks to reduce the risk of business interruption.

In 2017, the Taoyuan Plant underwent a comprehensive inspection by the Third Brigade of the Taoyuan City Fire Department, which re-examined the types and quantities of regulated public hazardous materials in the plant. It was reported to the competent authority and approved as a legal site for use and storage. Drills and advocacy are conducted semi-annually in coordination with the Caota Squad of the Guanyin Industrial Park. In 2025, routine drills were held in the first and second halves of the year. Members of the Caota Fire Brigade joined the drill activities and provided guidance. All participating colleagues benefited greatly, and a nighttime drill was conducted in the second half of the year.

The hydrogen fluoride chemical used in the silicon carbide process at the Taoyuan Plant is one of the concerned chemical substances, and its usage has reached the operational volume stipulated by regulations, requiring annual emergency response drill training. In 2025, an emergency response drill for clearance and transportation was conducted with contractors to achieve mutually supportive response measures in the event of a chemical leak within the plant.

The Guangzhou Plant revised and filed the [Production Safety Accident Emergency Plan] in accordance with the latest regulations, regularly conducting accident emergency rescue training or drills, such as initial fire extinguishing drills, practical training on fire extinguishing/rescue equipment, confined space accident emergency rescue, and professional first aid training, to mitigate the risk of business interruption.

Nighttime fire extinguishing drill



Nighttime personnel evacuation drill



Gear-donning practice



Preparation of absorbent pads and leak stoppage



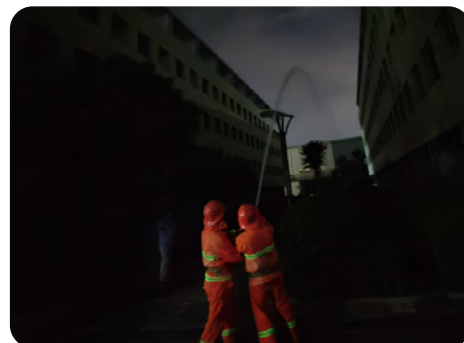
On April 17, 2025, an on-site emergency response drill for an object striking accident was conducted.



On October 16, 2025, an emergency response drill for a chemical leak and a confined space poisoning/suffocation accident was conducted.



On June 26, 2025, a nighttime evacuation and escape, along with an on-site emergency response drill for an initial fire accident, were conducted.



On December 19, 2025, a comprehensive emergency response drill for falling from heights and frostbite accidents was conducted.



On December 30, 2025, an initial fire emergency response and evacuation escape drill was conducted.



Based on the filed "Enterprise Sudden Environmental Incident Emergency Plan", "Production and Business Operation Unit Production Safety Accident Emergency Plan", "Hazardous Chemicals Safety Evaluation Report", and "Occupational Disease Hazard Status Evaluation Report", the Kunshan Plant regularly conducts special equipment emergency drills, emergency rescue drills, environment-related emergency rescue drills, and other training.

On June 19, 2025, a high-temperature heatstroke drill was conducted.



Kunshan Plant's first half of the year fire drill on May 26, 2025 Second half of the year fire drill on December 5, 2025



On December 9, 2025, a chemical (waste oil) leak drill was conducted.



Malaysia Plant fire emergency evacuation drill



EHS Education and Training (GRI 403-5)

EHS education, training, and advocacy are the foundations for enhancing employee safety awareness. The Company conducts various on-the-job training programs based on job requirements to elevate personnel's safety awareness and concepts. The 2025 EHS education and training statistical data are shown in the table below, with a total of 14,566 trainees (person-times) and 38,834 training hours.

ACME 2025 EHS Education and Training Statistics

Training Category	Taoyuan Plant		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours
Safety Officer Certification Recertification			1	12	1	16		
Safety Administrator Certification Recertification			7	84	8	128		
Explosive Precursor Certificate Acquisition Training					1	72		
Explosive Precursor Certificate Recertification					6	264		
Internally Organized Safety Training	572	1,715	6,063	11,707	7,660	23,745	170	591
Occupational Health Administrator Certification			2	24	2	36		
Occupational Health Responsible Person Certification			1	12				
Occupational Safety and Health Administrator	1	5						
Occupational Safety and Health Operations Supervisor	1	13						
Hazardous Operation Supervisor (Organic, Special Chemicals, Dust, Lead, Hypoxia Operations) Education and Training	13	78						
First Aid Personnel Training	4	12					3	14
Overhead Crane Operator Training	2	8						
Forklift Operator	21	120			4	48	12	14
Hazardous Chemicals Administrator New Training					2	32		

Training Category	Taoyuan Plant		Kunshan Plant		Guangzhou Plant		Malaysia Plant	
	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours	Trainees (Person-times)	Hours
Hazardous Chemicals Administrator Recertification					3	48		
Low Voltage Electrician Recertification					3	6		
High Voltage Electrician Recertification					2	20		
Welder Certification Recertification					1	10		
Hazardous Chemicals Administrator Recertification	-	-	-	-	3	48		
Low Voltage Electrician Recertification					3	6		
High Voltage Electrician Recertification					2	20		
Welder Certification Recertification					1	10		

* Note 1: Internally organized safety training is calculated by person-times; others are calculated by the number of people.

* Note 2: EHS education and training at the Malaysia Plant complies with legal requirements, and the quantification of statistical data will begin in 2025.



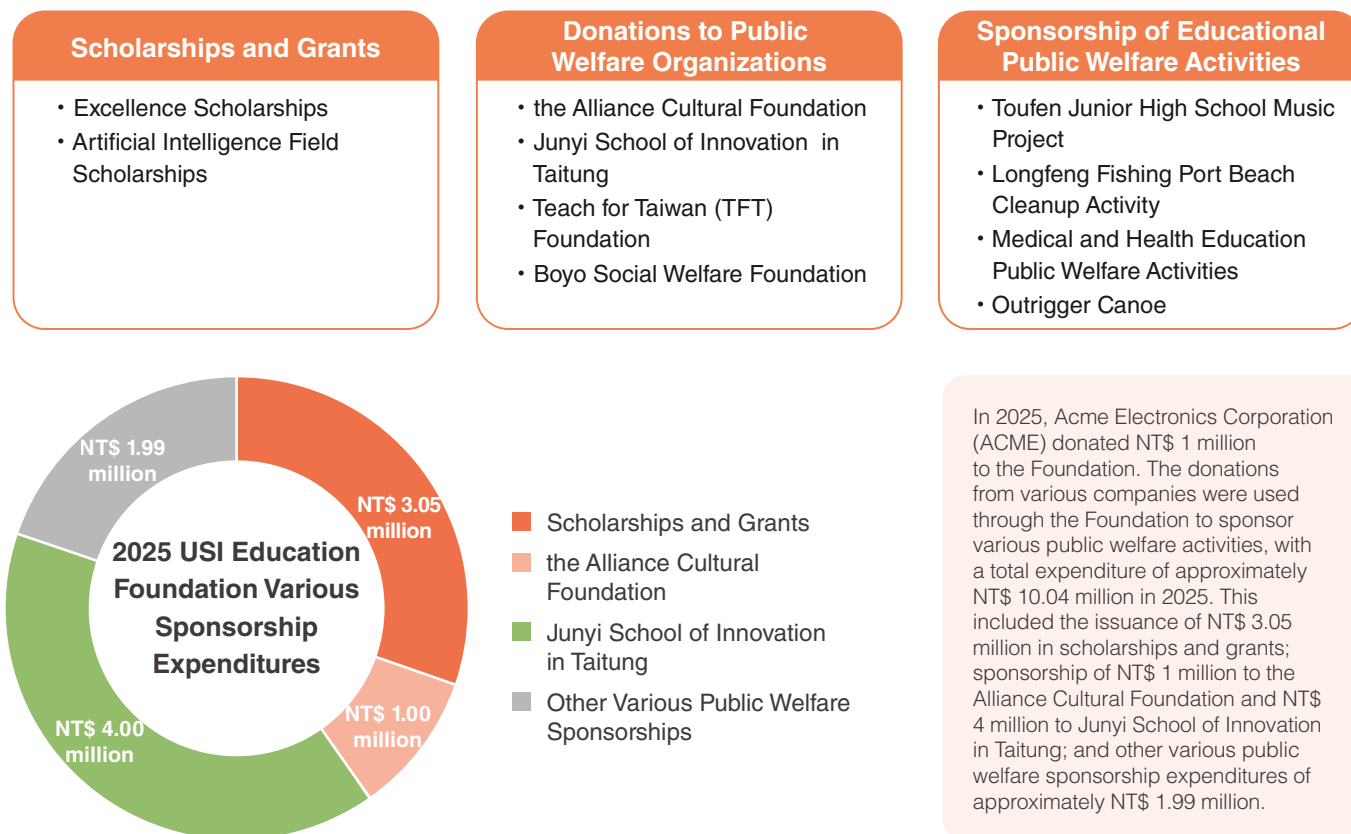
4.4 Social Participation

| USI Education Foundation

The USI Education Foundation (hereinafter referred to as the Foundation) was jointly endowed and established by USI Corporation (USI) and Asia Polymer Corporation (APC) on December 30, 2011, and officially commenced operations in 2012. Its purpose is to engage in educational public welfare undertakings, with a main focus on the disadvantaged, rural areas, and environmental and ecological care. Through establishing scholarships and grants, donating to public welfare organizations, and sponsoring educational public welfare activities, it strengthens service capacity and enhances service effectiveness.

To further expand the scale of public welfare, China General Plastics Corporation (CGPC) and Taiwan VCM Corporation (TVCM) joined the sponsorship ranks in 2017. Taita Chemical Company, Limited (TTC) in 2018 and Acme Electronics Corporation (ACME) in 2025 also participated in supporting it, allowing the USI Education Foundation to invest more resources in cultivating chemical industry talents, rural education, and environmental sustainability public welfare undertakings, to give back to society.

Major Sponsorship Items



Excellence Scholarships

Scholarships are provided for outstanding students in chemical engineering, materials, chemistry, and applied chemistry-related departments at 16 domestic public and private universities to apply, in order to promote education and talent cultivation in related fields, encourage university and graduate students in relevant departments to study hard, and cultivate excellent industrial talents for society. This year marks the 14th year since the establishment of the scholarship, with a cumulative issuance of NT\$ 26 million and over 360 students receiving awards.

A total of NT\$ 3 million was awarded in 2025, granted to 30 students across 18 departments at 12 public and private universities, including 5 doctoral students, 12 master's students, and 13 undergraduate students. To encourage the award-winning students, a scholarship award ceremony and recognition luncheon was held at the Taipei Marriott Hotel on December 5, 2025, and Group executives were invited to participate and interact with the students. During the ceremony, R&D Director Liu Han-Tai not only introduced the USI Group's R&D achievements and the gold-level green building R&D center currently under construction at the Group's "New Taipei International AI+ Smart Park" in Linkou, but also extended sincere blessings to the award-winning students, encouraging them to continue their hard work in the academic and research fields, and to continue to shine brightly on their future academic and life paths with a solid theoretical foundation, innovative research perspectives, and unrelenting spirit of exploration.



2025 Scholarship Award Ceremony and Recognition Luncheon

Artificial Intelligence Field Scholarships

To encourage outstanding domestic graduate students to participate in research and development applications in various fields of artificial intelligence (hereinafter referred to as AI), reduce the industry-academia gap, and cultivate chemical industry talents with expertise in the AI field, the Foundation has specially established this scholarship. It rewards master's and doctoral students whose research topics focus on smart production systems, chemical process control, and AI applications aimed at saving energy and costs, reducing maintenance or failure frequencies, and increasing efficiency. This scholarship started a five-year trial in 2022. Award-winning students receive a grant of NT\$ 50,000 per semester and, subject to regular review, can be continuously granted for a maximum of four semesters. Cumulatively, 6 students have received awards.

the Alliance Cultural Foundation and Junyi School of Innovation in Taitung

To invest more resources in rural education and the sustainable development of Hualien and Taitung, the Alliance Cultural Foundation and Junyi School of Innovation in Taitung have been the main sponsorship targets of our Foundation for a long time. Over the past fifteen years, the Alliance Cultural Foundation has continuously shaped the blueprint for the sustainable development of Hualien and Taitung through three core directions: "Education, Placemaking, and Arts and Culture." In 2025, Junyi School of Innovation once again achieved the highest rating in the Ministry of Education's experimental education evaluation. Students not only challenge themselves inside and outside the classroom but also bravely step into the world through interdisciplinary courses and international exchange programs. In terms of vocational education, the Alliance Cultural Foundation continues to connect Shin Yeh Dining and Chengkung Commercial and Maritime School for a cooperative Japanese cuisine special class, and facilitated the commencement of Western cuisine courses at Kung Tung Technical High School by faculty from the National Kaohsiung University of Hospitality and Tourism, opening up broader future possibilities for rural youths.

In terms of placemaking, the "Island Life" alliance established in 2022 has officially become an association, coalescing the strength of returning youths and local actors to become an important platform for promoting community self-reliance and sustainability. At the same time, "My Nature Farm" is also about to collaborate with the Taiwan Regional Revitalization Foundation, committing to empowering youths in Hualien and Taitung, integrating agriculture, hospitality, aesthetics, and healthy living to respond to human needs for sustainable living and physical and mental health.

The "Paul Chiang Art Center," officially opened on March 15, 2025, attracted nearly 60,000 visitors in just half a year and is expected to become an important window for Hualien and Taitung to step onto the international arts and culture stage. The establishment of the center not only symbolizes the integration of art and nature but also represents an opportunity for Taiwan's civilizational profoundness to be seen by the world. We look forward to it continuing to attract more international artists and travelers, bringing new cultural dialogues and inspirations to Hualien and Taitung.



Adventure Education - Water



Art Festival and Thanksgiving Banquet

Toufen Junior High School Music Project

The Foundation integrated the Harvest365 Music Project of the Harvest365 Foundation and collaborated with Toufen Junior High School in Miaoli County to establish the Toufen Junior High School Music Education Special Project in September 2021. Through professional choir teachers trained by Harvest365, collaborating with Toufen Junior High School music teachers, they instruct the Harmonie Choir composed of 7th, 8th, and 9th graders. In addition to regular club time, they also utilize after-school hours for practice. We hope to accompany students in their growth through the vocal arts, and by participating in the stage performances at the annual Harvest365 Music Festival, to stimulate their learning motivation and build self-confidence.

In the past, students moving up to the 9th grade would mostly prioritize further education and withdraw from the club. This year, however, 15 students chose to stay with the support and signed consent forms from their parents, continuing their journey with singing. There are also 15 new students joining this year, bringing the choir's numbers officially past 50, making the overall sound more resonant and powerful!



Toufen Junior High School Harmonie Choir

Longfeng Fishing Port Beach Cleanup Activity

Since 2017, China General Plastics Corporation (CGPC) has coordinated with the marine environment policy of the Environmental Protection Bureau of Miaoli County to adopt 500 meters of the Longfeng Fishing Port beach in Zhunan Township. It hopes that through beach cleanup activities, participating colleagues can deeply experience the long-term burden caused by "single-use consumption" on the Earth while personally picking up discarded fishing nets, styrofoam, and plastic waste, thereby starting to think about plastic reduction in daily life, achieving a conceptual shift from "beach cleanup" to a "plastic-reducing lifestyle," further reducing the use of single-use plastic products, effectively carrying out waste sorting and recycling, protecting the ecology, and returning a home to marine life.

This year, CGPC similarly joined hands with the TTC Toufen Plant to jointly hold a beach cleanup activity on September 20, 2025, to maintain the cleanliness of the marine environment. This year's beach cleanup activity was led by CGPC General Manager Hu Chi-Hung, with over 220 colleagues from CGPC and the TTC Toufen Plant actively participating, joining hearts to protect our beaches and oceans.



Beach Cleanup

Boyo Social Welfare Foundation

The Boyo Social Welfare Foundation was established in 2002 and led by President Lee Chia-Tung. Upholding the philosophy that "poor children cannot be allowed to fall into perpetual poverty," it has long provided free after-school tutoring and free remedial learning materials for disadvantaged children in rural areas, aiming to enable disadvantaged rural children to break free from hereditary poverty through education. Through the two major service methods of social work and education, it provides "care and counseling." Social workers try to untie the physical and mental bounds of the children, and teachers help children understand questions they don't know, with everyone working hard together. This is also an important reason for the success of Boyo's tutoring.

Over the more than 20 years since Boyo's establishment, it has invested massive manpower and resources annually in course design, R&D of remedial materials, and training of community parents. Currently, there are 17 tutoring service sites serving nearly 2,600 students. It hopes that as the children grow up, they can rely on their own strength for "self-reliant poverty alleviation," possess the ability to choose their careers and lifestyle models, no longer fall into the cycle of poverty, and achieve the vision of "letting knowledge bring hope home."

Teach for Taiwan (TFT) Foundation

The Teach for Taiwan (TFT) Foundation was established in 2013 as a non-profit organization dedicated to solving "educational inequality," hoping to create equal educational opportunities for every child. By training outstanding youths to travel to rural areas and "high-need areas" where the proportion of junior high school educational exam scores failing to meet basic academic capabilities is high, teaching for at least two years, it resolves the long-standing difficulties of difficult teacher recruitment and frequent turnover faced by rural elementary schools. The areas currently covered include Miaoli, Hualien, Nantou, Yunlin, Changhua, Chiayi, Tainan, and Pingtung.

From the first TFT program to the present, TFT has trained over 290 teachers and impacted over 7,000 children. Nearly 70% of the students possess the basic academic capabilities for their grade. In addition to basic academic capabilities, the high-quality teaching environment and teaching quality created by TFT program members have also enabled nearly 70% of students to have good "non-cognitive abilities (such as self-management and efficacy, grit, emotional management, and other capabilities)." It assists children in possessing multi-faceted capabilities beyond academic subject abilities to create changes for their own futures.



Teaching Scene

Medical and Health Education Public Welfare Activities

Although National Health Insurance is already quite convenient, people do not have to worry about medical expenses when seeking medical treatment, and the health insurance ensures that people can obtain complete medical care and seek medical treatment with peace of mind. However, the humanistic care services brought to rural areas by student medical service teams are the core value of medical education and medical practitioners. In addition to providing the medical resources and knowledge lacking locally, and giving people spiritual care and companionship; more importantly, medical personnel guide medical school student team members to integrate what they have learned in the classroom, and to find a sense of mission from the pure service process devoid of commercial interests.

To encourage various medical universities to organize medical service teams to deeply penetrate rural areas lacking medical resources to promote public welfare activities such as medical services, health education advocacy, and free clinics for local residents, the Foundation sponsored part of the activity funds for 4 medical and health education public welfare camps in 2025.The number of participating members in the 4 camps exceeded 500, and the number of people served exceeded 2,100.

School	Club	Location	Number of Participants	Number of People Served
Taipei Medical University	Social Medical Service Team 1	Taimali and Jinfeng Townships, Taitung	110	250+
	Green Cross Medical Service Team	Sihu Township, Yunlin	120	400+
	Feng-Hsing Medical Youth Service Team	Penghu	220	1,000+
	Xing-Qing Counseling Social Medical Service Team	Beinan and Jinfeng Townships, Taitung	55	500+



Taipei Medical University Green Cross Medical Service Team - Free Clinic



Taipei Medical University Xing-Qing Counseling Social Medical and Cultural Arts Service Team - Taiping Village Free Clinic



Taipei Medical University Feng-Hsing Social Medical and Medical Knowledge Promotion Service Team - Waipo Free Clinic

Outrigger Canoe

The Austronesian Outrigger Canoe Navigation Association of Taitung County is dedicated to reviving marine culture and awakening Taiwanese people's recognition of Taiwan's status as the homeland of the Austronesian language family. Through the outrigger canoe, a sport carrying strong characteristics of the Pacific Austronesian language family, Taiwan's indigenous peoples are also able to rediscover their own cultural roots. Through participation in international competitions, cultural and educational promotion and exchange, and local cultivation, the outrigger canoe has become a key bridge connecting Taiwan with global Austronesian culture, allowing the world to see Taiwan's core position in Austronesian history, and successfully transforming the recognition of "Taiwan as the homeland of the Austronesian language family" from academic research into daily life practice.

Based at Flowing Lake in Taitung, the Association established the first outrigger canoe training center in eastern Taiwan, training over 50 students monthly, thereby transforming marine culture from competitive sports into daily life practice. Through regularly held activities such as the Christmas Cup Friendship Match and the Green Island Crossing Challenge, it attracts participation from tribes like Taromak, Zhiben, Luye, and Dulan, forming a cross-tribal marine culture exchange network.

The Association has further collaborated with Junyi School of Innovation to offer the "Introduction to Outrigger Canoe" course, incorporating marine culture education into the educational system. Through the shipbuilding project from the forest to the ocean, students personally experience the complete cultural context from material selection and shipbuilding to navigation, understanding the ancestors' sustainable wisdom of "one tree becoming one boat." This is not only a transmission of techniques but also a process of rebuilding cultural identity.



KITA Cup Boathouse Unboxing

Upholding the spirit of "taking from society and giving back to society," the company continuously interacts with local communities and organizations to maintain friendly relationships, participates in various activities such as blood donation, and continues to realize the USI Group's vision of "Creating Sustainable Value, Gathering a Sustainable Society."

As blood banks across Taiwan face shortages, the Neihsu Technology Park Development Association initiated the "12th and 13th Neihsu Tech Park Thousand-Person Blood Donation Activity". As a co-organizer, USI Group saw 38 participants donating 59 bags of blood in the 12th event in February 2025, and 51 participants donating 66 bags in the 13th event in August 2025.



In addition, our company gives back to the neighborhood by participating in the "2025 Vitality and Health Walk for Guanyin District, Taoyuan City" organized by the Guanyin District Air Pollution Prevention and Disaster Prevention Patrol Association, where our factory is located. We sponsored NT\$10,000 and participated enthusiastically, contributing to the community.



To encourage the spirit of dedication among employees, the Guangzhou Plant annually responds to World Blood Donor Day by holding employee blood donation activities, showing compassion, and giving back to society.



Kunshan Plant 2025 Zhoushi Workers Orienteering Activity

In response to the call of the Zhoushi municipal government to enrich the spare-time cultural lives of workers and temper their willpower for teamwork, our company actively organized an employee representative team to participate in this orienteering activity.



The MIS team of the Malaysia Plant participated in an e-waste recycling activity organized by Tenaga Nasional Berhad.



5

Appendix

5.1	GRI Standards Content Index	125
5.2	SASB	128
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5.4	Sustainability Disclosure Indicators - Electronic Parts and Components Industry	131
5.5	Execution Status of Climate- Related Information	132
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5.7	Glossary of Terms	136





5.1 GRI Standards Content Index Table

Statement of Use	Acme Electronics Corporation (ACME) has reported the information cited in this GRI content index for the period from January 1, 2025, to December 31, 2025, with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

2021GRI 2: General Disclosures 2021					
	Category		Disclosure Item	Page	Notes
The organization and its reporting practices	2-1	Organizational details	1.2.1 ACME Profile	12	
	2-2	Entities included in the organization's sustainability reporting	About this Report 1.2.3 Profile of Affiliates	14	
	2-3	Reporting period, frequency and contact point	About this Report	03	
	2-4	Restatements of information	About this Report	03	Restatements of information for 2023 and 2024
	2-5	External assurance	About this Report 5.3 External Assurance Statement	129	
Activities and workers	2-6	Activities, value chain and other business relationships	1.2.2 Our Value Chain 2.4.2 Supply Chain Management	12 51	No significant changes
	2-7	Employees	4.1 Talent Attraction and Retention	87	
	2-8	Workers who are not employees	4.3 Occupational Safety and Health	107	
Governance	2-9	Governance structure and composition	2.2.1 Governance Structure 2.2.2 Composition and Operation of the Board of Directors	32 33-37	
	2-10	Nomination and selection of the highest governance body	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-11	Chair of the highest governance body	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-13	Delegation of responsibility for managing impacts	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-14	Role of the highest governance body in sustainability reporting	1.1.2 Sustainable Development Committee	9	
	2-15	Conflicts of interest	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-16	Communication of critical concerns	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-17	Collective knowledge of the highest governance body	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-18	Evaluation of the performance of the highest governance body	2.2.2 Composition and Operation of the Board of Directors	33-37	

2021GRI 2: General Disclosures 2021					
	Category		Disclosure Item	Page	Notes
Governance	2-19	Remuneration policies	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-20	Process to determine remuneration	2.2.2 Composition and Operation of the Board of Directors	33-37	
	2-21	Annual total compensation ratio	2.2.2 Composition and Operation of the Board of Directors	33-37	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Message from Management 1.1.1 Sustainability Vision and Business Strategy	7-8	
	2-23	Policy commitments	1.1.1 Sustainability Vision and Business Strategy 3.2.1 Climate Change 4.1 Talent Attraction and Retention	7-8 67 87	
	2-24	Embedding policy commitments	1.5 The United Nations Sustainable Development Goals (SDGs) 3.2.1 Climate Change 4.1 Talent Attraction and Retention	26 67 87	
	2-25	Processes to remediate negative impacts	2.2.3 Risk Management and Internal Control	38-42	
	2-26	Mechanisms for seeking advice and raising concerns	1.3 Stakeholder Engagement 2.2.3 Risk Management and Internal Control	15-18 38-42	
	2-27	Compliance with laws and regulations	2.2.3 Risk Management and Internal Control	38-42	
	2-28	Membership associations	2.5 Customer Service and Product Quality	53-57	
	2-29	Approach to stakeholder engagement	1.3 Stakeholder Engagement	15-18	
Stakeholder engagement	2-30	Collective bargaining agreements	4.1 Talent Attraction and Retention	87	Because the company maintains good communication with employees continuously through the union and labor-management meetings, no special collective bargaining agreement has been formulated between both parties.
Management Policy	3-1	Process to determine material topics	1.4.1 Identify Material Issues	19-22	
	3-2	List of material topics	1.4.1 Identify Material Issues 1.4.2 Impact Boundaries of Material Issues 1.4.3 Management Policy for Material Issues	19-25	
	3-3	Management of material topics	1.4.3 Management Policy for Material Issues	24-25	



Topic-Specific Standards Disclosures						
Material Topic	Management Policy and Disclosure Item			Report Chapter	Page	Notes
Category: Governance						
Economic Performance	GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.1 Economic Performance	29-31	
		201-2	Financial implications and other risks and opportunities due to climate change	3.2.1 Climate Change	67-72	
		201-3	Defined benefit plan obligations and other retirement plans	4.1 Talent Attraction and Retention	100	
		201-4	Financial assistance received from government	2.1 Economic Performance	31	
Category: Environment						
Materials Management	GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.1.1 Raw Material Input and Circulation	61-62	
		301-2	Recycled input materials used	3.1.1 Raw Material Input and Circulation	61-62	
Materials Management	GRI 301: Materials 2016	301-3	Reclaimed products and their packaging materials	3.1.1 Raw Material Input and Circulation	62	
Climate Change and Energy Management	GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2.2 Energy Management	77-79	
		302-2	Energy consumption within the organization	Unable to obtain energy consumption information outside of the organization	-	Information unavailable/incomplete
		302-3	Energy intensity	3.2.2 Energy Management	77-79	
		302-4	Reduction of energy consumption	3.2.2 Energy Management	77-79	
		302-5	Reductions in energy requirements of products and services	The company's products are raw materials for electronic components, and there is no direct relationship with the energy consumption status of downstream customers' products.		Not applicable
Climate Change and Energy Management	GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2.3 Greenhouse Gas Management	80	
		305-2	Energy indirect (Scope 2) GHG emissions	3.2.3 Greenhouse Gas Management	80	
		305-3	Other indirect (Scope 3) GHG emissions	3.2.3 Greenhouse Gas Management	80	
		305-4	GHG emissions intensity	3.2.3 Greenhouse Gas Management	80	

Topic-Specific Standards Disclosures						
Material Topic	Management Policy and Disclosure Item			Report Chapter	Page	Notes
Climate Change and Energy Management	GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	3.2.3 Greenhouse Gas Management 3.2.4 Implementing Energy Conservation and Carbon Reduction	80	
Air Pollution Control	GRI 305: Emissions 2016	305-6	Emissions of ozone-depleting substances (ODS)	No emissions of ozone-depleting substances	-	Not applicable
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3 Air Pollution Control and Management	83-85	
Materials Management	GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.1.3 Waste Reduction and Reuse	64	
Materials Management	GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	3.1.3 Waste Reduction and Reuse	64	
		306-3	Waste generated	3.1.3 Waste Reduction and Reuse	64	
		306-4	Waste diverted from disposal	3.1.3 Waste Reduction and Reuse	64	
		306-5	Waste directed to disposal	3.1.3 Waste Reduction and Reuse	64	
Sustainable Supply Chain Management	GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.4.2 Supply Chain Management	51	
		308-2	Negative environmental impacts in the supply chain and actions taken	-		Information unavailable/incomplete
Category: Society						
Talent Attraction and Retention	GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.1 Talent Attraction and Retention	90-92	
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1 Talent Attraction and Retention	96-98	
		401-3	Parental leave	4.1 Talent Attraction and Retention	99	



Topic-Specific Standards Disclosures					
Material Topic	Management Policy and Disclosure Item		Report Chapter	Page	Notes
Talent Attraction and Retention	GRI 401: Employment 2016	405-1	Diversity of governance bodies and employees	2.2.2 Composition and Operation of the Board of Directors 4.1 Talent Attraction and Retention	32 99
		405-2	Ratio of basic salary and remuneration of women to men	4.1 Talent Attraction and Retention	94
	GRI 403 : Occupational Health and Safety 2018	403-1	Occupational health and safety management system	4.3 Occupational Safety and Health	108
		403-2	Hazard identification, risk assessment, and incident investigation	4.3 Occupational Safety and Health	108
		403-3	Occupational health services	4.3 Occupational Safety and Health	109-112
		403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Occupational Safety and Health	113
Occupational Safety and Health	GRI 403: Occupational Health and Safety 2018	403-5	Worker training on occupational health and safety	4.3 Occupational Safety and Health	118
		403-6	Promotion of worker health	4.3 Occupational Safety and Health	109-112
		403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Occupational Safety and Health	113
		403-8	Workers covered by an occupational health and safety management system	4.3 Occupational Safety and Health	108
		403-9	Work-related injuries	4.3 Occupational Safety and Health	113
		403-10	Work-related ill health	4.3 Occupational Safety and Health	113

Topic-Specific Standards Disclosures					
Material Topic	Management Policy and Disclosure Item		Report Chapter	Page	Notes
Talent Cultivation and Development	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Talent Cultivation and Development	103-105
		404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Talent Cultivation and Development	103
		404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Talent Cultivation and Development	106
Sustainable Supply Chain Management	GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.4.2 Supply Chain Management	51-52
		414-2	Negative social impacts in the supply chain and actions taken	-	- Information unavailable/incomplete

Custom Material Topic Disclosures						
Material Topic	Management Policy and Disclosure Item			Report Chapter	Page	Notes
Technology R&D	ACME 201: Innovation and R&D 2023	ACME 201-1	Products and Innovation R&D	2.3 Products and Innovation R&D	46-48	
Product Quality	ACME 202: Product Quality 2023	ACME 202-1	Quality management of produced products	2.5 Customer Service and Product Quality	56-57	
Customer Relationship Management	ACME 203: Customer Relationship Management 2023	ACME 203-1	Customer relationship management	2.5 Customer Service and Product Quality	53-55	

5.2 SASB Sustainability Disclosure Topics and Metrics

Topic	Metric	Category	Unit of Measure	Code	2025 Performance
Energy Management	(1) Total energy consumed (2) Percentage of grid electricity (3) Percentage of regeneration	Quantitative	(1)GJ (2)% (3)%	RT-EE-130a.1	3.2.2 Energy Management (1) 457,470.48 GJ (2) 80.55% (3) 15.80%
Hazardous Waste Management	(1) Amount of hazardous waste generated (2) Percentage recycled	Quantitative	(1) Metric tons (t) (2)%	RT-EE-150a.1	3.1.3 Waste Reduction & Reuse 146.25 metric tons, 85.73%
	(1) Number of reportable spills (2) Total weight (3) Total recovery	Quantitative	Number Kilograms (kg)	RT-EE-150a.2	No waste spill incident.
Product Safety	(1) Number of recalls issued (2) Total units recalled	Quantitative	Number NTD	RT-EE-250a.1	No product recall incident.
	Total amount of monetary losses as a result of legal proceedings associated with product safety	Quantitative		RT-EE-250a.2	No product safety lawsuit incident.
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Percentage of revenue (%)	RT-EE-410a.1	The Company formulated environmental related substances policies and management regulations in accordance with IEC 62474.
	Percentage of eligible products by revenue certified to energy efficiency standards	Quantitative	Percentage of revenue (%)	RT-EE-410a.2	Not applicable to the Company's products.
	Revenue from products associated with renewable energy and energy efficiency	Quantitative	NTD	RT-EE-410a.3	The Company's silicon carbide products are energy-saving related products, and the revenue of this product in 2025 was NT\$416,171 thousand.
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion & Analysis	Not applicable	RT-EE-440a.1	2.4.1 Procurement Strategy
Business Ethics	Description of policies and practices for prevention of (1) corruption and bribery and (2) anti-competitive behavior	Discussion & Analysis	Not applicable	RT-EE-510a.1	2.2.3 Risk Management and Internal Control
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	NTD	RT-EE-510a.2	No related incidents and losses.
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	NTD	RT-EE-510a.3	No related incidents and losses.
Activity Metrics	Number of units produced, by product category	Quantitative	Number	RT-EE-000.A	1.2.1 ACME Profile Magnetic Powder: 1,000 metric tons Magnetic Core: 1,450 metric tons Silicon Carbide Powder: 25 metric tons
	Number of employees	Quantitative	Number	RT-EE-000.B	4.1 Talent Attraction and Retention 1,850 persons

5.3 Independent Assurance Statement



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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

ACME Electronics Corporation

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of ACME Electronics Corporation ("the Company") for the year ended December 31, 2025.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI) and SASB Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement resulted from fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with Standard on Assurance Engagement 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the Republic of China to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, and observation to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the limited assurance report is Chang, Cheng-Hsiu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 4, 2026

Notice to Readers

For the convenience of readers, the independent auditors' limited assurance report and the accompanying summary of subject matter information have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report and summary of subject matter information shall prevail.

SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria	Disclosures
1.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2025, the total energy consumption was 457,470.48 GJ, percentage of energy consumption from grid was 80.55%, percentage of renewable energy use was 15.80%, and energy generated in-house was 21,205.53 GJ.	3.2.2 Energy Management	Total energy consumption, percentage of energy consumption from grid, percentage of renewable energy use, and energy generated in-house	SASB RT-EE-130a.1 RT-CH-130a.1 Energy management
2.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2025, total water withdrawn was 440.04 thousand m ³ , and the percentage in regions with high or extremely high baseline water stress was 0%. Taoyuan Plant, Kunshan Plant, and Guangzhou Plant: In 2025, total water consumption was 169.95 thousand m ³ , and the percentage in regions with high or extremely high baseline water stress was 0%.	3.1.2 Water Resources Management	Total water withdrawn, percentage in regions with high or extremely high baseline water stress, and total water consumption, percentage in regions with high or extremely high baseline water stress.	SASB RT-CH-140a.1 Water management
3.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2025, total hazardous waste generated was 146.25 MT, and percentage recycled was 85.73%.	3.1.3 Waste Reduction and Recycling	Total hazardous waste generated, and percentage recycled	SASB RT-EE-150a.1 RT-CH-150a.1 Hazardous waste management
4.	Taoyuan Plant, Kunshan Plant, Guangzhou Plant, and Malaysia Plant: In 2025, total recordable incident rate (TRIR) was 11%, and fatality rate for direct employees and contract employees was 0%.	4.3 Occupational Safety and Health	Total recordable incident rate (TRIR) and fatality rate for direct employees and contract employees	SASB RT-CH-320a.1 Occupational health and safety
5.	Taoyuan Plant: In 2025, air emissions of the following pollutants, nitrogen oxides (NOx) excluding nitrous oxide (N ₂ O) 2.28 MT, volatile organic compounds (VOCs) 3.91 MT, sulfur oxides (SOx) and hazardous air pollutants (HAPs) were both 0 MT. Guangzhou Plant: In 2025, air emissions of the following pollutants, volatile organic compounds (VOCs) 2.91 MT, nitrogen oxides (NOx) excluding nitrous oxide (N ₂ O), sulfur oxides (SOx) and hazardous air pollutants (HAPs) were both 0 MT.	3.3 Air Pollution Control and Management	Nitrogen oxides (NOx) excluding nitrous oxide (N ₂ O), sulfur oxides (SOx), volatile organic compounds (VOCs) and hazardous air pollutants (HAPs).	SASB RT-CH-120a.1 Air quality

5.4 Sustainability Disclosure Indicators - Electronic Parts and Components Industry

No.	Metric	Metric Type	2025 Disclosure Status	Unit	Corresponding Section & Page
1	Total energy consumption, percentage of grid electricity, and renewable energy use rate	Quantitative	(1) 457,470.48 GJ (2) 80.55% (3) 15.80%	Gigajoules (GJ), (%)	3.2.2 Energy Management.
2	Total water withdrawal and total water consumption	Quantitative	Total water withdrawal: 440.04 thousand cubic meters (m³); Total water consumption: 169.95 thousand cubic meters m³)	Thousand cubic meters (m³)	3.1.2 Water Resources Management.
3	Weight of hazardous waste generated and recycling percentage	Quantitative	146.25 metric tons, 85.73%	Metric tons, (%)	3.1.3 Waste Reduction & Reuse.
4	Description of work-related injury categories, number of cases, and rates	Quantitative	Work-related injury categories in Guangzhou Plant and Malaysia Plant: laceration and fracture, with 2 persons and 1 person respectively, and rates of 0.15 and 0.17 respectively; Taoyuan Plant and Kunshan Plant had no such incidents; the consolidated occupational injury and illness rate for this year is 11%	Quantity, Rate (%)	4.3 Occupational Safety and Health.
5	Product life cycle management disclosures: including the weight of end-of-life products and e-waste, and recycling percentage	Quantitative	Not applicable to the Company's products.	Tons, (%)	-
6	Description of risk management associated with the use of critical materials	Qualitative Description	• Source diversification: There are 2 or more suppliers for each of the main raw materials, including iron oxide, manganese oxide, and zinc oxide. • Geographical diversification: Suppliers of the same raw material items are located in different countries. • Procurement strategy: Regularly analyze market dynamics and establish safety stock based on supplier locations, manufacturing processes, and other factors. • Friendly exchanges: Arrange regular and irregular technical exchanges and friendly visits with suppliers to strengthen bilateral cooperation.	Not applicable	2.4.1 Procurement Strategy.
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	0	NTD	No related incidents and losses.
8	Main product output by product category	Quantitative	• Magnetic powder: 1,000 metric tons; • Magnetic core: 1,450 metric tons	Tons	1.2.1 ACME Profile

5.5 Execution Status of Climate-related Information

No.	Item	Implementation Status
1	Describe the board of directors and management's oversight and governance of climate-related risks and opportunities	3.2.1 Climate Change / Climate Change Management Framework
2	Describe how identified climate risks and opportunities affect the enterprise's business, strategy, and finance (short, medium, long term)	3.2.1 Climate Change / Sustainability and Climate-Related Risks and Opportunities Reasonably Expected to Have an Impact
3	Describe the financial impacts of extreme climate events and transition actions.	3.2.1 Climate Change / Strategic Decisions and Financial Impacts of Sustainability and Climate-Related Risks and Opportunities
4	Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system	3.2.1 Climate Change / Climate Change Management Framework
5	If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used	3.2.1 Climate Change / Identification of Climate Risks and Opportunities
6	If there is a transition plan for managing climate-related risks, describe the content of the plan and the metrics and targets used to identify and manage physical risks and transition risks	3.2.1 Climate Change / Climate Change Risk Management 3.2 Climate Change and Energy Management / Energy Conservation and Carbon Reduction Targets and Effectiveness
7	If internal carbon pricing is used as a planning tool, describe the basis for setting the price.	3.2.1 Climate Change / Group Promotes Internal Carbon Pricing
8	If climate-related targets are set, describe the activities covered, GHG emission scopes, planned timeframe, and annual progress achieved; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the related targets, describe the source and quantity of the carbon offset credits or the number of RECs.	3.2.1 Climate Change / Climate Change Risk Management 3.2 Climate Change and Energy Management / Energy Conservation and Carbon Reduction Targets and Effectiveness
9	Greenhouse gas inventory and assurance status.	3.2.3 Greenhouse Gas Management / Greenhouse Gas Management

| Greenhouse Gas Inventory Information

1. The parent company as an individual entity shall initiate greenhouse gas inventory from 2026.
2. Subsidiaries included in the consolidated financial reports shall initiate greenhouse gas inventory from 2027.

The parent company as an individual entity has completed greenhouse gas inventory in accordance with the ISO 14064-1:2018 standard published by the International Organization for Standardization (ISO) since 2021 to monitor greenhouse gas emission status;the Company as an individual entity and its consolidated financial report subsidiaries have conducted regular annual inventories since 2024. Greenhouse gas inventory data for the most recent two fiscal years are based on the operational control approach, aggregating greenhouse gas emissions of the Company and all subsidiaries included in the consolidated financial reports, as described below:

Year	FY 2024 (113)		FY 2025 (114)	
The Company	Emissions (CO ₂ e)	Intensity(t CO ₂ e /NTD Million Revenue)	Emissions (CO ₂ e)	Intensity(t CO ₂ e /NTD Million Revenue)
Scope 1 (Direct GHG Emissions)	3,708.6867		2,963.2146	
Scope 2 (Indirect GHG Emissions)	7,902.2920		6,812.9872	
Subtotal	11,610.9787		9,776.202	
Consolidated Subsidiaries	Emissions (CO ₂ e)	Intensity(t CO ₂ e /NTD Million Revenue)	Emissions (CO ₂ e)	Intensity(t CO ₂ e /NTD Million Revenue)
Scope 1 (Direct GHG Emissions)	1,279.3494		1,237.2068	
Scope 2 (Indirect GHG Emissions)	43,469.4990		37,747.9783	
Subtotal	44,748.8484		38,985.1851	
Total	56,359.8271	18.6792	48,761.3869	15.8886

* Note:

1. Greenhouse gas inventory calculations for FY 2024 (113) adopted the ISO 14064-1:2018 standard; inventory calculations for FY 2025 adopted The Greenhouse Gas Protocol:2004.

2. In FY 2025 , if the carbon emissions of an inventory site account for less than 5% of the total emissions and there are no significant operational changes, the first-year (2023) emission data will be used for calculations.

3. The Guangzhou plant completed the procurement of 6,000 kWh of Renewable Energy Certificates (RECs) in November 2025 and finalized their retirement in March 2026. This timing difference resulted in a -7.1% variance between the self-inventoried data in the annual report and the assured data.

| Greenhouse Gas Assurance Information

1. The parent company as an individual entity shall initiate greenhouse gas assurance from 2028.
2. Subsidiaries included in the consolidated financial reports shall initiate greenhouse gas assurance from 2029.

The greenhouse gas assurance status of the Company and its consolidated financial report subsidiaries for the most recent two fiscal years is described below, [and obtained a third-party assurance report.](#)

Scope of Assurance		FY 2024 Emissions (tons/CO ₂ e)	FY 2025 Emissions (tons/CO ₂ e)
The Company	(Scope 1) Direct GHG Emissions	3,708.6867	2,963.2146
	(Scope 2) Indirect GHG Emissions	7,902.2920	6,812.9872
	Total	11,610.9787	9,776.202
	Percentage of the aforementioned disclosed inventory data	100%	100%
All Subsidiaries Included in the Consolidated Financial Reports	(Scope 1) Direct GHG Emissions	1,279.3494	1,237.2068
	(Scope 2) Indirect GHG Emissions	43,469.4990	37,747.9783
	Total	44,748.8484	38,985.1851
	Percentage of the aforementioned disclosed inventory data	100%	100%
Assurance Institution		Ernst & Young	Ernst & Young
Description of Assurance Status		Limited assurance under Assurance Standard No. 3410	Limited assurance under Assurance Standard No. 3410
Assurance Opinion / Conclusion		Unmodified conclusion	Unmodified conclusion

5.6 Climate-related Risks and Opportunities Disclosure Index Table

To strengthen climate risk management and align with international standards, the company references the IFRS S2 framework to systematically identify and disclose climate-related risks and opportunities, and evaluates their potential impacts on operations, strategy, and finance. The core disclosure elements cover "Governance", "Strategy", "Risk Management", and "Metrics and Targets", using the company as the reporting entity scope. These are summarized in the appendix table to facilitate stakeholders' understanding of the company's management actions and impact levels in response to climate change.

Aspect	Disclosure Content Description	Chapter	Page
Governance	The role of the governance body in overseeing climate-related risks and opportunities	3.2.1 Climate Change / Climate Change Management Framework	67
	The role of management in governing climate-related risks and opportunities	3.2.1 Climate Change / Climate Change Management Framework	67
Strategy	Climate-related risks and opportunities reasonably expected to affect the entity's prospects	3.2.1 Climate Change / Sustainability and Climate-Related Risks and Opportunities Reasonably Expected to Have an Impact	69
	Information on the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain	3.2.1 Climate Change / Sustainability and Climate-Related Risks and Opportunities Reasonably Expected to Have an Impact	69
	Information on the effects of climate-related risks and opportunities on the entity's strategy and decision-making	3.2.1 Climate Change / Strategic Decisions and Financial Impacts of Sustainability and Climate-Related Risks and Opportunities	71
	Effects of climate-related risks and opportunities on the entity's current and anticipated financial position, financial performance, and cash flows	3.2.1 Climate Change / Strategic Decisions and Financial Impacts of Sustainability and Climate-Related Risks and Opportunities	71
	Climate-related scenario analysis and assessment of climate resilience	3.2.1 Climate Change / Climate-related Risk Resilience Assessment	72
Risk Management	Processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities (including whether and how these processes are integrated into and affect the entity's overall risk management process)	3.2.1 Climate Change / Identification of Climate Risks and Opportunities	68
Metrics and Targets	Information relevant to cross-industry metric categories (climate-related metrics)	GHG emissions: 3.2.3 Greenhouse Gas Management / Greenhouse Gas Management	80
		Internal carbon pricing: 3.2.1 Climate Change / Group Promotes Internal Carbon Pricing	74
		Remuneration: 2.2 Corporate Governance / Remuneration Committee	36
	Information on industry-based metrics	5.2 SASB Electrical & Electronic Equipment Industry Index Table	128
	Disclosure of information on targets set for climate-related risks or opportunities (climate-related targets)	3.2 Climate Change and Energy Management / TCFD Climate Change Risk Management	67

5.7 Glossary of Terms

Specialized Term	Chinese/English Name
AlN	氮化鋁 Aluminum Nitride
CDP	碳揭露專案 Carbon Disclosure Project
CFSI	無衝突採購倡議組織 Conflict Free Sourcing Initiative
CIP	持續改善流程 Continuous Improvement Process
CMRT	衝突礦產調查表 Conflict Minerals Report Template
F.R.	失能傷害頻率 Frequency Rate of Disabling Injuries
Filter	濾波器 Filter
GHG	溫室氣體 Greenhouse Gas
GRI	全球報告倡議組織 Global Reporting Initiative
HSF	無有害物質 Hazardous Substances Free
IFRS	國際財務報導準則 International Financial Reporting Standards
Inductor	電感器 Inductor
MES	製造執行系統 Manufacturing Execution System
NNL	淨零損失 No Net Loss
NPI	淨正向影響 Net Positive Impact
OBC	車載充電器 On-Board Charger

Specialized Term	Chinese/English Name
ODR	職業病率 Occupational Diseases Rate
Passive Components	被動電子元件 Passive Components
RBA	責任商業聯盟行為準則 Responsible Business Alliance
REACH (SVHC)	歐盟化學品法規（高關注物質） Substances of Very High Concern
RoHS	有害物質限用指令 Restriction of Hazardous Substances Directive
S.R.	失能傷害嚴重率 Severity Rate of Disabling Injuries
SASB	永續會計準則委員會 Sustainability Accounting Standards Board
SDGs	聯合國永續發展目標 Sustainable Development Goals
SiC	碳化矽 Silicon Carbide
Six Sigma	六標準差 Six Sigma
TCFD	氣候相關財務揭露 Task Force on Climate-related Financial Disclosures
TNFD	自然相關財務揭露 Taskforce on Nature-related Financial Disclosure
TRIZ	萃智 Theory of Inventive Problem Solving
VOCs	揮發性有機物 Volatile Organic Compounds
XRF	X 射線螢光光譜分析 X-ray Fluorescence



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